

OPPORTUNITIES AND CHALLENGES IN SOUTH-SOUTH COOPERATION:
A CRITICAL ASSESSMENT OF CHINA-NIGERIA BILATERAL RELATIONS
ON ECONOMIC DEVELOPMENT

โอกาสและความท้าทายในความร่วมมือในภูมิภาคใต้-ใต้: การประเมินความคิดเห็น
ความร่วมมือแบบทวิการประเมินความคิดเห็น ความร่วมมือแบบทวิภาคีในการพัฒนา
เศรษฐกิจระหว่างจีนกับไนจีเรีย

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Abstract

This Research is meant to match the perceived interests of China against the real motives of her engagements in Nigeria, by investigating how the Chinese economic activities have impacted on the socio-economic lives of Nigerians. In doing this, it started with examination of China's trade and investment to unveil their impacts as it concerns dumping of substandard goods, infrastructural development, technology transfer, labour/human rights and the overall poverty alleviation in the country. Using a qualitative approach that is anchored on collection of data from secondary and primary built on structured interviews, the study argued that China's trade and investment provided only three short term benefits, while the rest are negatives in both long and short term benefits. This situation implies that Marrakech Declaration and South-South affinity in this era of integrated global economy is no more attainable as it is a geopolitical tool in the hands of few. Notwithstanding, there are numerous windows of opportunities for Nigeria to exploit through leadership, the paper therefore, recommended that Nigeria should put in place and effectively implement policies and measures that are both preventive and offensive to overcome its state of dependency to enable the country gain the deserved benefits from her relations with other countries.

Keywords : China; Nigeria; Economy; Bilateral Relation; Trade

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บทคัดย่อ

การวิจัยครั้งนี้ มีวัตถุประสงค์เพื่อ (1) ระบุและตรวจสอบโอกาสและความท้าทายโดยธรรมชาติ ก่อนที่ไนจีเรียจะมีความสัมพันธ์กับจีน ซึ่งประกาศไว้ในปฏิญญามาราเค็ค (2) วิเคราะห์ผลกระทบสำคัญของปฏิญญามาราเค็ค (มาตรา 8,14 และ 24) ที่มีต่อความสัมพันธ์แบบทวิภาคีในทางเศรษฐกิจระหว่างไนจีเรียและจีน และการพัฒนาทางเศรษฐกิจของประเทศไนจีเรีย และ (3) เสนอแนะในประเด็นที่ทำให้ความสัมพันธ์ทางเศรษฐกิจแบบทวิภาคีจีน-ไนจีเรีย ให้มีความเข้มแข็งขึ้นบนพื้นฐานความต้องการและความสนใจของทั้งสองฝ่ายที่เกิดขึ้นในปีต่อไป กรอบแนวคิดทางทฤษฎี ใช้แนวคิดการเคลื่อนตัวของเศรษฐกิจโลกาภิวัตน์มาอธิบายถึงการเจริญเติบโตด้านการค้า และการลงทุนระหว่างทั้งสองประเทศ ซึ่งก็สามารถประยุกต์ทฤษฎีได้อย่างอิสระ เพื่อใช้เป็นพื้นฐานในการทดสอบ วิเคราะห์และอธิบายความถึงผลของความเจริญเติบโตทางการค้าและการลงทุนระหว่างสองประเทศ ซึ่งก็ปรากฏออกมาอย่างไม่สมดุลและมักจะสมประโยชน์แก่ฝ่ายจีนแต่ด้านเดียว อันเนื่องมาจากความสามารถในการพัฒนาที่แตกต่างกันระหว่างสองประเทศ ระเบียบวิธีวิจัย ใช้วิธีวิจัยเชิงคุณภาพ ซึ่งได้มีการเก็บรวบรวมข้อมูลจากเอกสารและงานวิจัยที่เกี่ยวข้อง และการเก็บข้อมูลจากการสัมภาษณ์ ผลการวิจัย พบว่า (1) ประเทศไนจีเรียเป็นประเทศซึ่งขึ้นตรงต่อจีนเป็นอย่างมาก ในการสร้างความยั่งยืนผ่านการทำการค้า การลงทุน เงินกู้ และการพัฒนาโครงสร้างพื้นฐาน มากกว่าการพัฒนาทรัพยากรมนุษย์ซึ่งมีเป็นจำนวนมาก และทรัพยากรธรรมชาติอันสมบูรณ์ที่เป็นของไนจีเรียเอง และ (2) ความสัมพันธ์ทางเศรษฐกิจแบบทวิภาคีระหว่างจีน-ไนจีเรีย แทบจะไม่มี ความหมายเลยต่อประสิทธิภาพการพัฒนาของประเทศไนจีเรีย ด้วยเพราะผลประโยชน์มากมายเกิดแก่ประเทศจีนมากกว่าตกอยู่กับไนจีเรียในสาระสำคัญของ"6 ข้อของการพัฒนาเศรษฐกิจ" การค้าและการลงทุนของจีนดำเนินการแค่ระยะสั้นๆ 3 ระยะใน 3 ด้านเท่านั้น ขณะที่ด้านอื่นๆกลายเป็นผลด้านลบทั้งในระยะสั้นและระยะยาว ซึ่งสภาพการณ์เช่นนี้อาจกล่าวได้ว่าปฏิญญามาราเค็คและความสัมพันธ์ในภูมิภาคใต้-ใต้ เป็นเพียงเล่ห์กลลวง เป็นประเด็นการเมืองและชั้นเชิงทางการเมืองที่ไม่เกิดผลในการพัฒนาเศรษฐกิจอย่างแท้จริง และกลายเป็นการสร้างการขยายพื้นที่ทางประเทศที่มีเศรษฐกิจเข้มแข็งกว่าเท่านั้น

คำสำคัญ : ประเทศจีน; ประเทศไนจีเรีย; เศรษฐกิจ; ทวิภาคี; การค้า

Introduction

Cooperation among states either at bilateral or multinational level is always predicated on purposeful interests, as states engage in purposive self-interested behavior. The current wave of globalization across the world has reinforced this concept, as international relations are characterized by cooperation and interdependence with conceivably, win-win and mutually benefiting outcomes. Since the end of the Cold War, the growing integration of the world's economy driven by the globalization process, has opened up most countries and promoted greater freedom in trade and capital flow. This phenomenon has been perceived from two distinctive paradigms. One side see it as rational end point of human development that is capable of impacting positively on the lives of states that integrate their economies and the other, as an apparent capitalist project, designed to impoverish the underdeveloped nations, as it is construed in terms of profit maximization.

South-South is not a place, rather it is a project initiated during the seemingly endless fights against colonialism for the peoples of Africa, Asia, and Latin America (Prashad, 2007) about five decades ago. Therefore, the search for a global balance in the socio-economic and political

development, gave more impetus for cooperation in trade, investment and exchange of technical expertise, thereby making the developing countries less dependent on North and the fluctuations in the developed markets (Aglialello, 2006). However, envisaging the challenges of unequal distribution of the perceived benefits of globalization, South-South Cooperation in one of her high-level Conference held in Marrakech, Morocco, from 16 to 19 December 2003 came up with a Communiqué, popularly known as Marrakech Declaration. The 31-paragraph Declaration made far reaching decisions aimed at ameliorating the adverse effects of globalization on developing countries. These include encouraging trade liberalization and investment flow, strengthening domestic human resources capabilities through technology and addressing issues bordering on global inequality, among many others.

China-Nigeria relations established more than four decades ago with an understanding to abide by a set of five principles, and to assist each other in issues of economic development. However, it was observed that the relations had the potentialities for mutual win-win benefits for both countries due to their complementarities. Thus, South-South Cooperation and its Marrakech Declaration

were therefore, seen as veritable platforms with new set of opportunities in charting an alternative development course. This was obvious against the backdrop that Nigeria's partnership with the west more than five decades have not assisted it in translating the enormous natural endowment and demographic strength into economic buoyancy. In this context, Nigeria between 2001 and 2013 signed various trade and investment agreements, which climaxed to the signing of a Memorandum of Understanding (MoU) on the establishment of Strategic Partnership in 2006 during the visit of the Chinese President Huo Jintao to Abuja. By so doing, Nigeria became the first African country to sign such an agreement with China (Alli, 2013) and since then, Chinese have taken footholds in all sectors of the Nigerian economy.

Nigeria's incentives in these engagements were hinged on China's own successful economic transformation which has lifted millions of its citizen from poverty, its capacity to deliver large-scale infrastructure projects and its ability of financing them (Egbula & Zheng, 2011). Consequently, Nigerian teaming youths need jobs, competency through technology transfer to create wealth in innovative partnership with China in various strategic sectors. However, the litmus test for South-

South Solidarity as well as the Marrakech Declaration, is to see how China's economic diplomatic slogans of "mutual benefits", "common development", and "win-and-win" economic relations (Chinese Ministry of Foreign Affairs, 2006), will manifest in China-Nigeria relations in respect to fair and balanced trade regime, meaningful investment as well as the transfer of appropriate technology to create jobs, raise standard of living as well as reducing poverty significantly, the way China's inclusive growth has been able to reduce poverty at the rate of about 1.9% per year over 1981 to 2004, compared with 0.1% in the Sub-Sahara Africa.

Statement of Problem

China-Nigeria relations is one of the most contemporary issue, both within the context of the renewed global interest in Africa, and the reconfiguration of international relations where the continent is currently having new options based on the exploration of South-South solidarity in charting an alternative development course that is somewhat free from dependence on the West. In this regard, there is an assumption that South-South cooperation is far from being a level ground, as economic activities are dominated by few countries where resources are highly concentrated,

thereby creating another economic contradiction of core South against the peripheral South.

Secondly, in this era of intensified globalization, there are challenges associated with relations between two countries of uneven economic development, influences and various degrees of structural aggregation, which usually generates some interests. In this context, although, there are several studies on the bilateral economic relations between China and Nigeria even in the context of the South-South Cooperation, but none to the knowledge of this researcher has been focused on how giant economies in the global South have implemented the Marrakech Declaration they agreed to, almost a decade ago. Shinn and Brown (2012), have observed this gaps and shortcomings, when they posited that little research exists on the actual impact of China and India's growing involvement on Africa's economic transformation. The aggregation of the above formed the major problems that the study investigated in order to understand the fundamental principles that guide relationships of this nature and why and how nations of unequal capabilities and potentials should relate. By doing this, it helps in closing the obvious gaps in this area by providing a deeper

understanding of the complex problems of bilateral relations in the context of rapid economic change taking place in South-South region.

Literature Review

1. South-South Cooperation (SSC) as a concept is defined by many especially, government officials, scholars, multilateral and civil society organizations as well as other stakeholders in a varied manner that connote and convey the intended interpretation(s). However, from the United Nations perspective, South-South Cooperation is referred as cooperation activities among the developing countries on the basis of solidarity in a number of areas, including trade and investment, financial, technical and technological cooperation and the sharing of knowledge, experiences, policies and best practices (United Nations, 2011).

However, in a broader term, South-South Cooperation is used as a notion to cover wide range of collaboration among developing countries in three basic dimensions (political, economic and technical) to find solutions to common developmental challenges. This common approach to global development is seen as one of those initiatives that propelled South-South Cooperation in one of its high-

level Conference held in Marrakech, Morocco, from 16 to 19 December 2003 to come up with a Communiqué, popularly known as Marrakech Declaration. The 31-paragraph Declaration which was guided by the provisions of the Havana Programme of Action adopted by the First South Summit held in Havana, Cuba, 10-14 April 2000, made a far reaching decisions aimed at ameliorating the adverse effects of globalization on developing countries. These include encouraging trade liberalization and investment flow and strengthening domestic human resources capabilities through technology and addressing issues bordering on global inequality, among many others (Group of 77, 2003).

2. Africa-China Relations have a long history that could be traced to the Bandung Conference held in Indonesia in 1955, where Afro-Asian nations met and recognized the urgency of promoting economic cooperation. This framework paved way for the founding of the Non Aligned Movement (NAM) in 1961 and the Group of 77 (G-77), which in 1964 accelerated the developing countries' drive for collective self-reliance. China from then, has used these platforms to continuously proclaimed Africa as its partner through improved trade, investment and aid. So China's relationship with Africa had been described by many scholars as a

product of a long historical antecedence of different stages, which include the struggle for independence in the 1950 and 60s; China's quest for a permanent seat in the UN Security Council in the 1970s; and the post-Mao period of liberalization and economic growth.

3. Nigeria-China Relations predate many decades and have witnessed some remarkable changes over time. However, the strategic decision of China to integrate more closely into the global economy has resulted in her openness and constant pursuit of closer ties with countries around the world, including those in Africa of which her relations with Nigeria is evident. The relations have featured very calculated cooperation in key sectors that are critical to Nigeria's core priority in economic growth and development; such as infrastructural developments, trade and investments. In this regards, the two countries between 2001 and 2010, signed various agreements (Egbula & Zheng, 2011). Besides, Nigeria is a home of about 50,000 Chinese (Taylor, 2007) excluding more than 3,000 from Taiwan, while Nigerians in China are unofficially estimated to be more than 21,000. However, both countries started off as developing members of the third world as well as members of the South-South Cooperation, upon which the attention of

this study is focused particularly, the aspect of the Marrakech Declaration. Notwithstanding the preponderances of shared commonalities and paradoxes between the two countries, the fact that Nigeria is yet to translate its enormous natural endowment and demographic strength into economic buoyancy (Bello 2005), remained the major incentive to seeks for partnership with China for its economic development and other wide range of issues of general international concern. Thus, both countries have ample reasons to relate and cooperate within the ambit of these seeming similarities and the greater forces of economic globalization and interdependence. Three years into the new millennium marked by surging wave of globalization which was having negative effects on the developing economies mainly in the global south. In an effort to address this abnormal trend, South-South Cooperation in its Marrakech Declaration, came up with many far reaching considerations aimed at ameliorating the adverse effect of globalization on developing economies. These include encouraging trade liberalization and investment flow and strengthening domestic human resources capabilities through technology among many others. In view of the complementary and symbiotic needs to

maximize the opportunities, Nigeria opened up to China in order to get fair and balanced trade, have access to capital and investment inflow to enhance technology transfer, create employment, raise living standards and reduce poverty among the Nigerian populace. Thus, it was expected that the participation of Chinese firms in various sectors of the Nigerian economy will provide a genuine platform for Nigerians to learn, adapt and replicate the Chinese economic transformative experience under the ambit of Marrakech Declaration as opined by many analysts that China has the capabilities to stimulate and unleash the latent economic opportunities in Nigerian economy.

Theoretical Framework

This paper adopted and applied neo-liberalism concept of economic globalization and dependency theory to examine and analyze trade and investment flow as well as the palpable negative outcome of the economic engagements between the two countries. The end of the Cold War in 1989 and the collapse of the Soviet Union in 1991 brought about a dramatic change toward the integration of the international economy with its free markets, trade and investment liberalization. This development further heightened the importance of market as

reflected by large flow of International of trade, investment, and technologies across national borders due declining costs of transportation and communications. This development underscored the fact that neoliberalism as a theory paved the way for the emergence of economic globalization, which according to Obioma and Obioma (1999) noted that globalization as a process has produced a world economy, characterized by trade liberalization, spread of international trade, financial and production activities, integration of financial markets among others. Ajayi (2001), on his part stated that the concept is a metaphor that is often invoked to depict global interdependence and the increasing interaction and the integration of economic activities of human societies around the world. Robinson (2001), maintained that “the fulcrum of the various definitions of globalization seems to be wealth or economic development based on trade or economic activity”. In addition, Craft, (2000) in the IMF’s definition of economic globalization, see it as as a sub theory of globalization that deals with the factors and benefits of increasing economic interdependence of national economies across the world through a rapid increase in cross-border movement of goods, service, technology and capital. This involves the

globalization of production, market, competition, technology, industries and transnational corporations. On the other hand, dependency theory as an economicsystem theory, that seeks an explanation behind the global inequality and uneven development among nations. It raises the question and gives an explanation as to why rich nations become richer and poor nations become poorer. According to Sunkel (1969) dependency is an “explanation of the economic development of a state in terms of the external influences--political, economic, and cultural, on national development policies”. The theory further stressed that in order to understand why some nations are developed and others are not, it is pertinent to investigate the relationship between the nations considered as developed and the underdeveloped ones, as such circumstance especially, of the latter cannot be explained in isolation (Odeh, 2011). These theorists refuted the assumption that the main obstacle to development can be found within undeveloped nations, rather they presented the world as divided into two, the core and the periphery. The core contains advanced and complex economic activities including the capital, technology and mass-market industries. Conversely, the periphery is formed by undeveloped countries that

produce staple goods, slavery or coerced labour and where little industrial activity exists that is generally under the control of core countries (Jackson and Sorensen, 2010). For these theorists, the correlation that existed, between the Developed and Less Developed Countries (LDCs) and still existing; and is characterized by unequal exchange, as an explanation why one society is de-capitalized in order to enrich the other (Odeh, 2011). Karl Marx had earlier postulated that there is gross inequality and poverty in the world, and that the relative prosperity of the few is dependent on the destitute of the many.. This argument was corroborated by Eskor Toyo who posited that the Nigerian economic relation with China was an attempt at global exploitation and imperialism. He noted that current economic globalization in term of relations with China, and logic of Structural Adjustment Programme of the Bretton Woods, constitute the post-1970 capitalist and imperialist economic anti-people activities, a camouflage of hostility to welfarism through hostility to state patriotism and socialism (Toyo, 2000).

The Theoretical Underpins

Neoliberalism concept of economic globalization and its effects on developing

countries have continued to be a major issue around the world. There are arguments that neo-liberalism and globalization has created wealth in developing countries and on the other hand, a growing disagreement and resentment that the integrated global economy has increased inequality and cases of extreme poverty through trade tariffs, forced removal of trade barriers, and other financial, trade and investment manipulations. In the context of the above, advocates of dependency theory have argued that underdevelopment of the poorer countries are predicated on neo-liberal policies such as Structural Adjustment Programs that is restricting development due to reliance on foreign trade, investment, loans etcetera. This situation has resulted in increased unemployment, repatriation of profits by investors, reduced government involvement in the economy and the forcing developing country to become dependent on cheap foreign commodities, subsidized by foreign governments, making it impossible to compete and destroying local industries (Makwana, 2006). Conversely, in the analysis of international economic relations, dependency is characterized by the degree of economic attachment with other developed economies, either in area of

trade, investment, loans and grants or technical assistance among others. From the above scenario, Nigeria is seen to be somewhat deeply entangled in this complex web of dependency in the sense that its exports to China are dominated by oil with few non-oil commodities. China in the other hand, exports back processed goods to Nigeria, thereby making it a resource -based and primary source for Chinese economic interests. Nigeria obviously exports less and imports more from China, indicating the higher productivity, competitiveness and large scale production of China. The combination of both export and import features culminated into China recording trade surpluses against Nigeria in most of the commodities. From the Nigeria's liturgy of endless trade imbalance and woes, which paves ways to the importations and sales of substandard goods from China alongside the negative effects of dumping, selective investment in extractive industry, influx of Chinese labourers at the detriment of the locals, human abuse/labour related issues, aptly situates the two theories in a proper perspectives to provide the requisite empirical and analytical foundation in explaining the socio-economic and political relations existing between the two countries. In this light, Nigeria is seen to be heavily dependent on China for its sustenance

through trade, investment, loans and infrastructural development, in spite of the huge human material and natural resources at her disposal. This theoretical underpinning helps to situate Nigeria within the framework of the global economy especially in this era of economic globalization blowing across the world.

Methodology

The study used qualitative method that employed secondary and primary sources of data collection and analysis. Secondary source through literature review to examine various researches that had been conducted on China-Nigeria economic relations. The primary investigation which consisted of structured interviews, adapted Robert K. Yin 's (2009) and Garry Thomas' (2010) concept of a nested case study was used to collect data from 70 professionals and non-professionals respondents from selected sectors and positions. Using purposive sampling technique, the interviews were conducted in four government Ministries/Agencies, Professional Associations and International Organizations as well as traders, businessmen/women, workers in Chinese companies and consumers of Chinese products. The study adopted documentary analysis method based on the data triangulation from both sources, which

were scrutinized and analyzed by reducing the data through proper organization, summarization, categorization and thereafter, identify and establish patterns and themes.

Chinese Economic Engagements in Nigeria: An Assessment

China in 1978 anticipated the emergence of inevitable wave of globalization in the nearest future and started a new period of economic reform from a planned to a market economy and adopted an “open-door policy” as an essential part of the reform program. With the acceleration of economic globalization which involve the flow and allocation of capital, technology, products, markets, resources, labor force among others, provided several opportunities for China's integration into the world's long-term prosperity and the deepening economic globalization (Government White Paper, 2011). The country optimally leveraged on its potentials to further its economic interests and global status by positing its State-Owned Enterprises (SOEs) as active agents of its practice of state capitalism. Over a decade, China has become an increasingly important force propelling world economic growth (Lardy, 2002). China's renewed interest in the Nigeria economy

came at the advent of civilian regime of President Olusegun Obasanjo in 1999. Within a couple of years both countries signed many bilateral agreements that facilitated the emergence of over 100,000 Chinese and more than 30 solely owned Chinese companies or joint venture in Nigeria involved in various economic activities in roads, railway contracting, building, telecommunications and information, Communication technology contracts, aviation and other areas. Also China National Petroleum Corporation (CNPC), SINOPEC and other Chinese oil and gas companies were actively involved in Nigeria's upstream oil and gas sector. Various explanations were given for this intense economic relation, but the general expectation in Nigeria, was that these agreements and ventures would translate into job and wealth creation, local capacity building, transfer of technology and raise the living standard of the Nigerian people (Alli, 2013).

Bilateral Trade: Liturgy of an Endless Imbalance and Woes.

Nigeria has in the last few years experienced greater trade with China. The volume of oil and non-oil imports from China has grown considerably. To facilitate the flow in the bilateral trade, China Ocean Shipping Group Company (COSCO),

the largest shipping company in the country established its West Africa hub in Nigeria's economic capital. Recent studies by Egbula and Zheng (2011) indicates that the bilateral trade between both countries expanded significantly and the trade valued almost 10 times in 2010 higher than what it was in 2000, therefore, placing the trade value at \$7.7 billion. In 2013, the former Chinese Ambassador to Nigeria Deng Boqing, during his farewell reception stated that the trade volume between the countries was almost \$13 billion with China recording higher export to Nigeria than its imports. Earlier, the former Nigerian President, Goodluck Jonathan had disclosed the same figure in Beijing while on a state visit.

In the same manner, trade statistics in 1995 showed that the balance of trade was profoundly in favour of China. It imported goods and services of a value, not more than N39.360 million from Nigeria as against Nigeria's import of N5.388 billion from China. As this ugly trend persisted, it was therefore, the considered opinion within the government circle that the balance of trade could be drastically reduced, if China was to adopt a deliberate policy to import directly agricultural products such as cocoa, palm kernel, palm oil, beniseed, cotton, wood among others, which were in abundance. China tends to export large amounts of low-

cost manufactured products alleging that it does that to meet with Nigeria local demands that reflected declining economy. This also resulted in serious trade imbalances between both sides, which are part of the structural problems common to most African countries. Although concerns over quality have been expressed, Nigerian merchants are often interested in making profit at any cost and would continue to seek out cheap goods abroad.

Investment: An Engagement with a Baggage of several Quests.

Chinese investment and economic engagements in Nigeria are pervasive and comprehensive as a result of its renewed interest in the Nigerian economy in early 2000s (Alao, 2010). Although, the composition of the Chinese Foreign Direct Investment (FDI) into Nigeria is fragmented but Bing and Ceccoli, (2013) noted that in infrastructural development sector, more than 40 Chinese companies among other private and state-owned enterprises (SOEs) within the past decade had supported Nigeria with financial arrangements and investments in strategic infrastructural projects thus significantly expanded its economic relationship with Nigeria. This sector covered the activities of some the Chinese Construction companies such as CCECC, CGC, CRCC, Hungwei, North

China Construction and Zon How building several infrastructural projects, such as rail and transport, power, telecommunication, free-trade zones, manufacturing and retail business, agriculture and among others with many wrapped in various aspects of China's loan packages

Notwithstanding, the serious challenge associated in knowing the exact level Foreign Direct Investment (FDI) flow from China to Nigeria as different figures and statistics on various projects are being reported by different writers, it is observed that Chinese investments in Nigeria have constantly increased since 2003. By the year 2003 Chinese investments in Nigeria stood at US\$ 3 billion and by 2005, it was at US\$ 6 billion. Irrespective of accurate figure, it is known that the increase is remarkable, because it shot up from mere US\$ 0.55 million in the year 2000. It is also noted that Chinese investment is largely concentrated in a few sectors that are of strategic interest to China, especially in the extractive industries that are carried out largely by state-owned enterprises or joint ventures. In fact, the extractive sector which takes 75% is the arrow-head, while other strategic areas like power and transport infrastructure for export purposes takes the remaining. Oil and gas sector is seen as the main driver of Chinese investment in Nigeria. Between 2004

and 2007, five major Chinese oil companies namely, SINOPEC, CNPC, CNOOC, CSEC, and ZOECEC won a total of 10 major oil contracts that worth billions of dollars, thereby justifying the assumption that China's interest in Nigeria is driven by its vast demand for energy resources

Findings on the Six Issues of Economic Development

1. Trade, Nigeria has in the last few years experienced greater trade with China. Trade flows are principally resources based primary export to China and manufactured/processed goods exported back to Nigeria. The combination of trade flows provided the platform for China's control in recording trade surpluses against Nigeria. The situation has culminated to Nigeria's chronic, profound and persistent trade imbalance over the years with China and correspondingly, the decapitation of local industries through uncompetitive products. This has further turned the country to the largest global dumping market for Chinese products. The closure of the local industries have forced their workers to add to the unbearably high unemployment rate, snowballing to heightened sense of insecurity in the country. Also dumping is associated with loss of government revenue and threat to national security. In addition, many Nigerians

have lost much money and properties in explosion and fire out breaks, while others have either been injured, incapacitated or even met their untimely deaths due to substandard drugs and beverages, electrical cables and other products. In nutshell, despite the fact that Nigeria enjoys an active and robust trading relationship with China, which provided a platform for alternatives in goods (in terms of availability and pricing) as well as created some percentage of employment opportunities to Nigerians, the aggregate of the negative impacts of China's trade relations with Nigeria, outweighed the benefits. This is primarily due to the existence of chronic trade imbalance, which portends serious socio-economic serious challenge to Nigeria with far-reaching negative implications in both short and long term basis.

2. Investment, Chinese investment is largely concentrated in a few sectors that are of strategic interest to China especially, in the extractive industries. In infrastructural financed projects, there are many of these signed deals that are either bungled or abandoned as they were infected with corrupt related practices or handled in an unprofessional manner. Some of the failed projects are the CNPC's acquisition of a 51 percent stake in the Kaduna refinery for a total amount of US\$2 billion, which never

materialized (Adewole, 2013). The \$23 billion Memorandum of Understanding for the construction of three refineries and a fuel complex between the Nigeria's NNPC and China's State Construction Engineering Corporation (CSCEC) signed in May, 2010. The project to be financed by Sinosure and China Exim Bank, promised thousands of jobs and to also help reduce Nigeria's dependence on imported refined petroleum products (Egbula & Zheng, 2011), till date, nothing has been heard on the project. Also there are complaints on the chequered history of China's inability to effectively execute and revive the Nigerian Railways projects awarded to CCECC since 1995. However, 26 years down the line, the Nigerian Railways Corporation is almost moribund. The aforementioned situations have instilled a sense of uneasiness on Nigerians who are doubting whether these contracts awarded to Chinese companies would be completed as antecedents have proven that Chinese railway construction companies in Nigeria seems to lack the capacity and the best track record to deliver in their own obligations.

2. Technology transfer, The importation of Chinese labourers and materials instead of empowering Nigerians is one of the major obstacles to technological transfer. Chinese companies under this prevailing relationship

are not bothered to transfer technology to their Nigerians counterparts since they have imported skilled and unskilled labourers from China at their disposal (Omo, 2013; Lee, 2009). Besides, Chinese investors in Nigeria are seen to be business-minded and impatience on issues of transfer technology to Nigerians, and such mindset and attitude are incongruent to the concept of technology transfer, which goes with systematic learning, practice, correction and patience. Chinese investors do not go into long time investment or joint venture in some strategic sectors. Ideally, such venture based on percentage of shareholding is usually the platform foreign partners could technologically impact on the local partners over time. In the case of China, it prefers total acquisition and absolute control of their investments. In addition, Chinese concept of technology transfer in Nigeria is very strange and it applies when employees are trained on how to operate machines, tractors, caterpillars or even driving company trucks (Agekameh, 2014, p. 21). In the overall, the more Nigeria remains technologically backward through the eclipse of its local industries, the better for Chinese manufactured products to take over the market, thereby compelling Nigerians to continue to produce what it cannot consume and consume what it cannot

produce; hence fostering and consolidating the dependency relationship.

3. Employment Generation, There is no controversy that Chinese companies operating in Nigeria have not created some employment opportunities for Nigeria, but the contention is however, hinged on two factors. First, Chinese economic engagements have created more unemployment than job opportunities. Secondly, Chinese investors do not create gainful employment that could assist their employees and their households, as the job opportunities they create are always associated with unpleasant conditions in terms of long hours with poor remunerations that are not in commensurate with the staff inputs. This situation with the attendant rising inflation makes survival a huge challenge for Chinese employees. Chinese companies are reputed as the poorest in terms of staff incentives, including salary scale and entitlements and they also in habit of disengaging staff at will (Alden, 2007; Jauch, 2011). In the practical assessment of this, Chinese investors claimed to have employed 30,000 local workers, while Chinese Ambassador alleged that Chinese companies in Nigeria have created 100,000 jobs (Odo, 2013). Notwithstanding whichever that is true, could be considered a mockery, when

compared with the complaints from Nigerian trade unions, who have continuously blamed Chinese exports for the loss of 350,000 Nigerian manufacturing jobs mainly from the textile sector, as against the mere 30,000 or even 10,000 jobs they allegedly to have created. Nigeria is always cited as one of the countries where employment rate and domestic production have been substantially affected by Chinese influence (Kaplinksky, McCormick, & Morris, 2006). Besides the type of job opportunities emanating from Chinese companies are mainly menial that could not be considered gainful employment with the corresponding benefits, better working conditions and do not undermine human dignity, or create health risks. With this paradoxical situation, it will be apt to deduce that the emergence of Chinese companies in Nigeria have created jobs opportunities and to an extent reduced the unemployment rate, but the chances and benefits are not in commensurate with their investment in the country.

4. Human rights and Labour Practices, There are wide spread complaints that most (if not all) Chinese companies in Nigeria are accused of systematic violation human rights of their employees. This includes the right to gainful employment that is violated by the importation of foreign labor in the disguise that Nigerians are not qualified for

the jobs. This is in absolute negation of the Nigerian local content and labour laws that require that foreign firms employ 70% of local labor force. In addition, Chinese firms are also accused of mistreatments of employees and propagate exploitation. Also they are accused of doing little or nothing to improve the salary, gratuity, pension and other benefit associated with labour and conditions of work as they thrive on casualization/ informalization of employment, which frees them from their obligations to provide workers with their legally entitled benefits. Furthermore, there are frequent cases of physical abuse and inflicting injuries, low pay, lack of compensation, and psychological abuse which are said to be on the rise in Chinese firms (Lee, 2009; Odeh, 2011, p. 114;). Quite often, these firms get away with these through undue influence and inducement due the absence of effective control mechanism from the Nigerian government. In addition, Chinese norms and companies regulations contradict Nigerian labour laws, hence creating work place crisis. There is an incongruity and a disconnection between Nigerian labour laws and Chinese work ethics, and this obvious divide deprives Nigerian citizens working in Chinese firms the basic opportunity to overcome poverty

(Atomre, Odigie, Eustace & Onemolease, 2009).

5. Overall Impact on Poverty Alleviation, The 5 aforementioned issues of economic development are highly integrated and also have potential spill-over effects on others. For instance, dumping, employment technology transfer and indeed others are linked to China's trade and investment in Nigeria. In this regard, competency acquired through technology transfer, enhances employment opportunity. This further generates wealth and improve living standard. An evaluation of the pattern of trade between the two countries showed that the balance of trade was profoundly in favour of China resulting into dumping. This is equally associated with smuggling, tax evasions and other related cross-border criminal activities, loss of jobs and heightening the sense of insecurity in a country. This particular phenomenon, also assisted in crippling local industries, loss of many Nigerian lives through counterfeit drugs; loss of lives and property through fire outbreak and explosions due to substandard electrical wires, fittings and cables as well as environmental pollution for series of Chinese products briefly used and backed up, to mention, but a few. If one calculates all these losses in all these areas mentioned above, in monetary terms, then one would

not wrong to ask, where is the economic gain?

In employment, there are barrages of complaints on the wages as well as the condition of labour that is being equated to slavery alongside the importation of Chinese workforce to take over the project sites and in human capital development. Despite, Chinese increased trade and investment in Nigeria, not much have been in the agricultural sector that accounted and contributed about 70% of GDP, employing about the same percentage of the working population and accounting for about 90% of foreign exchange earnings and federal government revenue, due to its interest in accessing energy and mineral resources for the growth of its economy (Ezirim, Okeke & Ebiriga, 2010). In a nutshell, massive Chinese investment in the various sectors of the Nigerian economy have the potentials to create jobs and generate wealth for the benefit of both countries, but regrettably, they are designed to service their interest and not that of Nigeria. The reality is that China just like the other developed country is in Nigeria to actualize its economic and political goals, especially now that the emphasis has changed by the fact China is a trade-driven industrial power integrated into the world economy and it is doing that with the Chinese characteristics.

Findings on South-South Cooperation and Marrakech Declaration

There are numerous inherent opportunities created by the increased Chinese trade and investment in the various sectors of the Nigerian economy. These openings have the potentials to create jobs, create innovation and competency, generate wealth and reduce poverty and raise the living standard of Nigerians. However, these prospects have been eroded by the prevailing globalization that is governed by profit maximization as China is now practicing state capitalism and strong adherence to neoliberalism. The challenges presented by this reality have eroded the expected opportunities in South-South Cooperation. On the Marrakech Declaration of South-South Cooperation, it is obvious that the well-conceived Declaration has been reduced to political paper work as it neither implements nor monitors the performances. In other words, the framework is only assisting in the creation of a new economic contradiction in the global south in form of 'Core South' against 'Peripheral South' through various instrumentalities due to the alliance and neoliberal state capitalism by the major regional players..

Conclusion

Nigeria is somewhat heavily dependent on China for its sustenance through trade, investment, loans and infrastructural development, in spite of the huge human material and natural resources at her disposal. Consequently, China-Nigeria bilateral economic relations holds no meaningful developmental potentials for Nigeria as the benefits accrue more to China to the detriment of Nigeria. In the assessment of the 'Six Issues of Economic Development', China's trade and investment provided only three short term benefits in trade, infrastructural development and employment generation, while the rest are negatives in both long and short term benefits. This situation implies that Marrakech Declaration and South-South affinity is a ruse, a political and rhetorical mechanism that does not apply in the current global economic order. Instead it creates a platform that further accentuates the establishment of stronger economies against the weaker ones in the global South.

In this context, China's actions and inactions should be perceived from the perspective of the integrated global capitalist economy, and not from what it used to be in the 1950s and 60s. Therefore, China should be understood, engaged and treated as a competitor just like any other

Western countries, because it has dramatically and to an extent, externally transformed itself to a strong neoliberal adherent and thus should not be seen as part of the developing countries of the regional South-South Cooperation. The country is now a trade-driven industrial power integrated into the world system. It is “like other nations, it practices real politik of amassing national wealth and power with policies and practices that have been called “neo-liberalism with Chinese characteristics” (Guang, 2005; Harvey, 2005)

Recommendation

Notwithstanding the above situation, there are still numerous windows of opportunities for Nigeria to exploit through leadership and institutional reorientation to facilitate meaningful engagements; as the benefits associated with globalization do not come automatically. Therefore, it is recommended that the Nigeria should put in place and effectively implement policies and measures that are both preventive and offensive to overcome the state of dependency and gain the deserved benefits to stimulate genuine development. These measures include the followings among others: Development of a core China policy experts or Think-tank Group to address

China-Nigeria relation policy, as there is a serious foreign policy vacuum in that direction. Nigeria should aggressively search for means of acquiring the requisite technology, by all possible means, because no country has overcome economic exploitation and dependency syndrome without at least rudimentary technological base. Thirdly, Nigerian government should vigorously sustain the current tempo on war against corruption. In this regard, a stringent mechanism should be on place to check all likely cases of bribery and corruption emanating from Nigerian political, business elites and other relevant Ministries, Departments and Agencies that are connected to the operation of foreign companies in the country. Fourthly, Nigerian authorities should come up with policy specifying the limits of every foreign investment. This is proper to avoid a situation, where the external influences drive and control the entire economy. In order to enhance the inherent opportunities in South-South Cooperation, there a compelling need to review and establish a monitoring mechanism to evaluate and possibly fine-tune where necessary the performances of some of its declarations, communiqués, treaties and agreements.

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