

Nigeria Economic Diplomacy: Assessing Nigeria-China Relations

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Abstract

The study has its central focus on the analysis and appraisal of Nigeria's economic diplomacy, with particular reference to the assessment of Nigeria-China economic relations. The objective is to place emphasis on economic issues that affect Nigeria's policy makers in their attitude and foreign policy formulations and implementations with China. The work highlights the growing relationship between the two countries over the years. One of the guiding goals and objectives of Nigeria's foreign policy since independence have been to contribute towards efforts aimed achievement of national economic development and addressing the disequilibrium in the international political and economic system. The work used secondary sources for content analysis. The study takes the political economy approach as the basis of analysis. Findings from the research indicate that while some of the Chinese investments and activities in Nigeria are directed at addressing critical gaps in the provision of basic infrastructure, these are not comparable with the level at which Chinese are seeking Nigeria's oil and gas. We recommend that, Nigeria needs to develop a comprehensive strategy to be more effectively engage with China to leverage its own strength and create a plan for sustainable development that resonates with its citizens.

Introduction

Every society has its mode of production. Such mode of production forms the basis of development of such a society, which in turn determines the behavior and relations with others even at the international level. According to Spero (1980), the productive system forms the bedrock on which the other aspects of the society rest. This, in simple terms underscores the importance of the economy as a source of foreign policy.

The nature and organization of the socio-economy is paramount in foreign policy formulations and implementations. This is because it is within that context

that the government policy decision makes sense. Thus, by anchoring the analysis of foreign policy on the economy, it brings to light the various social and political forces that influence not only the operations of the economy but significantly, the foreign policy orientations and parameters as a consequent of the operation of the economy.

The main thrust of this paper is to the use of foreign policy to achieve economic development and economic goals in Nigeria. The development and practice of international trade has been the major concern of successive Nigerian governments. Since independence in 1960, Nigeria has maintained very strong economic relations with industrialized nations.

One of the guiding goals and objectives of Nigeria's foreign policy since independence has been to contribute towards efforts aimed at achieving national economic development and re-dressing the existing disequilibrium in international political and economic system. However, the formal adoption of economic diplomacy in Nigeria was done under the regime of General Sani Abacha in 1998 as a new orientation and cardinal point in Nigeria's foreign policy. This marked a new beginning of an emphasis on economic co-operation in the conduct of Nigeria's external relations.

Nigeria's policy of economic diplomacy has both domestic and external interpretations. The period after 1980 witnessed domestic economic crises in Nigeria, and the international economic problems and situation called for a greater attention to economic issues. It is in this context, according to Chime (1980), that economic diplomacy should be understood and interpreted.

Diplomatic relations between Nigeria and China was established in 1971. Since consummating diplomatic ties in 1971, Sino-Nigeria has been on an aggressive upward trend characterized by unprecedented renewed positive and mutually beneficial co-operation arrangements. Even though at the initial stage there were minimal diplomatic exchanges, low bilateral trade relations and near absence of Chinese Foreign Direct Investments inflow to Nigeria, the trend has changed. There is unprecedented collaboration between the two countries in virtually all sectors of the economy. According to Wali (2013), it is gratifying to note that China has now emerged as Nigeria's major development and trade partner.

The paper attempts to highlight this growing relationship between the two countries over the years. The paper is divided into six parts. Immediately following this introduction is a theoretical framework. Then, the conceptual analysis is done in part three. Part four is on the Nigeria-China relations while part five is on the assessment of this relationship. Finally, we end the paper with a conclusion/the way forward.

Theoretical Framework

This paper takes the political economy approach as the basis of analysis. This is an approach which uses historical materialism—that is, the radical theory of

man's history and the development of society. This theory constitutes an integrated and unified treatment of various factors (economic, social, political, legal and moral) in the development of human society. The emphasis therefore is, on the primacy of matter in the evolution of human society.

Karl Marx specifies these issues by stating that: "legal relations as well as forms of state are to be grasped neither from themselves nor from the so-called general development of human kind, but rather, have their tools in the material conditions of life..." That however, the anatomy of civil society is to be sought in political economy". Therefore, political economy seen as the "anatomy of civil society", which involves the study of the sum total of the relations of production, and the economic structure of the society.

The emphasis on the importance of this approach of study is the mode of production which Marx refers to as the way in which the means of production were owned and the social relations between men which resulted from their connections with the process of production. Thus, human labour, productive forces and social relations of production are very essential in determining the development of any society.

The development of productive forces leads to conflicts between productive forces and the social relations of production. The end result of this is revolution, which ushers a new mode of production and social relations of production to tally with the new mode. Marx points out that, "in the social production of their life, men enter into definite relations that are indispensable and are dependent of their will. The sum total of these relations of production constitutes the economic structure of society, the real foundations of which raises a legal and political superstructure and to which corresponds definite forms of social consciousness. The mode of production and material life conditions the social, political and intellectual life process in general."

From the above analysis, Marx points out that, productive forces and social relations of production will come into conflict, and the result of this conflict would be the transformation of this immense superstructure. Therefore, Marxist political economy approach emphasizes on the economic base, because it is the basis upon which the superstructure develops and depends. Although both influence each other, the base is largely the determinant of the superstructure. Because as Engels put it at Marx's graveside; "...mankind must first of all eat, drink, have shelter and clothing before he can pursue politics, science, art, religion and so."

Historical materialism becomes a foundation in the understanding of society. This is because it is based on the fact that economic structure of society is central to understanding of that society. It means, the history of any people is derived mainly from the way in which they produce their material livelihood. Therefore, to understand society with all its ramifications – religion, law, consciousness, political system etc, you must look at the economic structure. According to historical

materialism therefore, the history of a people is mainly a history of their trying to work in order to control and use nature. Historical materialism assumes that it is the economy that shapes the nature of society.

Thus, the political economy theoretical framework allows us to see social phenomenon in the context of their development. It encourages the perception of social phenomenon as elements of a continuum, or as movements of an unfolding process. It also encourages their perception as things which begin, become and pass away. The fact that this method emphasizes the relatedness of social phenomena, particularly the economic structure, the social structure, the political structure and belief system, gives it great advantage as a tool for the study of society.

However, this is by no means an exhaustive treatment of the advantages of the method of the work. It is merely an illustration of some of its analytical possibilities. In any case, its weakness does not hamper its application in this study.

Conceptual Analysis

The origin of diplomacy is traceable to the ancient times. The period of the Ancient Greeks who formed Maritime alliance of over 200 Cities and Islands for the purpose of facilitating trade and commerce. According to Chikendi (1991), "Athens was said to have wielded considerable influence at this period (c. 478 BC) because of her seasoned economic diplomacy and her aggressive commercial practices."

In African history, it is recorded that Empires, Kingdoms and City States in their interaction among themselves and with the outside world accorded due place to economic and commercial relations through a complex network of diplomatic contacts. Thus, the Kings of Benin and Mani Congo established correspondence with the kings of Portugal and even exchanged envoys to promote trade and other aspects of relations. Thus, according to Ryder (1980), a much earlier relationship based essentially on commerce flourished between the Sudanic States of Africa, the Maghreb and the Mediterranean world.

When diplomacy began to take its modern form, the objective of States continued to be the projection and advancement of trade. Therefore, Miss (1985), observed that during the mercantilism period (1550-1750)," the emerging nation States of Europe embarked upon policies designed to promote economic development". Thus, the interaction of politics and economics is an old theme in the study of international relations. This simple premise recognizes the essential reciprocity of politics and economics.

Therefore, Jones (1977) opined that:

Politics largely determines the framework of economic activity and channels it in directions intended to serve the interests of dominant

groups; the exercise of power in all its forms is a major determinant of the nature of an economic system. ...thus, the dynamics of international relations in the modern world is largely a function of the reciprocal interaction between economic and politics.

Therefore, economic diplomacy as a new policy thrust is justified on the basis of intrinsic conceptual linkage which exists between politics and economics. Indeed, as early as the 17th century, a relatively unknown Mercantilist writer, Monterenen de Waterville, had contended that, "the science of wealth acquisition is common to the state as well as the family, and therefore, ought to be regarded as innately political."

In his *Wealth of Nations*, Adam Smith observes that: political economy considered as a branch of the science of Statesman or Legislator proposes two distinct objectives. First, to provide a plentiful revenue or subsistence for the people; and secondly, to supply the State with revenue sufficient for the public servic. (*Social Science Encyclopedia*). Carr (1984), complemented this by asserting that, "the science of economic presupposes a given political order and cannot be profitably studied in isolation from it."

From the foregoing, it is obvious that political economy is an integrated approach to knowledge having direct relevance to statecraft and to foreign policy. Furthermore, politics shapes economics in the same way that economics shapes politics. Indeed, politics and economics are mutually reinforcing since, in most circumstances, a large overlap and alignment exists between the State and the market. To many therefore, the State defines the market.

Furthermore, Dyke (1966), after assessing the influence of economic considerations and forces on foreign policies asserted that: "any inquiry into the question why States behave as they do must take economic factors into considerations. They obviously play a significant role in international politics, just as they do in domestic politics." Thus, economics plays not only an influential but also an instrumental role, it is not only a determinant of foreign policy but also a tool of foreign policy.

Similarly, Sterling (1974), states that, in any macro political analysis, one must not fail to identify the intricate interconnection between economics and politics in the development process of States. He believes that any analysis that fails to stress these interconnections fails to deal with the central problems of development. Moorse (1972) agrees with this view expressed by Sterling. He observed that over the years, the political importance of economic relations has become central to most people. He notes that, two aspects of those phenomena have become particularly salient. The first is that, international economic relations have assumed a central political importance as the "welfare effects" associated with them has become requisite policy goals; and secondly, that theoretical knowledge concerning the relationship between interdependent relationships has remained rudimentary.

It can be seen in the above discussions how economic factors condition both the interests and capabilities of States in the field of foreign policy. A State's foreign economic policy may be manipulated to counter benefits or impose sanctions. Hence, economic policy represents power to influence the behavior of other States through bargaining or coercion. With the increasing interdependence of national economics, economic instruments have become increasingly significant in relations among nations.

Thus, economic diplomacy can be seen as the foreign policy that gives top priority to the economic objectives of a nation and the application of economic instruments in negotiating and bargaining with other countries. Chikendu (1991), sees economic diplomacy as that which "focuses on economic variables of international relations". To Akindele (1991), economic diplomacy essentially involves the use of foreign policy for the promotion and advancement of the country's domestic economic security, growth, development and welfare. Owwoye (1991), sees economic diplomacy as the "decision of the state to use foreign policy as an instrument for domestic economic development or as a tool for reviving an economy in crisis". The aim of economic diplomacy is to achieve the State's economic, political or security objectives by protecting the domestic market, increasing trade opportunities abroad, marketing or attracting foreign investments.

Be that as it may therefore, it is our contention that for Nigeria to be able to maintain her role effectively in international affairs, and also be able to exercise freedom in her foreign policy pursuit, she needs to diversify and initiate the transformation of the economy into a self-reliant one. The Nigerian economy has the potential to generate sufficient capital for growth and development investment. But its structural asymmetries, coupled with the fragility of the political infrastructure are serious limitations to the build-up of economic strength needed both for national development and the security for a leading role in Africa and world diplomacy. However, economic diplomacy will enable Nigeria, through careful and proper planning, and political re-orientation create a strong economic base required for the realization of her diplomatic ambitions.

Nigeria-China Relations

The establishment of diplomatic relations at ambassadorial level between Nigeria and China was in February, 1971 (Orngu: 2009). Since then both countries have always supported each other and co-operated in international affairs with common views on international political issues. Both countries have also been witnessing their economic relations grow. According to Bukarambe (2005), "The Nigeria-China relation is robust and strategic, with an exponential growth level."

Nigeria and China share some basic similarities. Nigeria is the most populous nation in Africa while China is the most populous in Asia. Nigeria has one of the world largest hydrocarbon deposits and China's economy is the world fastest growing. While China requires Nigeria's Oil to lubricate its expanding economy,

Nigeria needs Chinese expertise, finance, technology and manufactured goods to find its economic footing.

A major impact of the new wave of Sino-Nigeria relations was the formation of Nigeria-China Friendship Association (NICAF) in April, 1994 with the objective of promoting friendship, socio-economic, cultural, educational, trade, industrial, technological, scientific and sporting collaborations between the two countries. Since the establishment of NICAF, it has remained in the forefront in boosting ties between Nigeria and China as evident when in 1994, a symposium on Nigeria-China foreign relations was held. The forum, according to Okpeh (2009), attracted important dignitaries in industry and commerce, diplomatic corps and high government officials from both sides. The association has also succeeded in sponsoring the performance of the first ever Nigerian cultural troupe to China in 1995, with the assistance of Nigeria's Ministry of Information and Culture.

China and Nigeria have signed a number of agreements on trade, economic and technical cooperation, scientific and technological cooperation, as well as management on investment promotion. They initiate and implement programmes and projects that enhance and strengthen the existing ties, which also impacts positively on the lives of the people. The Chinese government runs capacity building programmes on annual basis to improve the capacity and competence of government officials across the country. Other areas of Chinese intervention include education, water and sanitation, infrastructure etc.

Both countries expressed satisfaction with the progress achieved so far in their relations and co-operation which are anchored on the five principles of peaceful co-existence. They reaffirmed the basic principle guiding their relations which include sincere friendship and mutual trust, mutual benefit and common development, enhanced consultation and mutual support, and commitment to a long-term perspective and a future-oriented relationship. They also reaffirmed their determination to build on past achievements while working together to push the existing friendly relations to greater heights.

In Oct. 2000, China hosted the first ministerial conference of the Forum on China- Africa Co-operation (FOCAL) in Beijing. The conference is believed to have laid the foundation and set the pace for a new order that has witnessed a significant shift in Nigeria's foreign diplomatic and economic relations. This saw a renewed Sino-Nigeria relationship characterized by rapid and aggressive economic, cultural, scientific and educational co-operation with increased Chinese foreign direct investment. (Wali: 2013).

Between 2001 and 2005, the Nigerian leadership visited China twice with the Chinese reciprocating both visits that produced bilateral agreements for the mutual benefits of both nations. Given the net advantages of China over Nigeria in the attributes of international economic and political powers, the former has come to influence and determine the outcomes in their relations between the two. Thus, Nigeria has continued to depend on China for a variety of issues.

Therefore, the highest number of Chinese bilateral economic agreements in Africa is in Nigeria, with seven co-operative agreements which include- buying a controlling stake in Nigeria's Kaduna refinery and a \$2b deal in which China's offshore oil field company, (CNOOC), will take a 45 percent stake in the Akpo oil field. The Chinese government also proposed to invest about \$4b in the development of Nigeria's oil infrastructure after securing 4 oil drilling licenses (Tamen 2009).

Additional Chinese investments in Nigeria include the Abuja Metroline phases 1, 2, and 3; power station plant at Lugbe housing estate and the Tunga Maji automotive village. In agriculture, China has vast interests in the areas of rice and cassava plantation, agro research centre and aquaculture. China also plans to invest in the Nigeria transport sector by offering a grant and expertise for the formulation of a 25 year comprehensive railway development plan that includes redesigning of the existing railway tracks and expansion of the lines to new areas across Nigeria. In all, an estimated 7,800 kms of standard gauge railway network to connect all the 36 states capitals and other major cities in the country is to be built.

In the area of trade, the volume of trade between Nigeria and China grew from \$178m in 1996 to \$1.44b in 2001. Today, China remains one of Nigeria's top ten trading partners with Chinese entrepreneurs demonstrating increasing investments in Nigeria (Orngu: 2009). Between 2001 and 2011, the two countries have signed agreements of a Nigerian Trade Office in China and a Chinese Investment Development and Trade Promotion Centre in Nigeria (Wali: 2013). The two countries have also signed agreement on Consular Affairs, co-operation and strengthening management of Narcotic Drugs, Psychotropic Substances and Diversion of Precursor Chemicals. Nigeria and China also signed scientific co-operation agreement that resulted in the launching of Nigeria's first communication satellite (NIGCOMSAT) to the orbit in 2007 (Wali: 2013).

The fact that Nigeria converted 10 percent of its foreign currency reserves from the United States dollars to Chinese yuan in 2012 is a clear indication of the country's growing bilateral trade relations with China. The establishment of such a robust co-operation in virtually all the sectors of the economy gives greater hope for the future outlook of Sino-Nigeria bilateral relationships. For instance, at the end of 2012, the trade volume between Nigeria and China was estimated at about 11b USD.

Summarizing Chinese trade relations with Nigeria, a former Nigerian President, Chief Olusegun Obasanjo described "China's investments in Nigeria as part of the overall reform of the national economy aimed at giving the nation a fresh economic release, as well as benefiting from China's experience as an emerging superpower" (Tamen, 2009).

Within the purview of the strategic partnership framework between the two countries, Nigeria has benefited immensely from China's technical and development assistance. For instance, in the health sector, China has been supportive of Nigeria's

Rollback Malaria Programme through the provision of anti-malaria drugs and insecticide treated mosquito nets. Chinese companies have also been supportive of Nigeria's economic progress with the establishments of two Free Trade Zones in Lagos and Ogun States. As such, a Chinese Consortium – Guangdong Province has an 82 percent stake in the Ogun State Free Trade Zone and a 100 percent management control. Overall, Chinese companies have invested about \$8.2 billion in Nigeria and are currently involved in engineering projects worth about \$28.1 billion in the country (*The Nation*, July 7, 2013).

China is also expanding military co-operation with Nigeria. In 2005, Nigeria negotiated a \$251 million contract with China National Aero-Technology Import and Export Co-operation (CATIC) to purchase twelve F-7ni multi-purpose combat Aircraft and three FT-7ni dual seater trainer Aircraft. Nigeria also purchased Chinese made fast patrol boats for the Nigeria Navy.

Nigerian Banks are also making inroads into China. Nigeria's biggest bank, First Bank, established a regional office in Beijing and has taken several financing projects with Chinese companies and institutions. Correspondent banking relationships have been established between some Nigerian Banks and the Bank of China and Industrial and Commercial Bank of China. Zenith Bank Plc and IBTC Banks are also making headway into the Chinese banking sector (Wali: 2013).

In recent times, Nigeria has become one of China's most important telecom markets. The two largest players in the country are the State-owned Zhong Xing Telecommunication Equipment Company (ZTE) and Huawec established in 1985 as an electronic factory affiliated with the Chinese Aerospace Ministry. ZTE is now China's largest listed telecommunications equipment maker and is the second biggest telecom gear vendor after Huawei (Egbula and Zheng: 2011).

In July, 2005 China entered into \$800 million crude oil deal with Nigeria in exchange with 47 billion worth of investments in Nigeria. This perhaps, gave birth to Chinese National Offshore Oil Corporation (CNOOC), a Chinese State owned Oil Company, agreeing in 2006 to pay \$2.3 billion for a stake in Nigerian oil and natural gas field. (Emordi and Osiki: 2009). The deal has been seen as China's largest ever oversea acquisition. The bottom line of the Chinese presence in Nigeria is that she is willing to "tread on marshy ground where angels fear to tread". In order words, her oil corporation, CNOOC is willing to invest in countries off-limits to many multinational corporations even at loss, provided Beijing is better.

This encouraged former President Olusegun Obasanjo to launch an initiative to entice China and other Asian countries to acquire oil blocks in Nigeria. He offered the right of first refusal on oil blocks at discounted rates in exchange for their commitment to invest in downstream and infrastructure projects. With this, China's CNPC was awarded 4 blocks in return for a commitment to invest US\$2 billion to rehabilitate the aging Kaduna Oil and Refinery (Egbula & Zheng, 2011).

It should be noted that China-Nigeria oil deal is such that China, the world most populous nation needs more imported oil to fuel her rapidly growing economy. On the other hand, Nigeria, Africa's most populous country, but also one of the poorest countries of the world, needs infrastructure to speed up development. As Akinyemi quoted by Emordi and Osike (2009), noted, "China is an emerging world power with a booming economy needs oil, Nigeria needs as much investment as possible, and to diversify the resources of its investments."

There is no better way of demonstrating the growing strength of Sino-Nigeria relationship than the recent ground breaking ceremony for the construction of 700 Mega Watts (MW) Zungeru Hydro Electric Power Plant to a Chinese Consortium, (CNEEC-Sino Hydro Consortium) in a joint venture by the Nigeria Federal Government and the Exim Bank of China. This was followed by the visit of President Goodluck Jonathan to China on a State visit. The visit is expected to usher in a more robust bilateral and economic relationship between the two countries. For instance, China is extending \$3 billion loan package at interest rates of below three percent. The package is meant to fund infrastructures- Airport Terminals in four cities, roads, a light rail line in Abuja, a hydropower plant and other projects in oil gas (*The Nation*, July 7, 2013).

In international politics, Nigeria heavily relies on China's support, especially Nigeria's bid for a permanent seat in the United Nations Security Council. In the areas of aid and loans, China has been doing a lot for Nigeria. For instance, China grants Nigeria concessionary loan of \$2.5b which is to be used to build the \$1b Mambila hydro project, another \$1b for the moribund railways and \$500m for rural and power generation. (35). Furthermore, an aid of 46m yuan to Nigeria for the purchase of anti-malaria medicines and for the training of Nigerian health personnel on malaria control and prevention was granted by China.

Prospects and Challenges of Nigeria-China Relations

There are mixed reactions regarding Chinese activities in Nigeria. While some argue that there is no benefit Nigeria can derive from China, others are of the opinion that a lot of benefits will come to Nigeria. According to Waziri Idris, Nigerian former Minister of Commerce, China has the fastest growing economy in the world and any country that ignores China is doing so at her own peril (Emeje, 2006:33). On the contrary, it will bring more development opportunities to Nigeria. The belief is that Nigeria will trade her natural resources and market potentials with China, for the latter's effective practices and technical know-how (Tamen, 2009).

The new economic relations can also benefit Nigeria since China grants loans without conditions attached to them like those of Western Institutions such as the World Bank and International Monetary Fund. For example, China announced in 2007 that it would lend Africa nations 1.5 billion dollars in preferential credit

over three years and double aid and interest free loans over the same period (Emeje: 2006). This is corroborated by Griffiths (2007:12), who wrote that: "...but there is always China, Beijing is able to deliver answers much faster than Western Development Financial Institutions... Go to the IFC (The World Bank's International Financial Corporation) and there are 240 steps to follow..., meanwhile, the Chinese come with a 30 year commitment".

In other words, Chinese intervention efforts in Africa seem to be free of the bureaucratic bottlenecks that characterize similar efforts from the West and world bodies.

As a result, more and more African leaders now take China as a model for their own countries even as her diplomatic efforts in Africa and new found clout in the international arena raises concern. Indeed, so immense has been the rise of China that Henry Kissinger, a former American Secretary of State, believes that a substantial reordering of the system is imminent. Impressed by the development in China like in most of Asia he concluded that "the centre of gravity of world affairs is shifting from the Atlantic to the Pacific" (Al-Ghazali: 2006:13). Thus in Africa, China is viewed as coming at the right time to fill the vacuum created by European and United States companies who have been skeptical about investing on the continent because of political instability and corruption.

From a broader perspective, the trade deals between the two countries are expected to foster good relations between them. In other words, it would engender some kind of bilateral "mega relationship" that may not exist between non-trading partners. For instance, China and Nigeria could continue to maintain the friendship based on old ties as friends who combated colonization together and helped liberation movements. Similarly, the same spirit will continue to reflect in their deals and this will most likely result in the growth of socio-cultural tranquility between the two nations, create a favourable atmosphere for further trades, and engender closer bonds between them and other African nations.

The public investment and economic activities of Chinese in Nigeria have also gained prominence in recent times. In relation to agricultural sector, the Chinese government provided training to Nigerian nationals in the fields of rice production, agricultural machinery, acupuncture, small hydropower, food and agro processing and tropical disease control (*The Weekly*, China Briefing, October, 2001).

But, a logical concern according to Orngu (2009), is that all the above could amount to a Greek gift. He argues that China has been issuing Grants-in-Aid to Nigerian government in the area of rails, roads and infrastructure, realizing that it is most of all Chinese companies that stand to benefit from the construction contracts. He concluded that, China's "goodwill" to Nigeria is deliberately calculated at capturing, dominating and controlling the Nigerian economy for the overriding interest of the expanding Chinese economic empire. This explains why every good market in Nigeria today is heavily stocked with Chinese products. Most

of these products, which are sub-standard, range from simple toys to complex mobile phones, agricultural implements, drugs, electronics as well as textiles and footwear. Most of these products especially drugs and electronics “are believed to be cloned and branded to service specific market needs in the interest of Chinese entrepreneurs to the detriment of the Nigerian consumer.” (Orngu, 2009).

It is further argued that China is on a mission to plunder the Nigeria's resources as western nations did during colonialism. According to Abba (2006), “the Chinese are taking over from the imperialist west that exploit our resources and leave us dry. It is a latter day invasion of our economic landscape. It is merely an expansionist tendency.” There are also several complaints about unethical industrial practices by Chinese investors, the impact of which is horrendous on the welfare of Nigerian their host country. These complaints according to Tamen (2009) “range from insincerity in their accounting procedure in order to evade taxes, draining of host economy especially in the oil sector, and support for and promotion of undemocratic tendencies”.

Again, Chinese firms in Nigeria have been criticized for being “closed” as they hardly employ local experts. There are even submissions that they maltreat their workers. According to a report Joint Venture (JV), Wholly Foreign Owned (WFO), conditions of employment of Nigerians in Chinese firms neither conform with the Nigeria Labour Laws nor to those of the International Labour Organization (ILO). Labour Unions also complaint about working conditions in Chinese companies operating in Nigeria, where they argue Nigerian workers are poorly paid and rarely rise to management level.

Conclusion

The Nigeria-China relation as shown in the paper covers different facets of the Nigerian economy. The investments from China are into manufacturing, oil and gas, telecommunications, buildings and construction. While some of the Chinese investments and activities in Nigeria are geared toward addressing critical gaps in the provision of some basic infrastructures. They are not however comparable to the level of which Chinese are seeking Nigeria's raw materials. There are possibilities for Nigeria to derive higher value from Chinese growing influence but she has not fully capitalized on these potential benefits. More needs to be done to expand policy creation, institution building, human capital development, entrepreneurship and leadership capabilities to maximize these gains.

In the final analysis, Nigeria's first priority lies in developing the capacity to better manage its own policies towards China engagement. Nigeria needs to realize that China's engagement gives it a unique opportunity to significantly expand its development and articulate a comprehensive strategy that addresses its long term needs. The Nigerian government should avoid short term fixes and front-loaded deals with the Chinese and move beyond arrangements that focus solely on the

petroleum sector. Greater emphasis should be placed on building human capital and overcoming language and cultural barriers to facilitate the transfer of business knowledge and technology to a wider array of the Nigerian population.

In conclusion, Nigeria should continue to deepen relationship with China but without losing sight of the need to also sustain ties with the United States of America. This position is consistent with Nigeria's non-alignment policy. Nigeria's foreign policy and strategic calculations requires taking advantage of both simultaneously.

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