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‘A Voice Lost?’: Revisiting Nigeria’s Struggle for Africanity in the African Development Bank before the Era of Akinwunmi Adesina

Festus Chibuike Onuegbu

*Correspondence: Festus Chibuike Onuegbu

**Detailed author information and related declarations are provided in the final section of this article.

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ABSTRACT

Since the inception of the African Development Bank in 1963, Nigeria has been its major voice and contributor. However, very little is known about the Bank amongst Nigerians particularly the efforts and sacrifices the country has made to ensuring its survival and continued operation. Against this backdrop, this paper examines Nigeria’s efforts in defending the African identity of the Bank in the face of burgeoning external influences. The paper argues that contrary to the common views of ‘unguarded charity’ expressed by many Nigerians about the country’s benevolent commitments in Africa, the defense of Africanity in the Bank was an important demonstration of African solidarity and Pan Africanism to ensure collective progress of not just Nigerians but all Africans and the entire black race as a people. It was not only borne out of the altruistic spirit of solidarity and Pan Africanism but, also, to keep Africa safe from the entanglement of the Western imperialism and neo-colonization. Although the country’s pan African voice in the Bank currently appears to be overshadowed by the huge presence and influence of external powers, it is possibly not dead as a Nigerian in the person Dr Akinwunmi Adesina is currently at the helm of affairs of the Bank. The paper is a qualitative research. It adopts a narrative historical method, and uses both primary and secondary sources of information.

Keywords: African Development Bank, Nigeria’s Foreign Policy, Pan-Africanism, African Solidarity, External Influence / Neo-colonialism.

Introduction

Nigeria is one of the key founder-members of the African Development Bank and, in that right, played a leading role in its establishment. By every parameter of measurement, the country is a big powerhouse in Africa. It not only occupies a huge land mass and physical space with an area of over 923,773 square kilometers¹ making it one of the largest countries in the continent but, also, is richly blessed with abundant material and human resources that are expected to enhance its potentials for greatness. Apart from substantial agricultural base, Nigeria has large mineral deposits: coal, iron ore, limestone, petroleum, uranium, gas, tin, gold and a host of others. As at 1965, a World Bank estimate had put the

country's population at 23,000,000 (twenty-three million) people with a projection of about 4.6 per cent annual growth rate, and measured the country's net revenue at about \$2.8 billion with growth in exports like cocoa, rubber, palm oil, cotton, groundnut, and crude oil.²

Nigeria is relatively a populous country and could be compared to about a quarter of Africa's population south of the Sahara. For many, it is 'the most populous black country in the world'.³ P.N.C. Okigbo observed, thus, 'at independence the Nigerian educated middle class was sizable, accounted about 20 per cent of the population, and could effectively man the political and economic machinery of the country'.⁴ In other words, the combination together could drive a robust growth and development, and produce the needed leadership in Africa. Nigeria held a great hope for Africa. Thus, for African nations to come out of their pariah state, Nigeria must play a leading role.

Even though Nigeria was still a neo-colonial state that moved in a measured pace, there was no doubt that its leadership role in Africa and in the entire black world was calling for attention and recognition. As Bukar Bukarambe captures Alhaji Sir Tafawa Balewa's independence remark, 'Nigeria had a legitimate responsibility to ensure political and economic freedom in Africa, and that the continent and the entire Black in the Diaspora looked up to Nigeria for leadership'.⁵ In a similar event, Hassan Saliu notes that Dr. Aja Nwachukwu, former Nigeria's Minister of External Affairs in the First Republic, said that 'Nigeria was the giant in Africa with enviable resources, and its size and population gave it a strategic advantage in the sense that it could not ignore'.⁶ Thus, at independence, Nigeria had begun to see itself as a leader, not just in Africa, but also in the entire black world. It had formed a perception of how it would see and handle affairs beyond its borders. Bukarambe further notes that Balewa said:

We belong to Africa, and Africa must claim first attention in our external affairs. If we conduct ourselves well and if we appear well-meaning to the countries of Africa, there is no reason why that should not give us our recognized position by virtue of our size and population; but it is not for us to go out to show to those smaller countries that we are big in size and population and, therefore, they have to come trailing behind us.⁷

It did not mean that there were no relations with other regions of the world. The fact remained that Africa must be given a primary attention in Nigeria's external affairs. Thus, before the African Development Bank formally began business in 1966, Nigeria had envisaged a leadership role, and set out for a predictable path that would define its relationships with the Bank.

However, the more telling thing is that after about five decades of Nigeria's roles in the African Development Bank have not received significant historical scholarship especially on the country's efforts to preserve the Bank's founding principles of Africanity. Against this backdrop, this paper aims to examine the country's roles in the struggle to continue to keep the Bank African up to 2015. The justification for the paper lies in its timeliness. It comes at a time a Nigerian, Dr Akinwunmi Adesina, is heading the African Development Bank for the first time since inception as well as a time Nigeria as a country urgently needs a holistic reappraisal and redirection of its economic diplomacy. The parlous state of the Nigerian economy had increasingly become a huge source of worry for Nigerians, the Nigerian government, and the international community especially in the face of recurrent economic recession and increasing inflation. It is estimated that Nigeria needed about \$10 billion annually to adequately address its infrastructure and poverty gap for a sustained period of twenty-five years.⁸ What it does emphasize is that the country, perhaps, needs more than its available domestic resources to finance its development.

The fact remains that the national treasury may not effectively be able to close the deficit gap as there were other capital and recurrent demands competing for budgetary allocations from the same treasury. Alas, foreign loans had become more expensive due to the crunch in the Euro-American credit market which accounted for more than 87 per cent of Nigeria's external borrowings.⁹ Thus, in as much as foreign borrowing had its problems, Nigeria may need additional but concessional external financing to complement domestic resources in tackling its economic and development problems. It is against this backdrop that Nigeria's roles in opposing external influence on the Bank warrants examining with a view to repositioning the country's economic interests to effectively maximize benefits and minimize costs.

Africa's Plight in the Global Political Economy and the Emergence of the AfDB

The world, since the end of the World War II, had witnessed greater economic relations amongst nations. Trade has increased in manifolds, economic cooperation has intensified, and international institutions have had their operational scope extended, all as a result of the growing undercurrents of interdependence amongst nations. However, it is an acknowledged fact that the tremendous economic prosperity is not fairly and equitably distributed. The developed nations of the North have continually but unduly benefited, and still benefit, so much more at the detriment of the developing countries of the South. The reason for the global imbalance, many say, lies not so much in disparities in the levels of economic growth and development between the two *poles* but rather in the way the world economy is structured; and the institutions created to superintend it had basically continued to serve the hegemonic interests of the North, especially the former metropolitan powers.¹⁰ The inequality and imbalance that characterize relations between and amongst nations in the world had made the position and the fate of countries of the South, in global economic structure, precariously threatening.

The plight of the South has given way for 'South-South Cooperation', a framework of cooperation amongst the developing countries, reinforcing the belief that prospects of sustained economic growth and development could be more assured through intensified cooperation within and amongst them. Faced with a fragile economy, and largely conditioned by the external environment, the developing nations had to take their destiny in their own hands. The immediate challenge in Africa was how to break with the colonial hang-on and shake-off the yoke of external dependence, especially in relation to the ex-colonial powers. Bade Onimode, and Gustav Smith, in their different contributions on African development, caution that Africa must of necessity devise a developmental paradigm outside of the technical, conceptual and historical alignments and relationships with the West.¹¹

Going by the comparative measures adopted in many international official statistics, Robert Pitt observes that African nations at independence received twice as much aid per capita as Asia and Latin America, and with it began an exceptional degree of external dependence. African nations relied heavily on principal donor countries in the Organization for Economic Cooperation and Development {OECD}, especially the former metropolitan powers, for development aid and trade finances. In the 1960s alone, the official development assistance to Africa was defraying about 58 per cent of African governments budget expenses; more than 77 per cent of the ODA originated from the former metropolitan powers in the West, and the figure was in the range of \$89 billion in cumulative value.¹²

Similarly, gross dependence occurred in two other sources of Africa's external finance: private investment and foreign trade. The private sector in many African nations exhibited the typical colonial pattern with a huge concentration in agricultural plantations and mining, and the smallness of African domestic markets made escape from this pattern difficult. As a result, foreign capital and petty investments pre-dominated

the African private sector, the main source again being the former metropolitan powers. In foreign trade, approximately 88 per cent of Africa's total exports went to the developed countries, a higher proportion than from any other region of the world. The influence of the colonial past was seen again in the concentration of about 71 per cent of Africa's export to Western Europe.¹³ Even, more disturbing was that for nearly half of the countries in Africa, more than 50 per cent of their exports were accounted for by a single primary export commodity; they virtually imported all their consumables and capital goods from the developed nations where the destination of the former metropolitan powers accounted more than 70 per cent of all their imports.¹⁴

Africa's external dependence is one of the most criticized elements of colonial experience. Many a scholar has singled out colonialism as the main suspect for Africa's development predicament. For instance, a number of African scholars maintain that European colonialism was a pervasive imperialistic force that destroyed Africa's resource base, and nurtured economic imbalance in its relations with the outside world.¹⁵ However, this common argument does not leave one with the impression that there are no contrary views. Alan Scott differs sharply. He argues that colonialism launched Africa into the limelight of world economy: its primary products and other items of trade found outlets and exchange values in world market.¹⁶ For him, the cause of Africa's external dependence and consequent development predicament was not so much about European colonialism but what appeared to be Africa's late entry into the mainstream global capitalist economy. The correctness, or otherwise, of the arguments of the two contending schools of thought notwithstanding, the point we are trying to make is that African economies at independence were backward, fragile, and externally oriented. African leaders, thus, were unavoidably confronted with huge external dependence, which, if not frontally addressed, the political independence so achieved would be meaningless. The crux of the matter was that Africa needed economic independence.

Prior to the establishment of the United Nations Economic Commission for Africa, shortly referred to as ECA, in 1958, the World Bank noted that economic reforms in Africa had taken the form of modifications and relaxations of policies and programs designed by the metropolitan powers and their hegemonic institutions.¹⁷ At independence, it was obvious that African nations would not feature significantly in the calculus of the existing international institutions, especially on matters of economic exchange. For instance, the Bretton-Woods institutions {World Bank and International Monetary Fund} which began operations at the end of the World War II, when most African nations were still in the cold grip of colonialism, appeared to have guaranteed little or no hope for genuine economic recovery and development for Africa. In fact, one could better understand the plight of African nations in the hands of the Bretton-Woods institutions from the statement of Eugene H. Rothberg, a former World Bank Vice President, as quoted by Rufai Ahmed Alkali. He said, thus:

We {the World Bank} are not a social welfare agency committed to making transfer payments to solve the problem of misery and poverty. We are a development bank using the most sophisticated technique available to facilitate development, while providing unmatched protection and strength for our creditors and shareholders.¹⁸

Put differently, the World Bank and IMF are not designed to take away misery and poverty from Africa but rather to safeguard the interests of their creditors and shareholders in the West.

The parlous state of African economies, no doubt, challenged African leaders to tinker with the idea of establishing a home-grown continental institution to promote Africa's development agenda. But this kind

of effort towards economic nationalism at the continental level in Africa would not come without huge costs and inherent structural rigidities. For any regional institution which sets out to promote development in Africa would have to work within the rather narrow limits imposed by two interrelated, but nonetheless, conflicting factors. First is Africa's extreme dependence on, and vulnerability to, decisions taken by the developed countries and their bourgeois multilateral institutions. Second is the widespread tendency in Africa to see this dependence as the principal obstacle to healthy and speedy growth. These problems, unavoidably, would constitute serious limitations for a continental development institution in Africa.

At independence, it appeared a few African states would sacrifice the immediate advantages of their economic relations with the former metropolitan powers for the less and uncertain benefits that would come from a continental institution which its future, in the short run, would not be very much guaranteed. It was most likely that few independent African nations would give the would-be institution the recognition and a central role it deserved in Africa's development agenda much more than they had always given to principal countries of the West and their global agencies. In the long run, however, African governments shared uneasy suspicion that the dependence on bilateral relationships with the developed countries of the West, on their part, could turn out to be self-perpetuating. It does emphasize that the continent needed an escape route out of its continued pauperization by the West.

Poor economy aside, Africa was largely wrecked by political and civil conflicts in the immediate independence years. For instance, Congo the archetypal heart of Africa was embroiled in civil conflict. Sudan was busy trying to quell its 1963 October Revolution. South Africa was engrossed in anti-Apartheid struggle while guerilla warfare in Equatorial and Portuguese Africa had sprung up in the fight for political independence. Environment such as this could not have been propitious enough to focus on development-oriented agenda. The fact was that Africa urgently needed economic progress to address its future. The immediate realization that no political and social stability could be meaningfully achieved without a strong foundation of economic progress, amongst the African leaders, saw to the tinkering with the idea of founding of a continental development institution. They had to carry through the initiative; and in October 1964, the African Development Bank was set up as a premier development institution in Africa. It is not surprising that Martin Meredith calls the bank 'a child of necessity born in the tumultuous time in Africa'.¹⁹ In other words, the founders of the Bank were primarily concerned with long-term objectives of 'development', 'economic independence' and 'political stability' for Africa.

Nigeria and the Bank in the Formative Decade

Nigeria being one of the countries with largest concentration of black people and considerable amount of human and material resources has often been regarded as the largest economy in the sub-Saharan Africa, and thus presented a big hope for the entire black race. The huge economic advantage as a potential power house in the continent has always informed the country's conviction for a leadership role in Africa. Successive Nigerian governments have made Africa as the center focus of their external policy relations. Thus, Nigeria, since the 1960s, had been in the vanguard of promoting the economic and social development in Africa. This image explains Nigeria's prominent role in the establishment and sustenance of the African Development Bank.

Right from the outset, Nigeria's leading role in the process of formation of the African Development Bank was not in doubt. The country was represented by its Prime Minister, Sir Alhaji Abubakar Tafawa Balewa, at the All-Africa Peoples Conference in Tunis in 1960 where the idea of a development bank for Africa

was first thought out on a continental level. Nigeria made a very positive contribution to the idea, and after the conference, was one of the African nations that were mandated to win international support for the idea. The proposal for the establishment of a development bank for Africa was considered by the United Nations Economic Commission for Africa {ECA} in February 1961 and a Nigerian, Dr Pius Okigbo, was appointed in October that year to chair a twelve-man member ECA Panel of Experts to investigate and report the possibility of creating a pan African bank.²⁰

When the Okigbo-led Panel of Experts submitted its report, ECA further appointed a committee of nine member-countries popularly referred to as the Committee of Nine to further work out the details. It was a mark of responsibility and leadership that Nigeria was a member of that committee chaired by Dr. Romeo Horton of Liberia. Ernest Achonu once wrote in *Sunday Times* that ‘thence the task of the ‘committee of nine’ was to consult widely and win international support for the establishment of an African bank, Nigeria was needed to carry it through’.²¹ It is important to note that the reports of the twelve-member ECA Panel of Experts and the Committee of Nine which Nigeria had played prominent role in shaping their proposals formed the bases for the adoption of financial and legal instruments of the African Development Bank in Lagos, Nigeria, in 1964.

Perhaps, in recognition of Nigeria’s role in the formation of the African Development Bank, the first Board of Governors meeting of the Bank was held in Lagos, Nigeria, in November 1964. The Nigeria’s Finance Minister, Chief Festus Okotie-Eboh presided over the Board’s inaugural meeting where he was unanimously elected as the first Chairman of the Board, while Mr. Jean Marie of Mali and Mr. P. Bomani of Tanzania were elected Vice-Chairmen. They were to hold office in the interim pending the election of substantive officers of the Board of Governors that was scheduled to take place later in 1965.²²

It was in this maiden meeting of the African Development Bank that critical decisions that would determine the future of the institution were taken. The members of the Board of Directors were elected. Mr. Mamoun Beheiry of Sudan was elected the President of the Bank. Even, the headquarters of the Bank which could not be decided at the Khartoum Conference in 1963 was decided to be in Abidjan, Ivory Coast.²³ General Ike Nwachukwu, Nigeria’s former Minister of Foreign Affairs, once noted that the Bank’s headquarters was actually proposed to be in Lagos, Nigeria, but because of the thought of winning over the Francophone countries in Africa, whose commitment appeared to be in doubt due to the French disapproval of the idea of an African bank, and assuage the Francophone fear of Nigeria’s would-be regional domination that Abidjan was chosen’.²⁴ Nigeria, at the maiden meeting of the Bank in Lagos, also, provided one of the first nine Executive Directors and one of the first four Vice Presidents of the bank in the persons of Mr. O. Akinrele and Mr. Ola Vincent respectively.²⁵ Dr. Chu Okongwu, Nigeria’s former Minister of Finance, was warranted to say, metaphorically, that the life the African Development Bank was living was given to it by Nigeria in Lagos.²⁶

Nigeria’s contribution to the African Development Bank was, also, seen in its percentage share subscription to the Bank’s initial authorised capital stock. At the launch of the Bank in 1964, Nigeria made one of the highest subscriptions in the range of 11.1 per cent of the total capital stock of the Bank after Egypt’s 13.8 per cent and Algeria’s 11.5 per cent share contributions.²⁷ Nigeria was the third largest shareholder wielding a substantial voting power after Egypt and Algeria. Bisi Ogunjobi notes that Nigeria’s voting power in the Bank was partly a reflection of the size of the country’s economy and population as determined by the per capita allocation formulae used at the time, but more importantly, by

the pro-African stance of her foreign policy.²⁸ By this position, Nigeria had become one of the largest shareholders, and to some extent attained the status of a benefactor in the Bank.

On the other hand, Nigeria was not only a benefactor but, also, was a beneficiary of the African Development Bank. Between 1967 and 1970, Nigeria was embroiled in a bloody civil war that almost damaged its society and created serious economic tension in the country. Within this period, all the country's energies were concentrated on winning the civil war. After the war, Nigeria was confronted with high level of infrastructural destruction and general economic dislocation of the population, especially in the southeastern parts of the country. P.C. Asiodu posits, 'Nigeria emerged from the throes of war in 1970 looking for the necessary capital and support to rebuild her economy.'²⁹ Thus, Nigeria once a potential economic power house and beacon of hope for Africa, was economically dislocated and ravaged.

In January 1972, the Nigerian Government signed two loan agreements worth \$5 million with the African Development Bank. One was a \$3.4 million loan grant for the reconstruction of Enugu Airport that was damaged during the Nigeria-Biafra War and the expansion of Calabar Airport. The other loan of \$1.6 million was to finance the expansion of the Nigerian Sugar Company in Bacita, near Jebba, {now in Kwara State}. The Bank, also, promised to approve another loan for Nigeria, before its next meeting in Fort-Lamy, Chad, to help finance the proposed international road linking Nigeria with Dahomey {now Benin}, Cameroun, and Niger; and that technical co-operation would be established between the Bank and the Nigeria Industrial Development Bank {NIDB} subsequently.³⁰ Put differently, the AfDB was compelled by the destructive impact of the Nigerian Civil War to make prompt lending to Nigeria to assist its post war reconstruction efforts. Thus, Nigeria, for the first time, borrowed from the Bank credit facility since it began operations in 1966.

Fortunate enough, Nigeria's post-civil war economic headache could not last longer. Before the end of 1973, the global rise in the prices of oil in world market had started turning into a revenue boom for the country. Olajide Aluko posits that by 1974 Nigeria's revenue base had quadrupled the pre-civil war levels, and the main exchange earner was petroleum exports and no longer agricultural exports.³¹ The country once again looked more like an economic power house in the whole of Africa within a short period of time. Nigeria, thus, began to increase its contributions to the African Development Bank in particular and Africa's development in general on the basis of promoting the country's leadership aspiration in Africa.

Nigeria doubled its share subscriptions, and by the end of 1973 the country had become the largest shareholder in the African Development Bank in the face of Egypt's mounting arrears and Algeria's dwindling financial contributions. As matter of regional policy, Nigeria, in 1974, suspended its borrowing from the bank so as to allow the meager resources at the disposal of the African bank to reach to the less privileged member-states in Africa who needed them most. By virtue of the country's suspension of borrowing from the Bank, and its launch of policy of oil concession to most poor oil importing countries in Africa, there was a strong conviction that the country would pursue a bigger role to essentially enhance the operations of the bank as Africa's premier development institution. In fact, Nigeria's leadership role in the founding of Economic Community of West African States in 1975 and how it single-handedly underwrote its initial budget were clear signs of buoyant economy, and demonstrated the country's preparedness to assist in the development of other countries of Africa. In other words, before 1976, Nigeria has set a common path of leadership role that would define its relations with the African Development Bank.

Nigeria's Concern for 'African Identity' of the AfDB

One of key defining elements of the African Development Bank as espoused by its founding fathers was its idea of African ownership, funding, and control. From the wake of Khartoum Conference in 1963, the Bank was designed as an African bank in its exclusive terms without element of external involvement. The decision was, strongly, informed by the ugly experiences of Africa's colonial past which were still very fresh in the minds of founding fathers of the Bank. The principle of African exclusivity for the bank actually did not allow non-African countries to participate in its affairs unlike the case in the other two major regional development banks of its statue: the Asian Development Bank, and the Inter-American Development Bank.

The African Development Bank represented more of a political resistance tool against the metropolitan powers and/or imperialism than, primarily, an instrument of economic cooperation and international finance mobilization for Africa's development. The goal was to protect, preserve and promote the 'incorruptible' African identity of the Bank, and to resist any external machinations to dilute it. It was obvious that none of the founder member-nations ever wanted to fall back to what they considered dependent and exploitative imperialism of the West. This resolve was what Mr. A. E. Ekukinam, the then Nigeria's Federal Commissioner for Finance, alluded to as 'the Khartoum Spirit' before the bank's Board of Governors Meeting in Kinshasa, Zaire, in May, 1976.³² However, the Khartoum spirit would soon be jettisoned in the face of dwindling resources of the Bank in relation to the severity of African finance-cum-development problem.

Before the mid of 1970s, the problem of poor funding for the African Development Bank and worsening economic decline that confronted many member-countries of Africa at the time had made ripe suggestions and proposals to open up the Bank for international participation, not minding its avowed 'principle of African exclusivity' as the basic identity with which the Bank was established. It was obvious that confronting Africa's economic and development problems required far huge resources than Africa countries were readily prepared to offer. Thus, if the bank would still want to be seen function effectively as a reputable regional development institution, the only option before it was to seek for international participation, partnership and collaboration to improve its capital base. In the face of all this simmering pressure to open up the bank for non-African participation, Nigeria with other founder members like Egypt and Libya unambiguously expressed its disapproval.

Financial and material contributions aside, Nigeria felt it had a bigger moral responsibility to stake its influence and interest to protect, preserve and promote the African identity of the African Development Bank. The country expressed its doubts and apprehensions that the African ownership of the bank could still be if the non-regional countries were given the opportunity to become part of it. Mr. Ekukinam's statement is very revealing in this regard. He stated that:

The African Development Bank is a symbol of African economic solidarity, self-help and self-reliance. The philosophy which embodies these objectives is higher than any other consideration that should influence our personal attitudes in the affairs of the bank. My government supports the philosophy that inspired the founding fathers of the bank, which was and should remain the establishment of a bank with purely African solutions to African economic problems. It is the expectation of my government that this bank should have the courage to break new grounds in its policy orientation and operating methods and stop being the blurred shadow of Western bourgeois financial organizations. Non-African membership in the bank will only perpetuate this unfortunate posture, and inject unnecessary ideological politics into the

affairs of the bank. We do not want this bank to become an instrument of foreign policy of non- African Governments; and to create conditions that will permit such will make mockery of our collective effort.³³

What it does emphasize is that the decision to open up the Bank for non-African participation at the Bank's Annual General Meeting in Libreville, Gabon, in 1977 did not go down well with Nigeria.

The African Development Bank in 1978, at its meeting in Rabat, Morocco discussed the modalities for admitting non-African countries as full-fledged members. Some amendments to the bank's agreement were proposed and passed, pending ratifications by member-states. That Nigeria was opposed to the decision of the Bank to allow foreign participation in its affairs did not lack substance and merit. First, apart from compromising the African identity of the AfDB, there was the fear that the non-Africans would use the advantage of their financial muscle to take control of the Bank at a great cost to African member-states. In as much as the larger chunk of resources that the Bank needed would come from them, they would most certainly have a stronger way of controlling and determining how the affairs of the Bank would be run to their foreign policy advantage. Secondly, the presence of the non-regional members would most probably eclipse Nigeria's influence and leadership in the Bank. Nigeria had invested so much in the AfDB that it would not want its leadership to be undermined or politically overshadowed by any foreign interests.

Though Nigeria's fears were understandably real, the urgent need for foreign participation to secure more funds to for the African Development Bank appeared to have got more prioritized than the fear of unknown imperialism that would come out of it. K. D. Fordwoh observes that before the end of 1979, up to thirty-nine (39) African member-countries had ratified the amended *agreement* and more than eighteen (18) non-African countries, mostly members of the Organization for Economic Cooperation and Development, had shown willingness to participate in the Bank.³⁴ The fact is that majority of member-countries had acceded to the proposal to open up the Bank's capital stock for foreign subscriptions but, such proposal would not come into effect if Nigeria and countries like Egypt, Algeria, and Libya with substantial voting power continued to veto it.

In 1980, things, however, began to change. Nigeria could no longer continue to oppose the decision of the African Development Bank to open up for foreign participation. It is noteworthy that this Nigeria's compromise did not come-by without some compelling factors. On the domestic front, the country had been caught up by massive economic recession. There was a general fall in the prices of crude oil on the international market adversely resulted into quotidian decline of foreign exchange receipts accrued to Nigeria. The oil exports accounted for more than 80 percent of the country's revenue profile.³⁵ Thus, it is very logical to say that Nigeria suddenly became a cash trapped country, seeking external sources of financing to complement its national budget like most other member countries of Africa that were clamoring for opening up the Bank for foreign participation. On the external front, Nigeria's international image was at stake. The country would not want the world see it as being unnecessarily arrogant, bullish, and insensitive to the problems of other member countries of Africa. It would not want to be misrepresented by other member nations while trying to defend, and help preserve identity that was considered a key founding philosophy of the AfDB. Nigeria could ill afford to lose the international respect and leadership it had earned for itself overtime in Africa and in the world at large.

In December 1982 at the African Development Bank Annual General Meeting in Lusaka, Zambia, Nigeria's Finance Minister, Mr. Victor Masi, therefore, announced Nigeria's decision to reconsider its position and support the idea of participation of non-Africans in the Bank.³⁶ Nigeria's affirmative vote

was very decisive. By virtue of being the single largest shareholder with the highest number of votes in the Bank, Nigeria's vote counteracted the persisting veto of Algeria and Libya who were left with no choice but to make a U-turn. Thus, Nigeria tenured its opposition and settled for accommodation and compromise. The height of it all warranted the then President of the Bank, Mr. Wila Mung' Omba, to remark in a statement that 'Nigeria's vote opened the end of a dark tunnel that had been blocked for a long time'.³⁷ Put differently, Nigeria's affirmative vote and ratification of the Bank's amended Agreement saw to the formal admission and participation of non-African nations as full-fledged members of the Bank.

Nigeria ratified the amended Agreement only when it had secured notable guarantees to safeguard the African character of the African Development Bank. Though, the country, finally, allowed the membership of non-Africans, it made its feeling known that it was not prepared to see Africa member states lose control of the Bank to the non-African members. Mr. Masi, in another occasion, told the Nineteenth Annual Meeting of the Bank in Nairobi, Kenya, in 1983 that:

Nigeria will resist any arrangements that could endanger the African controlling status of the bank. Undue advantage must not be taken of the fact that some African member- states are unable to make prompt payments of their subscriptions. Nigeria withheld ratification of the amended agreement for a long time because it feared the African bank would lose its character and identity. We would want to believe that our non- African continent on international money market.³⁸

Among the notable guarantees to safeguard the African identity of the Bank provided for in the amended Agreement include:

- ✓ The Bank President will always be an African
- ✓ African Directors of the bank will always have majority representation on the board.
- ✓ Non-African shall own no more than third of the bank's total stock.
- ✓ All policy decisions shall be by 51 per cent of the African majority votes.
- ✓ The bank lending shall be restricted to African countries.
- ✓ African member- countries shall own no less than two third majority shares of the bank's capital stock.
- ✓ Senior management positions in the bank shall be filled with Africans.³⁹

Thus, the understanding was that non-African member-countries would play supportive roles. Despite those guarantees, the fear of possible external domination from the non-African members remained real. Whether those safeguards would be sufficient enough to guard against the potential undue influence of the non-Africans in the African Development Bank was a matter of time. D.G. Rwesagira and K. Henock argue that 'those who provide the bulk of the funds and advisory expertise for a regional bank could more effectively dictate its decisions and policies, and ensure that its activities were consistent with their own interests, especially when those interests diverge with what could be autonomous interests'.⁴⁰ Nigeria would still not relent in its effort to see that the Bank remained African in the face of non-African participation. But the fact, however, remains that the struggle to re-assert what was considered 'a dominant sense of Africanity' in policy decisions and management practices of the bank was a subtle battle that Nigeria could not win.

Before the close of the 1990 decade, the non-regional members had gradually increased their shares subscriptions from the initial benchmark of 33.3 per cent to more than 43 per cent.⁴¹ It is important to note that apart from forfeiture of shares subscriptions in arrears of many African member-countries due to

financial incapacitation, the outcome of the Knox Report⁴² appeared to have remodeled the African Development Bank in the perspective and policy direction of powerful non-regional member-countries. Most policy decisions relating to advisory expertise, financial priorities and budgets, assessment ratings, contracting and consultancies in the Bank in recent years had largely rested at the mercy of the non-African member-countries who provide bulk of the AfDB funds.

The ‘Share Transfer Rule’ and its amended version, equally, have offered a huge advantage to the principal non-African members with high economic capabilities to wrestle the control of the African Development Bank from African member-countries. Thus, Nigeria could not to make much success in its struggle to re-assert the true ‘African identity’ of the Bank in the midst of powerful non-African members no matter how commendable in the light of African perspective it had tried to achieve that. It is against this background that Adewumi Ajayi, passionately, described the AfDB as ‘a shadow of the World Bank in Africa; a vehicle through which the Western donors decide the kind of development and how it would be administered in Africa’.⁴³ Put differently, the AfDB, in a strict sense of it, no longer qualify ‘a true African bank’ in both ownership and policy direction.

Conclusion

Nigeria’s largesse and commitment to the African Development Bank understandably were anchored on its self-assumed moral responsibility that the country has a big brother role in Africa and what concerns the continent. Thus, the country’s defense of African identity and philosophy in the Bank was not only borne out of the altruistic spirit of solidarity and Pan Africanism but to keep Africa safe from the entanglement of the Western imperialism and neo-colonization. Although Nigeria could not continue to ensuring that the unadulterated African identity is preserved in the Bank, those efforts made in that regard constituted important Pan African solidarity and leadership roles that warrant notes of appreciation. Those actions were selflessly carried out in the spirit of African solidarity and in defense one common legacy for the interest of all Africans. Nigeria availed itself of this kind of moral responsibility on the understanding that it was a major African voice and could not remain silent when Africa’s interest and common destiny are threatened. In as much as the country, realistically, wanted the Bank to have some partnerships that would help it effectively drive its development agenda for Africa that would survive the test of time, the country patriotically never wanted the Bank lose its African identity and the very pan-Africanist ideals that defined its emergence. Although the country’s pan-African voice in the Bank currently appears to be overshadowed by the huge presence and influence of external powers, it may not be dead as a Nigerian, Dr Akinwunmi Adesina, is currently at the helm of affairs in the Bank.

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Author details

Festus Chibuike Onuegbu

Department of History and International Studies, Nnamdi Azikiwe University Awka, Nigeria

ORCID: <https://orcid.org/0000-0002-4205-917X>

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43. Adewumi Ajayi, c.58 years, Afri-Exim bank, interviewed at Lagos on October 26, 2025.

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