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DIPLOMACY IN CHINA–NIGERIA POLITICAL-ECONOMIC RELATIONS

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ABSTRACT

This paper examines China–Nigeria political-economic relations since the end of the Cold War using methods and theory of politics and economics. Since Nigeria views its relations with China as the driving force for its economic growth/development, we assess the extent to which Nigeria’s diplomatic effectiveness and understanding of Imperialism translates into economic growth from its relations with China. Our findings include China’s domination of Nigeria’s economy/polity, through superior economic-diplomacy, resulting in differential economic outcomes: for over 27 years while China achieved sustainable economic growth, increased its direct investment in foreign aid (loans, grants, technical assistance) to Nigeria, and achieved favorable trade balance with Nigeria; Nigeria’s economy increasingly stagnated/declined, exported less, imported more, lost domestic business opportunities to China. We describe Nigeria’s response to China’s economic offensive. Achievement of trade balance and sustainable economic growth/development by Nigeria requires the use of improved economic-diplomacy, based on sound understanding of globalised neoliberal-capitalism and imperialism.

KEYWORDS

- Imperialism
- Diplomacy
- China-Nigeria
- economy
- development
- trade
- Cold War
- FDI

Introduction

Several reasons justify this examination of China-Nigeria relations. First, while China has achieved sustainable economic growth by leading the group of twelve other “Sustainable Growth Countries” - that recorded annual economic growth rates of 7% or higher for a quarter of a century¹ - Nigeria experienced a diametrically opposite situation: either economic decline and/or stagnation. Nigeria’s external

¹ M Spence (ed.), *The Growth Report: Strategies for Sustainable Growth and Inclusive Development*. World Bank, Washington, D.C., 2006.

debt rose from US\$28.4 billion (bn)² in 2001 to \$36.1 billion in 2005 then plunged to \$5.3 billion in (2005) due to clearance of arrears of debt service payment to Paris Club creditors and subsequent retirement of outstanding debt in that year. Despite this, Nigeria's annual debt servicing was projected to cost less than 1% of external receipts of \$59.9 billion (bn) in 2006 (range: about \$200 million (mn)–\$300 mn).. Capital import to Nigeria increased from 85%-105% in 2002 to 107% in 2005 due to banking sector consolidation. The contribution of Nigeria's economic sectors to its Real Gross Domestic Product (GDP) was low: manufacturing (averaged 3.6% from 1999-2004, while agriculture contributed highest (average: 42% approximately from 1999-2005³. Second, China applied creatively modified communism-socialism ideology during and after the heydays (1970s) of communism in Eastern Europe until its collapse in late 1980s. Realizing that the global economy and communism were enormously threatened by hegemonic neoliberal-capitalism about 32 years ago, China responded by restructuring some of her political-economic and social institutions, structures, processes and attitudes to flexibly adapt to the hegemonic neoliberal-capitalism as its subsisting policies and programmes of development management⁴. Contrastingly, during and after the Cold War, Nigeria's economic planning/management oscillated between perspectives of neoliberal-capitalist economics lacking pluralistic qualities required for striking sensible balance between national interests, and thorny ideological issues as practiced by most of the originators of neoliberalism⁵. While neoliberal capitalism rose to hegemonies the global economy in the 1970s, Nigeria was naively stuck to the "Mixed Economy" –a quasi-capitalist system. With other socialist-communist countries (e.g. Latin America), China experienced relative socio-economic progress compared to Nigeria/sub-Saharan Africa, SSA⁶. Interestingly, like most elitist governments of developing countries including poor SSA states, Nigeria's development policy exhibits fundamentalism in implementing dubious policies handed down by the Washington Consensus (WC) comprising International Financial Institutions: World Bank Group, International Bank for Reconstruction and Development, International Monetary Fund, among others⁷.

² Amounts stated as US\$, hereafter symbolized by "\$" before the amount. The acronym: US may be omitted. Elsewhere, amounts quoted in Nigeria's currency (Naira) are represented as NG=N= or =N=.

³ National Planning Commission, *Economic Performance Review*, Abuja, 2006.

⁴ U Brand & N Sekler, 'Postneoliberalism: catch-all word or valuable analytical and political concept?', in K, Bayer, *Neoliberalism and development policy-Dogma or progress?* in U, Brand and N, Sekler (eds.) *Postneoliberalism; a beginning debate*, development dialogue, Uppsala, no. 51, January 2009, pp 89-102.

⁵ G Raveaud, 'Pluralism in economics teaching-Why and how?', in N Hallstroem (ed.), *What next, vol. II, The case for pluralism, development dialogue*, Uppsala, no. 52, August 2009, p. 67 & Bidwai, P, 'The convergence of fundamentalism and new political closures - What Next in the struggle for pluralism?' development dialogue, Uppsala, in *What next II: The case for pluralism*, no. 2, August 2009, p. 33.

⁶ O Igwe, *Politics and Globe Dictionary*, Eagle Publishers, Aba, vol. 6, pp. 56-57; M Brie, 'Ways out of the crisis of neoliberalism' (p. 16) in U Brand & N Sekler (eds.) *Postneoliberalism; a beginning debate*, development dialogue, no. 51, January 2009, pp 15-32.

⁷ R Ingwe, CCC Ikeji & FE Ojong, 'Neoliberal globalization, Financial and Economic Crises and Sustainable Development in Africa', *IUP Journal of Governance and Public Policy*, Hyderabad, December 2010, p.6.

Third, when the 2007-09 global financial- economic crises spread from USA world-wide, China sat atop the global economy with enormous external reserve of US\$1.8 trillion (tn) thereby strengthening it to lend a huge amount to US President Barrack Obama to implement the 2009 US ‘Stimulus Package’⁸. Nigeria’s economy was valued at US\$169 bn in 2010, while its external reserve (smaller than China’s) fluctuates despite its rating as SSA’s second largest reserve⁹. Losses incurred by global economy following the 2007-08 global financial crisis increased from about \$169bn in 2009 to about \$1.4 trillion in 2010¹⁰.

Fourth, China-Nigeria trade volume has increased rapidly over a relatively short period of time with China enjoying a more beneficial higher share of export to Nigeria. The value of the China-Nigeria trade, about US\$7bn in early 2010, showed China exporting to Nigeria, goods and services relied upon by nearly all sectors of Nigeria’s economy. More recently, statistics put the rising China-Nigeria trade volume at \$7.76bn representing about 21.9% increase -the highest point of their trade history. Nigeria’s export to China increased by only 19.5%, was worth only \$1.07bn and was restricted to a few sectors. China’s investment in Nigeria was valued at \$7.9bn and covered several sectors -petroleum exploration/production of oil/natural gas, energy production, commercial free trade zones, iron and steel, manufacturing, agriculture, pharmaceutical, telecommunications, food and beverages, among others¹¹. While Nigeria’s diplomats claim that both countries are having stronger economic ties under “cordial” diplomatic relationship, and re-echoed Chinese diplomats’ rhetoric: “mutual friendship”, the extent to which Nigeria benefits from its acclaimed relations with China is poorly understood. This ignorance persists despite the knowledge that the China-Nigeria economic relations have been lopsided, favoring the former -whose investors/entrepreneurs have penetrated Nigeria’s economy. Contrastingly, Nigeria’s investors and entrepreneurs are yet to be assisted by Nigeria’s economic-diplomats to exploit economic-political opportunities in China at the same scale enjoyed by their Chinese counterparts. While Nigeria’s diplomats excitedly place Nigeria among the top five countries having economic relations with China¹², documentation of the extent to which Nigeria’s diplomacy is effectively harnessing and optimising the China-Nigeria “mutual friendship” and Nigeria’s gain from the relations are yet to be undertaken.

This paper responds to the knowledge gap by assessing the effectiveness of Nigeria’s economic diplomacy. Moreover, the collapse of socialist-communist

⁸ NL Sum, ‘Struggles against Wal-Martisation and neoliberal Competitiveness in (southern) China-Towards postneoliberalism as an alternative’, in U Brand & N Sekler (eds.) *Postneoliberalism; a beginning debate, development dialogue*, Uppsala, no. 51, January 2009, pp. 157-170.

⁹ WRI, UNDP, UNEP & World Bank, *The Wealth of the Poor: Managing Ecosystems to Fight Poverty*, World Resources, World Resources Institute, Washington D.C., 2005.

¹⁰ R Ingwe, CCC Ikeji & FE Ojong, *BusinessDay*, 13 October 2010, p.6.

¹¹ ‘China plans high-volume business activities in Nigeria’, *BusinessDay*, Lagos, 15 March, 2011, p. 5 <<http://www.bussinessdayonline.com>>.

¹² ‘Nigeria, China trade volume hits \$ 7 bn’, *Daily Sun*, Lagos, 21 October, 2010, p. 47.

states in the late 1980s following the ascension of neoliberal-capitalism to dominate the global economy in the 1970s and the 2007–09 global financial-economic crises prompted scholars/activists to review the role of neoliberal-capitalism's globalisation in the past 500 years in the disaster. In 15 papers scholars assessed neoliberal-capitalism's impact on various facets of economies, politics, societies (Brand and Sekler et al 2009). Others suggest that SSA countries should adopt socialist policies basing their argument on: China's presentation of more prosperous economy before, during and after the 2007-08 crises; and the way China's economic relations with developing countries (DCs) favour the latter in ways different from stringent conditionality enforced by neoliberal-capitalist nations including their structural adjustment programme (SAP) policies designed by the Washington Consensus (WC) – comprising International Financial Institutions, (IFIs): World Bank Group, International Monetary Fund, IMF, developed countries' governments and promoters of neoliberal-capitalism despite its deficiencies) (Ingwe, Ikeji and Ojong, 2010). Recommendations that SSA shifts economic-political relations towards socialist countries were not based on empirical analyses of China-SSA relations. Irrespective of the fact that academic international relations analysis is one of the two major categories of neoliberalism, the post 2007-08 financial economic crises is yet to attract as much reviews of international relations as have other strands of the market-liberal economic policies in the advanced and developing countries respectively¹³.

The China-Nigeria trade-economic relations have been empirically studied¹⁴. Although, these studies elucidate economic aspects, emphasizing magnitude, structure of the China-Nigeria trade-economic relations, the imbalance of the relations that favor China, vital underlying political issues relating to diplomatic strategies employed by SSA countries including Nigeria, to cope with China's diplomatic rhetoric of "friendship"¹⁵ have been ignored by scholars. Analysis of dogmatic, multi-dimensional neoliberal-capitalism's globalization, combining political, military, violence and imperialism (elaborated below) to sustain neoliberal-capitalist hegemony of the global economy alludes the understanding of political-diplomatic strategies applied by Nigeria to counteract China's economic advantage over it and it is required to prevent perpetuation of this inequitable scenario.

What was the nature and character of China-Nigeria relations over the years and decades after the Cold War? What was the nature of diplomatic strategies applied by China in relating to Nigeria? What benefits accrued to Nigeria that are more favourable compared to Nigeria's economic development relations with Western countries (U.S.A. Britain, etc) promoting neoliberal-capitalism? There is need to understand: (i) major areas of the China-Nigeria economic relations in the post-Cold war era; (ii) the extent to which China-Nigeria relations have

¹³ I McLean & A McMillan (eds.), *Oxford Concise Dictionary of Politics*, University Press, Oxford, 2003, p. 368

¹⁴ Ogunkola, E, Olawale, A Adewuyi & O Oyeranti, & A Bankole, *Nigeria – China Trade and Economic Relations*, Centre for Trade and Economic Development Initiatives, University of Ibadan, Ibadan, 2008.

¹⁵ Ibid.

catalysed Nigeria's economic growth/development and its aspiration to achieve National objectives elaborated in the Yar'Adua-Jonathan administration's Seven Point Agenda (2007-2011); (iii) Strategies that are capable of enthroning balanced mutually beneficial 'diplomatic friendship' in the China-Nigeria economic relations founded on principles of equity.

The poor economic development outcomes of the China-Nigeria relations for the latter has been analysed using mono-disciplinary economic methods thereby providing partial understanding of trade magnitude, nature of cooperation and issues underlying the relations). The shortcomings posed by these beckon for multi-/trans-disciplinary studies using methods capable of increasing understanding of inherent issues and to formulate solutions capable of resolving Nigeria's quagmire economic decline and dampening her expectations from the China-Nigeria relations. All these persuaded us to employ aetiological method to implement this study.

The remainder of this paper shows how China's use of economic-diplomacy to take advantage of Nigeria's huge opportunities to the latter's disadvantage by presenting: theoretical frames (imperialism and diplomacy) of the analysis; aetiology method; data and their sources; overview of China-Nigeria relations, political-ideological foundations of the China-Nigeria relations dynamics through bilateral trade, FDI, foreign aid, technical assistance; losses to Nigeria arising from the relations; Nigeria's response to Chinese economic offensive, conclusion and recommendations.

Method and Data

Aetiology, a method similar to causation in its creation of the nature of principles and logical-empirical laws governing outcomes was applied to understand diplomatic strategies used in the China-Nigeria relations under the context of imperialism and neoliberal globalization. We followed aetiology's procedure: we described the study's object to provide a foundation for analyzing bilateral diplomatic dynamics systematically and scientifically; we related these to other issues, determined fundamental constituents of these as well as the nature and principles governing inter-relationships among aspects of China-Nigeria relations and related issues, and explained causation of their outcomes. We established interconnections among the origin, history and evolution of the subject-matter considering the consequences of China-Nigeria relations as being: developmental, not discrete; dialectical, not final. Dialectical characteristics of most issues referring to the way two aspects of situations cause them mutual affectation, make them amenable to analysis using aetiology. This political-development study demonstrates achievement of the same robust results produced by aetiology in medico-scientific studies, where aetiology originated and was applied, thereby commending its increasing adoption for analyzing numerous issues in social sciences (sociology, criminology (gangsterism, mafia, cultism, delinquency etc))¹⁶. We obtained/used data from multiple secondary

¹⁶ O Igwe, *Politics and Globe Dictionary*, Eagle Publishers, Aba, vol. 6, pp. 56-57.

sources (reports of international trade and development organizations). Data analysis involved qualitative interpretation of data/information.

Imperialism Theory under the Context of China-Nigeria Relations

The Imperialism is described as one state's control over another using diverse means (politics, military strategies, economic ties (e.g. trade) and so forth. It was applied in crude form as colonial domination by the Western Europe over the present developing countries (DC) after the Berlin Colonial Conference during which Africa and Asia were arbitrarily partitioned and shared among European Colonial Powers. Afterwards, most DCs gained independence in the 1950s–60s, imperialism was reformulated and applied through economic domination by more economically and politically advanced countries of the Global North including Western Europe and North America. Imperialism and Neocolonialism involve USA, Japan and defunct socialist-communist countries (e.g. USSR etc). Imperialism devastates various sectors of its victim states, including imposition of its imperial culture. De-colonisation by major European colonial powers (Britain, Holland, Spain, France, Religion has involved varying degrees of withdrawal of the colonialists from the colonists' political affairs while resorting to other more serious (economic, among other forms of colonialism and imperialism)¹⁷.

Imperialism theory is constructed from expansion of European control after 1870. It comprises three strands. First, liberalism views imperialism as an unnecessary and counterproductive undertaking. Credited to Joseph Schumpeter, this strand attributes imperialism to atavistic actions, military social positions and landed aristocracy during pre-capitalism and pre-industrialism. Second, the Marxist economists attribute imperialism to consequences of capitalism's deficiency and its industrialization whereby declining profit compels it to seek within to exploit other States' raw materials, markets for goods and services, and labour, to benefit the imperial state. Countries offering higher returns to investment capital are frequently targeted / victimised. Inspired by Nikolai Bukharin's work, Vladimir Lenin viewed "imperialism" as a form of neocolonialism" which is the highest stage of capitalism" (1916) [1917]. Third, imperialism, as occurred in the European expansion after 1870s, is explained as the consequence of one of the several phenomena historically characterizing domination, control, subjugation by more powerful states of weaker ones. Since ancient times, imperialists (Persia, Rome, USSR, among other informal imperialists -supranational states or alliances (e.g. USA and her allies) ceased undertaking formal political domination for purely economic reasons alone but for other diverse reasons¹⁸.

Theorizing China's imperialistic-diplomatic credentials are underdeveloped, downplays her: military protection of Singapore, and North Korea (the latter has been developing nuclear weaponry to the chagrin of USA); China antagonizes

¹⁷ AK Chaturvedi, *Dictionary of Political Science*, Academic Publishers, New Delhi, 2006, p 143.

¹⁸ J Scott & G Marshall, *Oxford Dictionary of Sociology*, University Press, Oxford, 2005, pp. 293-294.

Taiwan and Tibet; joins Japan to lead the ‘Yellow Race’ to counteract Western (White Race)’s imperialistic-supremacy campaign. The Black (African) Race, where Nigeria belongs is the only race that is yet to attain “military superpower’ status, i.e. a member-state possessing nuclear weaponry to deter others¹⁹.

Hypothesizing from China’s ‘Diplomatic Friendship’, and Rhetorical Propaganda

Diplomacy is the conduct of international relations between different states using official representatives (diplomats) of the states involved as instruments. The states involved in relations develop traditions of accrediting, deploying their diplomats who bear responsibility and mandates for expressing the interests of the states they represent. Diplomacy also implies methods or means of conducting or delivering the foreign policy of one country to its counterparts involved in a relationship. Therefore, depending on the nature of both the policy and its conductors (diplomats) i.e. their skills or competence, diplomacy is variously rated as: ‘excellent’, ‘fair’ or ‘poor’, ‘effective’ or otherwise. Diplomacy also describes the process of formulating and implementing foreign policy.

Propaganda includes verbal expressions of diplomats, publicity, rumours, falsehood, highly selective topics/subjects, and related actions, undertaken purposely aiming to build propositions, conditions and circumstances capable of raising the prestige and morale of the state using it to influence (sway the attitude or disposition) of counterpart states’ functionaries/ governments in ways that particular interests of the user-state could be achieved. Propaganda constitutes a vital instrument of diplomacy. It deliberately omits all factors, propositions, and circumstances capable of reducing its user-states’ national prestige, and morale. This property commends propaganda/counter-propaganda to frequent and constant application by states involved in international relations. Its capability of facilitating persuasion, influence and refutation of claims that could hamper achievement of diplomatic objectives, qualifies it as the science of rhetoric²⁰. We hypothesize that: China’s claim of engaging Nigeria through ‘diplomatic friendship’ is mere rhetoric that disguises her Eastern imperialistic offensive on Africa’s largest market and political entity (Nigeria) under the context of prolonged victimization by the more recognized Western imperialism; Nigeria’s diplomatic effectiveness is low and lags behind China’s superior diplomatic-imperialistic knowledge, experience and potential. China finds diplomatic friendship handy because this ‘new’ rhetoric promises to be potent since it differs from the ‘naked’ Western brand of imperialism (mercenary capitalism) that has ravaged most of Africa since the era of unequal trade, scramble for and partition of Africa by Europe’s colonial warlords, Trans-Atlantic Slave Trade and Neocolonialism²¹.

¹⁹ Chinweizu (No other name/initial) “Pan-Africanism and a Black Superpower- The 21st Century Agenda”, *BusinessDay*, Lagos, 4 November 2010, p. 13, <<http://www.businessdayonline.com>>.

²⁰ Chaturvedi, citing Aristotle, 2006, p. 87

²¹ AE Ceceña, ‘Postneoliberalism and its bifurcations’, in U Brand & N Sekler (eds.), *Postneoliberalism; a beginning debate*, development dialogue, Uppsala, no. 51, January 2009, pp. 33-44; M Brie, ‘Ways out of the crisis of

Background

For over forty years running, the China-Nigeria political-economic relations have accelerated, thereby providing scope for examining the development. The analysis of China-Nigeria political-economic relations takes its antecedence from the post-cold war era following China's adjustment, aiming at forging new external relations. China's departure from communism-socialism towards liberalisation of trade and economic links between Eastern and Western Europe, redefined China's socialism that emphasized cooperation and collective economic structures. Declining arms trade, improved security resulting from reduction in threats of nuclear war and growing importance of realignment of forces between nations, placed China as a major world player in economic-diplomacy, and military in the post-Cold War era. These prevailing factors aided international commitment and response to international agreements, compliance to treaties and common protocols that led to uni-polarity of the international system, as encouraged by Western powers, notably USA, Britain, Germany and France.

This new orientation in Chinese foreign policy in the late 20th Century reinforced its assertiveness to manage relationships with Africa, especially African countries possessing opportunities for trade, cultural exchanges, industrialization, and large markets for Chinese goods. Initially, the Chinese interest was fostered by its aspirations to promote communism-socialism during and after the Cold War era. China's new vision was swayed by its discovery that African countries presented huge opportunities for commerce, trade, economic and cultural relations. Nigeria's foreign policy of non-commitment/non-alignment to either capitalism or communism-socialism made her unattractive to China. This Nigerian political disposition was perceived to be rather conservative, naïve and unwilling to embrace new political-diplomatic concepts/ideas. Contrastingly, African countries that sympathised with communism-socialism (Tanzania, Ghana and Algeria, among others) were attractive to China²².

Over-viewing the China-Nigeria Relations and Its Determinants

Nigeria's closeness to China was marginal on the political, social and economic sectors prior to her political independence from colonial Britain in 1960. Nigeria was excluded from the Chinese Prime Minister's three-month (December 1963-January 1964) visit to 10 African countries sympathizing with communism-socialism. However, China's denunciation of 'imperialist Western countries' support for federal Nigeria and for secessionist Biafra during 1967-1970 civil war, marked the start of the China-Nigeria relations. China's increasing presence in Nigeria in particular and in Africa in general was spurred by various motivating factors. Firstly,

neoliberalism' (p. 16) in U Brand & N Sekler (eds.) *Postneoliberalism; a beginning debate*, development dialogue, no. 51, January 2009, pp 15-32 & W Rodney, *How Europe underdeveloped Africa*, Ikenga Publishers, Owerri, 1972.

²² AG Nweke (ed.), *Twenty Five Years Nigerian Foreign Policy: Proceedings of the Thirteenth Annual Conference of Nigerian Society of International Affairs*, University of Ibadan, 11-13 November, 1985, p. 3.

China transitioned from underdevelopment to middle income economy. Since the end of the Cold War, China had emerged as the world's largest economic giant ahead of Asian Tigers. China's GDP (over US\$1.7trillion in 2002) represented about 6% of World Trade²³. Then (2002), China's FDI in emerging markets from 1997–2002 was the highest; China accounted for an average of 32.5% of developing world's total FDI and 55.5% of Asia's²⁴. China's economy, including its manufacturing sector, expanded after the country's Cultural Revolution in the 1970s. Therefore, as China's manufacturing sector expanded, they needed ready energy, mineral resources, and markets to sell manufactured products. Secondly, the China-Nigeria ties improved. Like Nigeria, China comprises relatively large heterogeneous states, each possessing unique ethno-cultural and economic features. With population of about 1.3 billion, China is the world's most populous country, while Nigeria's rapidly growing population (about 88 million in 1991, over 160 in 2011)²⁵, is Africa's and Black World's largest country, provides a huge market for Chinese products. Most significantly, both countries surmounted secessionist threats through 'unity in diversity' and experienced Europe's colonization; they are agrarian societies with enormous rural residence (50%-60%) of their populations.

Another facilitator of the China-Nigeria relations is the belief that each of them had much to offer in the relationship that would be mutually beneficial economically. The third major motivation was China's diplomatic ties with Nigeria. China saw Nigeria's vote as crucial in her quest for admission into the UN Security Council in the 1970s, as was the return of Hong-Kong to China. One of China's foreign policy goals has been to reduce the number of countries maintaining diplomatic relations with Taiwan. Though there are still five African countries recognising Taiwan's government, China is optimistic that Nigeria's influence on Africa is capable of convincing the five countries still recognizing Taiwan to withdraw their recognition. China scored a victory four years ago, when Chad (Republic) withdrew its recognition of Taiwan in August 2006²⁶.

The beginning of China-Nigeria relations in the 1970s witnessed extensive diplomatic visits between officials of both countries, including exchange of study groups, conferences and cultural interactions on various platforms. These facilitated cooperation in the political arena, economic and diplomatic sectors, as summarized in table (1).

²³ CC Soludo, *Can Nigeria Be the China of Africa?*, Lecture delivered at the Founder's Day of the University of Benin, Benin – city on 23 November, 2006, p. 8.

²⁴ Ogbas, 2007, p. 172

²⁵ *BusinessDay*, 29 November 2011, <<http://www.businessdayonline.com>>.

²⁶ J Swan, 'Africa – China Relations: The view from Washington', *New York*, 9 February 2007, p.1.

Table 1. Selected Agreements^Ω, Memorandum of Understanding (MoU)^Δ, Communiqués^{*} and Resolution^{*} signed by parties representing governments of Nigeria (Federal Republic) and China's People's Republic (1971-2011).

Specification/Parties	Type	Year
Establishment of diplomatic relations	♣	1971
First Economic, Scientific-Technical Cooperation/Trade	Ω	1972,
Agreement on Trade, Investment Promotion and Protection	Ω	2001
Avoiding double taxation and Prevention of Fiscal Evasion with respect to Tax and Income.	Ω	2002
Consular Affairs	Ω	2002
Cooperation on Strengthening Management of Narcotic Drugs, Psychotropic Substances and Diversion of Precursor Chemical	Ω	2002
Tourism Cooperation	Ω	2005
Constructing water schemes for 19 states, Abuja/Federal Capital value: NGN695 million; for enhancing mutual political trust, expand cooperation in agriculture, energy, electricity, infrastructural/construction, telecoms, satellite technology, cultural exchanges, strengthen cooperation in international affairs to promote world peace/issues	ΔΩ,	2005
Strategic Partnership	Ω	2005
Economic Cooperation (China's Xinguang International Group/Nigeria)	Ω	2006
Economic and Technical Cooperation	Ω	2006
Nigeria's Federal Science/Technology Ministry and China's Huawei Technologies Company Limited.	Δ	2006
Nigeria borrowing from China's Export-Import Bank	Δ	2006
Petroleum Cooperation (Nigeria's Petroleum Ministry and China's National Petroleum Cooperation/CNPC)	Ω	2006
Nigeria's and China's Commerce Ministries	Δ	2006
Air Service.	Ω	2006
Utilization of China Preferential Buyer's Credit	Ω	2006
Loan Facilities of China's Export-Import Bank	Ω	2006

Table 1. (continued)

Buyer Credit Loan (China's Export-Import Bank	Ω	2006
Protocol on Cultural and Educational Cooperation and Exchanges	Ω	2007
China's \$500million concessionary loan	Ω	2007
Donation Agreement between the Government of the Federal Republic of Nigeria and ZTE Corporation	Ω	2008
Nigeria-China's ZTE Corporation.	Δ	2008
Several Chinese companies with Nigeria's Federal/State Governments (Kaduna State-China Machinery Equipment Corporation/CMEC) to generate 100 megawatts electricity, boost industrial/urban power supply; Chinese investment for delivering utilities (water, energy) to Nigeria's several states: power generation projects (solar thermal, hydropower in Gurara, etc). Other private agreements/MoUs to implement projects (value: US\$8.5 bn; National Integrated Power Project construction, Mambilla Plateau, and multi-million Naira Railway resuscitation	ΩΔ	Recently
Resolving lapses, boost, trade/economic relations, implement subsisting agreements prioritizing Nigeria's Railways resuscitation, infrastructure development; constituting bi-national joint Commission with Nigeria, who urged China to revisit its immigration laws to resolve consular challenges regarding ICT, technical cooperation, health-cultural-educational exchanges unfavourable to Nigeria	♠	31/08/2010

Sources: Compiled from Ogunkola, et. al., 2008:3, Nigerian Television Authority, NTA 2006, The Nation, 2009, p. 3, (www.nigeriansabroadlive.com, www.ide.go.jp). Symbols do not connote their scientific meanings but used for distinguishing China-Nigeria interaction

Nigerian officials were optimistic that the country would benefit severally from the eight measures proposed at the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC) where/when China's Africa Policy was published in 2006. Inaugurated in 2000, FOCAC's eight measures proposed by China for the China-Africa relations in the 2006-Beijing Summit of the Forum for the African countries with diplomatic ties with China aimed to:

- (i) Increase aid provided Africa by doubling China's assistance by 2009;
- (ii) Provide \$3 billion of preferential loans and \$2 billion of preferential export buyer's credit to Africa by 2009;
- (iii) Establish China-Africa Fund with the total amount gradually reaching \$5 billion;

- (iv) Assist in building the African Union Conference Centre; and
- (v) Cancel all interest-free government loans which Africa's heavily-indebted poor countries (HIPC) and least developed countries so that their indebtedness does not continue to stall their trade relations (The Guardian 2010:1).

AREAS OF CHINA-NIGERIA ECONOMIC RELATIONS

China's engagement with Nigeria, like with Africa, has changed dramatically over the past three decades or longer. Whereas the foundation for China-Africa relations was promotion of a shared leftist, anti-colonial ideology and the search for anti-capitalist allies, this shifted since the 1960s towards convergence of economic interest in a global trading system. Although, during this period, economic exchanges were largely marginal in comparison with western industrialized countries that had established strong economic linkage, nonetheless, under the leadership of DengXiaping, China's relationship with Africa shifted from indirect political and ideological support to economic relations. The China-Africa/Nigeria economic relations have widened and range from bilateral trade, to FDI and foreign assistance (loan, aid and technical assistance). The key areas of the China-Nigeria relations deserve elaboration at this juncture.

Nigeria's Expectation of Economic Growth/Development from Its Economic Relations with China: How Successful?

The operation of Nigeria's economy below capacity since the 1970s, when the China-Nigeria political-economic relations started, beckons for its review. Nigeria's government maintains the relations to facilitate import of Chinese products and receive investments, aid and technical assistance. Two questions requiring answers are: What dividends has Nigeria reaped from its relations with China? Have the relations assisted Nigeria to invigorate her ailing economy and achieve sustainable economic growth?

Tables (2a/b) show asymmetry in China-Nigeria bilateral trade. The relations have favoured China to the detriment of Nigeria. For instance, China exports more to Nigeria than it imports from the latter. Trade statistics show that China's export products were valued at \$5.476 billion, while only \$0.897 billion worth of goods were exported by Nigeria. Overall, China's trade surplus was about US\$ 3.3 billion in 2007. Trade flow data shows that China's share of trade with Nigeria increases at the expense of Nigeria's traditional trading partners. This finding confirms our hypothesis that China's economic diplomacy is couched in rhetorical propaganda, paraded as 'diplomatic friendship'. This is feasible because some of the products exported by China to Nigeria are manufactured locally with little or no competition from Nigerian manufacturers who are faced with infrastructural constraints. The China-Nigeria trade imbalance portends threats to Nigeria's economy, and it is at variance with the "friendly relations" objective. Starting humbly in the 1970s, the

China-Nigeria trade rose to profusion of Chinese products on Nigeria's market compared to products from all other countries of the world put together. With Nigeria's huge/ growing population -about 161 million²⁷, constituting 20% of Sub-Saharan Africa's total population since mid 2000s²⁸, China is comfortable trading in Nigeria than in any other African countries. Chinese businessmen swarm in Nigeria with their manufactured products, while Nigerians who are interested in doing business in China face enormous challenges. The market offered to Nigeria by China is limited to extractive industrial crudes. Moreover, the Chinese offer of a wide array of sub-standard products²⁹ are at very low prices, which appeal to Nigeria's poverty-stricken population.

²⁷ J Swan, 'Africa – China Relations: The view from Washington', *New York*, 9 February 2007

²⁸ WRI, UNDP, UNEP & World Bank, *The Wealth of the Poor: Managing Ecosystems to Fight Poverty*, World Resources, World Resources Institute, Washington D.C., 2005.

²⁹ 'Quality', *BusinessDay*, Lagos, 22 February 2011, p. 56 (Onwuchekwa Jamie's lamentation of profuse imported counterfeit goods from China and the rest of Asia sold on the Nigerian market).

Table 2 (a). Nigeria: export to and import from China

Nigeria's empowers to other exporters to China	Year	Nigeria's total import US \$	China's Share in Nigeria's total export (%)	Nigeria's export to China (US\$ Million)	Proportion of Nigeria's export to China as % of World	Nigeria's total export (in world US\$)Mn	Nigeria's total import (world (US \$)	Diversity of Nigerian's Export to China (degree)	Significance of goods Exported to Nigeria (high/ low value added via manufacturing
	1994				0.00	12339.7Mn			
	1995		0.00	0.00					
	1996	5312.1 Mn							
	1999								
Small	2000		1.5%	307.3Mn		20312.3Mn	5.3Bn	Low: 1 (only mineral fuel, lubricants, crude materials excl. food and fuel; beverages and live animals.	
Small	2005	1.2%	526.9 Mn	1.2%/1.8%	44369.6 Mn	17.7 Bn			

Source: Ogunkola et al, 2008 citing world integrated trade solution (WITS), 2007.

Note. Nigeria's export goods to China comprised; mineral fuel, lubricant, excluded food, fuel accounted for about 90% of total exports.

Table 2 (b). China: Export to Nigeria

Nigeria's empowers to other exporters to China	Year	Nigeria's total import US \$	China's share in Nigeria's import (%)	China's export to Nigeria (US\$ Million)	Proportion of China's export to Nigeria as % of World export	China's total export (in world US \$) Mn	China's total import (world (US \$))	Diversity of China's Export to Nigeria (degree)	Significance of goods Exported to Nigeria (high/low value added via manufacturing
	1995		0.0						
	1996	5312.1 Mn	3.5	185.1Mn				High	
	2000	5815.8Mn	4.3	252Mn				High	High/Low: machines, transport, equip, mfd goods, broad misc. manufactures.
	2005	17723.5Mn	13.0	2300.8(2.3Bn)				High/Low: Broad categories of products shifted to export of some products also exported by Nigeria to China	

Source: Ogunkola et al, 2008.

Note. China's export ranked of high significance and value added they comprised: machinery, transport, equipment, manufactured goods, miscellaneous/broad range of manufactures, chemicals, foods, live animals and was dynamic. Mostly labour intensive light manufactures of import substitution industrialization strategy/policy. About seven products exported by China to Nigeria were simultaneously exported by the latter to the former (cotton, rubber and it relatives, electronic equipment, tools and implements).

(ii) Foreign Direct Investment (FDI) Flows

Since China's increasing presence and establishment of diplomatic ties with Nigeria, the latter's government and private sectors have made concerted efforts to improve the local investment climate. These include changes in foreign investment regime; and privatisation of state owned enterprises (SOEs), opening Nigeria's economy to Chinese investment. Recent establishment of National Investment Promotion Commission (NIPC) to promote and attract investments from abroad and within Nigeria, and Chinese banks' support of Chinese investments in Nigeria have spurred Chinese business activities in Nigeria. One of China's biggest banks acquired substantial stakes in Nigeria's banks (Standard Chartered Bank and IBTC/Chartered Bank) thereby raising Chinese investment profile and entrepreneurship in the country.

Table 3. Foreign Direct Investment in Nigeria, 1999-2006, \$ Million

Region/Country	1999	2000	2001	2002	2003	2004	2005	2006
North America	7.35	9.84	12.10	36.16	40.34	4354.14	5166.32	1601.28
South America	1.15	2.96	0.39	0.05	7.14	60.04	24.56	11.76
Asia/Pacific	2.94	5.93	4.45	5.17	1.54	32.12	47.29	39.63
China	0.02	1.08	2.39	0.0	0.05	0.51	1.88	5.50
Middle/F. East	7.41	2.75	10.92	5.30	6.74	23.27	21.22	13.39
Europe	164.95	136.46	98.86	200.24	293.66	2624.30	3084.68	2441.52
Africa	6.79	9.45	8.24	24.30	91.41	173.62	169.04	56.06
Total	190.61	168.47	137.35	271.22	440.88	7268.00	8514.99	4169.14

Source: Extracted from Nigerian Investment Promotion Commission (NIPC)

China's Consulate-General recently acknowledged its country's increasing foreign direct investment in Nigeria, saying '*Our government always encourages Chinese companies to invest in Nigeria and provide subsidy, and grant preferential tax provision to companies which invest in Nigeria*'³⁰.

China's investments in Nigeria have grown significantly in the past few years. Chinese invest in several sectors of Nigeria's economy including small-scale and high profile businesses. China's FDI flow to Nigeria increased from about \$190.6 million in 1999 to \$4169.14 million in 2006³¹. China recently invested \$7.24 billion in Nigeria³² compared to China's total FDI stock of US\$37 billion in other African countries. Chinese investment in Nigeria is increasing compared to Western nation's

³⁰ S Momoh & A Imhonlele, 'Nigeria – China Trade Hits \$6 billion', *BusinessDay*, Lagos, Monday, 2 August, pp. 1-2, 2006, <<http://www.businessdayonline.com/index.php?com>>.

³¹ Ogunkola, 2008, p. 4

³² S Momoh and A Imhonlele, 2010.

FDI inflow. Increasing Chinese investment in Nigeria's infrastructure has begun to show results. For the first time, there was a huge investment in power. Chinese companies are building infrastructure that is essential to Nigeria's industrialization at lower cost, compared to charges by western countries. Unlike the West, China refrains from demanding wholesale privatisation and government downsizing in the economy. Table 1.2 summarises various sources of FDI in Nigeria: 1999-2006.

China's FDI in Nigeria can be classified into two areas: public and private. Private investments initiated and financed by Chinese investors are mostly joint ventures between Chinese and Nigerians or entirely Chinese or in partnership with others. Here, Chinese are participating in the textile industry, light manufacturing, agro-allied industries, communication, power plants construction, Nigerian railway rehabilitation, among others. High profile Chinese investments pervade Nigeria's economic sectors including: oil and gas, heavy, technology among others. The Ajaokuta and Delta steel projects, the Mambila Power Project, and the construction of dams and drainage of the Calabar Port in Cross River State are handled by Chinese companies. China's Civil Engineering Construction Corporation (CCECCO) constructed the 2000 Abuja All-Games Village, built 5,000 housing units for athletes who participated in the Eight Annual All-Africa Games. About 30 big Chinese companies are currently operating in various parts of Nigeria, including ZTE Company, Alcatel – Shanghai-Bell, and China Putian³³. The Igbesa Free Trade Zone, Ogun state was recently implemented at the cost of \$500million investment by the Chinese firm: Guangdong Xingguang African Investment Group. Another FTZ (Olokola), to be connected by a specialized terminal railway line, was being constructed in eastern Ogun state³⁴.

(iii) Foreign Aid and Technical Assistance

Although trade and FDI are major aspects of the China–Nigeria relations, foreign aid constitutes an integral part of the relations. China follows the traditional path established by Europe, Japan and the U.S.A., by offering poor countries comprehensive trade deals, combined with aid. Chinese aid commitments to Nigeria began in 2002, sequel to the loan agreement signed by both countries. These commitments have been significant in assisting Nigeria's pursuit of her economic growth goal: 'Vision 20/2020' aspiring to make Nigeria one of the 20 largest economies in the world by 2020.

In November 2006, the Forum on China-Africa Cooperation (FOCAC), a programme designed to boost socio- economic development, in Beijing, China announced the creation of a US\$5billion China–Africa development fund. China's President Hu Jin-Tao pledged to double China's aid packages to Africa by 2009, to 43 African heads of states who attended the FOFAC.. Additionally,

³³ P Utomi, *China and Nigeria*, in J Cooke (ed.), *U. S. and Chinese Engagement in Africa: Prospects for Improving U. S. – China Relations*, Centre for Strategic and International Studies, Washington, D. C., 2008

³⁴ Yar' Adua approves Ogun/Guangdong (China) free trade zone, *The Vanguard*, Lagos, 7 March 2008.

President Jintao promised to offer US\$3 billion in preferential loans and \$2billion in preferential export buyer credits, to establish between three to five special trade-economic zones, to allow 400 kinds of goods from Africa into China duty-free, and to set up a \$5 billion fund to support investments by Chinese companies in African economies³⁵.

China's aid packages to Africa have, so far, taken the form of grants and loans. By May 2006, China had provided the sum of \$5.7 billion, to finance more than 800 aid projects. By mid-2007, China's largest bank-Export-Import Bank of China (EXIM Bank) had financed 300 projects in three African Countries: Angola, Nigeria and Sudan ³⁶. Nigeria had benefited significantly from Chinese aid packages and technical assistance to Africa. Table 4 reveals that although Western nations still provide vast aid and technical assistance packages to Nigeria, and remain highly influential, China offers generous loans to Nigeria's government for implementing development projects and other investments.

³⁵ E Ogunkola, Olawale, A Adewuyi & O Oyeranti, & A Bankole, *Nigeria – China Trade and Economic Relations*, Centre for Trade and Economic Development Initiatives, University of Ibadan, Ibadan, 2008.

³⁶ Goldstein, *and all*, 2006.

Table 4. FDI Stocks and Inflows to China and Nigeria, 1980-2007

Year	Stock		Inflow	
	Nigeria	China	Nigeria	China
1980	2457.3	1074.0	-738.9	57.0
1981	2999.6	1339.0	542.3	265.0
1982	3430.2	1769.0	430.6	430.0
1983	3794.7	2685.0	364.4	916.0
1984	3983.8	4104.0	189.2	1419.0
1985	4469.4	6060.0	485.6	1956.0
1986	4662.6	8303.7	193.2	2243.7
1987	5273.2	10617.3	610.6	2313.5
1988	5651.9	13810.9	378.7	3193.7
1989	7536.1	17203.5	1884.3	3392.6
1990	8538.6	20690.6	1002.5	3487.1
1991	9662.5	25057.0	1123.9	4366.3
1992	10819.2	36064.5	1156.7	11007.5
1993	12697.3	63579.4	1878.1	27515.0
1994	14984.7	74151.0	2287.4	33766.5
1995	16255.8	101098.0	1271.1	37520.5
1996	18446.4	128069.0	2190.7	41725.5
1997	20088.9	153995.0	1642.5	45257.0
1998	21299.0	175156.0	1210.1	45462.8
1999	22476.7	186189.0	1177.7	40318.7

Source: UNCTAD (2008).

As summarized in table 5, China has offered other assistance to Nigeria.

Table 4. (continued)

2000	23786.4	193348.0	1309.7	40714.8
2001	25063.8	203142.0	1277.4	46877.6
2002	27104.0	216503.0	2040.2	52742.9
2003	29275.4	228371.0	2171.4	53504.7
2004	31402.5	245467.0	2127.1	60630.0
2005	36380.7	272094.0	4978.3	72406.0
2006	50337.2	292559.0	13956.5	72715.0
2007	62791.0	327087.0	12453.7	83521.0

Table 5. Selected recent credit facilities provided Nigeria by China

Value	Purpose
\$500 Mn♦	Nigerian railways rehabilitation approved at FOAC
\$10Bn♦	Part of Africa/states' development fund
NA	China-Assisted Borehole Drilling/water supply in 180 Nigerian LGAs/18 States/ FCT/Abuja
NA	Multi-disciplinary training/Seminars/workshops for Nigerians by Chinese experts in Nigeria/China
NA	Building Abuja hospitals, supporting Nigeria's Roll-Back Malaria Programme, anti-malaria/mosquitoes treated-nets/medical supplies.
\$83.6Mn	Anti-malaria drugs supply (2006) MoU

Sources: Guardian, The (Lagos), 1/9/2010: 1-2; Ogunkola, et al, 2008: 11.

Note. ♦ = soft loan/credit.

Chinese investments are overwhelming the Nigerian economy and are gradually spreading their economic might, dominating the economy thereby, undercutting indigenous industries especially manufacturing. It is feared that most of the Nigerian economy has been put in the hands of Chinese investors who now dictate the purchasing pattern of an average Nigerian. The presence of foreign investors in an ideal society is to encourage local entrepreneurs to invest in

small and medium-scale enterprises, but this has not been the case with Chinese investors in Nigeria. While China is entrenching itself into every facet of the Nigerian economy and paying large taxes and levies, which enable the Nigerian government to finance some of its activities, in order to allow the Chinese to remain in business. There are adverse effects that may not have been seen in the short-run. For instance, Nigeria's policies are making its industries to remain dormant while Nigerian entrepreneurs are being pushed out of business, thereby making Nigerians consumers "slaves" to Chinese products. China is a leading exporter of enormous counterfeit goods including medicines that have been on sale on the Nigerian market since the 1960s. Considering the persistence of this challenge, it constitutes a study in its own right³⁷. Nigerians have ended up suffering another form of slavery and colonialism following China's socio-economic invasion. This point confirms the characterization of Chinese interest in Africa by Western nations as "neo-colonial". The West is of the view that China is accumulating wealth at Africa's expense through what it calls "imbalanced exploitation". Western nations criticize China as "a resource hungry, a ravening wolf at Africa's door"³⁸. The UK's Chatham House reports that Chinese oil companies are leading Asian firms that are thirstfully contesting for and capturing oil deposits in Nigeria and Angola³⁹.

The argument that Chinese huge investments in Nigeria would resolve the country's worsening unemployment problem (over 40 million Nigerian youth are reportedly unemployed) is misleading and misrepresents reality. Chinese firms have severally been accused of discriminating against Nigerians in recruitment. They have been reportedly been

Importing and using up to 70% of Chinese labour in their industries operating in Nigeria.

Nigerians view China's non-transparent foreign assistance and business practices in Nigeria as not auguring well for 'diplomatic friendship' or healthy relations. It is argued that the Chinese use of foreign assistance as a trade tool, especially when Nigerian government grants favourable treatment to Chinese project bids. Such bids are tied directly to Chinese government's assistance packages. Nigeria enjoys concessionary grants and loans from China, but China's stepping up of lending to Nigeria has inflicted Nigeria with additional debt burden, shortly after the nation's high-level indebtedness was reduced by the Obasanjo administration in 2005⁴⁰.

³⁷ 'Quality', *BusinessDay*, Lagos, 22 February 2011, p. 56 (Onwuchekwa Jemie's lamentation of profuse imported counterfeit goods from China and the rest of Asia sold on the Nigerian market).

³⁸ EN Tjonneland, B Brandtzege, A Kolas & G Ie Pere, *China in Africa: Implications for Norwegian Foreign Policy and Development Policies*, Michelsen Institute, Norway, 2006, <<http://www.cmi.no/publications/publication/publication/?2438=China-in-Africa-implications-for-Norwegian>>.

³⁹ A Vines, L Wong, M Weimer & I Campos, *Thirst for African oil: Asian national companies in Nigeria and Angola*, Chatham House, London, 2009, <<http://www.chatham-house.org.uk>>

⁴⁰ National Planning Commission, *Economic Performance Review*, Abuja, 2006, p. 1, 5-44.

Nigeria's Political Profile and Counteractive Economic-Diplomatic Responses

Nigeria's counteractive diplomatic response to China's offensive on its economy, culture, polity and environment seems to be entrapped in internal quagmires that are traceable to the country's sudden shift of economic management paradigm from an agriculture-based one towards one concentrating on crude-petroleum export in the 1970s – the post-civil war reconstruction. Some milestones in Nigeria's responses to China's bad economic practices in the country are discernible. While some African States (Tanzania, Algeria among others) heeded China's solicitation by joining Socialism-Communism in the 1960s, Nigeria snubbed communist-Socialism and followed the ideologically neutral Non-Aligned Bloc. Nigeria's dictatorships of the mid-late 1970s arrogated leadership of pan-African emancipation of Southern African member-states, submerged under racist manipulations by European and North American (neo)colonialists, thereby aligning

Nigeria with China, which denounced Western hegemony using imperialism and neo-colonialism policies as weapons.

Although Nigeria's self-styled leadership of Africa threatened Western hegemony, its contribution towards creating a solid diplomatic arsenal was decimated by the 'Dutch Disease' (collapse of Nigeria's crude oil export-dependence in the early 1980s). By 1993, when China transited from a net exporter of crude oil to net importer, as a means of powering its rapid industrialisation and economic growth, Nigeria's economic diplomacy suffered underdevelopment. This continues through Nigeria's diplomatic dark-days in the mid 1990s when the country's membership of the British-Colonial Commonwealth Heads of Government was suspended following extrajudicial execution of the environmentalist-campaigner, Ken Saro-Wiwa by dictator Abacha in 1995. By 1999 when Nigeria's thieving dictators were forced out of political power to enthrone the Fourth (democratic) Republic, Nigeria's diplomacy exhibited legacies of its underdevelopment for about three-quarter of the country's post-independence since 1960.

The most significant aspect of Nigeria's political-economic dynamics is high-level stealing of public funds by dictators. A few of these atrocities deserve being mentioned. Adams (1991) reviewed and reported the stealing and stashing in Swiss coded bank accounts of \$??, by dictators who ruled Nigeria in the mid-1970s, negotiated political immunity with their successor Second Republic politicians (1979-1983) before retiring in October 1978. Yet leading dictators of that junta cited corruption as the reason for toppling their predecessor dictator (Yakubu Gowon) in 1975. Principal Dictators of the Second Dictatorships (1983-199) have reportedly stolen huge sums from the public treasury: Ibrahim Babangida's loot of oil revenue earned during the Gulf Crisis has remained an amount speculated due to the dictator's secrecy, non-transparent and brutish eight-year rule. These adversities apply to shorter dictatorships of Sani Abacha reputed to have stolen

between \$5bn and \$50bn – a fraction of which Swiss banks repatriated for the Obasanjo administration to embezzle (1999-2007). The last of Nigeria's thieving dictators (Abdulsalami Abubakar) is reputed for stealing so much but most speedily before presiding over the quit of the long line of some of the world's parasitic, non-generative military elite. Nigeria's so-called democratic governments have been as corrupt as their dictator counterparts. However, they flimsily rationalize their stake in government by arguing that the amount recovered by the Second Dictatorship, which incarcerated the Second Republic politician on charges of corruption, was less than that recovered from one dictator: the pioneer Director of Nigeria's National Youth Service Corps, Peter Obasa. Corruption and irresponsible mismanagement of the economy were cited by dictators for ousting the Second Republic politicians. Gross corruption pervades the presidency, 36 states and 774 Local Councils, since Nigeria's Fourth Republic was inaugurated in 1999. Evidences of these include conviction, ongoing trial of several state governors, ministers, among other public officers⁴¹.

As rapid economic growth propelled Chinese economic-diplomats to secure several joint venture contracts with Nigerian oil companies in the early 1990s; Nigeria's economic diplomats were being underdeveloped by military dictatorship entrapped in frequent contest for power through bloody coups and counters coups. Consequently, as the volume of the China-Nigeria trade rose from NGN1.3bn in 1990 to NGN5.3bn (1996) and NGN8.6bn shortly afterwards, substandard Chinese products flooded Nigeria's burgeoning market (population: 161 million) unchecked due to weak-mediocre economic-diplomats, inspectors, among other multi-sectorial public administrators. When confronted by the Standards Organization of Nigeria (SON) about the high prevalence of 'dumping' counterfeit Chinese goods in Nigeria's market in 1996, China's economic-diplomats' responses were rhetorical claims, blaming 'unscrupulous Nigeria businessmen' who order the sub-standard products as a means of increasing their profit, while ignoring connivance of China's unscrupulous counterfeiters. Moreover, criminal export of substandard Chinese products to Nigeria has persisted nearly half-century -1970s-present⁴²- irrespective of the increasing China-Nigeria trade. The Chinese economic diplomats later claimed that similar corrupt conduct of unscrupulous Nigerian businessmen and public officials were to blame for the failure of Chinese projects to effectively revamp Nigeria's Railway in the mid 1990s and onwards.

Irrespective of the foregoing scandals accompanying Chinese products sold on Nigeria's market, the latter's mediocre economic-diplomacy continued under the Fourth Republic's Obasanjo administration (1999-2007), when the dictator entrusted grandiose public infrastructure development project contracts (earlier

41 Nigeria's newspapers/popular journals, various issues, 1975-present.

42 *Quality*, BussinessDay, Lagos, 22 February 2011, p. 56 (Onwuchekwa Jemie's lamentation of profuse imported counterfeit goods from China and the rest of Asia sold on the Nigerian market).

listed) to Chinese companies. The several public infrastructure projects derogatorily described as ‘prestige projects’ constructed by Chinese firms under contract with the ruling Peoples Democratic Party (PDP) governments of Nigeria for over a decade of Nigeria’s Fourth Republic (1999-2011), have been associated with historical corrupt over-in-voicing (fallacious inflation of projects’ cost) associated with projects development in Nigeria⁴³.

Nigeria’s mediocre-economic diplomacy transcends the federal and state/provincial government tiers: After Chinese leaders’ (President Hu Jintao and Prime Minister Wen Jimbao) 2006 visit to Nigeria’s capital/Abuja, most governors of Nigeria’s 36 states have increasingly led economic-delegations, without competence in economic diplomacy, to engage in quest for investment, aid, and partnership with Chinese public-private entities. This extending engagement with China is fostered by naïve acceptance of China’s ‘beneficial’ economic-friendship’ which frequently exhorts its historical legacy of the Minang Dynasty, which six centuries ago dispatched the world’s largest fleet comprising 28 ships and 27,800 people on voyages that arrived in Africa, and on two other continents. Chinese economic-diplomats expatiate that, while their homeland’s enormous fleet abstained from illegally occupying an inch of any of the territories they discovered on the three continents, this Chinese legacy is diametrically opposite to the insidious and vicious atrocities committed by the fleet led by Christopher Columbus, among others, to conquer and plunder the New World and elsewhere - a history of unwholesome mercenary capitalist invasion that is well documented⁴⁴. Nigeria’s notoriety in ‘High-priced mediocrities’, economic mismanagement/waste, and corruption are well documented⁴⁵

Chinese economic-diplomats’ refutation of charges of neo-colonialism fails to convince considering the lopsidedness of the trade imbalance that favours China (tables 2a/b). Moreover, attributing dumping in Nigeria to unscrupulous Nigerian businessmen is untenable considering the effectiveness of the Dorothy Akunyili-led anti-counterfeiting campaigns in Nigeria’s National Agency for Food and Drugs Administration and Control, NAFDAC. The NAFDAC model on drugs counterfeiting comprised novel strategies (public enlightenment, establishment of effective quality assurance systems based on stringent inspectorate/enforcement programmes, international collaboration). The campaign grounded illegal and nefarious businesses of counterfeiters. Their size declined from an average of 41% in 2001 to 16% in 2006, and might have further declined to about 10% by 2008. NAFDAC’s leader took another public appointment⁴⁶.

⁴³ P Adams, *Odious Debts: Loose lending, corruption and the Third World’s environmental legacy*, Earthscan, London, 1991, p. 252.

⁴⁴ P Utomi, ‘China and Nigeria’, in J Cooke (ed.), *U. S. and Chinese Engagement in Africa: Prospects for Improving U. S. – China Relations*, Centre for Strategic and International Studies, Washington, D. C., 2008, p. 40 & W Rodney, *How Europe underdeveloped Africa*, Ikenga Publishers, Owerri, 1972.

⁴⁵ T Olorode, ‘The political economy of corruption in Nigeria’, *The National Scholar – Journal of the Academic Staff Union of Universities*, ASUU-(Ibadan), June 2011.

⁴⁶ D Akunyili, 2011, *BusinessDay*, 04-06, November 2011, p 16, www.businessdayonline.com.

NAFDAC's successful curbing of counterfeit medicine sales in Nigeria shows that it is capable of employing political will to curb/stop counterfeiting of medicines and myriad products at Chinese production points. If Nigeria's NAFDAC could deal with unscrupulous businessmen, China would achieve the same feat considering its experience. To improve the China-Nigeria political-economic relations, Nigeria's Foreign Affairs Minister, Odein Ajumogobia, led a delegation to a bilateral talks with senior Chinese Officials, urged them to take seriously the need for greater commitment to the fulfillment of existing pledges made under the China-Nigeria relations, as well as the 2006 Beijing-based Summit of China-Africa Cooperation (FOCAC)⁴⁷.

Conclusions

The post-Cold War China-Nigeria relations, under the context of neoliberal-globalization, imperialism, and diplomacy have featured strong economic relations contrasted with the previous ideological ties. We conclude that the increasing China-Nigeria trade and Chinese investments in Nigeria are yet to yield significant benefits in the form of facilitating Nigeria's economic growth. We argue that the failure of Nigeria to achieve its economic growth objectives, to any significant extent, under the context of its relations with China, is attributable to: Nigeria's weak understanding of the dynamic global neoliberal capitalism, imperialism and diplomacy and the way China has taken advantage of its immense understanding of, and experience in, these matters of exploiting opportunities globally, especially of those in Nigeria. The sudden shift of China's relations with Nigeria from ideological to economic (trade) in the post-Cold war era was a purposeful Chinese policy that took advantage of its rich ideological-diplomatic experience, aiming to counter the West's neoliberal-imperialistic hegemony of the global economy. Moreover, Nigeria's ideological-diplomatic indifference and naivety made it an easy and deserving victim in the judgment of Chinese superior politico-economic diplomacy. Nevertheless, Nigeria's poor or worsening economic and manufacturing situation over the years -as previously described⁴⁸ hampers improvement of its economic/trade relations. These partly explain the imbalance in trade and investments between the two countries. Such a development has the potential to exacerbate ailing Nigeria's economy and disrupting domestic social stability.

Nigeria's prospects of achieving higher economic growth from its relations with China can only be realized if the former implements the following new policy measures:

- (i) Nigeria's ruling class must protect the nation's most vigorous economic activity obtained from petroleum and gas export.⁴⁹

⁴⁷ *The Guardian* 2010, p.1.

⁴⁸ National Planning Commission, *Economic Performance Review*, Abuja, 2006, p. 1, 5-44.

⁴⁹ N Ribadu, 'Corruption: The Nigeria example', *The Week*, Lagos, vol. 28, no. 13, 1 June 2009, p. 50 & vol. 29, no. 14, 8 June 2009, p. 50; DJ Smith, *Culture of Corruption: Everyday Deception and popular Discontent in Nigeria*, Princeton University Press, Princeton & Oxford, 2007; B Omojola, *The Niger Delta: Rich, but very poor*, *AfricaToday*, London, vol. 13, no. 10, October 2007, pp. 20-39.

(ii) Nigeria's initiatives of regular dialogues with China, to explore and review various vital issues affecting the unbalanced economic/trade relations, require Nigeria's competence in ideological-diplomatic activities, including demanding that China seriously opens its markets and restructures her tariff and non-tariff barriers which hamper Nigeria's exports to China.

(iii) There is need for Nigeria's diplomats to employ effective diplomacy, capable of coping with those used by their Chinese counterparts, to realize that the past and current trade imbalance that does not favour Nigeria fails to bode with "diplomatic friendship". It is urgent and imperative that Nigeria's government initiates the mechanisms and platforms that have the capacity to empower Nigerian investors to invest in key sectors such as agriculture, industrial manufacturing, services (commerce), information and communications technologies, among others, that have proven their potency for creating jobs for the large population of unemployed youth (about 40 million), earning foreign exchange, thereby increasing their respective contributions to the GDP and produce exportable goods for filling the deficit in its export to China.

(iv) Finally, Nigeria needs to strengthen institutions responsible for regulating the operation of Chinese businesses in the country, in order to compel them to raise substantial capital from their home country (or from elsewhere abroad) for investment in Nigeria before permitting their operation in the country. The imposition of this measure is aimed at protecting indigenous entrepreneurs from Chinese competitors, due to limited credit facilities available in Nigeria. The imposition of this regulation is justified by the need to prevent Chinese nationals from dominating the local business interests and depriving unemployed Nigerians of jobs.

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