

**Communiqué of Citizens Town Hall Meeting on Nigeria's External Debt organized by Social Action on the 24<sup>th</sup> of September, 2009 at the National Press Centre, Abuja.**

A town hall meeting of Nigerian citizens and organizations on the theme **Leaving the Debt: A Discussion of Nigeria's External Borrowing**, organized by Social Action held on the 24<sup>th</sup> of September 2009 at the National Press Centre, Abuja. The meeting drew a wide audience of Nigerians from the academia, labour, youth, community and civil society actors and organizations.

The Town Hall Meeting was held in reaction to Nigeria's emerging stockpile of fresh external loans currently standing at \$3.7 billion, with a tendency to rise further, given new loan offers being made by the World Bank Group and others. Of equal concern also is the fact that previous loans taken by successive administrations in Nigeria did not yield any tangible development stride neither were they taken with the consent of Nigerian citizens, instead they led to a huge debt burden that was eventually bought back by payments in 2005.

The town hall meeting created platform for citizens to be educated on Nigeria's external debt problem, and also express their thoughts on the situation, as well as seek clarification to foster better understanding of the issue. Presentations and discussions were taken from an expert panel of discussants which included Dr. Chidi Odinkalu, Bibi Farouk, Uche Igwe, Ene Obi and others.

In his opening speech, Bibi Farouk of the Department of Political Science University of Abuja described Nigeria's past and present debt situation as an expression of poverty of leadership that has been with Nigeria since independence. He noted that external borrowing had, through the years, evolved to an additional avenue for siphoning public funds by political office holders.

While welcoming participants to the town hall meeting, Programmes Officer of Social Action, Ken Henshaw gave a detailed run down of Nigeria's history of external borrowing and reflected on the complicity of international institutions like the International Monetary Fund and the World Bank in an elaborate scheme of loans and debt that benefitted only the political class and profited the creditors at the detriment of the citizens. He noted that it was important for citizens to evolve ways to tackle the new growing tide of indebtedness.

In her presentation, Ene Obi of Action Aid traced a link between debt and underdevelopment saying that it is impossible for societies to develop with loans of the like Nigerian governments were inclined towards taking. She went further to advice that it is also important for Nigerian to critically look at the huge domestic debt profile of the government saying that it was reaching unsustainable proportions with nothing to show for them.

After extensive discussions by the participants and the panel of discussants, the town hall meeting noted that

- a. There has not been any justification for all the debts incurred by the various administrations in Nigeria.
- b. External loans represent a manifestation of neo liberalism and a draw back on the Nation's development drive.
- c. Given the nation's abundant human and material resources, there is no reason for resorting to external borrowing.
- d. Nigerians heaved a sigh of relieve when the nation's external debt pile was settled in 2005
- e. It is lamentable that the nation is steadily sliding into another external debt quagmire with the foreign debt profile currently standing at \$3.7billion
- f. The recent call by the National Assembly to President Umar Musa Yar'Adua to stop all further external borrowing; and the subsequent empowering of a Committee to investigate the details of the more recent loans, is a rare intervention in matters of national concern that should be lauded.

Citizens at the town hall meeting noted further that

- g. Foreign debt acquisition by Nigerian governments is irresponsible and could lead to a mortgaging of the prospects of Nigerian citizens in the future.
- h. There has not been transparency, openness and accountability in the process of acquisition and management of external loans.
- i. External loans encourage corruption and are a veritable conduit to siphon public funds.

Whereas there is an urgent need for concerted effort by citizens to stop the government from dragging the country into another round of external debt crisis, participants at the town hall meeting launched a debt campaign that will draw from an extensive network of citizen's organizations, with the following positions and recommendations:

1. That the National Assembly should place a moratorium on all further external borrowing whether on concessionary basis or otherwise.
2. That the National Assembly should empower the Loans Audit Committee it has already set up not only to investigate recent loans, but all loans taken by Nigeria.
3. That the audit process should be public and transparent.