www.iaajournals.org
IAA Journal of Management 6(1):11-27, 2020.

ISSN:2636-7300

Global Financial Governance and Political Development in the Gulf of Guinea, 2000-2015

Ogbodo Stephen Ofordi
Department of Political Science, Enugu State University of Science and Technology, Enugu,Nigeria

ABSTRACT

The bulk of trade and investments that go on in Africa' sGulf of Guinea (GoG) is often expressed in financial terms. This therefore suggests that the political economy of the Gulf constantly reflects the global financial dynamics of the global political economy. As with other major global economic crises, the Great Financial Crisis of 2008 brought huge financial crunches on GoG countries with adverse political consequences. This study, therefore, interrogates global financial governance and political development in the Gulf of Guinea with the following questions: Why has the campaign for global financial governance not translated to regional financial stability in the Gulf of Guinea? Is global financial insecurity implicated in the politics of democratic liberalism in the Gulf of Guinea? Relying on the strength of the theory of Economic Structuralism, the study found that there is an orchestrated exploitation and economic marginalization going on in the international economic relations, especially between the developed countries and the developing GoG countries. Data for the study were collected using the documentary method, and consequently analyzed via content analysis. The findings of the study led to the confirmation of the hypotheses that: The campaign for global financial governance has not translated to regional financial stability in the Gulf of Guinea, because of its marginalization in the campaign fora. Global financial insecurity is implicated in the politics of democratic liberalism in the Gulf of Guinea. The study finally recommends among others, the inclusion of the GoG countries in major agencies, forums and summits for deliberations of the major economic issues of the globe given its geo-strategic importance to the global economy.

Keywords: Financial crisis, Political development, Governance, Globalization, Democratic liberalism

INTRODUCTION

The pervasive winds of globalization have since blown national finances and capital into its thoroughgoing concentric circle [1,2,3,4,5]. It has had its most profound influence in the way states., businesses, and individuals deal with financial markets [6,7,8,9] Having reached its apogee of maturation in the global capitalist mode of production into which virtually all countries of the world have been integrated, private, corporate and national capitals, to which finance is implied, have long transcended the private restrictions and national boundaries that initially circumscribed them [10]. To this technically "borderless" finances have the corresponding nomenclature global finance been accorded. Like the President and Commander-In-Chief of the Armed Forces of Nigeria, General Mohammadu Buhari (retired) would describe himself in his acceptance speech, global finance or international finance "belongs to everybody and yet belongs to nobody" [11]. It belongs to everybody (nations) to the extent that it has its root in national currencies and finances, and yet belongs to nobody to the extent that any slightest upset in the global financial market can dispossess a possessor of its finances, either as an outright corollary of unfavorable balance of trade or by takingits deadly swipe on the value of national currency through the whimsical operations of financial contagion—a terminology that describes a situation whereby financial crises that begin in one country or group of countries are often transmitted to the rest of the world,

causing contagious international financial crises [12].
The period between 1980 and 2008, also known as the "financial deregulation" era, is often described as the era of second wave of financial globalization. As the financial system became more tightly integrated in this era, financial deregulation, new financial instruments and ' technological improvements increased cross-border capital flows (international portfolio investments, foreign direct investments and foreign debts) to unprecedented heights. There were huge differences across countries in financial system regulations during this era. These differences encouraged the flow of foreign capital from countries with highly regulated financial systems to those with less regulated financial systems [13]. He further noted that:

> Many developing countries faced severe financial crises after the second wave of financial globalization. These countries include Mexico and Brazil (1982- Latin American debt crisis); [14]. Some economists argued that these crises occurred mainly due to the vulnerable and unstable nature of financial globalization. Developed countries, however, usually turned a deaf ear to such criticisms. Their gain from financial globalization deterred them from taking any steps to- wards reshaping the governance of global finance [15].

He remarked that after the second wave of financial globalization, developed countries, for the first time, understood that financial crises were related to the fault lines of the global financial system, and thus became aware of the urgency of reforming the global financial system, on the one hand, and the importance of reform within a framework of cooperation, on the other [16].
By way of elementrifying the complexity of the import of financial market, therefore, it suffices to say that it is archetypal of a market where finances are bought and sold. Financial markets provide important benefits to society, both domestically and internationally, by moving funds from where they are less needed to where they can be used more productively [5]. There are, as one would expect, two strands or levels of financial markets viz: domestic or national financial market and international or global financial market. According to [6] analogical argumentation, as financial markets grew from being local to being national, there was a need for national public goods involved in overseeing these markets. This led all governments to provide national financial regulation and supervision. Today's global financial markets, the epicenter of this current discourse, are now not just global, they are of enormous size and can move huge quantities of money around the world with extraordinary speed and massive effect. The logical implication of this is that there must be a need for global public goods in overseeing the international financial markets. Embedded to this is that great economic and political prominence of international financial markets has given rise to extensive discussion of the need for some way to regulate, monitor, or otherwise control their impact on national economies and polities. Indeed, the ranks of those who believe that some form of governance of global finance is desirable are clearly growing. This, no doubt, is the character of many arguments for global financial governance. Consequently, analysts and policymakers have continued to make a variety of arguments for some form of international "governance" of global financial affairs. In this context, governance implies the provision of government-like functions, but at a level above that of the nation-state. The normative bases for these arguments, then, must be analogous to the arguments for the government provision of public goods at the national level: there are market failures such that things for which there is demand are undersupplied by private actors [8].

Objectives of the Study

The study has binary levels of objectives, viz: broad and specific objectives. While the broad objective of the study is to explore the relationship between global financial governance and political development in the Gulf of Guinea between 2000 and 2015, the specific objectives are to:

1. Ascertain why the campaign for global financial governance has not translated to regional financial stability in the Gulf of Guinea
2. Determine if global financial insecurity is implicated in the politics of democratic liberalism in the Gulf of Guinea

Significance of the Study

The study has both theoretical and practical significance. At the theoretical level, the study will form a reliable consultation material in the subject area, and thus contribute veritably to the existing body of knowledge and literature. This is hinged on the fact that studies like this arouse the interest of scholars, researchers, and the literate public who passionately desire to be furnished with the understanding of the monetary and financial dynamics of the global financial transaction and economic relations among nations, corporate and private agencies or bodies. At the Practical level, the study will be of immense benefit to, essentially, three categories of policy makers, namely: First, the policy makers of the countries in the GoG; second, the policy makers of other countries, since global financial governance is an international issue of enormous importance; and third, policy makers in the International Financial Institutions (IFIs). The policy makers of the GoG countries will gain insight into the workings of the global political economy and the ever dynamic nuances of its financial market as well as how best to tap into its gains and meander through its pains. Similarly, if the recommendations arising from the findings of this study are adopted by the GoG countries, the twin but deadly disasters of financial instability and low level of political development that have so bedeviled the region will be squarely and concretely combated with all the necessary attention, might and vigor it deserves. Moreover, since financial crisis is an ill-wind that blows no nation any good, the study will be beneficial to policy makers of other countries in knowing and prescribing what their country should do and what to avoid as they navigate through the chimerical waters of global political economy and the nuances it throws up from time to time. In an immeasurable degree, this study will be useful to policy makers in the International Financial Institutions (IFIs) like the International Monetary Fund (IMF), World Trade Organization (WTO) and World Bank, as well as the Group of twenty country (G20), particularly in unraveling the major fault lines of past financial crises and economics recessions, and how best to organize the global economy to reduce, if not out rightly avoid, another Global Financial Crisis (GFC) in the future.

Hypotheses

The study is guided by the following hypothetical assertions:

1. The campaign for global financial governance has not translated to regional financial stability in the Gulf of Guinea because of tits marginalization in the campaign fora.
2. Global financial insecurity is implicated in the politics of democratic liberalismin the Gulf of Guinea.

Research Design

In carrying out this study, the *ex-post-facto* research design was adopted. [7], defined the *ex-post-facto* research design as a form of descriptive research in which an independent variable has already occurred and in which an investigator starts with the observation of a dependent variable, and then studies the independent variable in retrospect for its possible relationship to and effects on the dependent variable. What Kerlingermeant is that the *ex-post-facto* or 'after the effect' research design is based on the examination of the independent and dependent variables after the event had taken place and the data already in existence.ln this study, therefore, the following conventional notation system is used:

R Y B_1 B_2 Y A_1 A_2

Where:

O = Observation

R = Random assignment of subjects

X = Independent variable

Y = Dependent variable

B = Before observation

A = After observation

Dependent variable here is a variable whose value is determined in the model. Hence the independent variable explains the behaviour of the dependent variable. This does not imply a denial of the existence of correlations in descriptive analysis, which may not necessarily imply causality; as two variables may show some correlations when they are not directly related. It maybe possible that they share the same trend from a third variable, that is, an external factor may influence the two variables in the same way. Thus therefore demands the analyst to carry out a more scientific analysis of the issues raised in the question.

The analytical routines involved in testing the independent variable (X) and the dependent variable (Y) is based on concomitant variation. This is to demonstrate that (X) is the factor that determines (Y), and the implication is that whenever (X) occurs, there is likelihood that (Y) will follow later. [7], has consequently outlined the logical criteria for inferring causality *inter alia:*

(i) Co-variation between the presumed cause and the presumed effect
(ii) Proper time order with the cause preceding the effect
(iii) Elimination of plausible alternative explanation for the observed relationship.

In applying the *ex-post facto* design to our study, the test of hypothesis 1 involves observing X, that is, the independent variable (Campaign for Global Financial Governance) and Y, that is, the dependent variable (Financial stability in the Gulf of Guinea) simultaneously and in retrospect because the effects of the independent variable on the dependent variable had already taken place before the study. The test of our second hypothesis also involved observing X, that is, the independent variable (Global Financial Insecurity) and Y, that is, dependent variable (Politics of Democratization in the Gulf of Guinea) simultaneously and in retrospect because the effects of X and Y had already taken place before the study, with the latest global financial crisis occurring in 2008.

In carrying out our investigation, our first observation will be on the financial status of the countries in the GoG before the East Asian financial crisis of 1997 and the 2007/8 Global Financial Crisis that had its root in subprime mortgage loans in the US.Our assumption is that the region had had issues with financial stability before the two financial crises of 1997 and 2008 that gave verve to the campaign for global financial governance through the formation of the G7 and G20 respectively. Our second observation is from 2008, that is, post-crisis era, and our assumption is that post-crisis global financial governance has not brought financial stability in the GoG. The GoGcountries have been battling with the issues of bad or poor governanceand varying degrees of financial insecurity since independence, and that the relatively recent issues of financial governance to address insecurity may have been coincidental to it.

Methods of Data Analysis

Data collected for this study were analyzed using latent content analysis. The work analyzed the contents of information collected based on the theoretical framework thereby drawing conclusions. This method is mainly associated with textual and contextual analysis of already existing information on the phenomenon being investigated. It involves the presentation, reading, analysis, critique and discussion of relevant information gathered from the different categories of sources, from which conclusion can be drawn. This method is used in this study to examine, global financial governance and political development in the Gulf of Guinea between 2000 and 2015.

Test of Hypothesis 1:

The campaign for global financial governance has not translated to regional financial stability in the Gulf of Guinea because of its marginalization in the campaign fora.

Although the effort of the Bretton Woods Institutions (BWIs)—International Monetary Fund (IMF), World Trade Organization (WTO), World Bank, etc—in the direction of international financial governance cannot be gainsaid, the overshadowing influence of the G7, G8 and recently the G20 on current global financial governance is immensely manifest. The G7, for instance, agreed in 2005 to eliminate all debts owed by 37 very poor countries to the World Bank and IMF—cutting almost in half the poorest countries' estimated $200 billion in debt [9]. Monetary Fund (IMF) coordinates international currency exchange, the balance of international payments and national accounts.The World Bank and the IMF and have a large supply of capital from the member states. This capital prays an important role in funding early stages of accumulation in developing countries and in helping them get short periods of great difficulty. The WTO is an organization which begun in 1995 that extended the GATT's traditional focus on manufactured goods and created monitoring environment mechanism. It has been argued that the WTO trading regime sometimes works against poor states, however, relative to industrial ones [11]. The broader issues of global financial governance relate to the G20 itself. The creation of this group at leaders' level is, of course, a step forward compared to the G8, particularly in terms of representation of developing countries. But this solution also created problems because of the ad hoc nature of the cooperation mechanism adopted, including the way in which the membership was defined, which implies the exclusion of some large countries (Nigeria is the case that stands out), and the over representation of Europe. This also reflects the revealed preference by industrial countries for 'Gs', over which they can exercise greater influence. The G20 has demonstrated its preeminence in global financial governance by giving all its members access to regulatory organizations on financial matters, especially to the Financial Stability Board (previously Forum), FSB, which has now been assigned the duty of coordinating the tasks of world financial reform [12]. The G20, through its various summits, has campaigned for global financial governance. It is to this that we now turn *vis-a-*vwregional financial stability in the Gulf of Guinea.

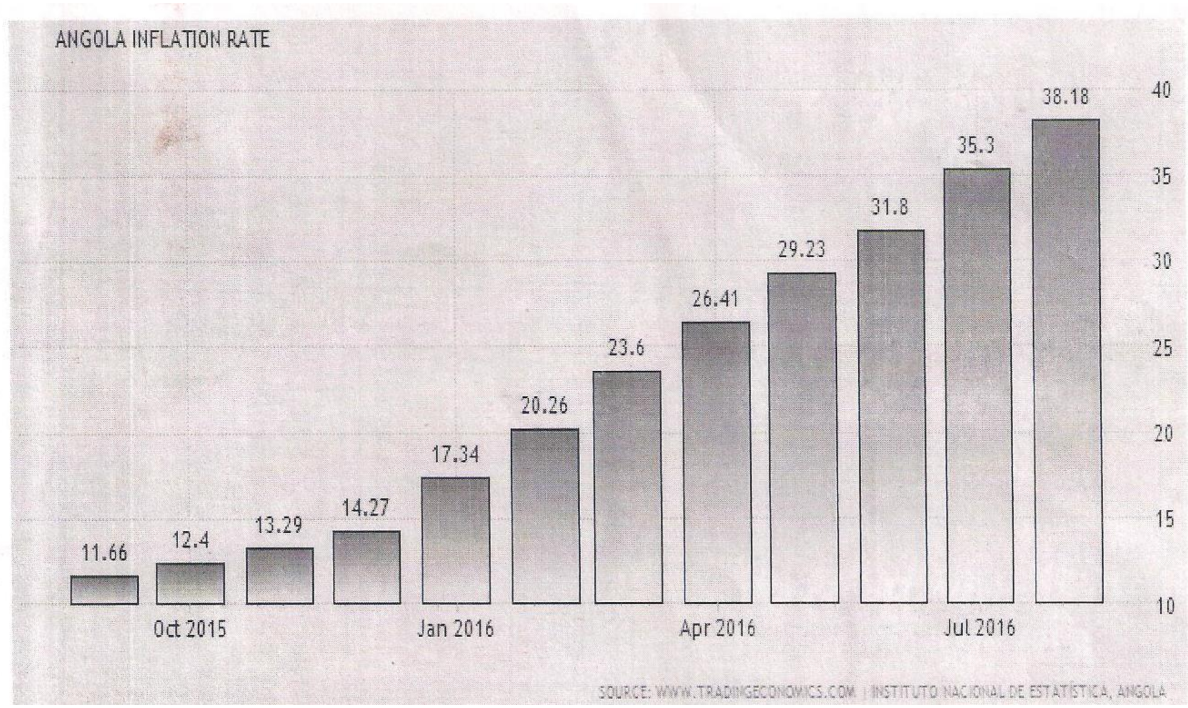
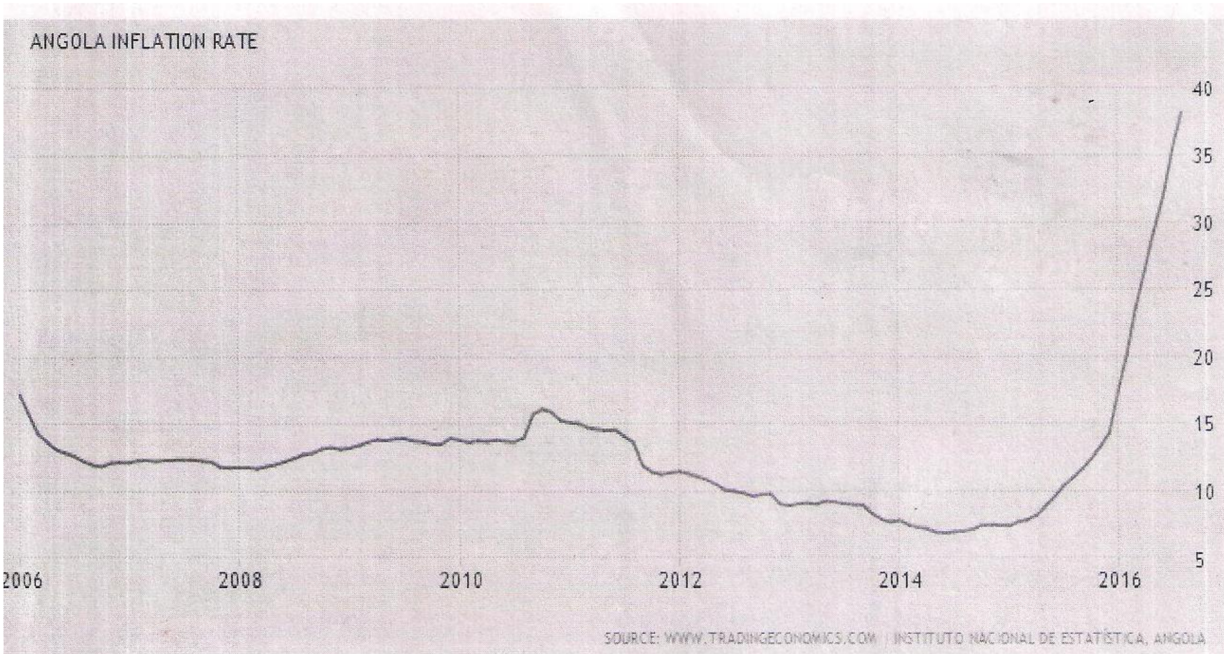


Figure la: Angola Inflation Rate

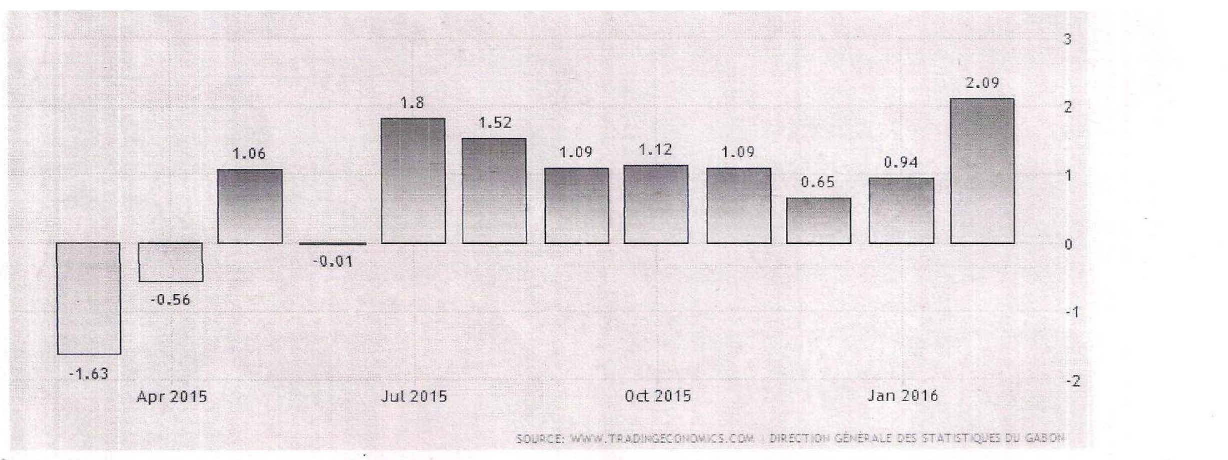
In Angola, the Luanda Consumer Price Index (CP1) measures the change over time in the cost of a fixed basket of 240 goods and services. The most important components in the CPI are Food and Non Alcoholic Beverages (55.1 percent of total weight); Housing, Water, Electricity., Gas and Other Fuel (11.1 percent) and Clothing and Footwear (7 percent). Miscellaneous Goods and Services account for 6.9 percent of total index. Housing Equipment and Routine Maintenance of the House for 6.3 percent Transport for 3.9 percent and. Restaurants and Hotels for 3.2 percent. Health represents 2.5 percent of total weight. Alcoholic Beverages and Tobacco 2.3 percent Recreation 1.6 percent and Education 0.01 percent. The figure below provides the latest reported value for - Angola Inflation Rate - plus previous releases, historical high and low as at September of 2016.

Figure Ib: Angola Inflation Rate



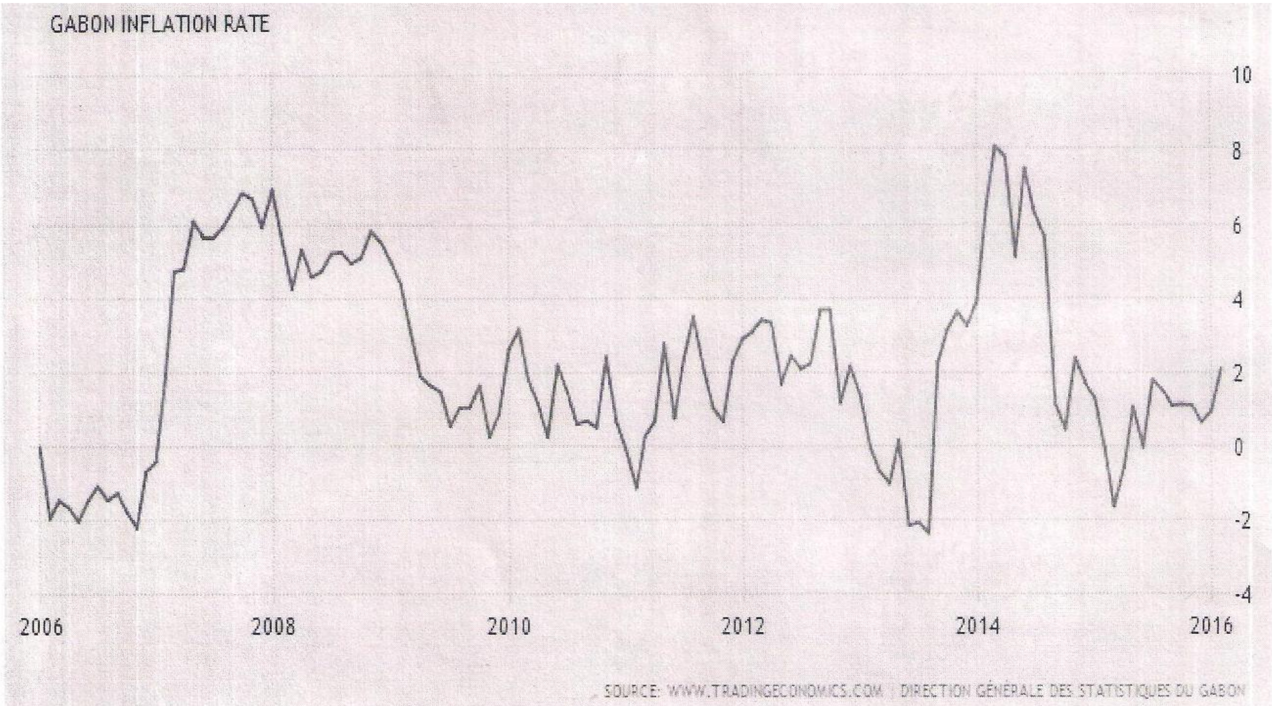
Gabon's case is even more pathetic. The inflation rate in Gabon was recorded at 2.09 percent in February of 2016. Inflation Rate in Gabon averaged 5 percent from 1963 until 2016. reaching an all time high of 46.95 percent in December of 1994 and a record low of -16.92 percent in November of 1991. Inflation Rate in Gabon is reported by the Direction *Generale des Statistiques du* Gabon.

Figure 2a: Gabon Inflation Rate



In Gabon, the inflation rate measures a broad rise or fall in prices that consumers pay for a standard basket of goods. This page provides - Gabon inflation Rate - actual values, historical data, forecast, chart, statistics, economic calendar and news. Gabon Inflation Rate - actual data, historical chart and calendar of releases - was last updated on September of 2016.

Figure 2b: Gabon Inflation Rate



Nigeria's case is more or less similar to that of Angola. Consumer prices in Nigeria rose by 17.6 percent year-on-year in August of 2016, following a 17.1 percent gain in the previous month. It was the highest figure since October 2005 as cost of housing and utilities, food and transport rose at a faster pace. Inflation Rate in Nigeria averaged 12.17 percent from 1996 until 2016, reaching an all-time high of 47.56 percent in January of 1996 and a record low of -2.49 percent in January of 2000. Inflation Rate in Nigeria is reported by the National Bureau of Statistics, Nigeria.

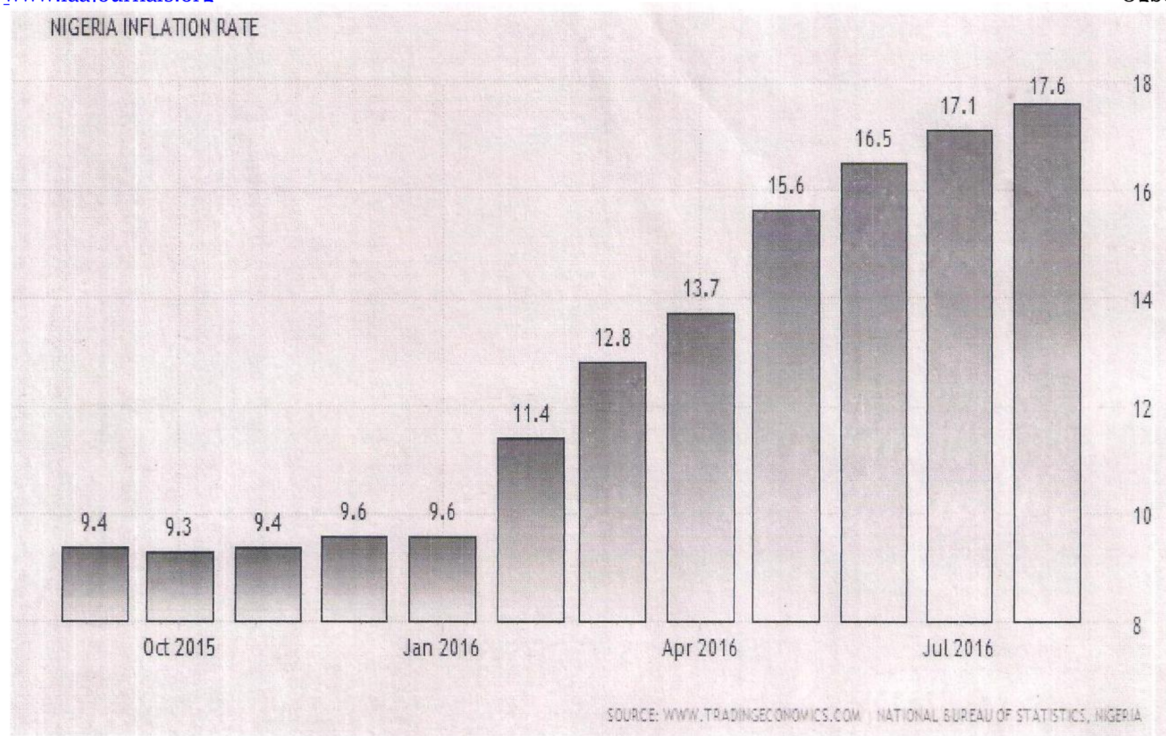
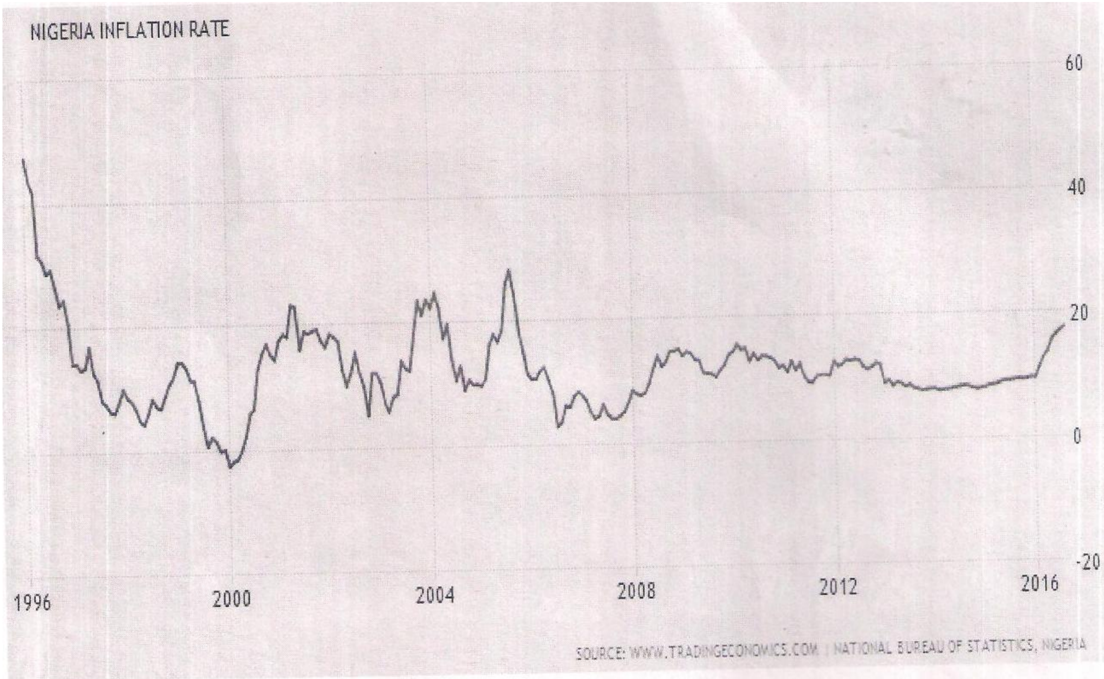


Figure 3a: Nigerian Inflation Rate

In Nigeria, the Consumer Price Index (CPI) measures the change over time in prices of . 740 goods and services consumed by people for day-to-day living. The index weights are based on expenditures of both urban and rural households in the 36 stales. The most important categories in the CPI are Food and Non Alcoholic Beverages (51.8 percent of total weight); Housing, Water, Electricity. Gas and Other Fuel (16.7 percent) and Clothing and Footwear (7.7 percent). Transports account for 6.5 percent of total index and Furnishings and Household Equipment Maintenance for 5 percent. Education represents 3,9 percent of total weight. Health 3 percent, Miscellaneous Goods and Services 1.7 percent and Restaurants and Hotels 1.2 percent. Alcoholic Beverages, Tobacco and Kola account for 1.1 percent of total index. Communications for 0.7 percent and Recreation and Culture for the remaining 0.7 percent. This page provides -Nigeria Inflation Rate - actual values, historical data, forecast, chart, statistics, economic calendar and news. Nigeria Inflation Rate - acttia! data, historical chart and calendar of releases -was last updated on September of 2016.

Figure 3b: Nigerian Inflation Rate



Consumer prices in Nigeria rose by 17.6 percent year-on-year in August of 2016, following a 17.1 percent gain in the previous month. It was the highest figure since October 2005 as cost of housing and utilities, food and transport rose at a faster pace.

Year-on-year, prices of food went up 16.4 percent (15.7 percent in the previous month). housing, water, electricity and gas rose 25.9 percent (25.6 percent). Additional pressure came from: clothing and footwear (16.7 percent from 16 percent); transport (17.9 percent from 17.5 percent); furnishings and household equipment (12.4 percent from 12.4 percent); education (18.4 percent from 17.7 percent); health (10.9 percent from 11 percent): miscellaneous goods and services (12.5 percent from 12.8 percent); alcoholic beverages, tobacco and cola (14.8 percent from 14.4 percent) and restaurants and hotels (9.7 percent from 9.9 percent).Annual core inflation rate increased to 17.2 percent from 16.9 percent in the previous month.On a monthly basis, consumer prices rose 1 percent compared to a 1.2 percent gain in the preceding month, as cost of food went up (1.6 percent); housing, water, electricity and gas (1.7 percent); transport (1.3 percent) and clothing and footwear (1.1 percent).

TEST OF HYPOTHESIS 2:Global financial insecurity is implicated in the politics of democratic liberalism in the Gulf of Guinea

· Tumbling of the global stock market and emphasis on democratic political restructuring and corruption free (good) governancein GoGcountries

The global stock market witnessed its first ever recorded crash called *Kipper und Wipper* in the year 1632. It was caused by debased (fraudulent) foreign coins minted in the Holy Roman Empirefrom 1621-1623, done to raise funds at the start of the Thirty Years' War. Fourteen years later, that is, in 1637, the Tulip mania Bubble hit the stock market.A bubble (1633-37) in the Netherlands during which contracts for bulbs of tulips reached extraordinarily high prices, and suddenly collapsed. The next in line was the Mississippi Bubble of 1720.Banque RoyalebyJohn Law stopped payments of its note in exchange for specie and as result caused economic collapse in France. In point of fact, between the years 1632 and 24th June 2016, there have been a total of fifty (50) recorded global stock market failures/clashes with varying degrees of catastrophic consequences(https://en,wikipedia.org/wiki/List_of_stock_market_crashes_and_bear_markets). For a comprehensive list of these, see Appendix IV.

Table 1: List of stock market crashes and bear markets

Name	Dates	Country	Causes
Stock market downturn of 2002	9 Oct 2002		Downturn in stock prices during 2002 in stock exchanges across the United States, Canada, Asia, and Europe. After recovering from lows reached following the September 11 attacks, indices slid steadily starting in March 2002, with dramatic declines in July and September leading to lows last reached in 1997 and 1998. See stock market downturn of 2002.
Chinese stock bubble of 2007	27 Feb 2007		The SSE Composite Index of the Shanghai Stock Exchange tumbles 9% from unexpected selloffs, the largest drop in 10 years, triggering major drops in worldwide stock markets.
United States bear market of 2007-09	11 Oct 2007		Till June 2009, the Dow Jones Industrial Average, "Nasdaq Composite and S&P 500 all experienced declines of greater than 20% from their peaks in late 2007.
Financial crisis of 2007-08	16 Sep 2008		On September 16, 2008, failures of large financial institutions in the United States, due primarily to exposure of securities of packaged subprime loans and credit default swaps issued to insure these loans and their issuers, rapidly devolved into a global crisis resulting in a number of bank failures in Europe and sharp reductions in the value of equities (stock) and commodities worldwide. The failure of banks in Iceland resulted in a devaluation of the Icelandic krona and threatened the government with bankruptcy. Iceland was able to secure an emergency loan from the IMF in November. Later on, U.S. President George W. Bush signs the Emergency Economic Stabilization Act into law, creating a Troubled Asset Relief Program (TARP) to purchase failing bank assets. Had disastrous affects on the world economy along with world trade.
2009 Dubai debt standstill	27 Nov 2009		Dubai requests a debt deferment following its massive renovation and development projects, as well as the Great Recession. The announcement causes global stock markets to drop.
European sovereign debt	27 April 2010		Standard & Poor's downgrades Greece's sovereign credit rating to junk four days

Crisis		after the activation of a€45-billion EU-IMF bailout, triggering the decline of stock markets worldwide and of the Euro's value, and furthering a European sovereign debt crisis.
2010 Flash Crash	6 May 2010	The Dow Jones Industrial Average suffers its worst intra-day point loss, dropping nearly 1,000 points before partially recovering.
August 2011 stock markets fall		Stock markets around the world plummet during late July and early August, and are volatile for the ' rest of the year.
2015-16 Chinese stock market crash		China stock market crash starts in June and continues into July and August. In January 2016, Chinese stock market experiences a steep sell-off which sets off a global rout.
United Kingdom European Union membership referendum, 2016		World Markets tumble after the United Kingdom voted to leave the European Union. Investors lost more than the equivalent of 2 trillion United States dollars on 24 June 2016. making this day the worst single day drop in history according to data from S&P Global. The losses were extended to a combined total of the equivalent of 3 trillion dollars by additional selling on 27 June 2016 according to data from S&P Global.

Source:
https://en.wikipedia.org/wiki/List_of_stock_market_crashes_and_bear_markets

By and large, each of these stock market clashes has been attributed to poor corporate, political and financial governance. According to six indicators of governance produced by the World Bank for 2002 (voice and accountability, political stability and lack of violence, government effectiveness, regulatory quality, rule of law, and control of corruption), all seven main oil-producing countries in the Gulf of Guinea far underperform the world median, indicating poor institutions, with the exception of political stability and absence of perceptible political violence in Equatorial Guinea and Gabon (see Table 6 below).* Moreover, the rule of law and the fight against corruption are the areas where oil producers of the region perform the worse. Finally, comparisons with other countries in 2002 show that the Gulf of Guinea's oil producers trail their counterparts not only from the Gulf of Guinea but also from the rest of sub-Saharan Africa, in all of the six indicators. This outlook highlights the lack of committed efforts to improve institutional quality related to governance, and underpins the argument that the exploitation of natural resources often promotes corruption and causes farther economic imbalances. This somewhat bleak picture on the quality of institutions and governance in the Gulf of Guinea oil-producing countries, as well as on their overall policy management and exposure to external shocks, is worrisome because it lays the ground for poor, long-run economic performance. Prompt and decisive actions are needed if one wants to avoid a natural resource curse in the region.

Table 2: Indicators of Governance& their degree in GoG countries

	Voice and Accountability	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Angola	-1.39	-1.60	-1.16	-1.33	-1.56	4,12
Cameroon	-1.10	-0.50	-0.62	-0.88	-1.2S	4.10
Chad	-0.95	-US	-0.75	-1.11	-0.93	-1.02
Congo, Republic of	-1.10	-1.54	-1.25	-1.00	-1.22	-0.94
Equatorial Guinea	-1.44	D.31	-1.37	-1.4:	-1.19	-1.89
Gabon	-0.42	0.20	-0.45	-0.19	-0.27	-0.55
Nigeria	-0.70	-1.49	-1.12	-1.18	435	435
Average for Oil-GG Countries (1).(2)	-Ul	-0.93	-0.96	-1.02	-1.11	-1.14
Average for Non-Oil GG Countries (1),(2)	-IK66	-0,75	-0.91	-0.67	-0.80	-0.75
Average for Other Selected SSA Countries(1),(3)	-0.39	-0.39	-0.55	-0.50	-0.48	-0.34

From the table above, the GoG countries bristle with poor governance indicators. Nigeria has the least voice and accountability in the region while Gabon has the highest level of political instability, government effectiveness and regulatory quality. While rule of law and control of corruption are generally poor in the gulf, they are pathetically poor in Gabon, Chad and the Republic of Congo.

Table 3: Human Development, Corruption and Democracy in the (wider) Gulf of Guine

	Human development	Corruption	Democracy
	Human development index (HDI) 2009	Corruption perception index (CPI) 2009	Freedom House (FH) ratings 2010
	Ranks (general level)	Ranks (values, 10 = maximum of transparency)	Political rights/civil liberties (category) 7 is minimum, 1 is maximum of freedom
Angola	143 (medium)	162(1.9)	6/5 (Not free)
DRC	176 (Low)	162 (1.9)	6/5 (Not free)
Congo-Brazza	136 (medium)	162(1.9)	6/5 (Not free)
Gabon	103 (medium)	106(2.9)	6/5 (Not free)
Equatortl Guinea	118 (medium)	168(1.8)	7/7(Not free)
Sao Tome	131 (medium)	111(2.8)	2/2(free)
Cameroon	153 (medium)	146(2.2)	6/6 (Not free)
Nigeria	158 (medium)	130(2.5)	5/4 (partly free)
Benin	161 (low)	106(2.9)	2/2 (free)
Togo	159 (low)	111(2.8)	5/4(partly free)
Ghana	152 (medium)	69(3.9)	1/2(free)
Coted' Ivoire	163 (medium)	154(2.1)	6/5 (Not free)

Liberia	169 (low)	97(3.1)	3/4(partly free)
Slerra Leone	180 (low)	146(2.2)	3/3 (partly free)

Sources: www.undp.org; www.transparency.org; www.freedomhouse.org

The EITI has been trying to democratize countries' capacity to move beyond the basic reporting standards to demonstrate their commitment to the principles of the initiative. For in-stance Nigeria adopted aggregated, instead of disaggregated, reporting system. It has also ensured that its audit covers financial, physical and process. According to [7], "The reports went far beyond the basic core requirements of global EITI; it produced not only raw data on the industry and on tax and other fiscal matters; but it also provided crucial and useful insights into processes involved in the industry that have helped many insiders and outsiders to see the oil." RWI has also in this context commissioned a study through [4] that makes a case for company-by-company reporting of data in the extractive industries transparency initiative, which in itself lauded Nigeria's step in this direction.

Table 8: Overview of EITI Reports

Country	Status	Validation Deadline (extended where marked*)	Reports pub-lished	Last report published in	Covering years	Covering sectors	Aggregated/ Disaggregated	Comments
Azerbaijan	Compliant		12	2010	2009	Oil, Gas and Mining	Aggregated	
Liberta	Compliant		2	2010	FY end June 2009	Oil, Gas, Forestry, Agriculture	Disaggregated	Excellent Summary Report
Cameroon	Candidate	9 Sep 2010*	3	2010	2006 – 2008	Oil, Gas and Mining	Aggregated	
Congo	Candidate	9 Sep 2010*	1	2010	2004 to 2006	Oil & Gas	Aggregated	Second Report disaggregated by category of revenue
DR Congo	Candidate	9 Sep 2010*	1	2010	2007	Oil, Gas and Mining	Disaggregated	Second Report to cover entire minerals sector
Gabon	Candidate	9 Sep 2010*	3	2008	2006	Oil, Gas and Mining	Aggregated	2007 – 2008 Report in Progress
Ghana	Candidate	9 Sep 2010*	3	2008	2005	Mining*	Disaggregated	Includes sub-national payments
Kazakhstan	Candidate	9 Sep 2010*	4	2010	2005 to 2008	Oil, Gas and Mining	Aggregated	
Kyrgyzstan	Candidate	9 Sep 2010*	2	2009	2004 to 2008[89]	Mining	Aggregated	
Mali	Candidate	9 Sep 2010*	1	2009	2006	Mining	Disaggregated	Report disaggregated by producing mine
Mauritania	Candidate	9 Sep 2010*	2	2007	2005 to 2006	Oil, Gas and Mining	Aggregated	
Niger	Candidate	9 Sep 2010*	1	2009	2005 to 2006	Mining	Disaggregated	Good Summary Report
Nigeria	Candidate	9 Sep 2010*	2	2009	2005	Oil & Gas[90]	Disaggregated	Includes attempts at physical & process audits of the sector
Peru	Candidate	9 Sep 2010*	1	2009	2004 to 2007	Oil, Gas and Mining	Aggregated	
Sierra Leone	Candidate	9 Sep 2010*	1	2010	2006 to 2007	Mining[91]	Disaggregated	Excellent Summary Report
Timor-Leste	Compliant	30 June 2015	1	2009	2008	Oil & Gas	Partially Disaggregated	
Mongolia	Candidate	9 Oct 2010[92]	3	2010	2008	Oil, Gas and mining	Disaggregated	Excellent Summary Report
Côte d'Ivoire	Candidate	12 Nov 2010*	1	2010	2006 to 2007	Oil & Gas	Aggregated	Second Report in progress, aggregated, now to include mining
Central African Republic	Candidate	20 Nov 2010	1	2009	2006	Mining	Aggregated	Reporting in fully informal sector Second Report in progress, disaggregated
Norway	Candidate	10 Feb 2011	1	2010	2008	Oil & Gas	Disaggregated	Excellent Report
Madagascar	Candidate	9 Mar 2011	0[93]	2010	2007 – 2009	Mining	Disaggregated	Pilot covering 2 companies only
Guinea	Candidate Suspended	Suspended	1	2007	2005	Mining	Disaggregated	Continuing with Second Report during suspension
		Total	47[94]					

Source: EITI, EITI Implementation ReportNol2, EITI Secretariat, Oslo, 4 October, 2010, p.4.

Among other ingredients, good governance entails economic openness at all levels of transactional dealings. Hence, the EITI process has also facilitated access to information on the extractive industry and its governance. This is practically demonstrated in the EITI reconciliation reports of the various countries. Besides, Nigeria, Cameroon and Ghana are countries within the Gulf of Guinea that have produced EITI reports on payment of oil companies to governments and government receipts of such payments, while the process has also opened up opportunities for Contract transparency in Liberia and Sierra Leone. This has never happened in the history of these countries, especially Nigeria. As at October 2010, a total number of "47 annual and semiannual EITI Reports have been produced by 22 countries (including Equatorial Guinea) since reporting began in 2005", with all covering 55 years worth of revenue data as some countries have produced reports covering multiple years" (EITI 2010, p.2). What has remained particularly interesting about the process is the manner in which the quality and regularity of the reports continues to improve, while the information they provide continues to expand opportunities for people to develop their knowledge about the extractive sector in their countries.

What has become evident from the foregoing discussion is that what seems to be an endemic culture of poor governance and poor economic transparency in the GoG is being campaigned and fought against through various ways and initiatives, albeit, with not so impressive result yet.

Summary and Conclusion

The apparent inter-linkage of global economies and the subsequent interdependence of "independent" states brought about and doggedly sustained by globalization have necessitated the analysis of occurrences in one nation or region through the investigation of occurrences in another towards the determination of a possible cause-effect relationship. Between 1929 and 2008, the international economy has suffered two phenomenal financial crises outside litanies of other relatively minor ones. These have been as a result of the governance of the ever growing global capital and finances. Overtime, the immensity of financial and economic misfortunes suffered by nations have led to strong agitation for more concerted and prudential governance of the international finance, which is literally the finance for international trade and commerce. Subsequently, this campaign has led to the establishment of agencies IMF, World Bank, G8, G20 etc. Following the most recent 2008 Great Financial Crisis (GFC), the G20 immediately convened the Washington Summit of 2008, which was later followed by several other namely: London & Pittsburgh Summit of 2009, Toronto and Seoul Summit of 2010, Cannes Summit of 2011, Los Cabos Summit of 2012, Saint Petersburg Summit of 2013, Brisbane Summit of 2014, etc. The cardinal issue and principal agenda each time had centered how best to ensure a properly coordinated too-big-to-fail global financial governance so as to forestall the possibility of another tremendous global financial crisis. Meanwhile the Gulf of Guinea (GoG) situated along the West and Central African Atlantic coast is a region with huge historical presence of the global finance due to the presence of huge exportable oil resources and the operations of MNCs. The situation in this gulf is antithetical to its natural resource endowment. The GoG demonstrates a fundamental paradox— the paradox of poverty among riches. From this region, the oil rigs have indeed fuelled the world and keep on doing so, with its global relevance steadily increasing. On the other hand, these exports have more than just 'failed' the very same group of countries. A pitiable fact is that many of those exporting oil have some of the worst development indicators in the world. Indeed, the seven largest oil-producing nations of the Gulf of Guinea are expected to generate more than $350 billion from this natural resource over the 2002-19 period, which is more than the current annual GDP of Russia ($310 billion in 2003) and close to the current GDP of all sub-Saharan African countries combined (Goldwyn & Morrison, 2004; Economist Intelligence Unit, www.eiu.com). Nothing, it seems, appears to be justifying the accrual of this huge sum to the gulf especially with the constancy of regional financial instability, high poverty and unemployment rate, biting inequality gap, war, maritime insecurity, economic sabotage, conflicts, etc.

Arising from the foregoing, the study therefore explored the critical issue of Global Financial governance and Political Development in the Gulf of Guinea by seeking empirical answers to the following research questions:

1. Why has the campaign for global financial governance not translated to regional financial stability in the Gulf of Guinea?
2. Is global financial insecurity implicated in the politics of democratization in the Gulf of Guinea?

In the spirit of objective research, views and positions of other scholars on this issue were explored through a thematic literature review at the end of which lacuna that sustained the thrust of the study were observed and noted.

Relying on the strength of the theory of Economic Structuralism, the study found that economic motives are at the root of the campaign for global financial governance. As a result, there is this orchestrated exploitation going on in the international political economy which has tangentially manifested itself in fast institutionalizing tendency of deliberate exclusion of the GoG countries in the campaigns for global financial governance.

On the strength of the above, the study hypothesized as follow:

1. The campaign for global financial governance has not translated to regional financial stability in the Gulf of Guinea, because of its marginalization in the campaign fora.
2. Global financial insecurity is implicated in the Politics of democratic liberalism in the Gulf of Guinea

Following a rigorous empirical verification exercise by means of which the hypotheses were tested, we accepted and validated the two hypotheses.

RECOMMENDATIONS

In line with findings of the study, we put forward the following recommendations:

1. Inclusion of the GoG countries in major agencies, forums and summits for the deliberation of the major economic issues of the globe. The geo-strategic importance of the region implies that the gulf is too big to be neglected on matters that affect them even most. It is politico-economic injustice to relegate the region that fuels the world on issues of great importance even when the regions partake in sharing the various international political economic and financial crises often originating from other regions. When the GoG countries are allowed to tell their story in the international forum, it would be appreciated that no one tells one's story better than oneself.
2. Stabilization of oil markets and prices: Lasting global prosperity requires stable oil markets and prices. To this end, it is desirable that the two sets of market actors play fully their role: on the one hand, oil-producing countries must continue to expand production and adopt measures to increase capacity; on the other hand, oil-consuming countries should take measures to promote energy sustainability and efficiency. In so doing, the two sides must maintain a constant dialogue and further improve oil market information and transparency, which will curb speculative movements.
3. In recognition of the growing importance of the Gulf of Guinea in the global economy, it is to the utmost interest of both the region and the international community to ensure stability in the Gulf. Indeed, if this region remains stable^ natural re source-endowed countries will grow as reliable suppliers. Conversely, if the region faces unrest, it will create shocks to the global economy in addition to becoming a vector for violence, a potential haven for terror, and a place where democratic norms, human rights, and environmental standards are blatantly disregarded.

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