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Between 14 and 21 April 2007, Nigerians will be going to the polls to elect various office holders, most importantly a new president. However, with incumbent President Olusegun Obasanjo's so-far unsuccessful manoeuvrings to secure a third term and the involvement of a large number of the strongest candidates in corruption investigations, the identity of the new leader is anyone's guess. Questions are already being asked about the ability of the Independent National Electoral Commission to ensure free and fair elections and predictions of widespread vote-rigging are already being made. Matrix Solicitors, a Lagos-based law firm, suggests in one of the following articles that the body, which is still ultimately answerable to the incumbent, has neither the power nor the resources to ensure that the elections are untainted by allegations of abuse. As one Lagos-based journalist writes in our first article, one thing appears almost certain, Obasanjo will continue to try to exert his influence on the choice of Nigeria's future leader.



"Nigeria has long suffered from a poor reputation among foreign companies..."

The immediate future for a country that under Obasanjo's guidance has started – successfully in Philipp Heinrigs' eyes – to turn its economic dependency away from the oil sector is bleak in terms of political and economic stability. Nigeria has long suffered from a poor reputation among foreign companies who are cautious when investing in the country for a variety of reasons, ranging from widespread corruption through to the often close proximity of politics to business. The security situation also raises concern for investors, particularly in the oil producing regions where violence is predicted to escalate over the coming months. Specifically, local communities will try to leverage their limited power in the run up to the elections, further destabilising the operations of multinational oil companies in the region, and an increased risk of kidnappings of expatriate oil workers will apply during the coming months.

The articles that follow in our latest newsletter set out our predictions for the coming six months as well as advice on how to tackle these issues.

Bill Waite
Group Chief Executive

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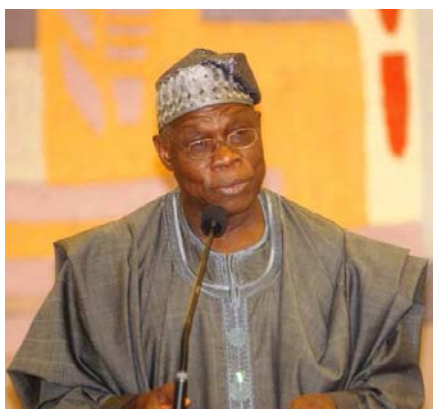
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Nigerian elections and the risks of political disintegration post 2007

By a Lagos-based journalist

It is only a matter of weeks before Nigeria's ruling People's Democratic Party (PDP) releases the name of the presidential candidate the party hopes will take over the reins of power from President Olusegun Obasanjo. As expected, the race for succession is fraught with uncertainty and tension.



Olusegun Obasanjo

In a landmark speech earlier this year, Obasanjo made clear that he would not want to see 'criminals and crooks' assume power once he steps down. Having failed to constitutionally secure a third term for himself this year, the President is determined to make sure his successor falls in line with his vision of a president that would protect him from political persecution and anti-corruption probes that may be instigated once he leaves power.

The fact remains that Obasanjo, a former military ruler having held power from 1976 to 1979, may have the powers of incumbency and a tightened grip on the security apparatus since coming into power in 1999, but he faces stark divisions in his own party. The PDP is a cross-cutting, power seeking, non-ideological party machine that has cemented Nigeria's diverse geopolitical interests over the last eight years, since the end of military rule, largely through ruthless power politics and election rigging. The party has an overwhelming majority in the national assembly and in the 36 state governments. And yet the country's Economic and Financial Crimes Commission (EFCC), Obasanjo's favourite tool of coercion, reports that 31 of the 36 state governors in the country, all of whom enjoy constitutional immunity from prosecution until they are impeached and removed, are under criminal investigation. This is a recipe for a serious backlash by the Nigerian political elite, who picked Obasanjo out of jail after Gen-

eral Sani Abacha was poisoned in 1998, and installed him as a consensus candidate.

Let us not forget that as a military ruler the Christian southerner Obasanjo had considered staying on in power beyond 1979, despite taking credit for being the first Nigerian military ruler to voluntarily hand back power to a civilian government. It was a backlash among the northern Muslim politico-military elite that forced his hand and compelled him to participate in the election of a northern Muslim civilian president, Shehu Shagari, who presided over one of the most corrupt administrations Nigeria has ever seen.

Decades later Obasanjo faces similar dilemmas, but now he must impose his will under a civilian political rubric. He has succeeded in bogging down his arch-rival and Vice President Atiku Abubakar, who was instrumental in PDP election victories, in corruption probes. Abubakar, who inherited the political network of the late Shehu Musa Yar'Adua, Obasanjo's deputy under his period of military rule, has been a consistent thorn in the side of the President's ambition to totally dominate the grass roots PDP structures.

Despite installing ultra-loyalists in the PDP hierarchy, Obasanjo has nevertheless left the primaries open, to make sure, in the words of one PDP bigwig, that 'the good, the bad and the ugly all come out into the market square'. If the party primaries are left totally open, one

"...Obasanjo made clear that he would not want to see 'criminals and crooks' assume power once he steps down."

could assume the party majority (or 'criminals and crooks') might dominate. And this is why Obasanjo has been using the threat of impeachment so effectively. Five sitting governors, who

would otherwise have wielded enormous influence in their states when it comes to the party primaries have been removed through impeachment proceedings this year. This has often been shrouded in controversy with little public disclosure of the closed door proceedings, but just enough to strike fear among other governors who would consider defying Obasanjo's orders to pick the 'right' candidate.

Interestingly, Umaru Yar'Adua, the brother of Obasanjo's former deputy and a northern state governor, seems to be emerging as Obasanjo's favourite candidate. This strategy could tear away Abubakar's influence from the remnants of Shehu Musa Yar'Adua's old network, play into the hands of the northern Muslim elite who expect the next presidential candidate to be northern, and fulfil Obasanjo's



promise of clean government given that Yar'Adua is one of five governors not currently under investigation on criminal charges.

Whether this strategy will work depends on whether this will satisfy the interests of the heavyweights of Nigerian politics. But Obasanjo, according to one highly influential retired military general, has 'lost all the goodwill we initially conferred on him'. Of those he has isolated apart from Abubakar is his highly influential former national security advisor, Aliyu Gusau, who was sacked earlier this year; Theophilus Danjuma, his former defence minister who reportedly earned over \$2 billion by selling off his rights to an oil block to China's China National Offshore Oil Corporation early this year; and of course Ibrahim Babangida, the former military ruler who is still seen as Nigeria's most powerful man. Babangida said earlier this year that the incumbency 'at whatever level' would fail to push through its own candidate. 'The people will resist it', he said.

There are those who see that such political deadlock, in conjunction with a highly disorganised, under funded and corrupt electoral commission, could lead to a state of organised chaos that would stymie the elections and leave Nigeria in a state of constitutional crisis that would reflect some of the dynamics of Babangida's election annulment of 1993. But the military, on which Obasanjo has ostensibly tightened his grip through clever re-appointments reflected in ethnic, political and professional criteria, nevertheless looks fragile, especially after ten top generals were killed in a plane accident in September. In the words of one Lieutenant Colonel Brigade Commander, who like many of his rank, is a big fan of Babangida: 'if we get the sense that we have to take to the streets to put down our own people for the sake of something we do not believe in, we will simply mutiny'.

What will this mean for stability in Africa's most populous nation? First, the race to win positions in the primaries could force a backlash against Obasanjo that could manifest itself in engineered violence in various states, most particularly in the oil producing Delta region where politics has taken on an accelerated form of dysfunctionality given the constitutionally higher state revenues of oil producing states. Nigeria is not free from bouts of ethno-religious violence that could be used to extract political concessions, but the key question is whether, amid the engineered violence, those who are ostensibly in control

can keep actual power of their thugs and footmen who, as we have seen in the case of many Nigerian states, especially the Delta, have become significant power brokers themselves.

Outside the PDP primaries, expect a big man to contest as an opposition party candidate if Obasanjo forces his will in the PDP and divides the cross-cutting alliances that have glued the 'criminals and crooks' together for eight years. If this is the case, expect heavy rigging, a bloody election race, and perhaps even legal or violent post-election contestation.

Last year, a budget office source told me that Obasanjo had commissioned the office to calculate Nigeria's external position under three scenarios, and the probabilities of such scenarios emerging:

- One: a consensus candidate emerges, and reforms continue
- Two: a non-consensus candidate emerges and has to necessarily loosen purse strings to guarantee political unification
- Three: the elections result in chaos and a military coup

A consideration of Obasanjo's legacy might help weigh up these three options more precisely. It is essential to note that his package of economic reforms started only belatedly in 2003, after one term as a civilian ruler who could not take on the political elite. Since then, the EFCC has had more success in stopping financial email scams than taking on corrupt heavy hitters in the Nigerian system.

Macroeconomic probity is once again under scrutiny after Obasanjo forced the resignation of his ex-World Bank finance minister Ngozi Okonjo-Iweala. Whatever Obasanjo's motives, it is clear they are determined by his own interests rather than any agenda to wipe out corruption. Just as he came under criticism by US Director of Intelligence, John Negroponte, during his third term bid for risking major turmoil and chaos and disruption to oil supply, so too does the Nigerian President open himself up for criticism in this very personal handling on Nigeria's crucial and first ever democratic transition from civilian ruler to civilian ruler.

"...politics has taken on an accelerated form of dysfunctionality..."



Nigeria's political parties

From an ongoing political analysis and forecasting project by Economic Associates of Lagos

Nigeria's political landscape is often characterised as one ruled by personalities in which political parties are largely irrelevant. And it is true that the leadership of major parties remains dominated by political barons of long standing, their ranks largely populated by opportunists, their organisational structures and internal democracy underdeveloped, their manifestos largely bereft of ideology or positive content. But nevertheless, Nigeria's political parties *do* have an important role to play, albeit not in the same way as parties in developed democracies.

On the largest scale, the country's political formations can be seen as 'coalitions of the willing', their internal cohesion shaky beyond a common desire to get elected. But underneath that, there are some structuring principles. The ruling People's Democratic Party (PDP) which describes itself as 'Africa's largest political party' is heir to the centralist tendency which predominated during periods of military rule. By contrast, the Alliance for Democracy (AD), the All Nigeria People's Party (ANPP) and the All Progressives Grand Alliance (APGA), while nominally having national coverage, are all heirs to long-standing ethno-regional nationalist political traditions in the Yoruba-dominated south-west, Hausa north and Igbo south-east respectively. The formation of the Action Congress (AC) mega-opposition party incorporates the AD as well as elements of the ANPP and APGA in a coalition which thus has a strong federalist flavour, despite also incorporating a thick sprinkling of opportunist PDP dissidents.

Even with this broad base, the cash-intensive nature of Nigerian politics is such that the AC is unlikely to be able to capture power at the centre. Even in a relatively small state, one aspirant recently estimated that a successful gubernatorial run would cost around \$4 million. Multiply that by Nigeria's 36 states, and add the numerous political brokers and constituencies who have to be 'settled', and the cost of a presidential bid could be truly staggering. Indeed, it is probable that only an incumbent party which already has access to state resources would have the financial means to capture the presidency.

This is why getting access to the party tickets for the ruling PDP is currently the focus of such heated competition: access to the party machine means access to a huge network of logistical, publicity, financial and security support – and moreover, influence over state institutions such as the police and electoral officers – which aspiring candidates could never hope to afford on their own. So the ruling-party ticket is best seen as a franchise, which can either be bought, or won by strength of numbers, fixed by

influence-peddling, or stolen with menaces. The stakes are high and the cost of failure crippling, which is why across the country – from core PDP-dominated states, such as Delta, to areas where the opposition are entrenched at the top, such as Lagos – PDP congresses which are currently ongoing at the lowest (ward) level have already been marked by controversy and violence.

Party congresses and primaries are important to the opposition, too. The former AD made huge tactical mistakes in the 2003 election by allowing electoral colleges of party bigwigs to select candidates. Those functionaries sold their votes to the highest bidder, meaning that in many cases the wrong – i.e. rich, but locally unpopular – candidates won. Grass roots activists became demotivated and disillusioned, younger more credible candidates decamped *en masse* to other parties, leading to the AD's virtual electoral annihilation in its own south-western power-base. So it should also be noted that internal democracy is a hugely important issue in consolidating party politics in this emergent democracy.

What then for 2007? The PDP has held together better than many observers had predicted, despite generating significant groups of dissidents: the challenge now is for the party to stay on course through the selection of a presidential candidate and the subsequent probable defection of some of the disappointed aspirants for that post. But the power of the mutual vested interest

is strong, and the PDP remains the largest, strongest-directed and best-funded player in the presidential race.

On the level of state governorships, it is likely that the AC's component regionalist parties and others, such as the ANPP factions who remain outside it, will perform well in their regional power-bases, having had three electoral cycles in which to consolidate themselves and learn from past mistakes. But in ethnic minority areas without their own strongly-rooted regional parties – places like the middle-belt states of Benue and Plateau, or the Niger Delta's Bayelsa and Rivers – the PDP will continue to be the only game in town. If this is so, after April 2007 those twin dynamics could make for an interesting and unpredictable era of 'cohabitation' between a Federal Government built largely on minorities and three ethno-regional blocs of largely opposition-dominated states pulling in the opposite direction.

"...only an incumbent party which already has access to state resources would have the financial means to capture the presidency"

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The elections and security in the Niger Delta

By Henry Wilkinson, Intelligence Analyst, Janusian Security Risk Management

There are indications emerging from the Niger Delta region that militias and armed gangs have been forging alliances with politicians in advance of the elections in April 2007. Electoral violence, inter-ethnic conflict, and the threat to oil companies are expected to increase to critical levels over the coming six months, possibly leading to a national state of emergency being declared during the polls.

Tensions in the Delta are high and the security situation has continued to deteriorate since December 2005 when militant groups such as the Movement for the Emancipation of the Niger Delta (MEND), intensified their operations against oil companies operating in the region. The current threat levels are already comparable to those seen leading up to the elections of 2003 when violence flared dramatically across the country.

The democratic institutions in Nigeria in general, and in the Delta in particular, are particularly weak and prone to subversion by powerful self-serving interest groups and politicians in an environment of widespread lawlessness. Indeed, the distinctions between politicised insurgencies and criminality are often blurred. In 2003, political violence and attacks on oil companies spiked and led to production cuts of around 40 percent with hundreds of millions of dollars worth of infrastructure damage. The incentives for violent politics are unambiguous: in 2004, a number of leading Itsekiri and Ijaw militant figures quickly found themselves enjoying state and local government appointments.

“...the distinctions between politicised insurgencies and criminality are often blurred.”

If the election process degenerates significantly and violence intensifies, sweeping security measures may be introduced. Indeed, some quarters believe that President Obasanjo wishes to see the election process collapse into chaos so that he may exercise control over his succession. Outbreaks of violent unrest in several states could lead the President to declare a state of emergency and postpone the polls. This would secure time to impose a candidate of his choice on the People's Democratic Party (PDP) and run the polls at a favourable time of his choosing. Such a scenario may not materialise, however, violent unrest in the Delta seems certain and the lucrative and burgeoning trades of kidnap and oil bunkering look set to fund the coming unrest. Throughout 2006, scores of expatriate workers and hundreds of Nigerians have been kidnapped, with numerous others held hostage in a growing trend of hijacking oil platforms to extract payments from multinationals.



The 70,000 km² of the Delta with its thousands of swamps, rivers, tributaries and forest make an ideal theatre for insurgent operations, and security against such attacks is almost impossible to guarantee. High powered speedboats, small arms and militants operating in groups - usually no larger than two dozen - have proved sufficient capability to score repeated successes in abductions against armed targets and force oil companies to suspend production by up to 600,000 barrels per day. The Nigerian military has proved unable to deploy adequately and integrate a more politicised counter-insurgency approach, leading some oil companies to negotiate special security agreements with local leaders and groups.

Nigeria currently produces about 2.5 million barrels per day, 90 percent of which comes from the Delta. With around 25 percent of national production currently shut in due to the crisis in the region, further shut downs as the elections draw nearer are expected. In which case, the protection of such vital federal revenues may come at the expense of protecting a critical evolutionary phase in Nigerian democracy.

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Nigeria: Not just oil

By Philipp Heinrigs

Despite the uncertainties surrounding the forthcoming elections, the economy of Africa's biggest oil exporter is in good shape. In 2005, the country's macro-economic situation was as follows: oil exports were at \$41 billion, with GDP growth of 6.9 percent, a large fiscal surplus of 12.4 percent of GDP, the country had a current account balance of 8.4 percent of GDP, healthy and growing (in absolute terms), private consumption and investment at respectively 36.7 percent and 13.5 percent of GDP, inflation at 17.9 percent is only moderately above the target of 15 percent (2006 estimates at 10.5 percent), FDI inflows are up by 60 percent to \$3.4 billion, a stable exchange rate and a substantial reduction of external debt to \$12.3 billion (including \$6.3 billion in arrears) or one third of foreign exchange reserves (2006).

Admittedly, with world oil prices at levels not seen since the second oil price shock and with the consequent wind-fall earnings abounding, the critical observer might not be impressed. But as so often, it is by looking behind aggregates that Nigeria's actual achievements can be judged correctly.



Non-oil sector growth in Nigeria in 2005 has been estimated at 7.3 percent, contributing two thirds to total GDP growth. The agricultural sector, which still accounts for 40 percent of GDP and close to 65 percent of total employment, grew at seven percent and made up the lion's share of non-oil sector contribution to GDP growth. Other sectors such as telecommunications, construction, hotels and restaurants grew at double-digit rates. These performances are the fruit of Nigeria's National Economic Empowerment and Development Strategy (reform programme which sets out targets for sectoral development

and continued liberalisation and regulation in the telecoms, energy and finance sectors. The government, just having earmarked a 23 percent increase in funding for agriculture of \$300m for 2007, seems serious about the programme it launched in 2004 to promote non-oil sector growth as a pillar of economic development. Nigeria's progress in economic policy making is further underlined by the recently established special holding account for temporary increases in oil revenues to smooth government spending. Indeed, although government spending is forecasted to increase by 21 percent in 2007, it will only have a moderate impact on the overall fiscal balance.

"Investments in infrastructure will be decisive in boosting private sector development."

However, Nigerian businesses still suffer from a grossly inadequate physical infrastructure. The power system produces just 30 percent of national demand and the country is subject to daily blackouts. Most industries have to rely on their own generating capacity, mostly through diesel generators, putting electricity bills top of total costs. Roads and railways are in a similar state. It is more expensive transporting goods from one end of the country to the other than it is to take them from Lagos to Europe. Investments in infrastructure will be decisive in boosting private sector development. Nigeria's resilient and skilful businesses, not a common sight in Africa, will know to grasp the opportunity.

If the political situation stays calm during next year's election, there should be no shortage of private companies willing to obtain lucrative public contracts in infrastructure. Chinese and South Korean companies have already confirmed interest in investing in the downstream oil sector and railroads.

With impressively sound macro-economic management and oil and gas revenues flowing in, the potential of Africa's largest market with 65 million urban, prosperous, English speaking consumers is enormous. Although economic risks are inevitably bound to political risk, the economic outlook for Nigeria on its current continuum should remain attractive for investors.

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Better the devil you know

By Rebecca Palser, Senior Associate, The Risk Advisory Group

The risks associated with operating in Nigeria are high, not just in terms of security, but also from a legal and reputational perspective. The operating environment is opaque and businesses typically require proximity to key political players to secure contracts; a double-edged sword when the political regime is set for change in the near future and strategic relationships can transform quickly from assets into liabilities. Added to this, Nigeria remains high on Transparency International's corruption watchlist, something that should raise concerns for anyone operating within the considerable ambit of the US Foreign Corrupt Practices Act (FCPA): Halliburton, for example, has faced protracted litigation connected with its operations in Nigeria. As a result, companies with both assets and reputations to protect are increasingly doing their homework before entering the market.

Investment in new and unfamiliar countries presents a number of problems for companies: inevitably there is a gap in the knowledge of the general operating environment, the stability of the political regime and its range of influence, as well as concerns surrounding legal and regulatory issues, particularly in relation to an increasing tendency towards minimum local content requirements, repatriation of funds and tax issues. Examining the treatment of other companies and learning from the experiences of those already operating successfully in the region can provide a solid foundation of information that can make decisions on whether to invest easier for companies. Discussions with government officials and commentators will also help businesses identify key areas of potential concern.

Before initiating a new commercial relationship in Nigeria, be it through a joint venture, direct investment, or by appointing an agent, it is important to learn as much as possible about the reputation and track record of your prospective business partner. It is essential to:

- Discover the backgrounds, ambitions and capabilities of senior management
- Evaluate the strength of key customer relationships
- Establish the actual story behind recent events in the company's history
- Substantiate rumoured problems with a subsidiary or operating unit
- Analyse aspects of non-shareholder influence
- Examine relationships with local regulators

A thorough background investigation, reviewing all the publicly available information, as well as speaking to individuals within the same sector, government officials, analysts, former employees and other business partners, arms

you with a rounded and objective assessment of your potential business partner. This can help protect your reputation and avoid any potential legal or regulatory red flags, enabling you to structure a deal that minimises your reputational and regulatory risk.

"...it is important to learn as much as possible about the reputation and track record of your prospective business partner"

While considerable data is available publicly in Nigeria, local knowledge and expertise are required to decipher the information it may provide. For example, while the Nigerian press is prolific and reasonably free, it is at times far from accurate and independent. Negative reports may be withheld from the public domain if one has enough political or financial influence, and false reports can be easily planted to further a particular cause or tarnish someone's reputation. Understanding the political and business environment, as well as the history of the key players, is vital to get to the truth of the matter. This is particularly important in Nigeria, where the relationship between politics and business is so close. Seemingly innocuous and little known companies are frequently used as front companies by politicians seeking to benefit illegally from their position in office. Rumours of such associations circulate frequently and with little credible evidence to support them; it is important that sources of such information are reliable.

The Risk Advisory Group undertakes numerous investigations of this nature every year in Nigeria and further afield. In one such case, a telecommunications company was considering acquiring certain assets of a Nigerian mobile telephone service provider. Before pursuing the opportunity, the client wanted answers to some specific questions regarding the manner in which the company's licence had been acquired, as well as about the reputation of the company's principals. The Risk Advisory Group's investigation showed that the Nigerian company's licence had been obtained in a relatively transparent tender process and allayed the client's concerns in that area. However, our enquiries identified indications that two powerful and politically exposed individuals held undisclosed stakes through front companies, as well as evidence of corrupt and improper behaviour by key figures at the Nigerian company. Based on the information provided about these FCPA-related concerns, our client decided to withdraw from the deal.

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Kidnapping: Preparing for the worst

By Charles Skinner, Operations Manager, Janusian Security Risk Management

Kidnap for ransom in the Niger Delta is a severe threat that can be very hard to prevent. As such, it is vital that all individuals working as foreigners in the region undergo training that will prepare them for the worst-case scenario of abduction by criminal gangs and militants.

Abduction attacks can be surprisingly brazen in timing, target and location. Abductions this year have occurred inside a residential compound, at flow stations, from boats in river tributaries under guard, and in another instance 40 miles out to sea during a night-time raid on an oil exploration rig by 20 to 30 armed militants. The pervasive nature of the threat should not be underestimated, indeed evidence exists that most expatriates in the region believe that they will not be a victim and therefore the shock of capture has a more traumatic effect.

Training should equip staff and employers specifically for the idiosyncrasies of kidnap in the Niger Delta. While expatriate hostages are nearly always released after a ransom has been paid or concessions agreed, the experience for hostages will be traumatic. Oil companies publicly deny the payment of ransoms, however in practice this is seldom the case and most captives in Nigeria are rarely held for any more than two to three weeks, and are usually released without serious harm.



Photo Courtesy of IRIN News

Despite this, the actual abduction phase can be highly dangerous and militants often kill those protecting expatriates. Training on how to survive such assaults and prepar-

ing for the shock of armed violence is therefore highly important. The second most dangerous phase is in hostage handover and rescue, which in the Delta often happens at night. Nigerian forces generally lack the specialist capability for managing this phase, as was tragically seen on 22 November 2006 when a British hostage was killed and an Italian seriously injured during a rescue attempt by Nigerian security forces. Therefore, employers should seek advice on management strategies and operations for this critical phase.

Kidnapping in the Delta is a criminal enterprise generally orchestrated in the context of political grievance. The Niger Delta is the mainstay of Nigeria's oil economy, however, the region itself is woefully underdeveloped and most of the local population lives in abject poverty. Kidnapping must be understood in this context as it both expresses grievances of injustice and serves as a means to redistribute a share of the oil wealth back to the disenfranchised local host communities.

It is in the interest of the kidnapers therefore to keep hostages alive, as their value is material and their treatment political. Hostages have often been held in dire conditions reflecting the living conditions endured by the local populations. Despite hostages generally being released in 'good health', traumatic stress can often result from pressures caused by the situation. The psychological torment of four Scottish oil workers kidnapped in October is one example, where their captors told them they were going to a festival to be sacrificed. This goading took a sinister turn when, after a period of ten days, the captors started to panic and the hostages were split up and beaten with sticks and machetes.

Coping strategies and understanding the dynamics of phenomena such as Stockholm Syndrome are therefore essential in empowering employees with the psychological tools needed to limit the traumatising effects and maximise the chances of survival in kidnap situations. In addition to this training for staff, companies should also ensure that their crisis management plans are robust enough to deal effectively with a kidnap or hostage situation.

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The 2007 presidential elections and the role of the Independent National Electoral Commission

By Matrix Solicitors

As Nigerians march on again 'looking for Mr President' among other elective public officers, Nigeria is on the threshold of yet another general election. It is no secret that the last presidential election in 2003 was marred by allegations of large scale vote-rigging and other forms of electoral fraud, with the attendant marked loss of credibility of the supposed winners and the consequential weakening of the whole democratic process. Were the effects of the most debilitating malaise confined to the political arena alone, this would be bad enough, but the economic effects of the imposition of clearly unsuitable and incompetent political office holders on a country with a leadership deficit on the scale that Nigeria has were immediate and manifest. Unprecedented levels of corruption, a resulting massive degradation in the quality of public infrastructure and public sector service levels; and severe deterioration in the exchange rates of the Nigerian currency against other major international currencies with the knock-on effects on the economy as a whole, were just some of the visible effects of the sham-bolic 2003 general election in Nigeria.



It is doubtful if even the famously resilient Nigerian economy can weather the effects of another such exercise and clearly, if the country is to avoid a repeat of this dismal performance at the fast-approaching 2007 polls, the importance of the role of the Independent National Electoral Commission (INEC) to deliver credible, free and fair elections cannot be overemphasised.

However, two of the several major challenges facing the future of elections in Nigeria as the nation prepares for the 2007 elections are the independence of INEC itself and also its capacity and readiness to prepare, circulate

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and implement a workable roadmap that would deliver credible elections in 2007. Thus the question really is: 'Is the official midwife able to and prepared to deliver a free and fair election come 2007?'

Following the review of the 2003 elections, and the stakeholders' fora organised by INEC in December 2003 and February 2004, certain critical conclusions were reached and forwarded to Government for urgent attention. The first was the need to review the Constitution in order to provide autonomy to INEC, whose key officers are appointed by the President. The truism of the maxim 'he who pays the piper dictates the tune' is nowhere better exemplified than in the affairs of INEC (and its predecessors) where generations of political office holders have, by stoutly holding on to the power of appointment of the supposedly neutral political arbiter, ensured the presenting of skewed and manifestly improbable results from elections. Not surprisingly, this administration has failed to correct this defect either and it is clear that as long as the issue of INEC's independence remains unresolved, the credibility of INEC *vis-à-vis* the conduct of the elections and outcome of election results will be seriously impaired both within and outside Nigeria.

Secondly, due to clear large scale rigging of elections by multiple voting utilising non-existent voters and multiple voter registrations INEC was requested to completely review the register of voters and in the process issue new fraud-proof Voters' Identity Cards with embossed photographs and biometric features. Unfortunately this second issue is yet to be addressed: even though voters' registration was started on 25 October 2006, the entire exercise has been fraught with serious and widespread logistical problems (which some contend are deliberately created), such as shortage of essential materials, delay in arrival, or absence of INEC officials at the designated centres and malfunctioning of electronic registration machines. It appears inevitable that the process will either not succeed in registering all eligible voters and thereby effectively disenfranchise large numbers of people, or else require such time to complete as to frustrate the whole election schedule itself.

From the foregoing, it can only be said that although Nigeria and Nigerians have devoted considerable time and energy in revising the electoral laws, process and institutional framework for elections with the avowed aim of improving the conduct of elections in the country, partly due to their experience of the extremely destabilising



effects of the failures of previous electoral laws and political processes the prognosis for the anticipated exercise in 2007 is not at all encouraging.

Frankly, with the new and untested Electoral Act 2006, which contains some rather obvious lapses or booby traps as the cynical conspiracy theorists contend, is untested; that the Election Timetable is patently unrealistic because voters' registration is continuing at an alarmingly slow pace; and the unreliable performance of the machines that INEC insists (against the loud remonstrations

of the very polity itself) on using; it would take some rather robust faith in a system so prone to failure to hope that it would all somehow turn out well.

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