

# Russia-Ukraine Crisis: Waning of the petrodollar System and its Financial Imperative for Nigeria

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**Abstract:** The creation of a petrodollar global-economy ushered in the rise of globalization. After this formation and going forward, apart from peripheral squabbles like terrorism and insurgency within states, it is believed that there will hardly be any serious wars between nations, because it is believed that nations have learnt their lessons and the incentive of a globe connected financially, will discourage wars. Obviously, this position is wrong. Russia has leverage on the fall-out of the surprised war with Ukraine to break-free from the petrodollar system. The Kremlin, China and some countries in Asia don't want the dollar to remain the central-currency anymore. A move considered an obnoxious-shift by the West. Consequently, nations must forcefully align behind the West or for the East while Ukraine is been reduced to ashes in the middle. Nigeria is the leading-economy in the 'Richest continent'. It becomes imperative that the nation sits-up and chart a productive-course for itself, so that other African nations can follow. The time to be non-align is gradually fading as most African nations are indebted financially both to the West and the East; therefore, will be in a serious dilemma amidst this dichotomy. The study historically exposes the short coming of Nigeria if it does not ceasing upon the current war to develop herself through financial-technology culminating in an African-based-payment-system (just like the University Transparent Accountability Payment System developed by the nation's Universities) so as to be able to sustain the African continent should it comes to the point when one of these blocks decides to be aggressive towards it. The study concluded that Nigeria can anchor a formidable payment system for the African-continent. It recommends that Nigeria should quickly bridge the commodity shortfalls from Russia and Ukraine through Local production, develop a homegrown continental-payment-system equaling the SWIFT or SPFS while law-makers should start drawing-up legislations to make the nation a globally connected but an independent State. This readiness should be treated with uttermost urgency for the sake of our self-survival.

**Keywords:** Alternative Payment Systems, Nigeria's Imperatives, Petrodollar System, Russia-Ukraine war, SWIFT

## I. INTRODUCTION

### *Background to the Study*

I don't think anyone envisaged a full-blown war in the 21<sup>st</sup> century among two developing nations, talk more of such a war occurring in Europe. The shock is palpable as one thinks that several global alignments like NATO, EU, BRICKS, AU and so on should discourage such possibilities. That was in yesterday's world. Two nations in Europe are engaged in a brutal war with nuclear reactors almost melting down already, yet the missiles are still pouring in. The world has graduated

from ideological war-fare, it has gone into a real war. We are back in the stone-age. At the centre of this war, is a sinister undertone of an ambitious quest to control the global financial system or at worst, to break the current one.

The war in Ukraine (or as some will put it, 'the invasion of Ukraine) is now common knowledge but the consequences of this war may be far reaching. The Ukraine War has led to thousands of sanctions against the Russian government, its citizens, businesses and against foreign nationals' resident in the country. This Russian aggression is seen as an affront by the West. Since time past, there has constantly been the ideologies of "the east" which was most often parallel to those of 'the west' (Wallander, 2003). This global geopolitical dichotomy has always created a balance at all fronts. As Haran, (1995) pointed out; to many, this balance between East and West created world stability, so that the world will not have an all-too-powerful nation. The old Guards of Russia and the United States of America are the dominant force in East and West respectively. These two nations have had a very long historical tie. Their constant battle for supremacy has often left the rest of the world bewildered. Just like most other global incidences, the battle raging-on in Ukraine has thrown the east against the west.

Historically, Soviet Union was a huge block which wielded so much powers in its hay days. According to Wallander (2003), through the interplay of political, economic policy by Gorbachev and western economic and financial politics towards the Soviet Union, the then USSR disintegrated into several states. Union of Soviet Socialist Republics (USSR) or Soviet Union used to be a socialist State which existed from 1922 till 1991 comprising fifteen (15) Socialist republics. According to Gros and Steinherr, (2004), the Soviet Union started in the 1917 Russian Revolution, in which the radical leftist revolutionaries, the Bolsheviks; deposed Czar Nicholas II and the centuries-old Romanov monarchy and a civil war ensued. Consequently, in 1922 a treaty among Russia, Belarus, Ukraine and Transcaucasia (today's Armenia, Azerbaijan, and Georgia) formed the Soviet Union. Countries of the Soviet Union (USSR) 1917 to 1991 were: Armenia, Azerbaijan, Belorussia (now Belarus) Estonia, Georgia, Kazakhstan, Kirgiziya (now Kyrgyzstan), Latvia, Lithuania, Moldavia (now Moldova) Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. In 1991, the Union, disintegrated and these nations became independent. This breakup did not go down

well with Russia, obviously the strongest nation in this former Alliance (Sargent, 2012).

Politically, the pioneer leader of USSR newly founded Communist party was Vladimir Lenin. He was a unifying leader. However, after his demise in 1924, Joseph Stalin ascended the helm of leadership and ruled for 29 years up until 1953. Stalin transformed USSR into an industrial and military superpower. Nevertheless, this status came at a cost to the Soviet Union's citizens, as Stalin ruled by terror, which left millions of people dead (Markevich and Zhuravskaya, 2011). The Soviets signed a non-aggression treaty with Nazi Germany in 1939 after failing to form an alliance with Western powers. Despite an attempt to stay neutral, the Soviets were pressed by Germany to invade and annex territories of several Eastern European states early in World War II. These states included Poland and the Baltic states. However, German leader Adolf Hitler soon broke the agreement and attacked Russia, driving the Soviets to side with the Allies. After Soviet forces captured Berlin and the Allies won the war in Europe in 1945, the territory overtaken by the Soviet forces became satellite states of the Eastern Bloc. The Eastern bloc, or Communist bloc, refers to the group of states in central and Eastern Europe, East Asia, and Southeast Asia that were under the control of the Soviet Union. The Eastern Bloc existed from 1947 to 1991 in opposition to the capitalist, U.S.-led Western Bloc. Therefore, the East was born; to always oppose the dominance of America and her allies in the West. (Pallot & Shaw, 1981)

According to Haran, (1995) once the USSR disintegrated, the west had this feeling that the arch-rival is broken, the cold war was over and the new Russian state will be a weak state. However, the Russia only withdrew to strategize. One of such strategy was to have a foreign policy called the 'near abroad' (Turner, 2022). Russia knew that any conflict in this region influences the domestic and foreign policies of Russia and will destabilize the situation in Eastern Europe and the results of such conflicts will provide new challenges for Western policy in the region. Consequently, Independent Ukraine, whose population is more than fifty million, has strategically become one of the main players in Eastern Europe. And once democracy thrives in Ukraine, the style of leadership in Moscow will be threatened. Furthermore, Ukrainian-Russian relations is crucial for the future of the Commonwealth of Independent States (CIS). Hence, the keen interest in Ukraine is increasing in Western capitals as well as in Russia. To Russia, the flourishing of democratic elections and by extension the system of democracy is a serious threat to it and an extension of western cultures and values coming home to roost and this was to close for comfort. The Kremlin will not allow such an existential threat to sprout and grow in its backyard.

#### *Statement of Problem*

It is generally believed that Ukraine has reasons of its own not to trust Russia. These same reasons have made most of the state which form the former Soviet Union to align with NATO

(the west). the fear that Russia will one day nurse the ambition of returning to its old USSR bloc. To most of these states, that is not a prospect they will ever contemplate. Therefore, they melted into the west using NATO as the conveyor. Of course, Russia knows that any NATO country is one beyond its reach of harnessing. Seizing upon such fears, Ukraine knew it has to join a powerful alliance to secure its freedom, knowing that its independence in 1991 from the old bloc is not enough to deter Russia not to show aggression towards it; as it has done in the past. Haran (1995), cited three instances where Ukraine felt they have been maligned by the Russians:

- i. Ukrainians in the Russian empire were prohibited from publishing any materials in their language
- ii. the 1933 famine, as we now know, was artificially created by Stalin and cost Ukrainians from 3 to 5 million lives (Stanislav, 1991)
- iii. Chernobyl nuclear disaster in 1986.

The underlying arguments was even more cynical to the Kremlin when in the past decade, Ukraine was nursing the ambition to join the European Union (EU) and also the North Atlantic Treaty Organisation (NATO). Ukraine have always discerned rightly that Russia may attack it one day especially as it tilts towards western lifestyle. Invariably, the only way to remain safe is to join an alliance that can protect it. Generally, according to Dimitri (1992), the policy of other new states in Eastern Europe joining NATO is sometimes viewed as threatening Russia's interests. The Russians sees the mere thought that Ukraine is nursing such a move as an existential threat. Frontally too, the Kremlin also viewed such a move as NATO/ Ukraine going against agreements which were reached and ratified which specifically forbade NATO not to expand East (Allen, 2001). It was clear to the Vladimir Putin led Russia that Ukraine will one day join a hostile military alliance once the nation can meet some thresholds set by NATO member states. Russia must act to stop its "nearest abroad" state not to threaten its existence. Therefore, as Ukraine was subtly posturing to join NATO, the Kremlin was posturing (not to defend itself) but to attack Ukraine; to destroy Ukraine. As far as Russia is concerned, it will not sit idle while the "West" is plotting the annihilation of the "East".

According to Rauch and Trindade (2002), the East has also grown in all aspects in the last five decades. Apart from the so-called Asian-Tiger nations that have done economically well for themselves, there is the Almighty China. Political commentators are now divided in opinion as to which nation is now actually the touch-bearer in the East. Is it China or Russia? However, such an academic question is only contemplated in the West, and these two Eastern super nations see such contemplation as a mind game played by the West to create friction between them. Wayne, (2019) asserted that China is now 2<sup>nd</sup> to the United States in virtually all indices in the world apart from military might which most nation still gives to Russia until the present Ukraine- Russia military standoff. China has the second largest economy in the world, 2<sup>nd</sup> in the space development, second most sophisticated

military. This nation flexes its muscles in economic and technological fronts with the USA. It is so active that many feels it will soon (if it has not already) overtaken Russia as the representative of the "East". For now, however, these two nations know they must work together to oppose any Western hegemony. To these two nations, the balance of power must be upheld in all fronts between the East and the West and the invasion of Ukraine is an acid test in many fronts but most especially on the economic front with the petrodollar system which seems to fuel the American might being the target by Russia and China (Rauch & Trindade, 2002). If the petrodollar system is grossly undermined by the influence of this war, how does a country like Nigeria whose fidelity is torn between the West and; of late, the East survive the consequence of having to align. It is against this backdrop that this study seeks to review the financial implication of a paradigm shift from the petrodollar world and its consequence on Nigeria

### *Objectives of the Study*

The Specific Objectives of the study are stated below:

- i. the implication of an alternative system of Financial Payment on the Strength of the US dollars
- ii. the impact of an alternative source of financial payment System on the Nigerian economy
- iii. Financial Technology exigencies on the Role of Nigeria in Africa after post-globalized World
- iv. Policy Preparedness of Nigeria financial Sector in the face of hostile foreign block/nation

### *Research Questions*

The paper seeks to answer some pertinent questions arising from the prevailing global economic shift as a consequence of Russian invasion of its neighbour Ukraine:

- i. In what way will the value of the global currency of choice (US Dollars) be affected by the merger of the Russia SPFS and the Chinese CIPS going forward?
- ii. How will the Nigerian economy be impacted if there arose an alternative financial system of payment developed by the Eastern bloc and her allies?
- iii. Can Nigeria quickly begin to develop a proprietary African financial system of payment in the face of the beginning of the end of globalisation?
- iv. Shouldn't Nigeria begin to develop buffer policies in preparedness of a regime of sanctions targeted against the country in taking a rigid stance on Ajaokuta Steel and Manbila Hydro-electric Project?

### *Methodology of the Study*

Using expository approach, the study captures the historical issues as they played out till the present times and how it could affect Nigeria's economy. The study adopted an expository approach because an expository writing is used to convey factual information, it is the study of learning and understanding the world around us and their consequences going forward, drawing strength from looking backwards.

## II. LITERATURE REVIEW

### *The Development of SWIFT*

SWIFT is an acronym for Society for Worldwide Inter-bank Financial Telecommunication. According to the London School of Economics (LSE, 2020), the need for a shared financial network began to achieve institutional form in the late 1960s. This was when the Société Financière Européenne (SFE, a consortium of six major banks based in Luxembourg and Paris) formulated a 'message-switching project. This was how SWIFT was born in 1973 with 239 banks in 15 countries. As at 1977, these financial institutions have expanded to 518 in 22 countries. Fast-forward to 2022, there are more than 11,000 institutional members from more than 200 countries and territories. At the beginning, SWIFT was developed for simple payment instructions. However, it is now a global gigantic payment network that now sends messages for a wide spectrum of actions. This includes security transactions, treasury transactions, trade transactions, and system transactions. SWIFT is not a financial institution, rather a global messaging system relaying instructions from one institution to another. It is based a Belgium.

SWIFT is a huge messaging network of banks and other financial institutions use to efficiently, accurately, and securely send and receive financial transactions such as money transfer instructions globally. There are more than 11, 000 global financial institutions on the SWIFT platform and in 2021, they transacted 42 million messages per day through the network, marking an increase of 11.4% over 2020 in such daily transactions (Alistair, 2022). A clear indication that the SWIFT popularity has been on the ascendancy since its formation in 1967. SWIFT is a member-owned cooperative that provides safe and secure financial transactions for its members. it allows individuals and businesses to make electronic or card payments even when the customer or vendor uses a different institution. SWIFT works by assigning each member institution a unique ID code that identifies not only the bank name but the country, city, and branch. SWIFT does not hold or transfer assets. Rather, its utility lies in its power to facilitate secure, efficient communication between member institutions. (Alistair, 2022)

SWIFT assigns each financial organization a unique code made up of either eight or 11 characters.

The code is interchangeably called the Bank Identifier Code (BIC), SWIFT code, SWIFT ID, or ISO 9362 code. This code is decoded as follows:

First four characters: the institution's code

Next two characters: the country's code

Next two characters: the location/city code

Last three characters: optional, but organizations use them to assign codes to individual branch.

Institutions that use the SWIFT platforms includes: Banks, Brokerage institutes and trading houses, Securities dealers,

Asset management companies, Clearinghouses, Depositories, Exchanges, Corporate business houses, Treasury market participants and service providers, foreign exchange and money brokers. Services offered by SWIFT include: applications, business intelligence, Compliance services, Messaging, connectivity, and software solutions. The global messaging platform makes its money from charges from all its services (LSE, 2020).

The LSE, (2020) adduced that due to nations' reliance on SWIFT to conduct fast, seamless, secure communication, countries around the world have an incentive to remain in good standing with this giant organization. SWIFT is overseen by central banks from Group of Ten (G10) countries, but it is a neutral organization operating for the benefit of all of its members. It should be known that, although there are other messaging services like Fedwire, Ripple, and Clearing House Interbank Payments System (CHIPS), SWIFT maintains and retain its dominant position in the market. Its success has ultimately been attributed to how it continually add new message codes to transmit different financial transactions to the security of its platform. Consequently, SWIFT's global dominance has positioned it to become a significant geopolitical tool in the West. For example, in 2012, the European Union sanctioned banks in Iran, disconnecting them from the SWIFT system and in February 2022, leaders in the U.S. and EU agreed to remove some banks in Russia from SWIFT due to that nations invasion of Ukraine. Such a removal is usually very costly to the targeted nation. To some nations, SWIFT has grown so big and powerful, an alternative to it may now be desirable. Hence, the emergence of the SPFS of Russia.

### III. RUSSIA'S SPFS

According to Escobar, (2022), System for transfer of financial messages (SPFS) is the Russian analogue to SWIFT which has been in development by the Bank of Russia since 2014, when the signals was sent to Russia by the West that it will be penalized with suspension from SWIFT if it continues to tamper with the sanctity of a sovereign state. SPFS is designed to create and process documents in Unified Formats of Electronic Banking Messages (UFEBS) and MT formats. The Bank of Russia in 2015, directed more than 230 Russian banks to join the system with total number surpassing 300. But assessing the acceptance of the process in Russia leaves much to be desired as market participants have been taking opposing stances ranging from:

- i. the system has shown itself well; a tone of sarcasm.
- ii. banks are not interested in using domestic services but rather, the convenient SWIFT
- iii. banks have made it clear they can only be moved to the SPFS only by force

A major concern for expert about the SPFS is its complexity and high costs of joining procedure for becoming a SPFS member. From the organizational point of view the process is well articulated; formation of the relevant agreement takes 2

to 3 weeks. However, experience has proven that it is the implementation of technical regulations that becomes a problem, specifically, installation of the Terminal and connection to the bank network. Furthermore, due to the increased security measures, banks exchanging information via SPFS also have to bear substantial time and financial costs. Banks have to use additional technological, hardware & software, as well as data protection cryptographic facilities together, and comply with security recommendations of not only Bank of Russia, but those of the Ministry of Internal Affairs of the Russian Federation as well. And in event that there is a smallest shade of doubt in the level of the counterparty's IT security, information and payment documents are not to be sent via SPFS altogether. Stifling restrictions are imposed by the jurisdiction of the Bank of Russia, which is defined by the borders of Russia; not only foreign banks (Terner, 2022)

#### *Reasons stifling exposure and popularization of SPFS:*

Jacob, (2022), Terner, (2022) and others financial commentators have adduced short comings of the Russian SPFS. They asserted that the disadvantages and the reasons stifling the exposure of the Russia SPFs are:

- a. High message cost (1.5 to 2.5 rubles per message; EUR 0.022-0.036 at the exchange rate of the Central Bank of Russia as at December 7, 2016.
- b. No option for sending multiple registers as part of one message.
- c. Continuous technical gaps in operation of SPFS (system is unavailable for sending electronic messages from 9 PM to 7 AM (GMT+3), as well as during weekends and public holidays
- d. SPFS supports a limited number of financial messages. This means at this point it is pretty much pointless to talk about a full-scale solution.
- e. When connecting to SPFS banks have to undergo a complicated procedure of entering into agreements with the Bank of Russia and separate agreements with each system member which is 4,950 agreements for 100 banks).
- f. Mandatory integration of Automated Bank System (ABS) of each bank participating in SPFS; that being said, there are no out-of-the-box integration solutions for ABS of some developers in the market.
- g. Technological difficulties of connecting to SPFS result in the situation where time gap from signing the agreement to processing the first transaction may be over a year and a half.
- h. Transactions cannot be processed on weekends and public holidays, as well as outside of the business hours from 9 PM to 7 AM.
- i. SPFS network has a star topology, meaning all data goes through a single center. Message confidentiality is debatable, because messages are available to the system operator.

- j. Technological materials regarding system usage are often insufficient.

From the above listed items, it clearly reveals that Russia has been unable to build a consensus agreement around its SPFS systems even within Russia, how much more with other nations. This stems from a culture of distrust which even corporate entities have, for dealing with the Kremlin because it operates a closed system. High level of state sponsored espionage exists. This has made most nations to be less confident in doing business with a Russian state-controlled protocols. It will take a considerable amount of education and persuasion before Russia can build the kind of trust and acceptance that SWIFT enjoys.

#### *The Chinese's CIPS*

The China CIPS (Cross-border Interbank Payment System) has grown very popular of late. To the extent that some countries are touting it to be a major alternative to SWIFT. However, some misconceptions must be put at bay. CIPS is not China's carbon copy of SWIFT (Society for Worldwide Interbank Financial Telecommunication). This is because they exhibit core technical and contextual differences. Technically, CIPS clears and settles renminbi (RMB) transactions, whereas SWIFT is a secured messaging protocol that lets banks "talk" to one another. Contextually, CIPS was created to improve the efficiency of RMB transactions, whereas SWIFT was created by institutions from the U.S., the European Union and G-7 countries to enhance global financial messaging. In this regard, the two systems differ widely. The CIPS deals mostly with the RMB (Wayne, 2019). The Renminbi is the official currency of the People's Republic of China, and means "people's currency" in Mandarin. The yuan is a unit of the currency. Renminbi and yuan are often used interchangeably

Consequently, SWIFT and CIPS play different roles in international finance. SWIFT is a global secured messaging system that allows and support banks and other financial institutions hooked on it to communicate with each other with high efficiency, security and low costs. It does not move funds. Instead, it facilitates the secured flow of financial information across international borders to support transactions. CIPS, by contrast, is an RMB clearing and settlement mechanism. Clearing entails movement of funds from institution X to institution Y, and settlement is the finalization of moved funds. Money is actually exchange between entities involved in CIPS transactions.

To further clarify, in a situation where user X wants to send funds to user Y across borders, there exist several options. If their institutions are in the SWIFT network, then they can communicate with one another via SWIFT codes to consummate the transaction frictionlessly. If one of the institutions is not in the SWIFT network, then the transaction will need to go through intermediary banks in the SWIFT network. This ultimately increases the time

and cost of such a transaction. CIPS is classically different from SWIFT, as it is an RMB clearing and settling institution that engages SWIFT messaging to facilitate RMB transactions with the rest of the world. Therefore, we can say that China's CIPS is more similar to the United States' Clearing House Interbank Payments System (CHIPS), which clears and settles domestic and cross-border U.S. dollar transactions and is plugged into SWIFT for cross-border messaging.

Conclusively, these two systems are technically and structurally different. Therefore, CIPS is still traditionally a Chinese based system and it is functionally quite different from SWIFT. It is so evident that either the Chinese CIPS nor the Russian SPFS can for now and even in the immediate future technically and broadly compete with the Western backed SWIFT. SWIFT is almost in a league of its own as both the Chinese CIPS and the Russian SPFS often need SWIFT to perform their transactions.

#### *The Dominance of the United States of America in Global Finance*

The United States of America is obviously the strongest nation in the world (Wayne, 2019). This nation has no spectacular background like been a Former Empire, being a Colonial Master nor an ancient kingdom. This nation has stood in this superior position for the last 70 years! Not only this, judging by all known indices, it will be extremely difficult for any nation to challenge the USA in any aspect. This is why its three prong philosophies of: Democracy, Capitalism and Freedom is the core culture of the West. Hence, the USA is the central power nation in the West. Added to these, the country is the only nation to have actually deployed nuclear weapon in any warfare ever. Top in its achievements and dominance is that its currency "the US dollar" is the dominant global currency. All foreign reserves globally (amounting to 16 trillion dollars) are held mostly in US dollars. But how did the United States currency come to have this very privilege position?

According to Jacob, (2022), back in the 1970s, there was a massive oil crisis, the effects of which were felt from Japan to the United States. The US consumers of petrol were having to pay up to \$4 a gallon for oil, which before that point in time, was unheard of. So, the United States got into an agreement with Saudi Arabia which is the world's largest producer of oil that any sale of oil will be settled in dollars no matter which country bought oil. Whether it was America or China or India or Japan; they would all pay in dollars. The Saudis agreed. This arrangement came to be called the petrodollars. Put simply, the petrodollar system is an exchange of oil for US dollars between countries that buy oil and those who produce it. This arrangement held, became globally accepted and this ultimately popularized the US dollars. Consequently, for the last 50 years, this petrodollar system has not been challenged until now when Vladimir Putin decided to invade Ukraine; a move that has met fierce global criticism. This move drew the most potent, immediate and crippling sanctions put together

by the West. What the world did not know was how prepared the Russian president was for the economic war that will brew from this unilateral decision to evade another sovereign state.

Putin knew that the invasion of Ukraine would be inevitably met with the US and other Western countries throwing it out of the international banking system, that Russia and Russian companies will not be able to use the Society for Worldwide Inter-bank Financial Telecommunications (SWIFT) mode of banking transactions. So, most Russian companies and the Russian economy as a consequence suffer because they are unable to conduct any financial transaction globally. Russia is thereby cut off access to global trade which are mostly facilitated in US dollars (Escobar, 2022). Even Russia foreign reserve; because it was kept in dollars was frozen by the US. This meant Russia will and has indeed defaulted in meeting her debt obligations. Russia on the other hand responded to this by shutting off its oil and gas to Europe. Remember, Europe needs 40% of its oil and gas from Russia, Russia also – in a retaliatory move- asks for transactions to be settled in ruble or gold or any non-dollar-assets. As expected, this has caused massive price increase as well as supply disruptions to the Western markets. This move is also a threat to the monetary system that has been in place for the last 5 decades plus years. Does this now mean that Vladimir Putin's mission in Ukraine could put an end to the petrodollar system, thereby challenging the dominance of the dollar?

For years now, Russia and China have looked to ways to remonetize gold as well as been able to exit from SWIFT (Markevich, & Zhuravskaya, 2011). They feel that the petrodollar system just simply enables the dollar and in turn, America which is the producer of the dollar to get stronger from time to time. But the Challenge for Russia and China has always been; how do you exit from the system of petrodollars without the west calling it an act of War? As crude as this may sound, the invasion of Ukraine has just accomplished that and the West gave Vladimir Putin a singular opportunity to exit SWIFT and the petrodollar on a platter. Now that Russia is mostly out of the SWIFT system, it is Free to trade its oil with whoever is the highest bidder and that too in the currency of its choice (Alistair, 2022)

Russia, is now saying it is going to turn its oil pipelines back on, but not for dollars, instead for Rubles. Russia then declares that Europe or anybody who wants Russian oil- and remember Russia's the third largest producer of oil and gas in the world- they must pay in ruble or any ruble backed payment system. Similarly, it allows Russia to have ruble and Yuan or ruble and rupee agreements without having to convert to dollars. Simply put, Russia can choose any nation like China, India or any other friendly nation to do business with and they will formalize the business directly in their respective currency without having to go through the dollar.

This leverage as the third biggest oil producer has caused immediate price shocks to the Western world. At the beginning of this year (2022), crude oil was trading at just \$75 a barrel, today (March, 2022) it's gone up to \$140 a barrel

doubling within just three months (Jacob, 2022). But it's not just Russia or China, today even Saudi Arabia and the UAE are openly talking about selling their oil and settling in local currencies. Both Russia and Iran for example are offering countries like India and China oil at hugely discounted prices and guess what, these countries are making huge gains, as the second and third biggest consumers of oil China and India are licking their fingers at the prospect of buying oil at 25 to 30% discounts (Termer, 2022). The question that quickly comes to mind is, in what ways can decentralizing payments away from petrodollar weakens the dollar and favour developing nations like Nigeria?

Furthermore, Jacob, (2022) opined that geopolitics is also keeping pace with the cloud gathering against the petrodollar; this last week of March 2022. Syrian President Bashar al-Assad visited the UAE and met with crown Prince Mohammed bin Zayed. This was the first visit by Assad to an Arab country since the Civil War in his country began more than 10 years ago. One of Assad's biggest backers has been Vladimir Putin Russia which has been helping Assad's regime with airstrikes which are Critical in fighting the Rebels in Syria. Now, Bashar al-Assad is returning the Favor by pleading on Putin's behalf to fellow Arab countries like UAE and Saudi Arabia. Now these two countries UAE and Saudi Arabia have also given the cold shoulder to America who happens to be their biggest allies for the last 50 years but UAE and Saudi Arabia have refused to raise oil output to mitigate the global shortfalls occasioned by Russia turning off its oil and gas. This uncooperative attitude was not lost on Washington that both the leaders of Saudi Arabia and UAE avoided taking phone calls from US President Joe Biden. The UAE even abstain in the United Nations vote on Ukraine (Jacob, 2022)

Now, this threat to the petrodollar is no different from the time of Charles de Gaulle or Momar Gaddafi or even Saddam Hussein, but on a much larger scale. America cannot hope to remove Vladimir Putin as easily as they did with these previous leaders who challenged the petrodollar system. Now, what are the consequences of the United States and the European Union kicking Russia off the SWIFT banking transaction system, will it hurt the Russian economy? It will certainly in the immediate term, but removing Russia from SWIFT could be exactly what Russia and China have long desired and here are the reasons.

The SPFS or the System for Transfer of Financial Messages, is the Russia equivalent of SWIFT. It has been in development by the Central Bank of Russia since 2014 after the US government threatened to disconnect Russia from Swift. There are now plans to integrate the SPFS network with the China-based CIPS network which is the Cross-border Interbank Payment System. One can only imagine the effect of that. Now that Russia's is removed from Swift, the blowback effect on the US economy and more so to the economy of Europe could be enormous. The vast majority of SWIFT transactions are settled in US dollars and that simply

helps solidify the dollar as the global reserve currency and this gives the United States tremendous influence over the world economy and therein lies the real Power (Alistair, 2022)

Consequently, If Russia and China come up with an alternative system to compete with SWIFT, that will be a competing currency system and it may further weaken the US dollar (Turner, 2022). Russia knows it is the second largest exporter of energy and China is the largest manufactured goods exporter. They could also easily co-opt existing partners like the Arab countries, African countries and countries in Latin America putting Europe and the United States on the back foot. Oil is the most traded commodity in the world and it is settled in US dollar. For the last 50 years this petrodollar system has seen the rise of powerful Middle Eastern countries like Saudi Arabia, UAE and Qatar. Now, if the world's largest exporter of oil Russia and the world's largest importer China come together, they don't need to settle in dollars and this may just be the end of these multibillion-dollar petrol funded fiefdoms (Jacob, 2022).

#### *An Alternative Payment System and the Strength of the US Dollar*

China and Russia are seriously working together for an alternative to SWIFT. China is implementing CIPS (Cross-border Interbank Payment System) and Russia is also on board with SPFS (System for Transfer of Financial Messages). However, these two nations (to the best of our knowledge) have not really come together to fashion out how their different programmes can be fused together into one globally accept messaging network like SWIFT. If such a programme can be synthesized, the goal will now be to co-opt the BRICS (Brazil, Russia, Indonesia, China and South Africa) to incorporate these services into one entity acceptable by them. This proposal is generating a lot of interests even from many non-BRICS nations who just feel it is in the best interest of the world to always have alternative to any system in the world. Generally, although the geo-economic power in the east presently favours China, when an alternative to Western influence is been discussed, the ball simply and mostly dropped on Russia.

In pursuance for an alternative to SWIFT, the Russian Central bank Chief has admitted that the Digital Rule is a difficult Technological project, it is still in full force to see how it can undercut the SWIFT global messaging system but Russia is nowhere close to such a proprietary technology and consensus from other nations to adopt such a technology developed by the Kremlin is still far away (Wayne, 2019). In the same vein, China has developed its own Cross Border Interbank Payment System (CIPS) that can settle international claims in Yuan and warehouse the ability to run its own messaging network. This Chinese payment system is been seen by many stakeholders in geo-politics as a rival to the SWIFT platform domiciled in the "West", with headquarters located in Belgium. However, this CIPS is a dwarf when compared to SWIFT.

#### *Strength and Weaknesses of an Alternative Payment System to SWIFT*

According to Goldman (2022), Powerful nations in the world mostly do not boast of military powers only but rather economic power. This suggest that for any nation or bloc to be taking seriously, it must be a huge economic player at least by the size of its economy. It is on this front that China is now being currently preferred by most nation as a power to confront the West. Take a classical look of the size of the underlisted economies:

- i. The size of Russia economy by GDP in 2021 stood at 1.65 trillion dollars
- ii. The size of the Chinese economy by GDP in 2021 was 15.6 trillion dollars
- iii. The size of the US economy by GDP in 2021 was 21 trillion dollars
- iv. The Size of the EU economy by GDP in 2021 stood at 17 trillion US dollars

The EU economy is the second largest in the world, second only to the US. Hence, they could warehouse a formidable global messaging network like SWIFT. Russia is such a small economy and a relatively isolated one, that may find it very difficult to warehouse a multi-trillion dollars daily transactions as the SWIFT does.

Consequently, the strength and weaknesses of an alternative to SWIFT are:

- a. While Russia's SPFS can be three times cheaper than SWIFT, the network itself is only operational during weekday working hours, SWIFT, meanwhile, works 24/7.
- b. While the Russian SPFS messages are limited to 20kb in size, SWIFT on the other hand allows 10mb to be transmitted across its network.
- c. The Chinese CIPS is not a messaging network, it is a money clearance and transfer network that rely on SWIFT to do lots of transactions
- d. No alternative network is globally and widely accepted as the SWIFT

#### *Can the Dollar be Weakened by An Alternative Payment System?*

The simple answer to this question, according to Goldman (2022), is that there is presently no such an alternative payment system. It should be categorically stated that the SWIFT global messaging network was not developed by the USA, neither is the system physical infrastructure warehoused in the USA but rather in Belgium. The USA just develop the singular ability to always galvanized nations of the world to build a common front to align to their interest as though it is everyone's interest. This skill to fuddle the metal apparatus of other nation should be learnt by a nation like Nigeria who looks to become the biggest player on the Africa continent so as to persuade African countries to always speak with one voice as the continent seeks to be a Union.

There is no evidence that any alternative to SWIFT as a global messaging software will weaken the dollar. This is because the strength of the dollar is not determined by any single nation (Terner, 2022). Not even the United State that has the currency. Its strength is determined by the element of the free market; ‘demand and supply’. The US dollar is so free and available that the nation Ecuador adopted it as their official money without telling the United State!

The question that readily comes to mind is Why can't countries develop a new money transfer system independent from the SWIFT to preclude the U.S from imposing economic sanctions on countries? This would make it possible for countries to bypass sanctions and neutralize US “blackmailing” power. However, it's not money transfer system that is the strength with US sanctions. There are already other money transfer systems, howbeit small. When the USA imposes sanctions on a nation, any other country that trades with a sanctioned nation will be barred from using US dollars and the US market. That is what every other nation fears. For now, the US currency is the reserve currency, so people need to clear their transactions through the US Federal Reserve Bank in NYC (New York City). This implies that if you violate sanctions, then your US dollars is unusable. This is the problem. Nevertheless, as the US sanctions more countries, these nations are choosing not to use the US dollars so the sanctions have no effect on them. Consequently, as more nations use less and less US dollars, US sanctions could ultimately lose their power and the US Dollars may fall as a reserve currency. The reality of this is certainly in the future. For now, however, no alternative global financial messaging software that would be developed whose consequence will weaken the US dollar (Wayne, 2019).

#### *Alternative Source of Financial Payment System and the Nigerian Economy*

It is not news that Nigeria imports over 70% of her total goods from China. It will therefore make economic sense for China and Nigeria to do business directly. China sells huge amount of goods to the world, Nigeria inclusive hence its payment system is supposed to be efficient so as to facilitate such huge trade. However, China, unlike the USA which does not interfere with the price of the dollar, likes to control its currency as much as it can to make it undervalued in a way that benefits Chinese manufacturers (Alistair, 2022). If China allows the Yuan to trade freely like the dollar or Pound, the market will probably value it higher than the Chinese want, which will make their products more expensive. The only way for Yuan to be kept low is to systematically control the amount of the currency that is available around the world. These two issues — trading with the world and tightly controlling the circulation of the Yuan — are in tension with each other. Hence a Bilateral Currency Swap Agreements is what the Chinese prefers and it entered into one such agreement with Nigeria in 2016.

Successive governments in Nigeria have always desired to make life easier for its traders who buy a lot of goods from

China. As Nigeria doesn't sell much to China, it is difficult for the CBN to build up Chinese Yuan reserves. This means that for any trader who wants to purchase goods from China, they have to get prices in dollars. This connotes costs and risks given that the business in China making the quote has to convert Yuan to dollars before sending to Nigeria, bearing in mind the risk of currency moves affecting his bottom line. The Nigerian business then has to buy dollars to make the payment to him. From the CBN standpoint, this is extra dollar demand that can be avoided and which ultimately drive the price of goods upward within the country.

If a country like China were to develop an alternative to SWIFT, it could have made imported good from China cheaper as explained by the double cost of conversion which Nigeria businesses and that of Chinese businesses do as it regards to the US dollar; a third country not involved in the business at all. The currency Swap coupled with an alternative messaging system domiciled in China would have giving Nigerians enough room to maneuver the watchful eyes of the USA who are against any nation trying to circumvent the dollar as a currency of choice; especially when it comes to Russia and China.

It is based on the above argument that Nigeria stand to gain economically by way of ease of doing business and by extension cheaper goods. If this happens, Nigeria will benefit from an alternative to SWIFT. However, China is better suited for this alternative rather than Russia due to the volume of trades Nigeria conduct with the former.

#### *Nigeria: East or West, the Paradox of Reality*

The problem this kind of geopolitical dichotomy causes for a nation like Nigeria is far reaching. This is because Nigeria is divided between East and West. Our fidelity is torn between two halves. Although it has not come to the point where nations may be asked to pick only one side to do business with, it doesn't mean we should not prepare for another cold war. Its only that this time, it will not be between the West and Russia, but rather, it will be between the Western bloc and the Eastern bloc (China, Russia and their allies). The west has always been our Creditor but of late, Nigeria is hugely indebted to China (Osiobe & Oseghe, 2019). So, one can only imagine the economic pressure Nigeria can be in if either of these bloc wants Nigeria to pay what its owe and furthermore refuses to purchase its oil. This line of thought may seem like an outlier today, but it certainly will get their as most international commentators are submitting that Russia's invasion of Ukraine and the subsequent Western led sanction on Russia marks the end of globalisation as we know it.

It is known fact that there comes a time in the life of a developing nation when it ought to analyse its strength and weaknesses (Obalum & Chima, 2019). For now, Nigeria seems not to have any strength. The crude oil which some nations of the world like Oman, UAE, Qatar and even Angola have used to their advantage in using the proceed to develop other real sector has left Nigeria in a cycle of dangerous



corruption that makes it seem like the nation has no oil. For instance, Nigeria still imports PMS, Diesel, Kerosene and other petrochemical products at a time when the nation seems so broke it can hardly pay salaries. Poverty is so palpable that citizens are beginning to kidnap each other for ransom, killings for rituals just to make money, and its soldiers will compromise with terrorists; selling arms to them and such terrorists turn around to use such arms to kill soldiers. Darwin postulated that when a nation gets to this point, a failed state is created. It is time for Nigeria to understand that self-survival is the first rule of any species. We could immediately copy from the example of the UAE which used its oil sector as a cash cow to fund a spectacular nation that is fast becoming the envy of the world.

Nigeria must be as tactical and forceful as Russia in asserting herself especially when some nations want to be a stumbling block on her path. For instance, the Ajaokuta Steel Complex is being hampered by court cases entered into by foreign companies (Global Infrastructure Nigeria Limited, sued the Nigerian government over Ajaokuta in the Court of Arbitration in London. The case is still pending). A complex that has the capacity to make Nigeria a global giant when put into use. Furthermore, such a court case is hampering the construction of the Mambila Hydropower Station (legal battle with a former contractor of the \$5.5 billion Mambila Hydro Electric Power Project, Sunrise, encumbered further development of the plant. In limbo for over 40 years), it is supposed to be the largest power-generating installation in Nigeria. Apart from generating over 3,000 megawatts of electricity, the Power plant can sustain numerous agro-allied companies thereby creating the much-needed jobs in the north-eastern part of the nation. How can two huge sectors be hampered by court cases; one emanating from the West and the other from the East. This should strike us as quaint. Therefore, whether Nigeria will be sanctioned by these nations who are hindering our collective existence or not, we better start to assert our will of independence from international monetary clogs so as to build our local and indigenous systems no matter the cost.

Aligning to the East, West or Remaining neutral will soon come at a price this nation may not be able to pay. It better quickly learn to be independent and develop indigenous technology to handle our technological and construction companies; all in a private sector driven mode. Imagine the volume of dollars that would have accrued to Nigeria during this period of Russia-Ukraine war if it were refining its oil to meet local demands. The high cost of crude would have been to our exclusive advantage. Unfortunately, all the dollars made are either spent to import refined product or to subsidize it. A colossal loss indeed to the nation which should serve as a wake-up-call.

*Nigeria Financial Technology exigencies in a post-globalized World*

As the African Union is being structured, future geo-political alignment should be considered *ab-initio*. The common

question that most global financial experts are asking is that; as the economic war on Russia expands, what is the fate of the global financial system that the United States championed? Even as close as Russia is to China, there are reports of some Chinese banks refusing to grant letters of credit to Russian entities for fear of being denied access to American banks or their subsidiaries in the West being fined heavily for such dealings. Although, at the national level, Russia still retains access to the international payment system of China. Furthermore, the Indian government is helping Russia by setting up a system for the exchange of ruble rupee payment. Of course, most Indian banks are careful in these dealings fearing sanctions from the West where they have so much at stake. These are bilateral arrangements hurriedly being put in place to assist a member from the Eastern bloc by countries in the East. Some sort of coming to 'assist a brother in need'.

Invariably, the reason China and India are able to do this is that they have advanced (Obalume and Chima, 2019) Financial Technologies that can be used – to some extent – to bypass the payment system in the West; that is the dollar payment system (SWIFT). Naturally, globalization has already ensured that entities (especially private ones) shall be allowed to do business anywhere they see fit in the world. However, in the Ukraine – Russia standoff, all global major brands were forced by the West or western sentiments out of Russia. These acts left a very soured taste in the mouth of citizens of Russia who were supposed to be left out of the Military confrontations. Invariably, the West says globalization is what it is and not how we all know it to be, where countries are to do best what they are good at, while they get other items from elsewhere in a balance agreement (Turner, 2022). But in this case, even football, McDonalds, Coca-Cola and virtually all private global giants were literally forced out of Russia. Ukraine and Russian wheats (30% of global production) have also been a target of the war. It is now up to every entity to either accept or reject if globalization is not dying as the war prolongs.

Nigeria is the giant of Africa, just like Russia is the giant in the East (Wallander, 2003). If a super-power like Russia is not spared this humiliating barrage of endless sanctions, permit me to submit that no giant anywhere will be spared the Western wrath. It becomes imperative, for a nation like Nigeria whom most African countries look up to, to begin to develop nascent proprietary financial technology as a fallback plan, should the West decide to take it up with us due to a stance we may take in the future to preserve our existence but which the West may view as hostile to their interest. Nigeria must begin to form serious, systemic and sustained alliances with African nations who will bind together in case one of their own wants to be put out of circulation. One of the USA (the strongest nation in the West) is good at is the art of building consensus around their interest. Nigeria (the strongest nation in Africa) should learn this art. It is a long term, deliberate and sacrificial art that pulls nations together. It has taken the USA over 75 years to build and earn the trust of other western nations. Successive governments; be it Democrats or Republicans, forging a productive alliance with

their western nations is the core of their foreign policy. No wonder building a consensus is always easy in the West but difficult elsewhere. For instance, a simple strategic rhetorical question one may ask is 'how long will this marriage of inconvenience between China and Russia last before it falls apart?

Nigeria is of strategic interest to Africa, if this nation is not strong, the African Union (AU) will be a weak one as most stakeholders are already defining it to be especially as it moves towards an economic Union with the desire for a single currency and tariffless borders. If Nigeria can develop strong financial technology that can anchor the total African Financial transactions, it could be a game changer for the independence of the continent and make the AU a more conscious, committed and prosperous alliance for all her members with Nigeria at its core. If the AU speak with a single voice, any other bloc will take it seriously and will think twice before harassing any African nation, especially if that nation is doing what is favorable to it but seeing to be at odd with any other bloc's interest.

#### *Nigeria financial Policy Preparedness in the face of hostile foreign Incursion*

It is becoming clear that while Nigeria is thinking globally; it should be preparing locally. This implies this nation must appraise all its assets (tangible and intangible) and seek to deploy them productively. This nation must be target oriented. For example, despite the huge assets the nation has, it is finding it difficult to solve a single national problem. Food, clothing, housing, power, transport and so on are still very far from sufficient. Nevertheless, the nation has the potential especially using the private sector to galvanize all potentials with government playing more of supervisory role. Nigeria must create a system that works for her, improve efficiency in it and then think regionally; in terms of Africa. Africa should be the target, in terms of markets, technology and forming alliance. A country like Rwanda is making huge success in some of these fronts. A country with little or no natural resources but they have very strong policies that have been deliberately drawn up to tap into their tangible and intangible assets.

Nigeria's telecommunication network (like Rwanda 's) is supposed to be homegrown because it is one of the basics that pioneers financial messaging as well as mobile banking. Strong policies are required to secure the foundation of any technology that the financial system of a country like Nigeria rely upon. For any nation to take Nigeria serious economically, Nigeria must be seen to be making legally binding policies and commitment.

As the SWIFT saga unfolds, prompted by the Russia -Ukraine crisis, Nigeria is supposed to learn positive lessons from all aspect of the war. From how to leverage on the agricultural prospects, oil and gas sector prospects to the financial sector prospect. Well-articulated federal policies can put Nigeria on a strong economic pedestal so that no matter how hard any

nation or bloc wants to aggressively malign this nation by way of sanctions, Nigeria can be adequately prepared and this will be as the result of robust lesson learnt from the petrodollar war between the East and the West.

#### IV. FINDINGS OF THE STUDY

One of the major essences of any type of research is the addition to knowledge by way of findings. This study made the followings:

There is presently no alternative system of payment that can be compared to the SWIFT system. It is an open system that grows larger every year by way of adding more financial institutions but also by way of improving its technological advancement. It has been in existence for 65years, hosting institutions for over 200 nations with excess of 11,000 financial institutions hooked to it. It also in 2021 entertains on the average 42million messages daily. It is controlled (until this war) by the central banks of the G-10 nations with its headquarters domiciled in Belgium. Its function is totally different from the Chinese CIPS and also vastly wider than the Russian's SPFS which only serve the Russian nation with financial messaging.

There is no evidence in the interim to suggest that the US dollars can be weakened against any currency just because an alternative payment system is developed. Neither the CIPS of China nor the SPFS of Russia. According to Sachs, (2022), due to the 34 trillion dollars of foreign financing in the US economy (China has 3 trillion dollars foreign reserve in US dollars), hardly is there a country that truly wants the value of the US dollar to depreciate by having a run against it. Nevertheless, the world's central banks are cautiously and steadily reducing dollar exposure and these trickles of diversification away from the dollar could grow into an avalanche which could erode away dollar dominance. Russia and China are leading this diversification away from the dollar as they are buying huge quantity of gold which they claim is a better store of value than any fiat currency. Furthermore, many nations are entering into currency Swaps lines with China while other nations are demanding that payments be made in their local currency. In addition, Russia is leading a global shift away from keeping foreign reserves in dollars after the US and her Western allies seize Russian foreign reserve domiciled in the US due to the latter's invasion of Ukraine. Total Foreign Reserves by nations in the American economy is about 16 trillion dollars (Sachs, 2022). Russia is claiming the West can choose to bully any nation economically. Consequently, it is suggesting that reserves should be held by individual nations in gold, land and even commodities, such can now serve as a collateral for international business. If this idea is widely accepted, then the dollar can begin to wane as the currency of choice.

An alternative source of international payment will benefit Nigeria if the nation is truly serious in what she does economically. For now, the nation is not forceful enough in leveraging opportunities. For example, the currency Swap

which Nigeria commenced with China in 2016 has not yielded any result. Most Nigerians don't know what became of that much celebrated move designed to reduce cost of goods and services in the nation by exchanging naira for Yuan. If the nation can not position itself to glean the benefit of a simple currency Swap agreement (Asian countries have 380 billion dollar's worth of currency swap arrangement in place) which most nations are benefiting from immensely, then, the country may not be in a position to harness the potentials a complicated arrangement of international messaging has to offer.

No nation is a highland. However, for any nation to be taking seriously, it must continuously play an increasing global role. Regionally in Africa, Nigeria is the largest economy, has the largest population and is the largest oil exporter on the continent. Consequently, it has a major role to play in the non-aligned movement between the East and the West. If there is a nation in Africa which any ally wants to have on its side, it should be Nigeria due to her huge potentials. In line with this fact, the country is making a move to champion the African Single Currency Agreement. Forming this type of Union requires not just economic might but also technological prowess. The financial sector in Nigeria is fast developing and needs proprietary technological to cope in the face of any aggression shown towards the country

#### V. CONCLUSION

Just as the Russia-Ukraine war took many by surprise so are the unprecedented sanctions been heaped on Russia amazed all. As the dust of the war settles, it is becoming clear that globalization and its financial system anchored by the West may be the entity that took the greatest bashing. This is certainly going to create a paradigm shift in global finance and financing. The East; championed by Russia, China and their allies (those who intend to see the gradual weakening of the petrodollar) versus the West and her allies who stand to profit by maintaining the Status-quo. As for a country like Nigeria, strategic financial engineering stemming from a role of leadership in Africa will give it a place in the economic interplays that will arise from a balancing act between the East and the West. This balancing act must be so deliberate as to give the nation leverage to reclaim and build major infrastructure without condescending to blackmails resulting from frivolous court cases.

#### VI. RECOMMENDATIONS

The study put forward the following recommendations

- i. The strength or weakness of the dollars should not be a concern to Nigeria but rather how to strategically leverage on the on-going developments to secure her position as the strongest economic force on the African continents. This is by making sure it takes steps to bridge the shortfalls of commodities from Russia and Ukraine. Commodities like Wheat and other cereals, refined petroleum product and create efficiency in her gas master plan so as to stop

- importing these products. The Private sector should be brought into every aspect of this new drive. Government will always be a bad businessman.
  - ii. Nothing stops Nigeria from really developing homegrown financial payment system which can be test-run nationally with a view to expanding it to cover the continent. It is high time the nation celebrated any fully homegrown financial systems. A typical one is the University Transparency and Accountability System (UTAS) designed by Nigerian Universities. Let national agencies like National Information Technology Development Agency (NITDA) assist to complement home grown software, rather than just rating them. The country has what it takes to have a comparative advantage especially on the African continent. A situation where a nation like Nigeria continuously solicits the aid of foreign Consultant to run national payment systems exposes this nation to foreign risk and a target for espionage.
  - iii. As the Russia- Ukraine Saga rages on, it is clear that although nations are globally interconnected, however, when the chips are down, it will be every nation for itself. The Covid-19 pandemic made this clear and now this gruesome war, where a strong nation is killing innocent civilians in a neighboring country while the world watches on helplessly, suggest that every nation must draw up policies backed by the national assembly to become independent, as though it can survive alone. Practical and targeted policies. For instance, policies that will enable this nation to revive the Ajaokuta steel plant, the Mamila Hydroelectric power and selling off every refinery in the hands of government. These policies should be time bound. This will create a system of financial prudence that will reduce wastages. These enterprises have had funds voted for them but these funds were not time bound. Furthermore, a country like Nigeria may also in the future wants to build a nuclear plant to boost our energy. This renewable energy is the way most countries have used to stabilize their energy needs. However, nuclear power always provokes geo-political concerns that requires a nation to take a stance against western deterrent.
  - iv. A summit of brilliant minds should be summoned by the federal government or organized private sector to brainstorm on all matters arising from the Ukraine-Russia War. This think-tank should be made up of Financial, Agricultural and industrial experts to fashion a short-term, medium-term and long-term response to this crisis. The position of the country should be already drafted should the Eastern bloc proposal of shifting from the US dollar to gold and commodities backed internal reserves where nations can exchange goods and services without resorting to a third "currency of choice" is thrown up at the United Nations. Already, serious backers of the

petrodollar like Saudi-Arabia, the UAE, India, Indonesia and a host of others are buying into an alternative to the US dollars. Nigeria should take a stance that solely favours her interest because there should be no gullible alignment like what was obtainable in the past that left most of our giant industries comatose which has left this great nation in a state of excessive borrowings that we may never recover from, unless through intelligent negotiations. This war is a huge opportunity for Nigeria to make her case when called upon.

- v. Nigeria should look inwards to improve local technology and gradually the country shall perfect it as western technology is very costly to purchase. Furthermore, transfer of technology is not always complete as part of such technologies are held back. Just as the Indians did; we should work on our crude technology and perfect it with time.

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