CONSTITUTIONAL DEMOCRACY AND THE INFLOW OF FOREIGN DIRECT INVESTMENTS: THE NIGERIAN EXPERIENCE

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Abstract: *Does any relationship in both theory and practice exist between political institutions and economic performance? In other words, do political institutions enhance economic performance in terms of an economy being able to steadily and permanently attract and stimulate foreign direct investments (FDI)? How can the relationship, in the standard version of social science research, be measured and determined? What are the local varieties and peculiarities that tend to condition how political institutions encourage and stimulate foreign direct investments (FDI)? To what extent do the variations and peculiarities impact on the policies and initiatives that are aimed at the attraction and stimulation of FDI? To what extent does the attendant result help in the analysis of the volume and sectoral allocation of FDI? How have the results influenced and impacted the contrasting perspectives in literature? And what will the study of Nigeria add to the debate as it ensues? Relying on data from secondary sources, in particular the Reports of the Central Bank of Nigeria, the Bureau of Statistics and newspapers, the study examines the volume and sectoral allocation of FDI in Nigeria with the return to constitutional democracy between 1999 and 2012. The aim is to discover how the Nigerian environment of democracy can influence the existing debate on the affinity of FDI to democracy. The study finds out that there were influxes of FDI into the Nigerian economy only on paper. The policy implication is therefore that the hope of a greater Nigeria rests on the determination of Nigerians to use its resources to address the fundamental problems of the Nigerian economy rather than deliberately seeking to attract and stimulate FDI.*
Keywords: *Foreign Direct Investments. Constitutional Democracy. Political Economy of Foreign Direct Investments. Sectoral Allocation.*

Introduction

Literature is replete with all kinds of interesting and provocative analyses of the relationship or supposed relationship between democracy and FDI stimulation and attraction. Investigated within the broad framework of the influence of political institutions on economic performance, extant literature present diverge conclusions on the extent to which either democracy or authoritarianism have helped in the attraction or otherwise of FDI. The works of North (1990), North and Weingast (1989), Olson and Limongi (2003), Przeworski, Alvarez, Cheibub and Limongi (2000), Li and Resnick (2003), and Choi (2008), among others, present contrasting perspectives on the affinities of FDI to democracy and authoritarianism. Without debate and argument, the scientific methodologies that have influenced how they arrived at their different conclusions are in themselves subject to criticisms because they were largely influenced by conflicting motives and competing understands of 'science'. Apart from the inabilities of scholars and researches to either fully or relatively manage their varied interests and the determining objectively the choice of tool of analysis which the teachings of social research rule enjoin should be kept under serious control, there is also the problem of how well to interpret the emerging data in a way that the purpose of research will be satisfied and scholarship advanced. More worrisome, the survey of either fully democratic or democratizing one hundred and forty countries in the *Polity* data series gives scanty details about peculiarities, circumstances and situational exigencies and hence in the measurement and interpretation of democracy and democratic parameters. Notwithstanding, the fact that there are agreed elements and principles that drive scholars' general understanding of what democracy is, and the principles and elements in turn shaping the marked distinctions between it and authoritarianism, the point can still be made that a thorough understanding of democracy should be situated in the peculiar environment and circumstance of its practice.

Nigeria, without argument, presents a dilemma in the study of the affinities of FDI to either democracy or authoritarianism. No doubt a democracy, the General Elections of 1999, 2003 and 2007 were generally rigged. The 1999 Constitution, the fundamental legal document defining the structure of government, allocation of powers, and the processes and procedures of governmental and political conduct, among others, is dubious in its preamble. It is a product of military rule/authoritarianism. The military background of President Olusegun Obasanjo as the 1999 Constitution first operator affected his approach to governance especially in the implementation of its provisions. The intention of this article is to present and analyze the "Nigerian dilemma", in particular how it helps in the study and analysis of FDI between 1999 and 2012. Section one preoccupies itself with extant definition and operationalization of the basic terms and terminologies that help to give meaning and identity to the article. Not only are the terms defined within the specific contexts that have influenced their formulations, emphasis is as well placed on how the terms help to explain and understand the "Nigerian dilemma". Section two critically examines the problems and issues in the scientific evaluation and measurement of the affinities of FDI to democracy and authoritarianism. Section three presents a detailed analysis of the volume and sectoral allocation of FDI as documented in the Central Bank of Nigeria (CBN) Reports and that of the National Bureau of Statistics. The contained presentation and analysis are divided into two, the periods between 1999 and 2005 and between 2006 and 2012 for easy comprehension. Section four concerns itself with the analyses of the domestic policies and initiatives at attracting and stimulating FDI in Nigeria between 1999 and 2012 and places the domestic efforts and initiatives at stimulating FDI in Nigeria within the context of globalization. Section five provides the conclusion to the article.

Overcoming Conceptual Ambiguities: Contextualizing the Basic terms and Terminologies

What is the study's understanding of the basic terms and terminologies that help to give special meaning to the article? The terms that are special and specific to the article include: Foreign Direct Investments (FDI), Constitutional Democracy (CD), Sectoral Allocation (SA) and Political Economy of FDI (PEF). Two reasons have informed their formulations. First, to underscore the study's focus on what it calls the "Nigerian dilemma"; and second, to provide the necessary intellectual and epistemological frameworks with which to place the understanding of the Nigerian dilemma within the body of discussions and analyses that are contained in the article. To begin with, FDI is here defined as the summation of all investments imported into Nigeria by individuals, groups and non-governmental organizations. It can further be broken down to include private financial resources/portfolio, grants, aid and donations. While grants are usually given by governments, portfolio investments come in the form of purchase of shares and equities by individuals in their private capacities. Constitutional democracy on the other hand, is used to describe the principles and practices of democracy that are based on the letters and spirits of the constitution. In this type of democracy, the ideas of rule of law, independence of the judiciary, separation of powers, fundamental rights, free press, transparency and accountability, popular participation in decision-making processes, competition for political offices, etc, form the bedrocks of political practices. As the fundamental legal charter, the constitution provides for all of theses and more in a manner that any violation is further protected by law. In this type of democracy, the constitution is supreme and the law is not a respecter of anyone, notwithstanding the fact that immunity clause is contained in the 1999 Constitution of Nigeria.

Sectoral allocation as a terminology is used to refer to the various subsystems and subsectors in which an economy is made. An economy is viewed as the arena where the processes of production, distribution and consumption take place. It has its internal boundaries as well as its external environment all interacting together. Influenced by the degree of sophistication and development, over time, an economy acquires different shapes of dependence and interdependence in the international system of economic production, distribution and consumption. Every economy is integrated with the outside world where it relates and receives investments. Finally, the political economy of FDI refers to the political and economic decisions, initiatives, efforts, measures, and policies aimed at stimulating and attracting FDI especially since the attainment of independence in 1960 in Nigeria. The political economy of FDI is therefore the summation of the various domestic legislations and enactments, and bilateral/multi- lateral agreements freely entered into by Nigeria with other countries of the world.

The definitions provided above are not without some problems. It is very difficult, given the dimensions which corruption takes in Nigeria, to describe investments as being totally/completely foreign or international. This is because there is the thinking that the so-called foreign direct investments (FDI) are indeed a re-injection of the stolen wealth and other resources of Nigeria. The fact that the re-injection presents itself in foreign currencies is not sufficient to describe them as FDI in real terms. Constitutional democracy is again limited by the practice of politics in Nigeria. While political parties are important and serve as one of the pre-conditions for full-blown constitutional democracy in both theory and practice, political parties in Nigeria however change their names and identities without any consideration for cherished principles and ideologies, cherished principles and ideologies which ever define and give meaning to what political parties are. The All Progressives Congress (APC), for instance at different times called itself, the All Nigerian Peoples Party (ANPP), the Congress of Progressive Change (CPC), the Action Congress (AC), and the Action Congress of Nigeria (ACN). The change of nomenclature makes the ruling party then, the People's Democratic Party (PDP), to appear dominant and very strong to the extent of rubbishing the principles and tenets of constitutional democracy. The political economy of FDI is again limited by the amount of political will at the disposal of the

President between 1999 and 2012. The fluidity of the economy of Nigeria hampers any strong analytical categorization of the sectors. Banking, Finance, and Insurance sectors, depending on prevailing circumstances, dissolve so easily to the extent that they can all be presented and described as Financial Services Sector. The telecommunication sector can, again depending on the circumstance, especially going by events in the stock exchange, collapse into the financial services sector and hence be so classified and described.

The Affinities of FDI to Democracy and Authoritarianism: Problems and Issues in Scientific Evaluation and Measurement

Whether or not FDI responds positively to democracy or authoritarianism raises fundamental issues of consequences in social science research epistemology. These issues and problems require extensive discussion and analysis. We need to admit the inherent weaknesses of social science vis-à-vis the physical science. Man's behaviour, it is important to emphasise cannot be completely controlled for the purpose of being able to develop generalisation. Investors are human beings with busy schedules of duties and responsibilities that do likely impact on their responses to efforts and attempts at ascertaining the volume of their capital importation into any economy by either not filling or returning requisite forms to relevant agencies of government as at when due. This particularly explains, especially in the developing world characterised by administrative lapses and inefficiencies, why figures on the volume and sectoral allocation of FDI are lacking in some months of the year and further affecting the aggregate or total figure at the end of the year of study. Lack of administrative coordination coupled with lack of requisite skills and techniques of information and data gathering, storage and organised and planned retrieval system, etc., jointly affect the organisation and presentation of data on FDI in the developing world.

Accepted further that questionnaire design and administration are critical to scientific methods of data collection, the type of questions that are asked, how they are arranged, the mood informing how they are framed and the objectivity in which the whole idea is expressed, etc., jointly and individually shape and reshape our understanding of science and the extent to which scientific exercises are conducted and rated by social scientists. What question to ask with respect to the calculation of FDI volume especially in relation to the host economies is fundamentally dependent on exchange rate which, given the dependent nature of the economies of the Third World, is permanently unfixed and to the detriment of their economic activities and wellbeing. Measuring the volume of FDI has its inherent problems especially when placed within the aforementioned problems. Foreign aid, a component of FDI, has its many problems of measurement especially determining appropriately its volume. Some components of aid, especially training and technical assistance are difficult to quantify and measure in the local currency. The cost and by extension the volume of training and technical assistance are as pronounced by the donour countries and accepted as announced.

Related to the above is as well the problem of ascertaining accurately the affinities of FDI to democracy or authoritarianism. Accepted that what was is to be measured are the concepts of democracy and authoritarianism, problems and issues exist and arise as indices are being formulated for the purpose and more fundamental, how to make the indices scientific to the extent of developing and formulating objective criteria for their measurement and evaluation. In literature, there still exists, for instance, divergent views and understanding on what democracy is even within the popular liberal perspective. Independence of judiciary, fundamental rights and freedoms, free and fair elections, political parties and interest groups, independent and free press, etc., are preconditions for political competition in democracies. However, the preconditions vary in terms of the extent to which democracies are indeed democratic. How, it is now being asked, can the volume of FDI be depicted arising from the degrees of political plurality and political competition and economic liberalisation and deregulation inherent in the host countries and economies? With particular reference to the focus of study, Nigeria, how can the inflow of FDI be depicted as having relationship with constitutional democracy between 1999 and 2012? This is no doubt a difficult question to provide answer to. What needs be appreciated notwithstanding the fact that the Nigerian democracy is with its teething problems and issues is the fact that some initiatives and efforts were introduced and implemented between 1999 and 2012.

The initiatives and efforts, among others, included the acceptance of the constitution (the 1999 Constitution- as amended) as the fundamental legal charter of the country determining everything about powers and its allocation between and among the organs of government and between and among the federating units. The courts, compared with the authoritarian periods before May 29, 1999, exercised (and still continue to exercise) their powers freely and independently without ouster clauses supported by the legislation of Decrees by military fiats. Administrative institutions such as the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Investigation Commission (ICPC) were also parts of the efforts and initiatives meant to sanitize the Nigerian political system through the enhancement of accountability and transparency. Reforms within the larger bureaucratic operations were equally executed and implemented to, among others, ensure efficiency and effectiveness and commitment to standards and international best practices. All of these no doubt helped in the reshaping of Nigeria’s image from the pariah of the General Sanni Abacha era to one imbued with the hope of democracy by the global community especially international investors.

Critical to the examination, discussion and analysis of the affinities of FDI to democracy and authoritarianism is the availability of data. Nigeria is a developing world characterized by poor relevant statistics. This impacts negatively on data on the volume and sectoral allocation of FDI. Accepted that there are institutions and agencies (such as the Central Bank of Nigeria, the National Bureau of Statistics, etc.) enacted by law and publicly founded to, among others, make available relevant statistics and data on FDI, they are however not up to the above mentioned responsibility/task. The point explains the decision to limit the study period to 2012, being the year of available data by the National Bureau of Statistics (NBS).

Analyses of the Volume and Sectoral Allocation of FDI in Nigeria, 1999-2012

The subsection of the article critically examines the volume and sectoral allocation of FDI in Nigeria between 1999 and 2012, the focus of the study. The presentation and analysis are hence accomplished in three parts. Part one examines the period between 1999 and 2005 based on the Reports of the Central Bank of Nigeria (CBN), while part two focuses on the period between 2006 and 2009. Part three examines and analyses the volume of FDI in Nigeria in 2012 and on monthly basis as presented by the National Bureau of Statistics of Nigeria. The volume and sectoral allocation of FDI in Nigeria during this period (between 2005/2006 and 2009) are extrapolated from diverse newspaper sources and subsequently neatly arranged.

As shown in the table below, table one, in 1998, inflow from United Kingdom amounts to over ₦18 billion, while the corresponding outflow is over ₦3.9 billion with a net flow ₦14.1 billion. By 1999, this has declined to ₦1.2 billion and further to ₦191.2 million in 2000. It however, increases to over ₦2.6 billion in 2001, ₦4 billion in 2002 and further to ₦6 billion in 2003. Inflow from the United States which is as low as ₦255.0 million in 1999 rises suddenly to over ₦14.1 billon in 2000, only to fall drastically to ₦285.0 million in 2001. It increases to over ₦2.1 billion in 2002 and to over 3.2 billion in 2003. It is interesting to note that as the inflow is over ₦14.1 billion in 2000 its corresponding outflow is over ₦12.2 billion with a net of just over ₦1.8 billion. In the case of Western Europe inflow declines consistently from the initial ₦2.331 billion in 1998 to ₦1.463 billion in 1999, further to ₦1.418 billion in 2000 until it reaches a bottom level of ₦861 million in 2001 before rising to ₦1.429 billion in 2002 and ₦2.211 billion in 2003. Inflow from others declines drastically from the over ₦11.3 billion in 1998 to ₦1.064 billion in 1999 and further to ₦739.8 million in 2000. It however, picks up in 2001 when it rises to ₦1.11 billion, and further to ₦1.380 billion in 2002, before again falling to ₦1.011 billion in 2003. In aggregate terms, inflow in 1998 is over ₦32 billion. This however, declines to ₦44.0 billion in 1999, the commencement date of the return to civil rule. In 2000, aggregate inflow is over ₦16.4 billion which declines to over ₦4.9 billion in 2001, only to increase to over ₦8.9 billion in 2001, and to over ₦13.5 billion in 2003. Aggregate outflow in 2000 is ₦13.1 billion, and declines consistently until it reaches a bottom level of ₦75.1 million in 2003. Inflow from United Kingdom twice increases from ₦6.0 billion in 2003 to ₦7.2 billion in 2004 and further to ₦9.3 billion in 2005. For United States, outflow increases from ₦3.02 billion in 2004 to ₦3.93 billion in 2005.

Table 1 Flow of foreign private capital by origin (1998-2005) (₦' million)

Year	United Kingdom			United States of America		
	Inflow (1)	Outflow (2)	Net flow (1-2) = (3)	Inflow (4)	Outflow (5)	Net flow (4-5) = (6)
1998	18,048.	3,901.1	14,146.4	747.0	1,615.4	-868.4
1999	1,251.8	16.2	1,235.6	255.0	1,744.4	-1,489.4
2000	191.2	15.4	175.8	14,103.7	12,248.1	1,855.6
2001	2,680.0	5.0	2,675.0	255.0	775.0	-191.0
2002	4,029.6	2.3	4,027.0	2,148.9	386.9	1,762.0
2003	6,050.0	5.0	6,055.5	3,223.3	304.7	2,918.6
2004	7,227.1	19.9	7,207.2	3,023.2	36.2	2,987.0
2005	9,395.2	25.9	9,269.4	3,930.2	47.1	3,883.1

Source: CBN (2005), Statistical Bulletin, Vol. 16, December

Table 1 Cont'd (₦' million)

Year	Western Europe			Others		
	Inflow (7)	Outflow (8)	Net flow (7-8) = (9)	Inflow (10)	Outflow (11)	Net flow (10-11) = (12)

1998	2,331.8	184.7	2,147.1	11,307.4	2,653.6	8,653.8
1999	1,463.8	202.8	1,261	1,064.9	293.0	771.9
2000	1,418.9	511.2	907.1	739.8	331.9	407.9
2001	861.0	120.0	741.0	1,111.0	659.0	452.0
2002	1,429.6	129.3	1,300.3	1,380.4	263.2	1,117.2
2003	2,211.8	50.6	2,161.2	2,045.6	114.8	1,930.8
2004	3,115.0	49.9	3,065.1	6,699.1	49.7	6,649.4
2005	4,049.5	64.9	3,984.6	8,708.8	64.6	8,644.2

Source: CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 1 Cont'd Flow of foreign private capital by origin (₦' million)

Year	Total		
	Inflow	Outflow	Net flow
1998	11,307.4	2,653.6	8,653.8
1999	1,064.9	293.0	771.9
2000	739.8	331.9	407.9
2001	1,111.0	659.0	452.0
2002	1,380.4	263.2	1,117.2
2003	2,045.6	114.8	1,930.8
2004	6,699.1	49.7	6,649.4
2005	8,708.8	64.6	8,644.2

Source: CBN (2005), Statistical Bulletin, Vol. 16, December.

In table Two below, unremitted profit from the United Kingdom is over ₦43.4 billion in 1998, declining to as low as ₦157.0 million in 2000. It however, increases consistently from the initial ₦2.4 billion in 2001 to over ₦3.7 billion in 2002, and further to over ₦5.5 billion in 2003. For the United States, unremitted profit is ₦0.0 in 2000, and from there it increases marginally until it reaches ₦253.0 million in 2003. For Western Europe, unremitted profit maintains a double loop; from the ₦274.3 million in 1998 to average of over ₦800 million in both 1999 and 2000, before falling to ₦464.0 million in 2001 only to rise marginally to ₦641.3 million in 2002, and much later to over ₦1.04 billion in 2003. Change in foreign share capital (net), declines consistently from ₦4.3 billion 1998 to ₦53.4 million in 2001. It however, increases to ₦776.5 million in 2002, and much later to over ₦1.2 billion in 2003. Out of the total amount of over ₦4.3 billion in 1998, United Kingdom has over ₦1.1 billion, with the United States having over ₦500,000,000 and Western Europe with over ₦112.4 million. The trade and suppliers' credit (net) from the United Kingdom is ₦2.928 billion in 1998, and for United States, it is ₦172.5 million in the same year. Western Europe dominates in 1998. It has over ₦1.7 billion, while others have over ₦1 million. Other foreign liabilities (net) are almost negative throughout. From the over ₦24 million in 1998, trade and supplier's credit decline (with the exception of year 2000) negatively in 1999, 2001, 2002 and 2003 in the case of the United Kingdom. For the United States, it depicts a similar pattern especially between 1998, 1999, 2000 and 2001. Western Europe stands out distinctly. From the small amount of ₦28.2 million in 1998 it increases consistently before dropping to ₦61.7 million in 2002 and to ₦211.8 million in 2003. Liabilities to head office (net) for the United Kingdom in 1998 is over ₦12.3 billion and declines abruptly until it rises to over ₦8 million in 2003. For the United States, with the exceptions of 2002 and 2003 when it records over ₦703 million and over ₦1.2 billion respectively, other periods: 1998, 1999 and 2000 are negative. In aggregate, the United Kingdom leads and followed by others, Western Europe and the United States. The components of net capital flow by origin indicate that unremitted profit from the United Kingdom increases consistently from 5.96 billion in 2004 and further to ₦7.74 billion in 2005. Unremitted profit from the United States increases marginally from ₦253.0 million in 2003 to ₦263.9 million in 2004 and to a quite significant level of ₦343.1 million in 2005.

Table 2 Components of Net Capital Flow by Origin, 1998-2005 (₦' Million)

Year	Unremitted Profit				
	United Kingdom	U.S.A	Western Europe	Others	Total
1998	3,480.0	569.3	274.3	5,148.2	9,471.8
1999	1,159.6	38.3	885.7	636.1	2,719.7
2000	157.0	0.0	820.4	315.8	1,293.0
2001	2,486.	98.0	464.0	863.4	3,911.4
2002	3,729.0	163.0	641.3	1,265.4	5,798.7
2003	5,594.0	253.0	1,045.7	1,806.6	8,699.3
2004	5,960.0	263.9	1,090.0	5,903.5	13,217.4
2005	7,748.0	343.1	1,417.0	7,674.6	17,182.6

Source: CBN (2005), Statistical Bulletin, Vol. 16, December

Table 2 Cont'd (₦' Million)

Year	Changes in Foreign Share Capital (Net)				
	United Kingdom	U.S.A	Western Europe	Others	Total
1998	1,106.1	5.1	112.4	3,161.7	4,385.4
1999	66.2	0.0	39.4	272.2	377.8
2000	18.8	0.0	0.0	125.1	143.9
2001	176.0	0.0	39.0	-268.4	-53.4
2002	266.5	0.0	586.7	-76.7	776.5
2003	394.0	0.0	843.4	28.7	1,266.1
2004	434.6	36.7	1,677.8	335.3	2,504.4
2005	565.0	47.7	2,181.1	461.9	3,255.7

Source: CBN (2005), Statistical Bulletin, Vol. 16, December

Table 2 Cont'd (₦' Million)

Year	Trades and Suppliers Credit (Net)				
	United Kingdom	U.S.A	Western Europe	Others	Total
1998	-2,928.3	172.5	1,768.0	1.3	-986.5
1999	11.4	-135.3	105.1	-57.4	-76.2
2000	0.1	14,103.0	-5.5	255.6	14,353.9
2001	13.0	-134.0	-4.1	-99.0	-224.1
2002	32.5	873.6	11.0	14.7	902.4
2003	48.8	1,350.7	46.0	16.0	1,461.5
2004	51.5	1,204.7	46.6	23.9	1,326.7
2005	67.0	1,566.1	60.6	31.1	1,724.7

Source: CBN (2005), Statistical Bulletin, Vol. 16, December

Table 2 Cont'd (₦' Million)

Year	Liabilities to Head Office (Net)				
	United Kingdom	U.S.A	Western Europe	Others	Total
1998	12,396.0	-1,512.6	-3.4	342.4	11,189.9
1999	-	-904.0	-19.0	-10.3	-119.7

2000	-	-	-175.9	-100.5	-276.4
2001	0.2	-90.3	-19.0	-9.2	-118.3
2002	0.7	703.0	0.4	-3.0	701.2
2003	8.0	1,206.3	14.9	-4.0	1,233.2
2004	66.3	1,369.0	5.5	267.2	2,308.0
2005	866.2	1,779.7	7.2	347.4	3,000.4

Source: CBN (2005), Statistical Bulletin, Vol. 16, December

Table 2 Cont'd (₦' Million)

Year	Other Foreign Liabilities				
	United Kingdom	U.S.A	Western Europe	Others	Total
1998	24.3	-102.8	28.2	0.2	-50.1
1999	-1.6	-13,302.1	249.9	-68.7	-13,122.5
2000	0.1	-12,248.1	268.7	-3.5	-11,982.8
2001	-1.5	-363.7	259.0	-35.6	-142.0
2002	-0.8	20.7	61.7	-54.9	26.7
2003	-0.8	1084	211.8	75.4	396.4
2004	94.2	112.3	245.1	101.0	552.6
2005	122.5	146.0	318.6	131.3	718.4

Source: CBN (2005), Statistical Bulletin, Vol. 16, December

Table 2 Cont'd (₦' Million)

Year	Total				
	United Kingdom	U.S.A	Western Europe	Others	Total
1998	14,146.4	-868.4	2,147.0	6,653.8	24,078.8
1999	1,235.6	-1,469.5	1,261.0	771.9	1,779.1
2000	175.8	1,885.6	907.7	400.9	3,347.0
2001	2,673.7	-490.0	738.9	451.0	3,377.0
2002	4,027.9	-1,761.2	1,300.3	1,116.1	8,205.5
2003	6,045.6	2,918.4	2,161.0	1,930.7	13,056.5
2004	7,206.6	2,986.6	3,065.0	6,650.9	19,909.1
2005	9,368.6	3,882.6	3,984.5	8,646.2	25,881.8

Source: CBN (2005), Statistical Bulletin, Vol. 16, December

In Table three below, the aggregate paid-up capital plus reserves and other liabilities for the United Kingdom increase consistently between 1998 and 2003, from the initial ₦31.36 billion to ₦37.73 billion and from 20.6 percent to 21.6 percent. The total cumulative from Western Europe is almost three times of the United Kingdom yearly i.e. between 1998 and 2003. From the over ₦82 billion in 1998, total cumulative increases gradually to over ₦88 billion in 2003 and maintains more than half of the 50percent average between 1998 and 2003. For the United States of America, it as well increases gradually and consistently between 1998 and 2003 only that there is a repeated performance of the paid-up capital plus reserves in both 1999 and 2000. The total cumulative for the United States is over ₦21.0 billion in 1998, falls unnoticed to ₦20.0 billion in 1999, and rises immediately until it reaches over ₦25.3 billion in 2003. Total cumulative investment from the countries in the category of others follow similar pattern. It increases from the over ₦17 billion in 1998 through over ₦21.8 billion in 2002 to over ₦23.0 billion in 2003. The grand total cumulative reaches over ₦178 billion in 2003. Cumulative investments from the United Kingdom decreases remarkably from the peak of ₦33.4 billion in 2004 to ₦4.1 billion in 2005.

Table 3 Cumulative Foreign Private Investment by Origin, 1998-2005 (₦' Million)

Year	United Kingdom			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	16,728.5	14,639.4	31,367.9	20.6
1999	17,945.3	14,649.4	32,603.5	21.1
2000	18,130.1	14,649.2	32,779.3	20.8
2001	20,792.1	14,660.2	35,452.3	22.0
2002	22,168.0	14,673.4	36,841.4	22.1
2003	27,037.6	14,728.0	37,737.9	21.6
2004	33,432.2	15,539.9	48,972.1	19.7
2005	4,174.5	16,473.0	58,218.2	21.6

Sources: CBN (2003), Statistical Bulletin, Vol. 14, December. CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 3 Cont'd (₦' Million)

Year	United States of America			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	9,071.9	12,501.7	21,573.6	14.2
1999	9,110.2	10,973.9	20,084.1	13.0
2000	9,110.2	12,829.4	21,939.6	13.9
2001	9,208.2	13,418.4	22,626.6	14.1
2002	9,328.2	3,118.7	22,446.9	13.5
2003	9,578.3	15,786.5	25,364.8	14.5
2004	9,878.9	18,472.0	28,350.9	11.4
2005	10,269.7	21,817.8	32,087.5	11.9

Sources: CBN (2003), Statistical Bulletin, Vol. 14, December. CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 3 Cont'd (₦' Million)

Year	Western Europe			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	31,174.5	51,122.8	82,279.2	54.0
1999	32,099.6	51,458.7	83,558.3	54.2
2000	32,920.0	51,546.1	84,466.1	53.6
2001	33,421.0	51,754.1	86,175.1	52.9
2002	34,172.5	52,159.1	86,324.4	51.8
2003	36,102.5	52,185.4	88,287.9	50.6
2004	38,869.5	52,482.7	91,352.2	36.7
2005	42,467.6	52,550.4	95,018.1	35.2

Sources: CBN (2003), Statistical Bulletin, Vol. 14, December. CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 3 Cont'd (₦' Million)

Year	Others			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	13,482.3	388.0	17,171.8	11.3
1999	14,390.6	3,552.1	17,942.7	11.6
2000	14,831.3	3,519.1	18,350.4	11.7
2001	15,426.3	3,663.1	19,069.4	11.9
2002	16,393.3	4,625.6	21,818.9	12.6
2003	18,331.7	4,728.0	23,059.7	12.6

2004	68,295.5	12,249.9	80,545.4	32.4
2005	71,892.6	12,628.3	84,520.9	31.3

Sources: CBN (2003), Statistical Bulletin, Vol. 14, December. CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 3 Cont'd (₦' Million)

Year	Others			
	Grand Total Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	70,457.2	81,952.4	152,409.6	100
1999	73,554.7	80,633.9	154,188.6	100
2000	74,991.6	82,543.8	157,535.4	100
2001	78,847.6	83,495.8	162,343.4	100
2002	82,062.0	84,569.6	166,031.6	100
2003	150,476.1	98,744.5	249,220.6	100
2004	166,375.1	103,469.6	269,844.7	100

Sources: CBN (2003), Statistical Bulletin, Vol. 14, December. CBN (2005), Statistical Bulletin, Vol. 16, December.

As shown in Table Four below, total cumulative investment in the mining and quarrying sector increase from the over ₦59.9 billion in 1998 to over ₦61.8 billion in 2003. In comparative terms, it ranks higher than the total cumulative in manufacturing and processing within the same year of comparison. The total cumulative in agriculture, forestry and fisheries is the same throughout the years of study and analysis. It reads the same ₦1.209 billion in the years, 1998, 1999, 2000, 2001, 2002, and 2003. This is far much over than the cumulative in the manufacturing and processing sector. It however, differs markedly from that of transport and communication. Between 1998 and 2003, the total cumulative in the transport and communication sector increases remarkably. From the initial ₦689.2 million in 1998 through ₦955.3 million in 2001, it increases to over ₦1.7 billion in 2002 and to over ₦2.8 billion in 2003. Total cumulative investment in the building and construction industry increases consistently as well. From the 1998 figure of over ₦143.8 billion, it increases to both ₦4.293 billion and ₦4.545 billion in 2003 with a percentage distribution ranging between 2.6 and 2.5 during period. Finally, total cumulative investment in the miscellaneous services increases between the over ₦41 billion in 1998 to over ₦49 billion 2003. Apart from a decline in percentage of 26.8% suffered in 2000, the percentage increases from 27.1% in 2001 to 27.5% in 2003. The paid-up capital and reserves in the Mining and Quarrying sector of the Nigerian economy, increases marginally from ₦1.4 billion in 2003 to ₦1.6 billion in 2004 and further to ₦2.1 billion in 2005. The total of paid-up capital and reserves and other liabilities in Agriculture, forestry and Fisheries stagnated in the periods between 1998 and 2005 at ₦1.20 billion.

Table 4 Cumulative Foreign Private Investment Analyzed by Type of Activity, 1998-2005 (₦' Mill.)

Year	Mining and Quarrying			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	1,387.4	58,583.1	59,970.5	39.3
1999	1,408.6	57,446.8	58,855.4	38.2
2000	1,408.6	59,302.3	60,710.9	38.5
2001	1,429.6	60,182.3	61,611.9	38.3
2002	1,429.6	60,182.3	61,611.9	37.0
2003	1,477.2	60,331.9	61,809.1	34.6

2004	1,646.5	60,499.2	62,499.2	24.9
2005	2,140.5	78,649.0	80,789.4	24.8

Sources: CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 4 Cont'd (₦' Million)

Year	Agriculture, Forestry and Fisheries			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	345.4	863.6	1,209.0	0.8
1999	345.4	863.6	1,209.0	0.8
2000	345.4	863.6	1,209.0	0.8
2001	345.4	863.6	1,209.0	0.8
2002	345.4	863.6	1,209.0	0.7
2003	345.4	863.6	1,209.0	0.7
2004	345.4	863.6	1,209.0	0.5
2005	345.4	863.6	1,209.0	0.5

Sources: CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 4 Cont'd (₦' Million)

Year	Transport and Communication			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	302.4	386.8	689.2	0.5
1999	320.4	499.9	820.3	0.5
2000	320.4	499.9	820.3	0.5
2001	342.4	612.9	955.3	0.6
2002	890.4	845.9	1,736.3	1.0
2003	1,749.9	1,140.6	2,890.5	1.6
2004	2,707.6	1,573.5	4,281.1	1.7
2005	3,519.9	2,045.6	5,565.4	1.7

Sources: CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 4 Cont'd (₦' Million)

Year	Building and Construction			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	302.4	386.8	689.2	0.5
1999	3,905.1	90.8	3,995.9	2.6
2000	3,905.1	90.8	3,995.9	2.6
2001	3,985.1	226.8	4,211.9	2.6
2002	4,067.1	226.8	4,293.1	2.6
2003	4,249.7	296.1	4,545.8	2.5
2004	4,445.6	718.5	5,194.1	2.1
2005	5,779.3	934.1	6,713.3	2.1

Sources: CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 4 Cont'd (₦' Million)

Year	Trading and Business Services			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	10,531.0	-70.5	10,460.5	6.9
1999	11,324.3	-397.0	10,927.3	7.1
2000	11,598.3	-397.0	11,201.3	7.1
2001	11,991.3	25.0	12,016.3	7.5
2002	12,581.3	-264.0	12,317.3	7.4
2003	13,463.6	993.71	14,457.3	8.1

2004	18,204.2	2,038.2	20,242.4	8.1
2005	23,665.5	2,649.7	26,315.1	8.1

Sources: CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 4 Cont'd (₦' Million)

Year	Miscellaneous Services			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	266.5	19,056.2	41,689.5	27.4
1999	266.5	18,890.0	42,100.4	27.3
2000	266.5	18,956.2	42,237.6	26.8
2001	24,575.4	19,082.2	43,657.6	27.1
2002	26,486.4	19,023.2	45,509.6	27.3
2003	28,872.3	20,184.2	49,056.5	27.5

Sources: CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 4 Cont'd (₦' Million)

Year	Total			
	Paid-up Capital plus Reserves	Other Liabilities	Total	Percentage Distribution of Total
1998	70,457.8	81,953.1	152,410.9	100
1999	73,555.7	80,634.7	154,190.4	100
2000	74,992.2	82,544.6	157,536.8	100
2001	76,428.7	84,463.6	160,892.2	100
2002	82,062.0	84,569.6	166,631.6	100
2003	91,826.5	86,652.1	178,478.6	100
2004	157,865.6	91,355.0	249,220.6	100
2005	206,699.2	118,957.5	324,656.7	100

Sources: CBN (2005), Statistical Bulletin, Vol. 16, December.

Table 5 The Volume of FDI in Nigeria, 2005- 2009 (₦' Million)

Year	Transport and Communication						
	Quantum of Investment	Nature of Companies and Countries of Origin	Sector of the Nigerian Investment Economy	Month of Report	Source of Information	Total Yearly Volume of Investment	Category of FDI
2009	\$100m	Frontier Markets Fund/United Kingdom	Infrastructure: Energy and Port Development	April	The Nation (7/4/09 p.20)		Official Development Assistance
	\$5bn	Amega Microfinance Bank/South Africa	Banking &Finance	September	The Guardian(1/9/09 p.19		Foreign Private Investment
	\$2.5bn	Gazprom/Russia	Oil & Gas	July	The Nation (6/7/09 p.19)		Foreign Private Investment
	\$16bn	China National Offshore Oil	Oil & Gas	October	The Nation (2/10/09 p.19)		Foreign Private Investment

		Corporation China					

Sources: Compiled by the Author

Table 6 The Volume of FDI in Nigeria, 2012 (₦' Million)

Time/Units	China	United Kingdom	United States	Germany	Canada
January 2012	7,656,231.170	122,895,887.900	80,630,689.320	-	350.00
February 2012	3,886,584.700	1,397,260,922.000	149,688,111.800	2,644,866.070	5,075.00
March 2012	7,225,871.440	896,007,725.500	180,037,288.800	845,217.830	-
April 2012	2,805,878.020	1,063,738,345.00	105,470,766.100	5,000,000.000	-
May 2012	3,551,925.400	536,462,985.900	326,220,676.800	-	
June 2012	2,357,216.000	131,353,495.500	74,419,028.290	495,400.000	
July 2012	1,084,356.000	586,203,016.200	59,621,893.920	4,648,946.100	
August 2012	5,000,000.000	1,442,735,356.000	-	1,883,992.880	163,721.520

Source: National Bureau of Statistics, Nigeria. http://nigeria.opendataforafrica.org

Table 6 (Cont'd) The Volume of FDI in Nigeria, 2012 (₦' Million)

Time/Units	France	Japan	Spain	United Arab Emirates	Italy
January 2012	14,921.000	-	64,210.000	-	-
February 2012	7,712.400	-	-	2,747,713.000	-
March 2012	-	16,408.000	-	576,987.700	-
April 2012	6,947,653.520	-	-	5,399,914.00	-
May 2012	5,818,411.960	-	63,900.000	6,087,762.230	36,887.830
June 2012	4,586,177.970	-	-	2,036,905.000	-
July 2012	12,365,312.040	-	60,525.000	999,945.000	1,312,975.000
August 2012	-	449,844.00	-	-	-

Source: National Bureau of Statistics, Nigeria. http://nigeria.opendataforafrica.org

The figure of 2012 by the National Bureau of Statistics here relied upon presented the volume of FDI for the months of January to August leaving uncovered the months of September to December. It however, added the volume of FDI from France, Japan, Spain, Italy and United Arab Emirates. Proving the indication that FDI in Nigeria is now diversified from the original traditional sources. From Table Six, Chinese investment was at its peak of over $7.65million in January and fell abruptly to $3.88million in February and only to rise abruptly to $7.22million in March, 2012. For the United Kingdom, it rose from the over $122.8million in January to over $1.39billion in February, and fell to $896.0million and further reached $1.0billion and $1.4billion in April and August. The volume of investments from the United States and Germany are lower than that of the United Kingdom indicating that the latter still dominates the volume of inflow into Nigeria. With a paltry of $80.6million in January, FDI inflow from the United States increased significantly to $149.68million and $180.03million in February and March and dropping to $59.62million in July, 2012.

Investment from Germany was at its highest of $5million in April, falling to $4.64million in July, and $1.88million in August. For France, it decreased from $14.92million in January to $7.7.million in February. It again decreased consistently from $6.94billion to $5.81billion and $4.58billion in April, May and June, only to again increase to $12.36billion in July, 2012. Investments from Japan increased from $16.40million in March to $4.49billion in August. Inflow from the United Arab Emirates at first fell to $576.98million from $2.74billion in March, increased to $5.39billion and $6.08billion in April and May, and further fell abruptly to $2.08billion and $999.94million in June and July. Spain and Italy as well contributed to FDI inflow to Nigeria though marginally. From $64.21million in January, the Spanish inflow declined to $63.50million and $60.52million in July. Finally, inflow from Italy increased from $36.88million to $1.31billion in May and July.

The Volume and Sectoral Allocation of FDI in Nigeria within the context of Globalization, 1999-2012

What were/and still are the foreign policy initiatives within the context of globalization that were (and still are) meant to stimulate and attract FDI in Nigeria with the return of democratic rule in 1999? The answer to question requires an ex-ray and review of Nigeria's activities within international system between 1999 and 2012. It further requires the concrete specification and analysis of these initiatives within each level of the international system. And the levels here chosen include: (1) the United Nations System, (2) the African/Continental System, (3) the Commonwealth Organization, (4) the Multi-lateral Organizations, and (5) Bilateral relations. Nigeria, under the General Sani Abacha administration, was, on the face value, totally annihilated from the global system of relations that followed the collapse of the then Union of Soviet Socialist Republic (USSR) and other events in the Eastern bloc with the imposition of sanctions which were thought to be effective theoretically, but which he ably "fenced off".

The return to civil democratic rule on 29th May, 1999 again marked the beginning of Nigeria's reintegration into the world system, especially the world system of capitalism. Even though the Structural Adjustment Programme of the General Babangida administration was officially terminated, the web of the international capitalist system in which Nigeria has been since the imposition of alien, colonial rule, continued, notwithstanding the attainment of flag political independence in 1960. Not only is Nigeria now fully readmitted into the Commonwealth of Nations, she has since May 1999 continued to perform critical roles in international and world affairs. At the 54th Session of the United Nations General Assembly in September, 1999, about five months into the first year of the Chief Olusegun Obasanjo administration, Chief Obasanjo declared that: "My government has ……..introduced measures to revitalize the economy in order to create an enabling environment to encourage investment. It has put in place a functional and favourable legal framework to protect foreign investors and their ability to repatriate their profit. Other measure put in place include a vigorous anti-corruption campaign, the promotion of public accountability, and the abolition of decrees and regulations which had hindered inflows of foreign investment as well as the generation of opportunities for employment and income savings for domestic investment: (Ibid:36). Six years later, precisely in September, 2005 at the 60th session of the United Nations Assembly, Chief Olusegun Obasanjo still observed that: “We remain committed to providing the necessary conducive environment that will encourage investment and generate wealth and liberate our peoples from poverty”.

Recognizing the limited flow of FDI into Nigeria form African countries, Chief Olusegun Obasanjo, at the Conference on Security, Stability, Development and Cooperation in Africa, held in Abuja on 28th August, 1999, observed that : “Africa is on its own let there be no doubt. And let us take the necessary action to help ourselves” (Ibid: 83). While failing to mention how African countries can help themselves in stimulating FDI, the allusion by him that a link exists between “security, stability, development and cooperation” can be extended further to mean that Chief Olusegun Obasanjo was canvassing the need for peace as the basis with which Inter-African cooperation for investment and development can be promoted since it is only Africans, according to him, can help themselves. Chief Obasanjo idea of peace for the purpose of development in Africa is that which should allow for the right of expression. In Arusha, Tanzania in March, 2000 while delivering a speech to mark the occasion of Burundi Peace Negotiation, Chief Olusegun Obasanjo remarked that: “… there is bound to be differences as to the goals and objective of building a nation. These differences have to be given expression”. (Ibid: 87). This point underscores the need for tolerance in the atmosphere of politics, and in the creation of the necessary “political climate” for FDI attraction and stimulation in Africa.

In a similar development, and on the occasion of the 25th Anniversary Summit of the Economic Community of West African States (ECOWAS) in Abuja, in May, 2000, Chief Olusegun Obasanjo, in recognition of the fact that private individuals and groups play much more recognizable role in the movement of capital across the frontiers of the world, boldly remarked that: “We must involve the Private Sector more in the integration process in recognition of the strategic role envisaged for that sector as the engine of growth and driving force of our economies”. (Ibid: 93). For this reason, he continues: “We will therefore continue to initiate programmes which can enhance cooperation and integration among ourselves. We will continue to mobilize more resources and further liberalize our market our markets to enable other ECOWAS member countries take full advantage of its size to promote their exports”. (Ibid: 93). Within the Commonwealth Organization, Chief Olusegun Obasanjo observed that: “The question some of the developing countries are asking is why the developed members of the Commonwealth can’t spearhead policies and programmes, within their countries and other associations or clubs particularly of other developed countries to which they belong, that will advance the cause and interests of the developing countries”. (Ibid: 217). He continues: “…, if the Commonwealth is to remain relevant to these countries, it must be seen to be contributing effectively to their economic viability by addressing the issues of debt, poverty, unfair trading systems, and the denial of market access and the ravages of HIV/AIDS pandemic. The Commonwealth must be seen as an organization that stands by the highest standards and can be expected to, at all times, be on the side of promoting democratic values, supporting democratic consolidation, encouraging holistic reforms, and providing technical support as may be required by its member states”. (Ibid: 217).

At the level of multi-lateral organizations and relations, Chief Olusegun Obasanjo did not only articulate the problems and challenges facing the attraction of FDI in the developing countries as a whole, he also painstakingly analyzed the character of FDI in the developing economies following the increasing forces and processes of globalization. While, in his words, noting that: "… globalization has brought mixed blessings. The prosperity it engenders is unevenly shared among countries and regions of the world. While the industrialized countries remain its major beneficiaries, the vast majority of members of our group have been unable to take advantage of the opportunities presented by this phenomenon. We have consigned largely to the periphery of further marginalization especially for the most vulnerable of our members, the Least Developed Countries". (Ibid: 228). In the same address he gave in Havana, Cuba in April, 2000 on the occasion of the South Summit, Chief Olusegun Obasanjo further submits that: "The current ODA flows are at their lowest levels ever, recording less than one-third of the internationally agreed target of 0.7% of the GNP of donor countries". (Ibid: 229). To be able to squarely address the situation, he concludes by saying that: "We must leave Havana with a renewed sense of dedication and solidarity to make South-South cooperation a more dynamic aspect of international cooperation of development: (Ibid: 229). Finally, at the bilateral level of relations, and imbued with the goals and objectives of ECOWAS, Republic of Benin, Ghana, Togo and Nigeria jointly launched the Co-prosperity Partnership Alliance Zones (COPAZ) which hopes "to derive economic through functional integration by harnessing the synergy of the socio-economic potentials" of the affected countries.

Notwithstanding, the fact that the Alhaji Umar Yar'adua administration moved at snail speed, the administration was still able to inject the hope of an increased FDI into the Nigerian economy especially with the achievement of relative peace in the Niger Delta Region, the resilient of the Nigerian people in combating the crises and problems of democratic consolidation, the seeming independence of judiciary and rule of law, and ever vibrant free and independent media, and the reforms in the Banking Sector. The new civil service policy of limiting the tenure of the Permanent Secretary to a maximum of two terms of four years will, most likely, impact on efficiency and standards in policy formulation and implementation. The reintroduction of tests and interviews will most likely ensure that the brightest and the best of Directors emerge as Permanent Secretaries in the process of overhauling the entire machineries of government to conform to the realities of contemporary globalization effects. Since assuming office in May, 2009, the Alhaji Umar Yar'adua administration has impacted significantly on the volume of FDI in Nigeria. At the diplomatic level, Alhaji Umar Yar'adua, along with a delegation, visited Davos, Switzerland in January, 2008 during the World Economic Summit, and met with the Chief Executives "… of some of the world's strongest and efficient multi-national corporations including: Teena, Swiss Air, Aofil, Kroll, Isoluns and Team Consult". (The Guardian, 11th April, 2008, pg.9). By the time the team of business executives was visiting Nigeria, on 6th April, 2008, it has increased from the initial number of seven to fourteen (Ibid). The Guardian newspaper as well reported that the Finance Minister, Dr. Shamsudeen Usman, said in Maputo, Mozambique on 15th April, 2008 at the 43rd yearly meeting of the African Development Bank (ADB) that in 2007 alone, Nigeria recorded as much as $13 billion in FDI compared to the less than $1 billion in 1999 before the return to democratic rule (Ibid: 9). In May, 2009 the Nigeria Investment Promotion Commission granted "pioneer status" certificates to twenty-one companies. (The Nations, 27th May, 2009, pg.21). The status confers on these companies "a seven year tax holding in respect of industries located in economically disadvantaged local government areas of Nigeria" (Ibid:21). The status was

"… aimed at enabling the industry concerned to make a reasonable level of profit within its formative years…" since the "… profit so made is expected to be ploughed back into the business" (Ibid: 21).

On Tuesday, 20th October, 2009, Nigeria signed in Abuja, the Global Fund Grant amounting to $669.3 million for the control of malaria and tuberculosis, as well as the strengthening of the health system. (The Nation, Thursday, 22 October, 2009). The textile subsector was planned to benefit from the huge investment of Banquaires Facility International Limited. (The Nation, Tuesday, 13th October, 2009 pg. 19). It was as well reported that China National Offshore Oil Corporation acquired sixteen production licenses in Nigeria with a total investment value of over $50 billion (The Nation, Friday, 2nd October, 2009 pg. 19). Plans are also on between Japan and Nigeria on the restoration of Overseas Development Fund (ODF) to the tune of $150 million for the construction of pipeline in the oil and gas sector (The Nation, Monday, 1st June, 2009, pg.44). Nigeria, Algeria and Niger on Friday, 3rd July, 2009 signed an "accord to build a $10 billion trans-Saharan gas pipeline linking vast reserves in Nigeria to Europe (The Nation, Monday, 6th July, 2009, pg. 37). In July, 2009, as reported in The Nation, Russians gas giant, Gazprom, signed an agreement with the Nigerian National Petroleum Company (NNPC) establishing a 50-50 joint venture in oil, gas processing and transportation. Gazprom as well plans to invest $2.5 billion in a series of projects in Nigeria (Ibid: 37). Alhaji Umar Yar'adua had played hosts to the Russian President, Mr. Dmitry Medvedev, and the United States Secretary of State, Mrs. Hillary Clinton, in the efforts to woo foreign investments and sell his Seven Point Agenda to the international community. The efforts were however, limited by the problems of election and electoral process in Nigeria which affected the legitimacy of his administration.

Conclusion

This article has preoccupied itself with the interpretations, explanations and analyses of the concepts that are important to the understanding of the arguments and points that are contained in it. The extent to which the return to constitutional democracy in Nigeria in 1999 has impacted on the volume and sectoral allocation of FDI was equally analyzed. Research efforts were as well focused on the examination and analyses of the domestic initiatives at stimulating and attracting FDI, and the efforts in turn placed within the enveloping processes of globalization. The article's conclusion is therefore that the return to constitutional democracy provides the pointer to a possible improvement in the volume and sectoral allocation of FDI in Nigeria if only the democracy can be consolidated. The hope of consolidation is being rekindled following the remarkable progress made in the 2011 and 2015 General Elections.

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