

There was a time before neoliberalism; will there be a time after neoliberalism? (1)

Note: The texts of this week's and next week's columns come from a keynote lecture that I delivered at the 2016 National Delegates' Conference of the Academic Staff Union of Universities (ASUU) at the University of Uyo on May 16, 2016. These texts are being made public in this forum for the historical records.

COMRADE President, members of the National Executive of our great Union, delegates, invited guests, ladies and gentlemen, it gives me great pleasure to be among you today, not only to give this keynote lecture but also to be a participant in the open sessions of the Conference. Two years ago, I was also a participant in the National Educational Summit in Abuja. I mention that occasion now because it marked the first occasion of what I hope will be my return to an active, elder's participation in the affairs and struggles of our Union. For the youngest of those present at this Conference, I would like to draw attention to the fact that it was about thirty-five years ago that I became the National President of ASUU. Thirty-five years may be - and is indeed - a long time, but I assure you that to me, it is as if it was only yesterday! This is because becoming ASUU National President was a big, life-changing experience for me and I dare say for all those who succeeded me as the Union's National President. For this and many other reasons, any occasion that brings me back to our Union is laden with memories of how and where this extraordinarily formative experience with ASUU came about.

By a rather interesting coincidence, the coming of neoliberalism to our country and our continent was a crucial world-historical background or context for that period of my presidency of ASUU. In other words, neoliberalism, the theme of this Conference, had a lot to do with what has been described as the emergence of a clearly ideological ASUU under the leadership of the first five or six National Presidents of ASUU starting from 1980. Of course we did not initially know that neoliberalism was the driving ideological force underpinning our struggles and the struggles of African peoples and other peoples throughout the developing world - and even the struggles of workers and poor people in the rich countries of the global North. However, by the middle of that decade of the 80s that awareness, that knowledge had penetrated the deepest and innermost recesses of our individual and collective consciousness and we had absorbed the lessons of this knowledge.

Comrade President, permit me to make what I am stating here obvious and it is this: the theme of this Conference has a rich resonance for me and I dare say for all of us who were in leadership positions in ASUU during that decade of the 1980s. It is this resonance that influenced the choice of both the title and the contents of my talk this lecture. This title is: "There was a time before neoliberalism; will there be a time after neoliberalism? - Nigerian and African Perspectives".

My unambiguous answer to the two parts of this question is of course, yes, there was a time before neoliberalism and there surely will be a time after neoliberalism. At the risk of oversimplifying things but as a sort of opening move in my talk, permit me to succinctly summarize the essential ideological character and political economy of the time both before the high tide of neoliberalism: *In that period, it was still possible to articulate and struggle for alternatives to the domination of our national economy by foreign and local oligarchs to the detriment of*



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•"Central Bank, Abuja: the bastion of neoliberal 'financialization' in Nigeria and West Africa"

the vast majority of our peoples. Moreover, these alternatives to the combined forces of local and foreign oppressors could be found not only in the usual location at the far Left margins of the public sphere but right at the center of mainstream politics in Nigeria and the developing world. However, with the emergence of neoliberalism and its rise to global hegemony, alternatives to foreign domination and local oppression were all forced into a retreat from which they have never recovered, a retreat to a point where they almost completely disappeared in our national affairs, especially with regard to ruling class party politics. As this will be a crucial point in this lecture, permit me to repeat this observation, this ideological and theoretical claim: before neoliberalism, both capitalist and non-capitalist alternatives to domination and control of our national economy by local and foreign oligarchs were very visibly and actively promoted; with the rise of neoliberalism to dominance in virtually all the nations of the planet, a world within which there seemed to be no viable alternatives to global, regional and national free market capitalism became a norm, a sort of end-of-history port of arrival for our planet and its nations and peoples.

Comrades, let me repeat: the world, our world was very different in 1980 when I became ASUU National President and this is why I have chosen to speak in terms of generational experiences in my reflections on the world before and after neoliberalism in this talk. At the most easily perceptible levels, both capitalist and non-capitalist models of development could be easily found in our country's ruling class party politics in the period. Perhaps the most telling examples are cases like the Unity Party of Nigeria (UPN) that was liberal and welfareist in its programs and the Peoples Redemption Party (PRP) that was radically social-democratic in its ideology and policies. As a matter of fact, and from the historical record, let us recall that in

the mid to late 1970s before ASUU became ideological, trade unions, students' organizations and independent movements of radicals in the professions were militantly proactive in their opposition to the control of the national economy by local and foreign oligarchs. Ife/ABU, Zaria; BUK; Nsukka; Benin and many other campuses were vibrant with an activism that defined patriotism in terms of national unity, social justice and the pursuit of the common good.

Beyond these overt and dynamic socio-political processes, I am actually more interested in an *ethos*, a culture in which neoliberal ideas and policies were so strange, and ran so counter to the general tendencies of the period that people who spoke for them and acted on their presuppositions were not only in the minority but were extremely defensive in their pronouncements and activities. For instance, the brazen and militant gospel of prosperity of the megachurches of the present period would have shocked nearly everyone in the country's political and 'ethical' mainstream in the late 70s and early 1980s. Similarly, quintessentially neoliberal articles of faith of the present period like the privatization of every single one of our public enterprises and deregulation of controls meant to protect public and national interests would have been totally out of place in the period under review here, the period before neoliberalism became hegemonic. As a matter of fact, one of the then newly ideological ASUU's most popular monographs of the time before the hegemony of neoliberalism was a study with the revealing title, "Nigeria Is Not for Sale". And perhaps most portentous of all, when the regime of Ibrahim Badamasi Babangida conducted a nationwide referendum in 1985 on whether or not Nigeria should take a loan from the IMF that would bring the country under the heel of the notorious SAP instrumentalities, the referendum overwhelmingly recorded an opposition to the IMF, its

loans and the specter of debt peonage which it presented to our country. No, Nigeria then was not for sale. Except that in the eventuality, against the verdict of the referendum, Babangida took the IMF loan, massively devalued the naira and placed the country more firmly under the control of foreign domination with the invaluable collusion of the country's nascent oligarchs with their base in the looting of the state.

It would of course be convenient to blame it all on either the Babangida regime alone or in combination with the military dictatorships that came after him. But in reality, the factors that made neoliberalism triumph in Nigeria were more complex than that. In other words, neoliberalism would not have recorded its far-ranging ideological successes if all that it had to fall upon to become ideologically dominant and "ethically" persuasive was military autocracy and our thieving, *barabwa* political elites. I suggest that it would be more productive for us to look carefully into the reasons why having once been very popular and attractive to millions of people in our country, elite and non-elite, ideas and policies like public ownership of key and sensitive enterprises and utilities and regulatory instruments to protect public and national interests in trade, commerce and industry eventually fell to the dominance of neoliberalism. In making this suggestion, I have in mind the subtitle of the theme of this conference: "Neoliberalism: Ending the Conspiracy". So was there a 'conspiracy' that worked in Nigeria and many other countries in Africa and the developing world to make neoliberalism hegemonic?

I think the answer to this question is yes - if by that answer you spell out what the "conspiracy" was and how it has worked so effectively. In my opinion, one way in which this could be usefully accomplished is to take seriously the ultimate locus of the claim of the superiority of neoliberalism in efficiency, competi-

tiveness and the pursuit of the social good over opposing ideas like public or state-owned enterprises; strict regulation of trade and commerce in the national interest; and investment in public sector services, utilities and institutions. This locus is the financial services industry of contemporary capitalism which is also known by the technocratic lingo of "financialization". In other words, beyond military autocracy and the ideological opportunism of thieving political elites, it was "financialization" that more or less effectively brought neoliberalism to Nigerian capitalism. For this reason, it provides our most objective and useful tool for critically deconstructing the truth claims of neoliberalism and exposing the tissue of lies and half-truths on which it is actually based. To do this, permit me to draw specifically from collective experiences of academics in the Nigeria that we knew and in which we struggled before neoliberalism became dominant as ideology and above all else, an *ethos*.

It was one of the most unpleasant, if not the most harrowing encounters that we, academics, used to have with Nigerian bureaucracy, this being the business of obtaining foreign exchange for professional purposes of diverse kinds. These included travel abroad to attend vital conferences; buying books and equipment from the convertible currency countries of Europe and North America and having them shipped to Nigeria; getting approval for payment of stipends and allowances during extended stints of study abroad. In each single instance, after getting the support and approval of your own institution's Registry and Bursary, you had to make day-long or two-day trips to Lagos where you had to go for approval in each of the following arms of the federal bureaucracy: the office of the Secretary to the Federal Government; the Ministry of Finance; and the Central Bank. I remember distinctly that apart from the physical exertions, it was also a soul-wearying experience that demanded of one supreme patience with civil servants who apparently took perverse delight in lording it over academics, no matter how fleeting this exercise of power and authority was.

Stories and anecdotes from this period of severe protectionist regulation of transactions between our national currency, the naira, and the convertible currencies of the world now seem like tales from another epoch, another lifetime. In place of those harrowing trips to Lagos, anytime that I am in Ibadan these days I don't even have to travel out of my own neighborhood in the city, Oke-Bola, to remit and receive funds to and from abroad. More crucially, far beyond the issue of the personal or individual convenience of neoliberalism-inspired banking services in Nigeria, the benefits extend to all segments of the economy, including small and medium scale enterprises (SMEs), numerically the largest and most vibrant sector of our national economy. Thus, strictly in terms of technocratic efficiency and the benefits that derive from the connection of our national economy to global circuits for the movement of capital across the whole world to make businesses and enterprises grow and prosper, the protectionist regulations and practices of the pre-neoliberalism period in Nigeria are uncontestedly inferior to the facilities and services offered by the "free trade" financial services of the present period. This, in a nutshell, was what secured the hegemony of neoliberalism in our country. As we shall see in next week's column, this was and is not the end of the story.

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There was a time before neoliberalism; will there be a time after neoliberalism? (2)

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•“A Nigerian transnational megabank: when will the super profits, the wealth produce growth with development?”

THE technocratic efficiency of “financialization” in our megabanks does not exist in isolation; it must be compared to other sectors of the economy and indeed, the national economy as a whole. Perhaps it does something to our sense of collective national pride when we come across television advertisements around the world that feature Nigerian megabanks like Guaranty Trust and Zenith, right there among the foremost banks in the world. But what has this done to make a real difference in the lives of the vast majority of Nigerians in their tens of millions? These Nigerian megabanks declare huge annual profits but this fact does not in the least translate to extension of credit and loan portfolios on a significant scale to the most vital and needy sectors of the national economy like farming and small scale enterprises. As a matter of fact, as in the rich countries of the world where the financial services industries consistently declare huge profits that are of inverse relationship to the economy as a whole, the very period that has seen the growth and the expansion of megabanks in Nigeria has seen a sharp widening of the gap between the haves and the have-nots, a phenomenon that is known to development sociologists as *growth without development*. This is in fact the ultimate indictment of neoliberalism nearly everywhere in the world: consistently huge profits that widen the gap between the few super rich and hundreds of millions of the poor around the planet, a gap of social inequality that exists as much *between* nations as *within* nations. Permit me to dwell a little on this particular factor of the impact of neoliberalism nearly everywhere in the world, rich and poor nations alike.

We know enough now about neoliberalism to know that the cause of its tendency to widen the gap of inequality between the rich and the poor everywhere in the world and to foster growth without development derives from the fact that the “economy” in which for the most part it operates is a *shadow* economy almost completely with very little meaningful connections to the real economy. In the real economy, the goods and services that sustain life and make human existence pleasurable and dignified are produced and traded: food, clothing, medicines, houses, transportation, sanitation, entertainment and leisure and the instruction of the young. In the shadow economy, no goods, products or services that anyone can eat or use in the course of living are produced and traded. The bulk of what is produced and traded are services based on speculation on securities and derivatives on huge debt and loan portfolios. This unregulated or indeed *unregulatable* degree of speculation in neoliberalism’s shadow economy around vast securities and derivatives attracts far greater finance capital than the quantum of investment capital that goes into the real economy. This, in essence, is what “financialization” means in neoliberalism: we are in a phase of global capitalism in which money creates more money without contributing much to the production of goods and services in the real economy. At previous historic stages of capitalism, finance capital was tied to something other than and beyond itself. In the *mercantilist* phase, money or finance was tied mostly to trading and commerce. In the *industrial* phase of large scale factory production, it was tied to making industrial goods and heavy machinery, the machines that make other machines. In the *third*

industrial revolution that produced advanced micro-processes that probe deep into the oceans, the heavens, the seas and the deep interiority of human genes, finance capital was devoted to making and doing things that both human beings and the heavy machines we have made cannot do. In the present phase of millennial, neoliberal “financialization”, finance capital is overwhelmingly devoted to making more money by and for the megabanks, the hedge funds, the oligopolistic billionaires. I should perhaps add here that money devoted to making more money as an end in itself is not new and has always been around in all the previous historical stages of capitalism. However, with the full maturation of neoliberalism, it becomes more than peripheral and secondary; it becomes the dominant mode of global capitalism.

I should perhaps add here that it is a little incorrect to say that “financialization” in neoliberalism primarily or even substantially constitutes money diverted away from the goods and services of the real economy in order to make more money as an end itself. Strictly speaking, money does not make more money as an end in itself; money makes more money for the rich and the powerful of this world who have been the beneficiaries of the colossal wealth created under neoliberalism, a wealth that has immensely widened the gap of inequality between the rich and the poor everywhere in our world. In this respect, perhaps the ultimate question that we can and must pose to neoliberalism is this: whatever the unprecedented levels of technocratic efficiency in the generation

of wealth, whatever the highly impressive rates of growth under neoliberalism, who benefits, who suffers; whose bellies are full to bursting and whose bellies are bloated, not with nourishment or satiation but with the unreal and artificial kwashiorkor of destitution? Fortunately, this is not the end of the story for there are things happening below the surface of contemporary global political economy to trouble the belief of the apologists and defenders of neoliberalism that nearly all the capitalist and non-capitalist alternatives that can reduce or even wipe out terrible gaps in justice and equality have been substantially weakened if not erased from contemporary debates and struggles. In other words, in the last decade and half, there has appeared a totally unprecedented development in global affairs that gives clear indications that we may be much closer than we realize to a time, a period beyond and after neoliberalism. To that development I now turn in my closing reflections in this talk.

Not too long ago, at the height of the global ideological hegemony of neoliberalism, the world was for the most part divided into two halves: one half comprised *creditor* nations that ‘restructured’ debtor nations; the second half comprised *debtor* nations that were ‘adjusted’ by the creditor nations. Here is another formulation of that decisive division of the world into two halves: nations that were “SAPPED” and those that did the “SAPPING”. If we are looking for the signal moment for the rise to world hegemony of neoliberalism, that was the moment. This moment

coincided exactly with the emergence of an ideological ASUU. Now as we all know, until a country takes the IMF or World Bank loan thereby placing the lives of its citizens directly under IMF or World Bank control, the ideas and policies of neoliberalism are mere recommendations only which African and other countries of the developing world are free either to take or reject. As I have previously indicated in this talk, in the case of Nigeria, when Babangida put the matter before the nation in a referendum in 1986, Nigerians by an overwhelming majority rejected IMF and World Bank debt peonage. But Babangida went ahead and took the loan from the IMF. The rest is history and we have never recovered from the suffering, the hardship and the insecurities of life, liberty and possessions for the great majority of Nigerians that came with that fateful decision. I remember distinctly the humiliations that we felt when, in the face of massive shortages of essential commodities that came with the advent of neoliberalism in our country, we used to line up in queues in university campuses to receive our own “essential commodities” or “essence” as it was popularly and jocularly known.

Our Union’s struggles for adequate funding for education, for better conditions with regard to the work we do and the students we teach, and for autonomy and academic freedom from external control and manipulation by successive governments that had sold their souls to neoliberalism date from that period. For me personally, it is profoundly discomfiting that the very things that we were struggling for thirty-five

years ago when I became ASUU’s National President are the same things the Union is still struggling for today, except that things have gone far worse now than then. The fundamental cause of this, Comrade President, is the fact that neoliberal ideas and policies have become more entrenched, more militant and unyielding in the space of the three decades and half that have passed.

However, as I have earlier indicated, that is not the end of the story and we are beginning to see a world that will gradually put neoliberalism behind it. This is because the map of the global political economy that once divided the world into creditor nations that restructured debtor nations on one side and on the other side debtor nations that adjusted has changed radically. Now, nearly all the nations of the world are debtor nations, with only a few countries like China and Germany still being creditor nations. The most important aspects of this change in the global political economy of neoliberalism is that most of the nations of the world are being SAPPED now. For me personally, it has been quite an experience to have seen and lived through the effects and consequences of being SAPPED in both the poor nations and the rich nations. Concretely, it has been a revelation to see and hear protests of anguish and desperation that we have been making in our part of the world since the 80s now being made by tens of millions of people in the global North. And here I am talking not only of the most obvious cases like Greece, Spain, Portugal and Finland but even Britain, France and the Scandinavian countries, not excepting the United States itself, the heartland of global capitalism and the center of gravity of the global ideological hegemony of neoliberalism.

No countries, no peoples like being SAPPED, Comrade President! Peoples, unions, professional associations and mass movements are fighting back, not only physically as in the so-called Occupy movements but also at the level of ideas and ideology. I would go so far as to state that, at certain fundamental levels, neoliberalism is now in a sort of retreat or self-reappraisal as advocates and defenders of the welfare state, social democracy and protection of the public sector from complete privatization and deregulation are fighting mightily against the parties of the Right and the Center who are still sold on neoliberalism. As a matter of fact, Nigeria is one of the few countries in which all the ruling class parties and virtually all members of the political class still believe that neoliberal ideas and policies are here to stay forever and are therefore completely immovable from their confidence, their temerity in defense of neoliberalism. The very worst of these champions of neoliberalism in the Nigerian political class actually still believe and loudly declare that the problem with neoliberalism in our country is the fact that we have not gone far enough in embracing and applying its ideas and policies!

Comrade President, I leave this Conference and other conferences that will surely follow in the years and decades ahead of us to deliberate carefully on what will come *after* neoliberalism, specifically in our country but also in our region and in the world at large. The road will be long and hard but victory is certain. The first step in that long journey? Wealth that generates growth and development. A luta!

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