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ABOUT THE AUTHOR

Chief Richard Akinjide, CON, SAN, FCI Arb (U.K), FCE is a practising **Member of the Bar of England and Wales with Chambers at 9 Lincoln's Inn Fields, London WC2A 3BP.** He practises also at **The Gambian Bar.** He specialises in **Oil and Gas, Companies and Banking Matters, Mergers and Acquisitions, Shipping, International Commercial Arbitration and International Law.** He is a **Fellow of the Chartered Institute of Arbitrators, United Kingdom (UK).** He took Silk in Nigeria as a **Senior Advocate on January 12, 1978** and was **Called to the Nigerian Bar in March 1956.** **Member of Nigerian Federal Parliament 1959- 1966,** **Member of the International Law Commission of the United Nations in Geneva from 1981 – 1986,** **Federal Minister of Education 1965 -1966.** **Attorney-General and Minister of Justice of Nigeria 1979-1983.** He is the author of the **2nd Edition of “Africa and The Development of International Law”** published by **Martinus Nijhoff at The Hague, The Netherlands (1988)** and selling worldwide. **Pro-Chancellor and Chairman of Council of the University of Jos 1976-79.**

He is an **active member of the Association of International Petroleum Negotiators (AIPN) in TEXAS, United States of America (USA).** Cases he handled are reported in **various Law Reports in Nigeria, England, The Gambia** and in **International Law Reports.**

He represented **Nigeria** as the **Co-Agent** and a **Counsel** in the case **Cameroon v Nigeria** at **The World Court, The Hague** for about **8 (eight)** years involving **International Boundary Dispute from Lake Chad to The Atlantic Ocean.** He was a member for **four (4) years** of the team of **International Jurists** that drafted **The Law of The Sea-Convention** otherwise known as **“The Constitution of The Sea”** which is the **biggest Convention** ever sponsored by the **United Nations (UN).**

Chief Richard Akinjide signed that **Convention** and **The Final Act** on behalf of **Nigeria at Montego-Bay, Jamaica.** **Publications of AKINJIDE & CO** series which started with **“Advocacy, Ethics and The Bar”** have now reached **34 (thirty-four)** issues and circulates world-wide. **Chief Richard Akinjide** established trusts in the **Universities of Ibadan, Jos and Cambridge (England)** and the **Nigerian Law School for Annual Prizes in Law.** **Five (5) of his children read law.** **Chief Richard Akinjide** was the **President of the Nigeria Bar Association (NBA) 1970-1973** and past **Chairman of the Nigerian Body of Benchers** and a past **Member of the**

Council of Legal Education. Was a visiting Lecturer for the LL.M Programme in the Alternative Dispute Resolution, International Commercial Arbitration etc, University of Ibadan. Awarded Commander of the Order of the Niger (CON) in 2002. Distinguished Fellow of the Nigerian Law School. Honoured as Fellow of the Babcock University Circle of Eminence (FCE) in 2007. He travelled extensively in all the continents of the world. He reads widely outside law. He is a collector of Works and Arts in Nigeria, Europe and USA.

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THE OUSTED MONARCHS AND GLOBAL FINANCIAL EARTH-QUAKE

By

Chief Richard Akinjide, *CON, SAN, FCIARB. (U.K), FCE*

Many of the institutions like **World Bank and IMF** in which the West depended to play leadership role in the past in economic and financial matters have not and cannot because they have grown too weak or obsolete and ill-suited for the task.

The same western institutions which, yesterday, were preaching to us the virtues of market economies; the same western institutions which, yesterday, were sending us well groomed consultants **to whom we paid outrageous fees** to be told, with the right dose of well-behaved condescension, that the way we managed our affairs was utterly inappropriate, that government interventions should be reduced to a minimal level, that the market can take care of everything, that emerging economies should not be protected, that we should abundantly borrow from western banks in order to hire westerners and pay them top dollars to build our factories which would produce at competitive prices goods that we would merrily export to western markets (often to no avail as western markets are as protected as ours); **these same institutions are now preaching massive government intervention at any cost.**

Is it not amazing that when the issue of alleviating Africa's poverty came to the forefront of the UN's debate with the announcement that the bill would amount to ten billion dollars, eyebrows were raised and vehement protests were heard: ten billion to alleviate African poverty! This is too much. Now western countries are in the process of throwing trillions of dollars into their system while their stock markets continue to sink. **At least one great thing about poverty is that it could not care less about stock market crashes.**

Far from me the idea of absolving African governments for their corruption, mistakes and widespread incompetence but one wonders if at least half of the responsibility of Africa's lack of development is not of western origin. The power within the global financial community is extraordinarily concentrated. Not only do markets like the United States with **\$50 Trillion** in assets and Europe with nearly **\$30 Trillion** dominate the **\$140 Trillion** pool of global capital markets but individual institutions dominate within those markets. According to **FORBES**, there were **twenty-one banks** and other financial institutions managing assets of at least **\$1 Trillion** in 2007. The top fifty

financial institutions combined account for **\$48.5 Trillion** assets – more than a **third of the global total**. The **top one hundred account for more than two-fifths: \$60.4 Trillion**. And who says there will be no global financial crisis when the greedy few controls so much so tightly?

There is also the so-called **80/20 Rule** which deals with **the allocation of power and resources in the world**. It was propounded by **French-Italian economist and sociologist called Wilfred Pareto** with reference to unequal income distinction which has become known as the **Pareto Principle**. He says that **twenty per cent of the causes are responsible for eighty per cent of the consequences**. **Twenty per cent of the population makes eighty per cent of the income**. But I think that when it comes to global wealth distribution, **particularly in black Africa**, it is worse than that. A **2006 study by United Nations University (UNU – WIDER)** reports that **ten per cent of adults world-wide own eighty-five per cent of global wealth**, while the **bottom half of the world's population owns barely one per cent of the total**. The top two per cent in this group owns half of the planet's wealth and the **top one per cent possesses around forty per cent**. **Who says that greed is not the cause of the current financial crash?** The economic prescriptions of our age have helped the richest not just more but inconceivably much more.

The keyword here is trust. The present financial crisis is a deep crisis of trust. What present events demonstrate is that a system driven by excessive greed and self-centeredness, **a system which generates despondency, injustice and corruption at a massive level, a system in which the 20 richest individuals in the world generate an annual income equivalent to that of the 2.5 billion poorest can also generate profound distrust and is therefore not sustainable**. Man is neither angel nor beast said the **French philosopher Blaise Pascal**. **It appears that too much of the beast has so far driven homo economicus**. In Africa, much can be learnt from present events. **The first lesson is that nobody will do our development work for us. If Africa ever develops it will be done by Africans. And if this work is not done by competent Africans, development will not happen**. It should be clear to all now that a system of cut-throat competition such as that which is presently sinking does not easily tolerate additional players. **It has indeed always been in the best interest of western capitalism that Africa and the rest of the emerging world never develop but continue to remain extractive: places where raw materials are sourced but where value is not added, where wealth is not produced**. It is precisely the role which institutions like the **IMF and the World Bank have been given to play: to prevent development outside of the western world**.

The second lesson is that opening one's market does not necessarily favor development. One of the favorite lectures of the **World Bank** to developing countries that borders should be wide opened to competition is another fallacy aimed at protecting a western industrial system constantly threatened by overproduction, recession and unemployment. Without appropriate outlets for its products, **capitalism** is as much at risk as when trust in its banking sector dwindles. Contrary to what the **World Bank** preaches, there is ample justification for protectionism in a developing economy.

The third lesson is that cash is king. It is interesting to note that the origin of the financial crisis is in refinancing. Refinancing is to produce cash based on assets recognized as valuable (trustable). As long as the process works, cash keeps flowing in and yet more assets can be created so as to produce more cash (a tempting vicious circle). But when, for a reason or another, the process stops cash disappears as fast as it was earlier generated. One should therefore protect one's cash and not succumb to the temptation of excessive imprudence as that which greed may inspire. But one should keep one's cash in the right currency. I am convinced that if full advantage had been taken of the appreciation of the Euro vis-à-vis the dollar over the past years, the US\$63 billion that Nigeria is presently holding in foreign reserves would be worth substantially more. But Nigeria did not.

But will Africa ever learn?

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November 2008

Published By:

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