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NIGERIA-CHINESE RELATIONS: THE FRONTIER FOR ECONOMIC GROWTH
AND DEVELOPMENT WITHIN NIGERIA

By

Maureen Chinenye Erinne

A Thesis
Submitted to the Faculty of
Mississippi State University
In Partial Fulfillment of the Requirements
for the Degree of Master of Arts
in Political Science
in the Department of Political Science and Public Administration

Mississippi State, Mississippi

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AND DEVELOPMENT WITHIN NIGERIA

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Nigeria, in 2007 unveiled a seven point agenda with the purpose of promoting economic growth and reducing the level of poverty by 2020. This action propelled Nigeria to intensify partnerships with some countries, notably China. This research focused on Nigerian-Chinese relationship as it relates to three key areas such as Energy, Education and Infrastructure. This research found that Nigeria's relationship with China is a continuation of past relations and concludes with some recommendations that will help Nigeria maximize the benefits of its relationship with China. The recommendations made include the elimination of corruption; requirement that foreign investors must provide suitable working conditions for Nigerian workers, with penalties for violators; projects within Nigeria undertaken by Chinese corporations must require at least 60% of the labor force to be Nigerian nationals and finally, that a regulatory body composed of professionals should be formed to oversee infrastructural development promised by the Chinese government.

DEDICATION

I would like to dedicate this research to my parents, Mr. Edwin and Cecilia Crump Erinne and my grandparents, Mr. Frank and Orelia Crump Jr. for their endless love and support. This research is also dedicated to the late Mr. John Ebulue and Sophia Chiebonam Erinne (nee Okolama).

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CHAPTER 1

INTRODUCTION

Since the wave of African independence in the 1960s, Nigeria has served a leading role in influencing and shaping the political climate on the continent. In spite of its rich natural resources, fertile agricultural lands and a politically stable government at the time of independence, Nigeria is currently counted among the most corrupt and poverty stricken African countries. The country's economic instability as noted by the rising unemployment, high poverty level and crumbling infrastructure, has limited its political capital and created a situation in which the international community has neglected to listen to and engage the country's concern.

In 2007, the country outlined a seven point agenda that aimed to address its declining economy and enhance its standing in the international community. Proponents of the agenda believed that these goals could be accomplished by forming partnerships with other nations, most notably China. China has the world's largest population and has recently attempted to sustain its economic growth by forging relationships with resource rich African nations. Though the nation is an attractive partner, its questionable human rights record and dictatorial style has raised many concerns about its flourishing courtship of Africa. Many of these concerns are rooted in the fact that Africa is a resource rich

continent, but still poor because of historical problems with colonialism, bad governments, and mismanaged economies.

Anyu (2008) posits that a long and disturbing history with outside powers exploiting the continent for its natural and human resources in furtherance of their own economic and developmental objectives is still fresh in the minds of Africans. Thus, the acceleration in trade from 2000 to the present between Nigeria and China has many questioning the motives of the Chinese government. Most notably among those questioning this relationship is the United States and other Western Nations. Brookes and Shin (2006) lends credibility to these countries concerns by noting that China's relationship may be viewed as a legitimate attempt to counter prolonged Western political and economic dominance in the region. Regardless of the motive, Chinese influence in the region is undeniable.

Giving the importance of the transformation of Nigerian-Chinese relations, my research takes in depths look at how the partnership between the countries has served as a catalyst of economic growth and development within Nigeria. More specifically, I utilize international relations theories to access Nigerian-Chinese interaction as it relates to Energy (Oil), Infrastructure, and Education.

The study is organized in the following format. Chapter 2 discusses the review of literature and is fragmented into four sub-sections. The first sub-section gives an overview of Nigeria and China. The second sub-section consists of the nature of African Chinese relations and traces how past relations evolved into the present. The third sub-section provides specific insight into Chinese developments in the areas of aid, trade and investments in Sub-Saharan Africa. The fourth sub-section focuses on the diplomatic and

economic objectives of both Nigeria and China as a promoter of their individual national interests. Chapter 3 consists of the theoretical framework and incorporates varying theories in international relations. Chapter 4 synthesizes Chinese involvement in Nigeria in the three sectors namely the energy, infrastructure and education. A detailed analysis is conducted to identify factors that inform Chinese/Nigeria relations. Chapter 4 also provides a synopsis of partnership between the countries and concludes with recommendation for the future.

CHAPTER 2

REVIEW OF LITERATURE

2.1. Overview of Countries

The Post Colonial Era led to the creation of an international environment where major super powers served at the front of all global discussions. The leadership role these super powers occupied led to the emergence of a new world order which emphasizes of the intensification of their economic, political, and social relations around the world. They have experienced economic growth, technological advancement, and a progressive development of their human capital. Though these industrialized powers have experienced significant growth, developing countries like Nigeria have experienced economic stagnation and in some cases decline. Nigeria's most effective economic recovery tool may be found in its rich natural resources that are desired by the rest of the world. Effectively marketing its natural resources will provide the tools needed to accelerate development in the areas of technology, medicine, human capital development, and. This in turn can enable the region to compete effectively in the new global economy.

Contrary to the current slow pace of growth African nations are experiencing, developing countries in Asia are on a more progressive path. Among these Asian countries is, China, which has established itself as one of the leading exporters in the world. China is quickly developing a reputation for being one of the driving forces in the supply and demand of goods and services. It is also advancing as a lender of funds to

other countries. With China's annual percentage growth averaging 10 percent from 2000-2008, future projections indicates an accelerated growth of its economy (World Trade Organization, 2009). China's economic advance has allowed it to expand its interest and actively seek to engage other developing nations, such as Nigeria. The following sections provide a discussion of Nigeria's economic situation and China's efforts to engage it.

2.1.1. Overview of Nigeria

Since gaining independence from Great Britain on October 4, 1960, Nigeria has been plagued with economic instability and social distress. The primary source of these issues is rooted in the country's chaotic political system. Ethnic divisions, the emergence of military coups, corrupt politicians, and military dictators all have contributed to the decline of the country by causing citizens to lose faith in their government and foreign investors to stray away from involvement with the country (Anyanwu, 1982). The government's lack of political legitimacy is further made apparent by the absence of citizen involvement, especially during periods when military dictators ruled by decrees and not in consultation with the people.

In addition to the legitimacy issues, the constant change in the government's structure has led to confusion among Nigerians and further promoted political instability (Anyanwu, 1982). From 1960-1965 Nigeria experimented with parliamentary democracy, 1966-1979 was filled with countless military coups and in 1979 a presidential political system was introduced to the country (Anyanwu, 1982). Although, a presidential system was introduced, two major coups were accounted for from 1980-1999. All these sporadic changes in the political system hindered Nigeria from creating and maintaining a

consistent political environment suitable for development. Bassey (1989) noted that the *“inexorable consequence of failure to develop political institutions sufficiently adaptable, complex, autonomous and coherent to cope with the emergence of new and variegated social forces resulted from profound changes in the sub-structural base”*. The task of establishing and maintaining security sufficient to deal with coups has also been an on going struggle.

Some of the more noted problems with military coups began in 1966 as ethnic rivalry began to compete for a piece of the national pie. Anyanwu (1982) posits that *“Nigeria’s political structure deeply grounded in ethnic and regional royalty, meant the federal government’s life is very precarious”*, which translated into ethnic rivalry and ultimately mistrust. These strong views led to the first military coup in 1966 and three more coups leading to the popularly known Civil War (Biafra War) which lasted for three consecutive years (1967-1970). These event and forever changed the dynamics of politics and threatened security within the country. Overall from 1960-2001 Nigeria experienced six successful and two failed coups. The after effects of the civil war between the eastern part of the country (Biafra) predominantly occupied by the Igbo ethnic group can be considered the start of the absence of security. The number of coups makes Nigeria the highest among countries in Africa (McGowan, 2003). The constant reoccurrence of such events created a less suitable environment for possible growth.

Furthermore, political instability also has had a parallel negative effect on economic conditions within the country. Like other countries, the economy is considered the engine of growth. In the case of Nigeria, the engine is in serious need of repair. With fifty-five percent of the total population living on less than one dollar a day, it is

considered to have one of the highest poverty rates in Sub-Saharan Africa (US AID, 2006). The high poverty rate is fueled by the high unemployment rate. Individuals who are unable to find cannot adequately provide for their own physiological needs. The growth in the non-oil sectors especially in the agricultural sector has been unsteady due to the failure of adopting productivity–boosting methods and technology which comes in the form of mechanized farming. This overall has hampered a better and a more sustainable means of job creation.

This economic stagnation can be attributed to an oil rich nation’s economy still suffering from two decades of poor economic performance after the collapse of the oil prices in the early 1980s. During this global economic meltdown, a series of military dictatorships ignored prudent macroeconomic policies and the state’s infrastructure that otherwise could have cushioned the effects of the crises on the Nigerian economy (USAID, 2006). The effect of the downturn of the economy resulting from mismanagement was followed by a slow and steady economic growth in the following years under the leadership of a civilian government. Since the return of civilian rule, per capita income in 2005 was only \$694(in current US dollars) which is one-quarter of the per capita in the mid-1970s level (US State Department, 2006). An increase however was reported in 2007 with per capita income of \$1,149 (US State Department, 2009). However, this increase is marginal when compared to the availability of oil resources and the fertile agricultural fields in the country.

Nigeria’s economic stagnation is also attributable to rampant corruption and minimal accountability from the government. On a scale of 1 to 10 with 1 being more perceived corruption and 10 being least perceived corruption, Nigeria scored a 2.5 and

ranked 130 out of 180 on the global perception of corruption index. (Corruption Perception Index, 2009). According to the index, any score below 3.0 means that corruption is rampant on all most all levels which in turn discourages potential foreign investors (Corruption, Perception Index, 2009). However, steady improvement in Nigeria's score from 1.0 in 2000 is a result of the government's concerted efforts to combat corruption. This fight includes engaging in an anticorruption campaign, introducing a public awareness campaign, confiscating stolen funds from Swiss bank accounts, improving the transparency of government budget process and transfers to state and local governments, and the implementation of the Extractive Industries Transparency Initiative (World Bank, 2005, B). All these steps are aimed at ultimately reducing the level of corruption within the country and boosting the country's credibility on the international arena.

2.1.1.1. The Seven Point Agenda

Nigeria's negative international image has caused political leaders to seek change. The change has begun with leaders seeking to more effectively use the country's resources to rebuild the economy. They are also repairing the image by using their reputation as the 'African Giant' or the most populous country on the continent, estimated to be 149,229,090 (CIA World Factbook, Nigeria, 2010) to serves as the leader on several issues dealing with the continent. Specifically, Nigeria has taken steps in serving as a mediator among and within African states.

The rebirth of Nigeria' democracy has also stimulated a progressive movement to reduce poverty and reinvigorated international interest which increased external pressure

to maintain a functioning democracy. In 2007, the current administration responded to the external pressure by outlining a seven point agenda aimed at realizing the ultimate goal of national development. The seven point agenda, hinged on reform focuses on Niger Delta Development, Restoring Physical Infrastructure, Developing Human Capital: Education and Health, Revitalizing the Agricultural Sector, Maintaining Security, Law and Order, Sustaining growth in the real sector of the economy, and Combating Corruption (Nigeria Project Agenda, 2007). Succeeding on these fronts, according to the Nigerian government, will enable Nigeria compete effectively on the international scene while ultimately improving the lives of the citizen.

2.1.2. Overview of China

The Peoples Republic of China's economic expansion and growth is one that is closely watched and monitored by the international community. The dramatic growth undertaken in China is not coincidental but rather strategic and well planned. With its early reforms, which went into effect in the early 1980s, Chinese state owned enterprises prior to reform functioned as passive agents of the state's economic bureaucracy (Jefferson and Rawski, 1994). China maintained a centrally planned economy with large share of the output controlled by the State. Managers had little authority over research and development, product innovation, investment planning, marketing, or even such routine matters as production scheduling, material purchases, wage structures, and employment levels (Komiya, 1987).

However, the advent of economic reforms took effect on both domestic and international sides. On the domestic side, state-owned enterprises gained the right to

retain a modest share of the total profit and obtained unprecedented control over its affairs, and by the end of the 1980s, the largest state-owned enterprises were deeply enmeshed in markets driven by decentralized forces of demand and supply (Jefferson and Rawski, 1994). On the international side, a new open door policy broke down long standing barriers that excluded China economically from the rest of the world. Incentives were also introduced to attract foreign direct investment which in turn gave way to market expansion and ultimately competition within the country.

These reforms created a pathway for China's immense economic growth with real gross domestic product (GDP) growing at an average annual rate of nearly ten percent from 1979-present and a growth rate of thirteen percent in 2007 making it the fastest annual growth since 1994 (Morrison, Congressional Research Service(CRS), 2009). *See Table 1*¹. Also the CRS in 2008 reported foreign direct investment (FDI) in China totaled \$92 billion, thereby making it the third largest global destination for FDI. Also, the large scale purchases of foreign currency have helped make China the world's largest holder of foreign exchange reserves at \$1.9 trillion at the end of 2008 (Morrison, CRS, 2009). The continuation of these growth rates has projected China to be on the road to becoming an economic super-power by 2050. This projection although not alarming, is a major concern to the West most notably the United States. For the U.S., their strong desire of maintaining the world's "super power" status is being threatened by China's possible rise. China's vital role in the US economy has also prompted the US government to exercise caution when dealing with China.

¹ Table 1 shows China's average annual growth: 1960-2008 (Congressional Research Service(CRS))

Table 1: China's Average Annual Real GDP Growth: 1960-2008

Time Period	Average Annual Growth (%)
1960-1978 (pre-reform)	5.3
1979-2008 (post-reform)	9.9
1990	3.8
1991	9.3
1992	14.2
1993	14.0
1994	13.1
1995	10.9
1996	10.0
1997	9.3
1998	7.8
1999	7.6
2000	8.4
2001	8.3
2002	9.1
2003	10.0
2004	10.1
2005	9.9
2006	11.1
2007	13.0
2008	9.0

Source: Official Chinese government data and the Economist Intelligence Unit from (Congressional Research Service (CRS))

2.1.2.1. The Hunt for Oil

It is interesting to note that the rapid growth in the Chinese economy has increased its appetite for natural resources around the world. Of particular importance to the Chinese is the need for a steady supply of petroleum products to sustain its long term growth. It is therefore not surprising that the acquisition of new sources of oil around the world seem to be one of the highly sought after natural resource by the Chinese.

In addition, China's increasing growth rates has also increased its appetite for natural resources such as petroleum which propels the economy. It has become the world's second largest consumer of oil products after the United States. It consumed an estimated 7.6 million barrels per day (bpd) in 2007 (compared to 3.9 million in 1997).

This rate is projected to increase to 13.6 million bpd by 2030 depending on China's future growth and energy policies (Global Petroleum Outlook, 2008). Being a late-comer in terms of acquiring natural resources, China is looking to countries in Africa like Nigeria to meet their petroleum needs. Also, China's dependence on oil could rise from the current level of about fifty percent to eighty percent by 2030 (World Energy Outlook, 2007).

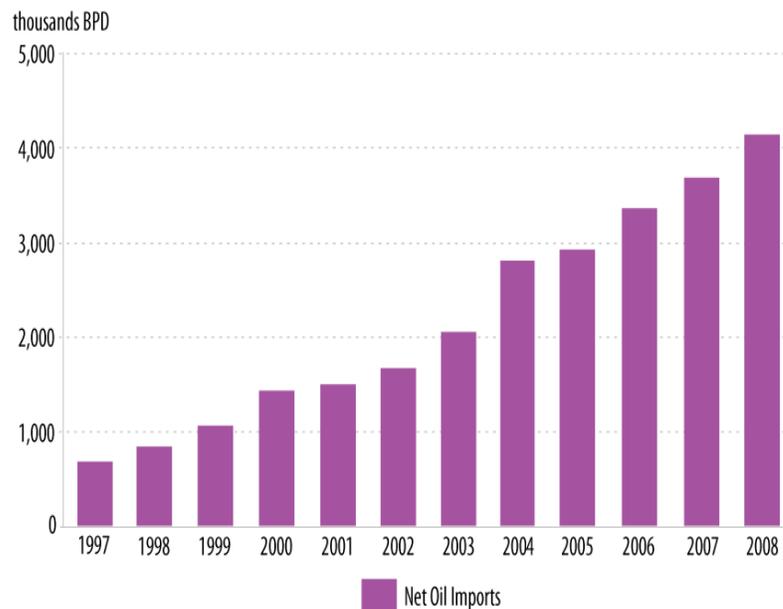


Figure 1: China's Net Oil Imports: 1997-2008

Source: U.S. Energy Administration and China Energy Newswire

In the oil sector, Africa's three largest oil suppliers Nigeria, Angola and Sudan, have all increased bilateral relations with the China. Chen (2008) posits that three options are available for a country to secure oil and gas, namely by trade, oil diplomacy, and force. China has chosen to utilize trade and diplomacy. China has adopted trade and oil

diplomacy as a less intense and more strategic means of diversifying their oil and gas import sources from the continent. In 2007, China was ranked third after USA and Japan as net importers of oil which is estimated at 159 metric tons (IEA, 2009). If this trend continues, China's oil imports will reach almost 10 million barrels in 2030, implying that almost 85 percent of their aggregate demand for oil will have to rest on oil imports from Africa (IEA, 2002).

Although speculations may arise concerning China's intent, what is unquestionable is that China is one of the fastest growing economies in the world. Also being the most populous country in the world has increased China's economic importance and political viability among other nations. This economic importance in some cases has been used strategically to ensure it appeal to both favorable and unfavorable countries especially during times of negotiations and promotion of its own interests.

2.2. Nature of Relations (Africa-Chinese)

2.2.1. Past Relations

Africa-Chinese relations should not be termed as new or sudden. There were traces of interactions between Africa and China more than 2,000 years ago; cultural exchanges were present during the 8th century A.D (Payne et al, 1998). This history of friendly exchanges was somewhat halted due to conflicting interests of African countries and other competing forces.

In the late 1940s and early 1950s, strong relations reemerged between countries in Africa and China. This came primarily due to collective criticism of colonial rule by Africans and because of their strive for independence and their distrust of the colonialists. They connected with the Asian struggles because of their successes in gaining independence from colonial rule a decade earlier. The connection which was formed through solidarity and negative views of colonial rule was a fuel for African Nationalist to seek support and ultimately a relationship in the far East. Apart from a shared sense of independence, most countries in Africa like Nigeria and Asian countries like China were on the same economic and political playing fields. These shared desire by both continents further intensified relations with the emergence of the 1955 Asian-African conferences hosted in Bandung, Indonesia. Twenty-nine Asian and African countries met to confront colonialism and the divisive nature of the Cold War. China's dominating role in the conference was seen as a courageous attempt to undermine U.S dominance in Asia (Payne et el, 2008).

Following the historic events at the conference, the relationship between Africa as a whole and China revolved mainly around ideological solidarity (Ampiah, et el, 2008). China's socialist ideology was widely rejected by the West because it was viewed as an alternative to the capitalist ideology which placed heavy emphasis on individualism rather than on community and public interests. Also, Africa had increasingly come to associate capitalism with colonialism. Therefore, there was a high tendency to reject capitalism because of the injustices of colonialism. This view made socialism more appealing because it emphasizes communal living as it resembled traditional African cultural setting. Furthermore, socialist ideals such as egalitarian society and national self

sufficiency were regarded by Africans as way to economic and political freedom. Thus even countries like Nigeria, Cote d'Ivoire and Kenya which based their economies on capitalist ideologies still pursued broad range policies fostering communal living, and highly regulated domestic markets to ensure self sufficiency. This sent a message of independence to their formal colonial rulers.

Also, China served as a poster child of independence. Africa, experiencing similar struggles for independence as China, looked to the Asian giant as a model and motivator for their cause. China after successfully gaining independence from Great Britain acted as a voice for other developing nations and encouraged their struggle from colonial imperialism.

Also, African countries and China were termed as equals. With both considered as developing countries having very limited infrastructure and technological developments, forming relations and in some cases partnerships was not considered threatening to either partners. Both having mutual respect for the other and with the guiding principle of non-interference sustained and further strengthened their future relations which also will be discussed.

2.2.2. Present Relations

The present African-Chinese relations can be seen as a continuation of past relations with more emphasis on economic growth and expansion. For some countries in Africa and China, their relations are being termed strategic, yet mutual relationships primarily because both parties act to pursue their own interests. It is also safe to say that

interest being pursued by either party which may be at the expense of the each other does not occur.

For China, their presence and activities on the African continent have gained momentum since 2000. The scope of its activities reveal a clear intent to advance China's involvement in Africa beyond historical levels and build strategic partnerships on the continent that will substantially increase China's economic, political, and military presence (Parenti, 2009). Of all the types of partnerships mentioned earlier, economic partnerships have been the major source of focus for observers.

China's economic presence on the African continent according to Wang (2007) is centered primarily on the markets for each other's exports and Africa's demand for infrastructure. In turn, China's approach to financing have together moved commercial activities—trade and investment—to the center of Africa-China economic relations. Apart from economic relation which clearly is the core of Africa-Chinese relations, the next few paragraphs highlights some political and military relations between some countries in Africa and China which further strengthens that bond.

Political and diplomatic relations have played a significant role in intensifying Africa-China relations. Over the past decade, China set out to improve diplomatic relations with Africa on two primary fronts: first, institutionally through official forums; and second, bilaterally through political exchange programs and an expanded embassy and consular presence (Parentis, 2007).

On the institutional front, China has been instrumental in organizing a recurrent Forum on China-Africa Cooperation (FOCAC). In response to the idea of the twenty-first century challenge to promote development and to seek stability with shared aspirations of

people of all countries; FOCAC was created to solidify African Chinese relations. Vast number of African countries was in attendance for the first FOCAC conference held on 2000 in Beijing. The primary mission was to promote development by creating and strengthening existing ties between African countries and China and by opening dialogue for increased economic cooperation and political partnerships. These conferences have been held every three years beginning with the 2000 conference and the recently held conference in 2009. Both regions have taken turn hosting the conference. Every conference outlines an action plan which is a set agenda for implementing future plans. The 2006 conference produced an action plan with 73 bilateral agreements between African countries and China (Parentis, 2007). One of the most important agreements is China's cancellation of the debt of at least 31 African countries which amounted to 1.6 billion US dollars (FOCAC, 2006, A). Also, China agreed to help Nigeria drill 598 boreholes in Nigeria's capital Abuja and 18 states as a free-aid project. This program constitutes the water supply project agreement between both countries (FOCAC, 2006, B).

In addition to FOCAC, China has provided substantial support to the New Partnership for African Development (NEPAD), an organization existing under the umbrella of the African Union (AU) aimed to develop an integrated socio-economic development agenda for Africa. China's partnership with NEPAD will in turn help fulfill the organizations objectives to eradicate poverty, promote sustainable growth and development, integrate African countries into the global economy, and accelerate the empowerment of women (NEPAD, 2005). One of the most important ventures sponsored by the Chinese government was a grant of \$500,000 aimed to support NEPAD Nurses

and Midwives Post-Graduate Training Program (FOCAC, 2006). The implementation of this 3-year post graduate training courses at five universities in Kenya and Tanzania is hoped to strengthen the already established graduate training courses of nurses and midwives in both countries. It is hoped that this will help improve much needed human resources development in the health sector. Since this venture is the first of its kind, positive impacts like an increased number of well trained nurse professionals is expected. First, African nurses and midwives do not have to go to Western countries to carry on further studies. Second, it will prevent the brain drain that is so often experienced on the continent when qualified African professions leave the continent in pursuit of individual economic advancement and never return to their countries of origin. These professions are needed to foster social and economic development on the continent.

Furthermore, political exchanges in the form of state visits have also been another way of cementing these relationships. Senior officials like Prime ministers, Presidents and Ambassadors from both the African continent and China have visited each other. According to Freemantle (2009), since 2000, China has engaged in 18 high-level visits to 38 African countries to promote their agenda and strengthen already existing dialogue.

The second political/diplomatic relation is bilaterally through exchange programs and an expanded embassy and consular presence. It further increased diplomatic engagement with the nations of Africa by establishing political exchange programs and expanding embassy and consulate representation (Parentis, 2009). China increased their embassy presence on the African continent by opening more embassies. This in return was an incentive for African countries to open their embassies on Chinese soil. Such

increased consular presence of Chinese in Africa and Africans in China is increasing cooperation between the two continents in all levels of trade, investments and aid relief.

China's diplomatic presence in Africa is further complemented by the presence of official embassies throughout the continent. Currently, Beijing, which has diplomatic relations with 49 African countries, maintains an embassy with an accredited ambassador in 48 of them (Cooke, 2009). In addition to its embassies, China has consulate generals in the following key partners across the continent: Egypt (Alexandria), Sudan (Juba), Madagascar (Tamatave), Tanzania (Zanzibar), Cameroon (Douala), South Africa (Johannesburg, Cape Town and Durban) and Nigeria (Lagos) and in return, 40 African countries have official embassies in China (Freemantale et al 2009). The embassy African nations established on Chinese soil and vice versa, are used for the purpose which is enabling their citizens' access, in a foreign land especially in time of crises. It is used to set a formal and friendly tone underlying relations between the host country and the visiting country is promoting mutually beneficial programs.

China's military presence, although rarely mentioned in topics dealing with African-Chinese relations, has become an intricate part of fostering these relations. Although Chinese military presence in Africa prior to the end of the cold war was mainly in furtherance of their ideology, current military presence is mostly to further broad based Chinese interest in trade and mainly access to resources. The 2006 White Paper, *China's National Defense in 2006*, charges its People's Liberation Army (PLA) with "implementing the military strategy of active defense"(CNF, 2006). Bolstered by the change in policy, the PLA has regular military interaction with 41 African countries and pledges to increase current levels of involvement substantially before 2010 (Prentis,

2009). Overall, PLA activities in Africa can be grouped into three major categories: military exchanges, peacekeeping operations, and arms sales (Puska, 2007).

In the area of military exchanges, it sometimes takes place in the form of military capacity building such as training, logistics, personnel, policy, and force structure. Currently, China has attaché representation in one-third of African nations, and, in return, 75 percent of these countries have attachés in China (Parenti, 2009). Furthermore, PLA in the 2006 action plan from FOCAC expressed its interests to increase such relations exchanges into the future. The existence of military exchanges has been termed beneficial for African countries primarily because African nations are known for their weak and ill trained defense forces.

In peacekeeping missions, China's participation with the United Nations peace keeping mission on the continent is complementary to similar peacekeeping missions that often go unnoticed. In 2006, China provided over 1,600 personnel to peacekeeping operations in Africa—about 70 percent of its global peacekeeping efforts (Gill et al, 2007 A). In addition, at the 2006 FOCAC Summit and recent UN Security Council meetings, the Peoples Republic of China (PRC) made pledges to increase support to peacekeeping operations and provide additional training and equipment to African peacekeeping forces (Parentis, 2009). Apart from peace keeping in conflict torn countries, the PLA are devoted to ensuring the safety of Chinese personnel and business interests on the African continent partly because most African states lack as effective police force aimed at promoting security.

China's arms sale to Africa is steadily increasing. Between 1996 and 2003, China became the world's second largest exporter of weapons to Africa, accounting for over 10

percent of total imports (Gill et ell, 2007, A). This dramatic increase is attributed mainly to the fact that Africans find Chinese weapons a cheap alternative to weaponry sold by the western manufacturers. According to PRC policy; all arms sales should meet three key objectives: supporting the legitimate self defense of the receiving country, not compromising regional and/or international security, and not interfering with a nation's internal affairs (Parentis, 2009).

Arms sale has always been a highlight for influencing internal affairs of the countries. China's arms sales to developing countries especially in Africa are largely drawing criticisms from the international community. Despite China's insistence that its weapons sold to foreign governments does not fuel regional conflict or stability, reality shows otherwise.

From the famous quote from Zimbabwe President, "*We have turned east where the sun rises and given our backs to the West where the sun sets*" (Mugabe, 2005) illustrates the kind of relation between Zimbabwe and China. These relations have been termed more controversial over China's alleged role in fueling the crises in Zimbabwe with the sales of arms and weapons to the Zimbabwean government. In 2000, Zimbabwe delivered 8 tons of Zimbabwean ivory to China in exchange for a shipment of small arms and in 2004, China sold to the Zimbabwean army 12 fighter jets and 100 trucks in a deal worth more than US \$200 million.(Arbab, 2007)

Arbab (2007) further argues that selling arms to some African leaders like Mugabe improves bilateral relationships and can enhance Chinese access to natural resources. The bolstering of these relations is partly due to China's unimpeded political,

human rights, or humanitarian conditions on arm sales, and as a result little expectations other than economic cooperation are desired.

Also in Sudan, China has supplied the Khartoum government with arms since at least 1985, with transfers between 1985 and 1989 totaling \$50 million (Vines, 2007). China became Sudan's principal arms supplier around 1994 and remains so to this day (Arbab, 2007). Today, current situations regarding internal conflict in the Dafur region is attributed to China's unwavering support of the Khartoum government. According to the congressional research service, China's arm sales to Africa between 1996 and 2003 made up 10 per cent of all arms sales to Africa (Hill, 2006)

To sum it up, countries in Africa view China more as an opportunity rather than a threat to boost their own interests. For Africa, China's supply of cheaper products in the forms of processed food, electronics and machineries and clothing not produced or manufactured on the continent had raised the standard of living for some Africans. In turn, Chinese relations efforts have three purposes: to help spread China's message of mutual benefit and equality to African leaders, to create opportunities for Chinese businesses abroad, and to encourage African nations to support the "One China Policy" with respect to Taiwan. By both sides mutually understanding the goals of the other, future engagement is plausible and fearfully unbreakable.

2.3. Chineses Recent Developments in Sub-Sahara Africa

2.3.1. Trade

The bilateral trade relations between countries in Africa and China are viewed by both parties as one interdependent of the other; i.e. both sides of the trade spectrum desire and need commodities that are not otherwise produced in their respective countries. Although, Africa and China are geographically distant, trade has been recorded as early as over two thousand years ago (Jinyuan, 1984). However, the direction of these relations is being examined from current trade activities.

Africa-Chinese trade quintupled from close to \$10 billion in 2002 to more than \$40 billion in 2005 and more than \$50 billion by 2006 (Zafar, 2007). According to the African Economic Outlook, 2009 Africa-China trade has exceeded over \$100 billion. Table 3 gives China's top five African export markets form 2004-2008 with Nigeria ranked second after South Africa. This growing demand for commodities import in China has led to an expansion of commodity exports from some African economies which are consequently viewed as an alternative to Western trade partners which ultimately is creating some trade benefits (Kaplinsky, et el, 2007). This increasing demand for Chinese commodities is propelled by its inexpensive nature when compared to western commodities. And in return, SSA supplies China with the commodities it requires to fuel its continued economic expansion. This relationship is complementary because it is beneficial to both countries. (Kaplinsky, 2008).

For China, their strong demands for oil, iron ore, cotton, diamonds and logs has been a motive behind their huge interests in African that is rich with such minerals. The

share in total SSA exports from Africa to China of the above commodities grew from less than 50 percent to more than 80 percent between 1995 and 2005 with oil accounting for a huge portion of all export commodities (Kaplinsky et al, 2008).

Table 2: Major Chinese Imports from Africa: 2004-2008

(\$ millions and %)							
HS 2 Commodity Description	2004	2005	2006	2007	2008	% of Total 2008	2004-2008 % Change
Mineral fuel, oil, etc.	10,135	14,676	21,083	25,997	38,489	70.7	279.8
Ores, slag, ash	1,393	1,577	2,116	3,298	7,254	13.0	402.7
Precious stones and metals (mainly platinum and diamonds)	742	967	1,196	1,358	1,772	3.2	138.8

Source: World Trade Atlas. Official Chinese Statistics

China as the world largest iron buyer, imported 355.3 million tones of iron ore in the first seven months of 2009, an increase of 31.8 percent from a year earlier (Customs Statistics, 2009). This sharp rise is in an attempt by government to restructure the steel industry in an effort to solve the excess capacity problem which faces the country (China's Embassy, 2009). In this regard, the Democratic Republic of Congo, Ghana and South Africa are the most instrumental suppliers on the continent (Chen, et al, 2005). In, the textile (Cotton) industry, China serves as a major exporter of finished product which creates a constant need for raw textile materials. From 2000-2004, the average annual growth for China cotton import was 152.7percent (Goldstein et al, 2006).

With the export of raw materials, African countries also need imports to sustain their economies. Table 2 shows major Chinese imports from Africa from 2004-2008.

Africa's crumbling and insufficient infrastructure has prompted them to exchange their raw materials for finished manufactured goods such as electronics and clothing. In comparison to other trading partners in the West, Chinese products have been looked upon more favorably because of its accessibility and ultimately its low cost when compared to its competitors. Table 4 shows major Chinese exports to Africa between the years 2004-2008. Despite these trade successes, Kaplinsky and Morris (2008) report that domestically produced clothing and furniture manufactured in countries like Ghana and South Africa are being displaced by imports from China (Kaplinsky and Morris, 2008). These authors also discovered that in Ethiopia, competition from Chinese shoe imports has led to an upgrading of processes and design by many domestic firms, while it has simultaneously had a negative impact on employment and domestic output. Tegene's (2007) study of 96 micro, small and medium domestic producers in Ethiopia, reported that as a consequence of Chinese competition, 28 percent of all businesses were forced into bankruptcy, and 32 percent downsized their activities, thereby, causing the decrease of average size of micro enterprises from 7 to 4.8 employees, and of Small and Medium Enterprises (SMEs), from 41 to 17.

These studies are by no means surprising because of the recent uproars of western countries over China's presence in their economies. But unlike western nations which regulate its trading activities, countries in Africa do not have such a strong system of regulation. This is largely due to the small concentration of power in very few individuals and the collapse, or in most cases, the absence of watchdog institutions to protect the interests of citizens. Regardless, it can be concluded that trade activities to some degree is in the interest of self.

Table (3) summarizes China's top five African Export Markets: 2004-2008.

Table 3: China's Top Five African Export Markets: 2004-2008

(\$ millions)						
Country	2004	2005	2006	2007	2008	2004-2008 % Change
Africa Total	13,815	18,687	26,705	37,314	50,869	268.2
South Africa	2,952	3,826	5,769	7,429	8,596	191.2
Nigeria	1,719	2,305	2,856	3,800	6,758	293.1
Egypt	1,389	1,935	2,976	4,432	5,817	318.8
Algeria	981	1,405	1,952	2,709	3,685	275.6
Angola	193	373	894	1,241	2,931	1,418.7

Source: World Trade Atlas. Official Chinese Statistics

Table (4) Summarizes Major Chinese Exports to Africa: 2004-2008.

Table 4. Major Chinese Exports to Africa: 2004-2008

(\$ millions)							
HS 2 Commodity Description	2004	2005	2006	2007	2008	% of Total 2008	2004- 2008 % Change
Electrical machinery and parts (a)	1,905	2,799	4,122	5,806	8,882	17.5	366.2
Machinery, mechanical appliances, and parts	1,374	2,141	3,220	4,517	7,292	14.3	430.7
Vehicles (excluding railway) and parts	936	1,448	2,023	3,165	4,730	9.3	405.3
a. Includes electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers; and parts and accessories of such articles.							

Source: World Trade Atlas, Official Chinese Statistics

2.3.2. Aid

The Africa-Chinese relation in the area of aid has taken very different shapes and forms from Western type aid. For Western countries, aid to developing countries in Africa has come in the form of food and medicine which is all to satisfy immediate and short-term needs. Critics have termed this type of aid as dependency aid because receiving countries are still not self sufficient and richer nations tend to use aid as an instrument of power rather than a tool for development (Tesfaye Habisso, 2009) . These practices which have been the status quo discourage ingenuity and hinder long term growth in the region. China's aid to Africa which can be termed as Chinese Development Assistance is more descriptive because it breaches together all forms of aid.

Currently, aid rendered by the Asian giant takes the form of grant aid, interest free loans, concessional loans and debt relief, and in some cases, overlapping each other. However, China does not explicitly publicize which of the forms of aid it renders to the African countries which in turn makes it more difficult to effectively group all these aid. Also, Chinese aid towards Africa has been geared more towards long term economic and human development. China's aid has focused more on long term development with infrastructure building and education as its primary emphasis. With importance on development, a pledge was made at the 2006 FOCAC conference to double assistance by 2009. Also, the provision of US \$3 billion of preferential loans and US \$2 billion of preferential buyers' credits, the creation of US \$5 billion Africa-China development fund, and lastly, cancellation of debt owed by the heavily indebted least developed countries (AFRODAD, 2008). This pledge was sought to provide African countries with the resources for long-term continuous gain rather than short term relief.

Furthermore, potential receivers of concessional loans must gain the approval of projects from the Chinese government as well as Chinese enterprises being selected as contractors/exporter ahead of other countries (AFRODAD, 2008). This action not only emphasizes a close connection between both receiving and donor countries but also ensures that receiving countries view China as a more favorable donor. Emphasizing China as a more favorable donor also comes with the absence of conditions which African countries view as an infringement on their national sovereignty. These preconditions in the form of structural adjustment programs and democratic reform usually required from African countries by Western donors were looked upon less

favorable. As a result, when comparing both Western and Chinese preconditions, the aid from China is regarded more acceptable and in this case as an alternative to western aid.

To point out further, China promised to increase the number of agricultural technology demonstration centers built by China in Africa to 20, send 50 agricultural technology teams to Africa and train 2,000 agricultural technology personnel for Africa, in order to help strengthen Africa's ability to ensure food security. Also, steps are being taken to build 50 China-Africa friendship schools and train 1,500 school principals and teachers for African countries, increase the number of Chinese government scholarships to Africa to 5,500 and train a total of 20,000 professionals of various fields for Africa over the next three years. (FOCAC (C), 2009). To fully accomplish these, specific engagements must be made with participating African countries and China.

Also, the absence of preconditions of China's aid has been criticized by the West for its failure to pay attention to a range of issues pertaining to good governance, human rights, environmental protection, and social justice (Zafar 2007; Tull 2006). The resistance of China on such issues can be attributed to its often questioned practices at home. For instance, allegations of ill labor practices such as low pay of workers and in some cases working under strict and poor conditions that are hazardous to workers health have created awareness (Simons, 2007). Furthermore, the resistance of the Chinese government over Taiwan's autonomy is closely parallel to attempts of some resistant movements within some African countries like Kenya seeking autonomy. Their ability to identify with such similar situations has further strengthened their overall policy of non-interference.

With such close similarities of the two regions, the favorable atmosphere creates a more legitimate reason for various development assistance programs to occur. One might further argue first, that China views the continent as an image in its own self, thereby fostering cooperation that would otherwise be questioned if made by a more advanced country. Secondly, the use of aid as a strategic reason for gaining favorability with countries of interest seems to be an unchanging phenomenon. Finally, on average, China's aid is quick, inexpensive, and highly visible – three attributes not normally associated with established Western development co-operation (Asche, 2008).

2.3.3. Investment

Foreign Direct Investment (FDI) plays an important role in fostering economic growth and development in developing countries which is specifically known to bring much needed capital for their growth and development efforts with the use of skills and new technology (Abdulai, 2007). FDI is can be defined as the acquisition of assets and resources in a host country; which comes in the forms of cross-border mergers and acquisitions (M&As) which involves the direct takeover of assets in host countries or Greenfield investments which involves the construction of operational facilities from ground up. Examples of Greenfield investments are the construction or expansion of infrastructure such as oil refineries and steel mill plants in host countries (Pease, et el, 2007).

In the context of Chinese and SSA relations, however, Chinese FDI cannot be simply defined as either M&A or Greenfield. Chinese FDI is packaged with aid and complemented by its geo-strategic trade and political objectives (Kaplinsky, 2006). These

FDI are not as easily define but are not impossible to identify. Since this section focuses on Investments, some projects undertaken by the Chinese private sector come as a result of some bilateral agreements between countries in Africa and China that can be identified solely as FDIs. Needless to say, FDI unlike trade is inherently difficult to measure due to its connections with possible trade and aid activities. Also, it is very unclear how much of Chinese economic activity in Sub-Sahara Africa comprises FDI, how much is a result of winning commercial tenders, how much is linked to Chinese aid and how much is part of integrated production networks between Chinese and SSA firms (Kaplinsky, 2006). Despite these set backs, some estimates, although debatable are recorded along with some evidence of FDIs in some African countries which some are highlighted below.

China's investment on the continent includes infrastructural development; consequently, winning the hearts and minds of the people and the government of host countries (Anyu, et el, 2008). For example, in Sudan, China constructed electric substations and transmission lines and provided financing for the Kajbar Dam, a \$345 million pipeline that channels water from the Nile to Port Sudan, and a \$325 million water system. The Chinese are also Sudan's largest investors with a total investment portfolio of about \$4 billion (Colombant, 2006).

Chinese investment in Nigeria totals at least \$3 billion and is making the country one of the largest business partners with China (Iffer, 2008). The provision of a grant of \$7.2 million for the construction of schools in the rural parts of the country and a hospital in Abuja through a grant of \$4.2 million is among several reported investment initiatives undertaken by the Asian giant (Iffer, 2008). These investments between some African countries such as Niger, Sudan, and China can be seen by the host countries as a definite

gain especially as it relates to infrastructure improvement, since it better equips the fragile industries in these countries and enable them to partake in the competitive global economy.

To further highlight the intensity of Sino-Africa relations, China agreed to increase the size of the China-Africa Development Fund to \$3 billion to support the expansion of investment from Chinese businesses to Africa at the 2009 FOCAC conference. Although a time frame for this investment is unknown, it dispels any doubt about the level of involvement or commitment both parties have in furthering mutual economic interests.

2.4. Objectives of Relations (Nigeria-China)

2.4.1. Diplomatic

Though both Africa and Asia hold similar views on many international issues, this has not always been the case. After gaining its independence, Nigeria adopted a pro-Western stance, and while it did not actively support Taiwan, it also did not seek relations with China (Mthembu-Salter, 2009). Then Premier Zhou En-Lai's 10-country trip to Africa in late 1963 did not include Nigeria (Utomi, 2008) and a Chinese delegation that visited Nigeria in 1964 seeking the establishment of diplomatic ties was sent away empty-handed (Bukarambe, 2005). Unlike other African countries, Nigeria never received gifts such as sports stadiums or government ministry buildings from the Chinese government during this era (Anyaku, 2009). This occurred primarily because Nigeria at the time of independence in 1960 had its own brand of capitalism that was more focused

internally. This brand focused more on Nigeria's interest which included the continuation of economic cooperation based mainly on trade with Great Britain. Nigeria's loyalty to Great Britain remained untouched because during the height of the Cold War between Western and the Eastern blocs lead by the U.S. and USSR respectively, China was associated with the Eastern bloc. As a result, Nigeria forming close ties with China would be considered a huge conflict of interest.

Formal diplomatic ties emerged when both nations signed the Joint Communiqué on the Establishment of Diplomatic Relations between the People's Republic of China and the Federal Republic of Nigeria in 1971 (Nigeriafirst, 2006), the year that both countries gained admission into the United Nations (Bukarambe, 2005). Both countries served as the voice for developing nations and shared very similar agendas. During this period, Nigeria's limited interaction with countries like China that were not aligned with Western ideology powered by democracy and as result only minimal relations was maintained. Also, democracy serving as the bedrock for Nigeria's government after independence was short lived with series of military coups and in turn discouraged further interactions from the international community and especially China. Also, since a country's political climate is a determinant for future activity, this period of instability in Nigeria made it very difficult and risky for countries in general to engage in business transactions and long term investment commitments.

In 1999 civilian government returned. Under the leadership of President Olusegun Obasanjo's closer diplomatic ties with the Chinese and transformed diplomatic objectives of Nigeria towards China took form. President Hu Jintao and Prime Minister Wen Jiabao of China both visited Nigeria, and Obasanjo went to Beijing twice during both tenure of

his administration (Utomi, 2008,). Both countries aligned their diplomatic objectives to intensify future relations. For China, the main diplomatic objective was to create an avenue for economic relations and prosperity and to counter Western dominance in the country and ultimately the region. Nigeria-China diplomatic relations should not necessarily be termed as give or take relation but rather as mutual interactions. The greater reliance on each country's dependence of the other is made visible with the resources both countries need from each other. Also, meeting the challenges of eradicating poverty in the twenty-first century and promoting economic development is one deeply shared by both countries. This cooperation and partnerships can thus reap possible future benefits.

2.4.2. Economic

Since the existence of documented relations between Nigeria and China, economic objectives have always stood in the fore front of relations and the phenomenon still holds true today. With both countries having their individual objectives of developing economically, different strategies are being used to attain such goals. Economic development according to the World Bank (2010) is defined as the qualitative change and restructuring in a country's economy in connection with technological and social progress.

For Nigeria, the desire to boost economic developments through bilateral agreements such as increasing Foreign Direct Investment, Trade, infrastructure development and human capital are all in an effort to reduce poverty, has been on the agenda for years and yet unsuccessful. In this regard like the Zimbabwean president,

Nigerian leaders are now looking to the East rather than the West to fulfill these objectives. With as little preconditions as possible and the policy of non-interference, Nigeria has made China in this regard a perfect candidate for the job. Another objective Nigeria has is to restore the almost non-existent middle class within the country. From other nation's successes and from Nigeria's economic success in the past, the middle class often considered the engine of the economy have always maintained the economic success of an economy and Nigeria's middle class must regain its presence once more within the country. Nigeria expects that with beneficial foreign relations and increased investment within the country, the avenue for job creation and reversing the high unemployment rate will be a desired by-product.

To further point out on China's economic objective, her intense economic growth over the last 10 years has produced a surging boom for fossil fuels, particularly oil (Chen, 2008). To further satisfy that appetite China has intensified partnerships with a number of oil producing countries in Africa. This strategy according to Chen (2008) is known as "high-profile oil diplomacy" by which the foreign activities with explicit involvement of the central government aims to secure foreign oil and gas resources or promote interstate oil and gas business cooperation instead of directly purchasing oil from the international market. Usually, firm-to-firm deals based on cost-benefit analysis is employed in such transactions and the direct involvement of governments is quite uncommon.

The fundamental objective of China's oil diplomacy is to gain more secure national control of overseas oil and gas supplies and diversify its import sources. With China's quest for oil as an underlying motive, its objective with resource-rich Nigeria should not be any different. Its relations with Nigeria whether termed mutual or not,

better enables Chinese government and private co operations access to the countries resources.

CHAPTER 3

THEORETICAL FRAMEWORK

The varying schools of thought in international relations (IR) have all been conversational pieces in determining how interactions among nations can best be categorized. With varying theories in international relations gaining momentum in the early twentieth century, it continues to dominate research into the twenty-first century. Often mentioned theories are divided into approaches namely, the mainstream approach and the critical approach. Realism and liberalism fall under the mainstream approaches and are often considered most common theories in international relations. Marxism and feminism are more associated with the critical approaches. In addition to understanding these theories, understanding what contributes to state survival and conception of statehood is vital. Although other IR theories exist, the use of realism as a tool to better understand Nigerian-Chinese relations takes precedence over other IR theories in this research. Also, a brief description of each theory is stated below.

3.1. Conception of Statehood

Understanding the varying foreign policies of developing nations, especially while using conceptions of statehood, has enabled researchers to grasp why states behave the way they do and what IR theory better explains their individual behaviors. To further

highlight the conceptions of statehood, it is based first on state sovereignty, territorial and governmental legitimacy, and recognition from the international community.

To begin with state sovereignty as it pertains to African States, Clapham (1996) defines sovereignty as the asserted right to act as the final arbiter of actions carried out within the territory which they control. In order for a state to achieve sovereignty, coercive and institutional establishment which acts as a glue is much need to facilitate the operation of a state. The institutional establishment must identify an individual or a group of individuals who deemed to represent the state at the highest level and also to carry out the actions of the state as a whole (Clapham, 1996).

For countries in Africa with special emphasis on the country Nigeria, replicating this particular description of a state has been a major challenge. With Nigeria being an ethnic mosaic with over 200 different ethnic groups, the practice of politics partitioned along ethnic lines has generated constant doubt from the institutional establishment. Although, Nigeria is considered a sovereign democracy with control of its internal affairs, the sometimes unspoken political climate which includes publically rigged elections has a series of doubt on the democratic process. This mistrust has prevented Nigeria as a country from fulfilling the above description a sovereign state.

The second attribute of statehood is territorial and governmental legitimacy. Leadership and legitimacy have varying interpretations over the course of human existence. "In terms of current Western domination of the international system, territorial legitimacy requires that the population or at least a great majority of it should voluntarily agree to live within the state concerned", (Clapham, 1996). This can be achieved through the collective idea of nation building which binds members of the population to one

another and also to the state they belong. This promotes a great sense of unity within the state. Also, the idea of leadership is the idea that government should have the right to act on behalf of its citizens, because they have chosen its leaders through some constitutional mechanism on which they are broadly agreed (Clapham, 1996).

In the case of Nigeria, territorial and governmental legitimacy has not been fully achieved like so many states in the international system. Since the start of the Biafra War with the eastern part of Nigeria's threat to secede from the country, lingering memory from this almost successful attempt and their burning desires has always made territorial legitimacy questionable. Also, with an earlier reference to the electoral process, Nigeria since democracy with free elections as the practice is known not to conduct fair elections on all levels. As a result, individuals elected to represent are being questioned by masses over their legitimacy as a government. This crippling problem in Nigeria has placed the country on the lower end of the statehood spectrum because Nigeria not being able to solve problem, jeopardizes its position on the international scene.

Although a state may be able to control its territory and in some cases achieve the loyalty of its population, it none the less needs the recognition in order to participate in international transactions, in which in the modern interdependent world, a large part of statehood consists (Clapham, 1996). For countries in which the previous attributes mentioned are almost non-existent, they heavily rely on international recognition and support which most times is what qualifies them as a state. For Nigeria, recognition and support from the international community is one that has been achieved and also the strongest among the attributes.

Like Nigeria, the constant thrive of each state attaining statehood is placed on a continuum. For states in the Sub-Sahara Africa, their mark on the continuum scale is far below those of developed nations. The further behind on the continuum scale, the less bargaining and negotiating power they are less likely to push their own agenda and interests unlike states on top of the continuum scale. The international structure shows states with more of these attributes, most notably developed nations, are considered the power broker and therefore more powerful states. Since this determines their place in the international system, their position on the continuum determines what defines their relationship with other countries and what IR theories best describes their relations. It is important to also understand that these criteria are yet to be met by all nations including developed nations

3.2. State Survival

Nigeria, having only few attributes of a state is considered fragile in the international system. For African states which are categorized as very fragile, their mode of ensuring state survival is rather unusual to developed nations partly because of unstable political environment and very low economic sustenance, which consequently jeopardizes the security of African rulers. For many states in Africa, the question arises as to whether survival was for the state or the ruler's. In most instances, many rulers seek to assure their personal survival by seeking the survival and indeed the strengthening of their states (Clapham, 1996). In other words, without the existence of the state, the ruler's ability to sustain power within the state will be threatened.

All these aspects have resulted in very distinctive ways of ensuring state control and ultimately survival (Clapham, 1996). Some distinct ways used was the creation of shadow states in which rulers used formal statehood as merely a facade, behind which to conduct what essentially became personal survival strategies (Clapham, 1996). All these aspects, whether self inflicting or not has been a source of discourse for over twenty years in deciding African nations role in international relations and the outside community. Another survival strategy often employed by African rulers is domestic transformation goals, normally expressed in terms of “development” and “nationhood” and external transformation goals, normally expressed in terms of “liberation” and either of African peoples from alien rule or African states from the domination of outside powers (Clapham, 1996). This rhetoric was employed throughout the continent to create a sense of unity and common purpose. Another more extreme strategy used was the authoritarian rule with the primary emphasis on force. This strategy often frowned upon by the international community was a way for some African rulers to deter possible threats and opposition internally. For some African leaders, this survival strategy was a success while for others, the force only furred further opposition groups.

Furthermore, to fully understand the reasons for these survival strategies, it is quite impossible to divorce Africa’s external relations from post-independence trajectories which according to critics were not entirely determined by the pre-colonial and colonial inheritance and the influence of the outside world but were by the actions of African rulers and peoples Clapham (1996). These widely held views have been the core for analyzing continental conditions on the environment and understanding all the above

components individually provides a clearer insight to fully conceptualize the theory of state survival in Africa.

3.3. Marxist Theory

To begin with the critical approach, they are useful for prompting reevaluation of commonly held views and beliefs, while offering alternative ways to understanding international relations (Pease, 2008). Pease (2008) views Marxism and feminism as critical reactions to the putative universality of realism and the ethnocentrism of liberalism. Like other theories or claims, Marxism resides on several assumptions. The first assumption is that global capitalism determines the position and behavior of actors in the international system. The second assumption is that the principal unit of analysis is economic class. The third assumption is that international relations are essentially conflictual because capitalism is based on exploitation. Lastly, economic not political or strategic factors are most important to understanding international affairs.

Furthermore, Marxism tends to emphasize the role of capitalism. In particular, focus is made on modes of production and class antagonism as the determining features of modernity (Burchill et al, 1996). It also tends to underestimate the impact of state, state-system, nationalism and war on the present order (Linklater, 1996). While Marxism has an interest in the emancipation of the species, it has been mainly concerned with overcoming alienating and exploitative relations of production and as a consequence, neglected other forms of alienation, exploitation and estrangement based on gender, race, nationalism and state sovereignty (Linklater, 1996). Although this theory can be practical, its global use is limited and not often used to explain relations among states.

3.4. Feminist Theory

Feminism as an IR theory focuses more on gender, specifically women and their possible influence in international relations rather than focusing on political or economic aspect. Within the feminist gender gap studies, there is an increasing realization that we can no longer understand or explain the varying, yet remarkable persistent inequality of women compared with men, without a global view of diverse geopolitical and economic conditions that have gender differentiated causes and consequences (True, 1996). Such inequalities can be attributed to the socially constructed roles of domestic responsibilities women still hold present and advancing from traditional role into a more public political role largely dominated by men is still making its way into international relations. In the world of international relations, feminist theorists argue that the exhibition of masculine characteristics by strategically rational male actors makes life and death decisions in the name of an abstract conception of national interest (True, 1996). It is interesting to note that this emerging theory has recently witnessed the inauguration of the International Feminist Journal of Politics and has also challenged the gendered foundation of IR, while simultaneously introducing issues and bringing new questions into a discipline in which women were largely absent (Harvey& Michael, 2002). Fully analyzing the theory brings about a basic limitation centered on insufficient cases. This is so because women have rarely occupied the role of state actors to make comparisons and judgments. Also, both Nigeria and China are yet to produce female state actors that will be able to influence relationship between the two counties.

3.5. Liberal Theory

The mainstream approaches of liberalism among IR scholars have been used to explain states behavior. The liberal theory takes a less conflictual and radical approach to international relations. With cooperation as the guiding principle, it assumes that states aspire for a peaceful world order. Also, peace being the normal state of affairs: in Immanuel Kant's words, peace can be perpetual (Burchill, 1996). It is thought that foreign policies based on moral principles are more efficient because they promote unity and cooperation among states rather than competition and conflict. According to liberalism, moral power is considered more effective over physical power because, in the place of force and coercion, it involves winning over the minds and alliances of people to accept principles that ought to govern them. (Plano, 1988).

Furthermore, these theorists believe the disease of war could be successfully treated with the twin medicines of democracy and free trade (Burchill, 1999). Liberal theorist's huge acceptance of the democracy peace theory which argues that nations with democracy as their foundation are less likely to resolve conflicts through force with each other only, but rather through diplomacy. Furthermore their desire to promote free trade will also be more likely and in accordance to fulfilling the ultimate aim of promoting collective progress and unity. Also, nations with democracy are more equipped to break the power of the ruling elites and curb their tendency for violence. Free trade and commerce, often involves breaking down artificial barriers between countries which in turn can create state interdependence and ultimately build lasting cooperation. Also, for some liberals like Schumpeter, war is considered the product of the aggressive instincts of authoritarian elite and minority rule (Dolye, 1986). The liberal theory has some

limitations over its practicability to analyzing the relationship between Nigeria and China. With the liberal theory advocating cooperation amongst states, it fails to emphasize that states are more prone to cooperating with each other when it does not jeopardize their national interest or their survival as a state. Also, less cooperation is likely between a democratic and non-democratic nation because ideological differences and as a result mistrust exist. With Nigeria and China, a democratic and non-democratic nation respectively, cooperation under the umbrella of economic benefits defines their relationship. This makes such benefits vital to their individual survival in the international system. As a result, it is not the preferred IR theory for this research.

3.6. Realist Theory

The realist school of thought, which is considered the most critical in IR, and one of the oldest and widely held theoretical approaches worldwide, will be used to analyze the relations between Nigeria and China. Basic realist ideas and assumptions are: (1) a pessimistic view of human nature; (2) a conviction that international relations are necessarily conflictual and that international conflicts are often resolved through wars; (3) a high regard for the values of national security and state survival and in pursuit of security, states strive to attain as many resources as possible; and (4) a skepticism that there can be progress in international arena that is comparable to that in domestic political life (Jackson & Sørensen, 2007).

Also, often referred to as the power politics or *realpolitik*, realism's central focus is the acquisition, maintenance, and exercise of power by states (Pease, 2008). Power often divided into "hard" and "soft" power varies depending on issue at hand. Hard

power is usually identified in term of tangible military capabilities and soft power stems from the influence that results from ideas, wealth, or political/economic innovation (Pease, 2008). Realism further embraces the idea that nations are self-interested and will place their interests in the forefront. Since states are comprised of conflicting interests, the out break of war is inevitable and result of uneven power distributions among states. This theory is considered the most practicable tool to analyzing Nigerian–Chinese relations. Based on recent activities, it is undeniable that their relationship is centered on their own economic growth and development. Nigeria looking to China as an alternative for her own economic growth and China looking to Nigeria for energy security, further promotes the realist’s idea that states act in their own interest to ensure that own survival.

3.7. Neo-Realist Theory

The very term neo-realism has often been a source of debate because many realists regard the ideas it conveys as nothing that would merit the prefix “neo”. Non the less, most observers disagree and feel that something did change with realism in response to the pluralist challenge and neo-realism is way of noting that change (Brown, 2001). According to Kenneth Waltz (1990) neo-realism departs from traditional realism in the following ways: Neo-realism produces a shift in causal relations, offers a different interpretation of power, and treats the unit level differently.

Beginning with the shift in causal relations, neo-realists’ reconcieves the causal link between interacting units and international relations. The theory shows that causes run not in one direction, from interacting units to outcomes produced, but rather in two directions which may produce opposite results (Waltz, 1990). Other than studying

interacting units as producing varying and sometimes conflicting causal relations, structural level of international politics has been embraced as a possible cause to some relations occurring on the international stage. Realism fails to recognize that structural conditions, which belong to the international systems, can impose themselves on all the units and which therefore ultimately determine the outcomes of the interactions between states (Burchill, 1996). Focusing on a comprehensive approach of both structural level and units level causes and excluding neither factor provides neorealist with a better explanation of possible causal relations among states.

In addition to causal relations, the interpretation of power provided by neo-realists has compelling differences with that of traditional realists. For many realists, the desire for power is innate and rooted in the nature of men which often arouses evil feelings and actions. On the contrary, neo-realism employs the idea that the struggle for power arises simply because people want them and not necessarily because of the evil in their desires (Waltz, 1990). In international relations, the strong desires of states seeking power for the purpose of deterring potential aggressor(s) and ensuring security is at the forefront of any country's foreign policy agenda. Both view points are compelling and quite logical because the desire for states to attain maximum power is universal (Morgenthau, 1972). Since relations among state actors does not fit a particular mold both are practical in the sphere of IR and is further determined by those asked to describe that particular behavior.

Lastly, the unit of level places lots of emphasis on how states interact. Neo-realists see states as like units; each state is like all other states in being an autonomous unit. States are made functionally similar by constraints of structure, with the principle differences among them defined according to capabilities; moreover, structures mediate

the outcomes that states produce (Waltz, 1990). This view embraces the idea that units function based on the structure of their states and the international system.

An important point to note is that neo-realism as a theory is not too disconnected from classical or traditional theory. Both theories support the ideas of states as self driven and always placing their individual interests over others. What varies between both theories is what factors are in play and implementation stage. With this research focusing on the economic and political aspect of Nigerian-China relations while centered on development and mutual benefits, analysis will be conducted to see if this relation exists, what arena it exists in and to what degree.

CHAPTER 4

CHINESE INVOLVEMENT IN NIGERIA

This chapter takes a more in-depth look at Nigeria-Chinese relations in the energy, infrastructure and education sectors. At the basis of this relationship, both countries are aiming to ensure their survival by striving for sustainable economic development and energy security, respectively. The realist school of thought will provide the theoretical foundation for analyzing the relationship between Nigeria and China.

4.1. Energy (Oil)

According to Oil and Gas Journal (OGJ), Nigeria had an estimated 36.2 billion barrels of proven oil reserves as of January 2009 and the majority of reserves are found along the country's Niger River Delta and offshore in the Bight of Benin, the Gulf of Guinea and the Bight of Bonny (Energy Information Administration, 2009). Before Nigeria's transition to democracy in 1999, Western firms heavily dominated the oil industry and the Chinese were termed as late comers. Though China has been seen as a late comer, with patience, political prowess, and technological contributions, Chinese firms are gaining a foothold in Nigeria's oil industry and elsewhere in the country (Hurst, 2008).

With China's strong desires to meet its oil consumption, Nigeria is initiating positive approaches to take advantage of its natural resources by maximizing the potential in the oil industry. These decisions will translate into seeking more benefits from the oil industry by increasing Nigeria's oil production capacity and seeking better investors willing to make tangible investments in Nigeria's economy. These desires led to specific actions taken by the Nigerian government to ensure the accomplishment of their agenda. In May of 2006, an oil bloc bidding round was held by the Nigerian government under the leadership of President Olusegun Obasanjo. A precondition set by the President signaled that only those companies who were prepared to make significant downstream or infrastructural investments in the country were allowed to take part in the bidding process. This decision by the government is in part a response to Nigeria's economic reality. With Nigeria's GDP real growth rate of 5 percent (World Factbook, 2010), this action simply illustrates that Nigeria is prioritizing her national interests like other countries. Nigeria's main focus is to prioritize her welfare regardless of foreign interests. This form of sales can be viewed as a survival strategy because Nigeria has to ensure that its available resources are not just ceded to investors with minimal return but used to its greatest benefit. Such benefits can be used to address national issues ranging from immense poverty with fifty-five percent of the total population living on less than a dollar a day to the high unemployment rate.

Also, using their resources as condition for those with strong desires for oil to develop other sectors is highly encouraged. The introduction of these forms of conditional sales, serves Nigeria's national interest. Consequently, her traditional role of bargaining from a position of subordination is reversed. By instituting conditional sales,

Nigeria is able to continue development of its oil sector while directing development in other sectors of the economy as well. According to the realist school of thought, relationships between states are determined by their levels of power often derived from their ability to strike good and beneficial bargains in among other things, the economic sector. Nigeria's current policy gives it more control and offers the opportunity to direct how the oil sector is developed.

The Nigerian authorities had to take such measures to control pace of development because any notion that the foreign countries operating in the oil sector will discharge their moral responsibilities of ensuring that they pay for the hidden cost of oil exploration has been unfounded. This is a confirmation of the realist notion "that the overriding interest of each state is its national security and survival". These nations are also self interested nations who are interested in paying the minimum cost for the oil and increase the economic value from the oil resources. Though past political problems in Nigeria have contributed to the fact that Nigeria has seen very little benefit from the oil sector, part of the issue is also due to the overly advantageous terms under which these companies have operated.

Also, Obasanjo a democratically elected president unlike past military regimes is held accountable by the people. An expectation of the government to fulfill its campaign promise by revitalizing the state of the economy has in turn placed pressure on the administration to yield positive results in economic development. The policy of conditional sales to control the oil sector is therefore one of the tools that the current democratic government is using to advance the many campaign promises.

It is obvious that western powers that have historically operated in the oil sector in Nigeria have done so under considerable favorable terms. Past experiments with unaccountable military regimes and one party state weakened the bargaining power of the Nigerian state and led to western powers paying very little money for lucrative oil blocks in Nigeria. However, policy changes that has come with the current democratic dispensation and also the competition Chinese firms give other western firms has given Nigeria another chance to fully direct oil exploration within the country.

Following the oil bid in 2006, the China National Petroleum Corporation (CNPC) scooped up four blocs out of 19 blocs offered. Two oil production licenses (OPLs) (471 and 298) in the Niger Delta, and two OPLs (732 and 721) in the Chad basin. In return, CNPC promised to invest \$2 billion in Kaduna's struggling refinery (Wong, 2009). This is an unprecedented development in the oil industry as the traditional western oil partners have not been known to invest this much in Nigerian own infrastructures in exchange for their oil interests. The Chinese investment in the Kaduna refinery will ensure that Nigeria is able to refine enough oil for local consumption and also for export. Nigeria stands to gain more from exporting refined petroleum products instead of just selling raw crude oil. This investment in the Kaduna refinery will also produce much needed jobs for the many Nigerian citizens who have no jobs.

The four blocks of oil is also a strategic move for the Chinese as it reflect their growing national interests. Although, this oil bid was based on conditions, acquiring it at all cost was essential in promoting the Asian Giant's agenda. China's strong desire of securing energy resources is fueled by its increasing growth rate. Also, in line with their agenda is to ensure they increase their foothold in Nigeria as well as in other oil rich

countries in Africa like Angola and Sudan. Already, the Chinese are making overtures to the Ghana government to secure an interest in the newly discovered commercial oil deposit in Ghana. Apart from ensuring energy security for the Chinese to guarantee their continued growth, their global importance also increases as they extend their political and economic influence on the continent of Africa.

The practice between Nigeria and China under the former President Obasanjo named ‘Oil for Infrastructure’ has raised eyebrows by the current administration under President Yar’Adua after taking office in mid 2007. The issue of the Chinese corporations either showing slow progress on several infrastructure projects or not fulfilling agreement by not starting on projects has been a major criticism by observers within the country. Two weeks before the end of Obasanjo’s administration in May 2007, another bidding round was held with forty-five blocs on offer with 24 pre-assigned to 12 companies. The China National Offshore Oil Corporation (CNOOC) was one of the 12 companies, given right of first refusal (RFR) on four blocs. This deal was in return for a \$2.5 billion loan from China’s Export-Import (Exim) Bank for the rehabilitation of the Lagos–Kano railway and the construction of a long-dreamed-of hydro-electric power station at Mambilla (Mthembu-Salter, 2009).

Since in many ways the oil and gas industries are not only a profitable sector but also serving as the bread basket for the country; this heavy dependence on one particular sector has forced Nigerian officials to strike more lucrative deals from foreign investors especially from China to ensure their own survival and viability. This has translated into an increasing number of foreign actors involved and in turn is creating an environment filled with rivalry over very limited sources. Relative growth in the world economy in the

last 20 years as a result of increased globalization has enhanced the competition of oil resources in Nigeria. China has seen enormous growth during this time period as it has reformed its economic sector to position the country as one of the world's biggest exporters. The Chinese therefore have a lot of money and resources to spend to sustain such economic changes. This should be seen as an opportunity for Nigeria to realize its Seven Point Agenda. Competition will drive up prices and help Nigeria strike good deals within the oil sector. China being the "New Kid on the Block" in terms of oil hunt will be seen as more beneficial for the countries oil industry.

The Financial Times(FT) reported last year that CNOOC, a Chinese state-owned energy group, proposed buying 6bn barrels of reserves, or one-sixth of Nigeria's total, for what people familiar with the matter said could be up to \$50bn² . And also, ExxonMobil offered to \$78m to renew their forty year leases that are due soon to expire: the Nigerian Government is demanding \$2.5 billion instead. This seemingly huge offer by the CNOOC worth \$50bn is very alluring and undeniable irresistible to the Nigerian government officials. However, with Nigerian officials undergoing a very deliberative stance by not accepting the offer, it is important to note that it gives Nigeria an upper hand. Expanding a bit more on Nigeria having a more negotiating power, her instant refusal of ExxonMobil's offer of \$78m has further boosted Nigeria's negotiating power. First, Nigerian officials are aware of the billions of dollars invested over the past forty years within the country which are mainly on production means it will even be more difficult for ExxonMobil to discontinue. Second, the knowledge of foreign investors like Chinese cooperation readily awaiting an opportunity to invest in the oil sector is more of

² Financial Times Report, Nigeria Planning 2bn Oil Reserve Auction, accessed March, 2, 2010

a reason for government officials to make careful decisions by reaching more appealing deals.

All these transactions conducted by the Nigerian government in the oil sector were in an attempt to set two key objectives for growth in the oil sector which were to raise reserves to 40 billion barrels and to raise production capacity from the existing 2.5 million barrels per day (mbpd) to 4 mbpd, both by 2010 (EIU, 2007). This goal so far has been unattainable partly due to Nigerian oil sector perpetual suffering from under investment despite resource endowment. Also, the disruption of oil production due to crises in Niger Delta and Nigerian National Petroleum Corporation's (NNPC) inability to pay its share of investment funding in exploration and development under the terms of the Joint Ventures (JVs) has forced the government to seek after willing and interested investors like China. This above reasons for Nigeria's desire to advance the oil industry plays a major part in implanting its Seven Point Agenda which is ultimately aimed at poverty reduction. This makes it the more important that Nigeria capitalizes on the current competition in oil resources to further develop the oil sector.

Although, Foreign Direct Investment from China is important in improving economic conditions in Nigeria, one can call to question China's notorious problems with regards to environmental standards unlike Western firms that are well known for adhering to relatively strict environmental standard. Nigerians however will have to weigh the relative importance of strict environmental standards that will ensure a clean environment for long term growth or the immediate satisfaction of economic needs like reduction in unemployment and accelerated infrastructure development. Based on Nigeria's current policy of actively engaging the Chinese in their quest for economic

growth, it seems that Nigerians are opting for the immediate satisfaction of economic needs over any long term environmental benefits. This position by the Nigerians does not deviate too much from the realist school of thought which places strong emphasis on national interests. In fact other African nations have taken the same policy of putting economic development ahead of environmental standards when their basic economic well being is at stake. It is interesting to note that for the first time in 20 years, majority of American said that economy was more important than the environment.³ This change in the opinion of Americans was at the heels of expert predictions that America was at the brink of another great depression. Thus, just like the Americans, Nigeria is choosing to put it economic survival ahead of the environment at a time when the unemployment rate is through the roof and poverty rate is on the increase.

Also, frustrations from the government of Nigeria over Shells and Exxons' (African Confidential, 2008) hesitation to build new refineries, on grounds of cost, or to otherwise invest in job-creating projects outside their core business also created a growing sense that the International Oil Companies (IOCs) primarily run by the West came only to exploit Nigeria and gave little back in return (Mthembu-Salter, 2009). China on the other hand in 2006 embarked on multiple projects like having a 51% stake in rehabilitating the Kaduna's oil refinery which had very minimum functions due to poor maintenance. In addition to this, a number of exploration contracts have been in exchange of their financial commitment. This very strategic move made by the Asian Giant not only shows their level of commitment but also the urgent desire to gain a strong hold in Nigeria's oil sector. Overall, the partnership with Asian national oil companies (ANOC)

³ 2008 Gallup poll on the importance of the environment and the economy

like Chinese corporations can now yield plausible benefits that Nigeria failed to get from IOCs. Table 5 gives an account of Chinese ventures in within Nigeria's oil sector from 2004-2007.

Table 5: Nigeria–China oil projects, 2004–07

Project	Year	Sub-sector	Financiers or sponsors	Project cost (\$millions)	Chinese financing commitment (\$ millions)
Exploration contract for blocs 64 and 66 in the Chad basin	2004	Exploration	Sinopec	2 270	Unconfirmed
29% stake and operating rights to bloc 2, Nigeria–São Tomé Joint Development Zone	2006	Exploration	Sinopec	-	-
45% interest in offshore exploitation licence, OML130	2006	Exploration	CNOOC	2 268	2 692
35% working interest in OPL 229	2006	Exploration	CNOOC	-	60
51% stake in Kaduna refinery and rehabilitation	2006	Refinery	CNPC	-	2 000
Licences for OPL 471, 721, 732, 298	2006	Exploration	CNPC	16	Unconfirmed
Provide seismic exploration service	2006	Exploration	Sinopec	-	10
Exploration of solid minerals in Zamfara and oil in Sokoto basin	2007	Exploration	Zhonghao Overseas Construction Engineering Company	300	300

Source: Elephants, Ants and Super powers: Nigeria's Relation with China, 2009 *South African Institute of International Affairs*

4.2. Infrastructure

The role of infrastructure necessary for both industrial and technological advancement in Nigeria cannot be over-emphasized. Because of political turmoil and neglect, infrastructure such as highway, railways, hydroelectric power and buildings are dysfunctional and in order for Nigeria to attain its development goals, the facilities must regain full functionality to meet the standard for yielding maximum productivity and efficiency. For a number of years, Nigeria has been on the quest to improve her infrastructure sector, but has always fallen short of that goal because of low internally generated funds and low foreign direct investments.

In the transportation industry, road networks are limited and in poor condition, with only 31 percent of them paved (Nigeria Project Agenda, 2007), which in turn denies access to rural areas where most agricultural goods are produced. This disparity automatically slows the process of moving goods and services to economic centers.

In an attempt to address the rail way sector which once functioned effectively, the government of Nigeria has embarked on a Railway Recovery Program. A major landmark in this program was the signing of a \$8.3 billion agreement contract with the Chinese government which included two trenches; the main contract covering the first rail that would connect the nation's economic capital Lagos (south) to the largest commercial city in the Kano (north), while the second would link Port-Harcourt (south) and Jos (central) and another would link all the 36 states' capitals in Nigeria (Nigeria Project Agenda, 2007) which would be concluded in five years by a Chinese firm. Nigeria often referred to as the "Giant of Africa" is barely living up to that expectation when accessing her economic performance using economic indicators such as GDP per

capita and unemployment rate. Nigeria's effort to reach an agreement with a Chinese firm on this massive railway project is in her national interest. The connection of these major cities is a remedy for Nigeria to strengthen its stance on the continent and internationally because, the functioning of the railway system facilitates the easy transportation of goods within the country. Also, the existence of this complex railway network will serve as a model for other African nations while simultaneously propelling Nigeria into an economically viable nation/power.

A major concern that arises from these contracts is Nigeria's corruption legacy. With Nigeria currently scoring a low rank of 2.5 of 10 and ranked 130 out of 180 in the global perception of corruption index, going through institutions like the World Bank to secure infrastructure funding take years and such funds come with many stipulations. These conditions set by the World Bank and other western financial institutions are aimed at reducing corruption and ensure increased level of accountability and transparency within the country. These conditionalities can be very onerous and they often limit the amount of money that is given or limit the pace at which projects to be funded by the money are built. It must be noted that often times the conditions stipulated by the World Bank are fashioned after Western ideals without necessarily looking at the Nigerian political and social context. Nigeria is a multi ethnic, multi linguistic and multi religious country and the politics of who get what, when and how, have historically been complicated by colonial divide and rule tactics. Thus, western notions of merit as oppose to ensuring regional and ethnic balance in the allocation resources and contracts cannot work effectively in Nigeria. Using regional and ethnic balance in the allocation resources

and government contracts in Nigeria ensures that all the various interests within the society are kept happy.

The Chinese on the other hand do not impose such stipulations and so it is only natural the Nigerians are gravitating towards them as a strategic infrastructure investment partner. Although Western observers charge that free and unconditional Chinese money fuels corruption all throughout Africa, these monies provide ready and available money to reforming countries like Nigeria. For the Chinese, this is their golden opportunity to get a foothold in Africa. Chinese investment money has been flowing to African countries like Angola, Sudan, Ghana and Guinea to build much needed infrastructure for these countries. In exchange, the Chinese have been granted access to lucrative oil deals, fertile agricultural lands and investment in the emerging technology market in Africa. Chinese presence in Africa further enhances their position as a global leader in world affairs.

Nigeria's ability to strike such lucrative deals with Chinese corporations has created quite a stir on the side of western observers like the United States. Apart from the concern about corrupt practices, China is considered an economic threat to the United States. For several decades, the U.S. has been Nigeria's major economic partner and within the past decade, Nigeria has started to explore other options with Asian countries more notably China. This sudden switch of interest on the part of Nigeria is reflective of her strong desires to find other means to improve her economy, which is leading to several economic agreements between Nigeria and China.

The largest Chinese construction company in Nigeria, which also holds the status of the second largest foreign construction firm of any origin is China Civil Engineering

Construction Corporation (CCECC) (Adeyemo, 2009) had one of its first Nigerian projects of \$4.8 million to rehabilitate the 71 kilometer Papalanto-Lagos expressway in 2000-01; then followed by a more substantial contract of \$50.5 million, 5000 unit athletes' village for the eight annual All-African Games in Abuja completed on August 2003. CCECC also rehabilitated the Ikot Akpaden–Okoroette road in 2003–04 for \$5.7 million; built a new \$16.7 million corporate headquarters for the Nigerian Communications Commission in Abuja in 2003–05; and is the main construction company at the Lekki Free Trade Zone near Lagos (Mthembu-Salter, 2009).

Another prominent Chinese construction company active in Nigeria is the China Geo-Engineering Corporation (CGC), which has been present in the country since the 1980s, when it started off digging boreholes to increase Nigerian's fresh water access (Mthembu-Salter, 2009). It has been involved in numerous projects, including rehabilitation of Kebbi Airport, revitalizing a major water supply project in Gombe, reconstructing the road from Kano to Maduguri and many other smaller routes, and the construction of the Sabke Dam (CGC, 2009). Like CCECC, CGC's main selling point in Nigeria is its price in terms of affordability, but the company has aspirations to raise its quality and service provision levels so that it can compete on level terms with Germany's Julius Berger, the most powerful construction company in Nigeria, (CGC representative, 2009).

Another development crisis that has affected Nigeria is rooted in its volatile power supply which is the key mover in economic advancement. There is hardly any aspect of human development that does not require the use of energy, be it natural gas, coal, crude oil or solar energy; all of which are abundant in Nigeria. The fact that a

country is rich with such resources does not necessarily translate into maximum efficiency. To help combat this problem, Nigeria in 2007, awarded a contract to China's Gezhouba Group Corporation (CGGC) to build Mambilla plateau hydropower station in Nigeria worth US \$1.46 bn, with the capacity to generate 2600 Megawatt (Mw). This project will make it the largest hydroelectric power station Chinese companies have ever built in Africa (Chinese Ministry of Commerce, 2007).

The above infrastructural projects underway in Nigeria are only reflective on Nigeria's commitment to improve the current state of its infrastructure within the country. Nigerian officials are aware that a great infrastructure system is imperative to its economic prosperity. Also, simultaneously embarking on these various projects is in Nigeria's interest, because Nigeria's status as a regional power is increasingly being threatened by other West African countries such as Ghana and Senegal where officials are embarking on sweeping reforms in all sectors of the economy. Thus, if Nigeria wants to remain the strong regional power in West Africa, it is incumbent on the authorities to keep pace with development and possibly surpass the momentum of development within the West African region.

In fact, apart from economic power, Nigeria needs the Chinese to be able to maintain its soft and hard power within the continent of Africa. As "The Giant of Africa", Nigeria has been at the forefront of diplomacy and exercise of military power throughout the continent of Africa. Nigerian troops have been at the forefront of peacekeeping activities throughout Africa with Sudan, Liberia, Congo and Somalia being some of the notable conflicts Nigerian troops have been involved in. At the diplomatic front, Nigeria has been seen as a 'big brother' figure helping get countries on the table to sign various

protocols aimed at solidifying the Economic Community of West African States (ECOWAS) and the African Union (AU). At the height of the political and military crisis in Liberia in 2003, Nigeria helped negotiated the end of the stalemate with the sitting president Charles Taylor agreeing to relinquish power. If Nigeria wants to maintain such influence on the continent of Africa, then it is important that it strengthen its infrastructure and economic development. Chinese investments offer a quick and reliable route to maintain development in the appropriate sectors of the economy.

Furthermore, the development of infrastructure in areas like the Niger Delta, notably known for the disruption of oil activities by The Movement for the Emancipation of the Niger Delta (MEND), is needed to end the crises in the region. The long and lasting crisis in the Niger Delta which stems from underdevelopment and high unemployment in the region and exacerbated by perceived lack of communal benefits from the extensive oil resources continue to cast a snare on the image of Nigeria. Chinese investments in infrastructure and oil sector which are fast paced and enormous continue to offer the best hope to the Nigerian authorities in solving the numerous intractable problems in the Niger Delta and throughout the country.

4.3. Education

Education as the prerequisites for developing human capital is the modern day engine that drives ingenuity and innovation within countries experiencing great economic successes. Nigeria's educational system has witnessed a catalogue of changes in policies and programs (Aluede, 2000). Some of the changes have appeared to a number of people desirable, while one continues to wonder, why some of the other changes were ever

initiated. Many of the changes in educational policies in Nigeria have been described as the product of confusion and it was expected that educational reforms or re-organization would be carried out to enable Nigeria's education cater for the future human resources (Ayeni, 2000).

The current policy of the Nigerian government is centered on the 10 year strategy plan by the Federal Ministry of Education. According to the Nigerian Project Agenda, this comprehensive reform system targeting the three tier education is intended to overhaul the entire education sector and to promote quality education for life –skills acquisition, job creation and poverty eradication. The current primary net enrolment is about 61 percent and 7-8 million children are currently still out of school while an estimated 35 percent of the relevant age group attends junior secondary schools (Nigerian Project Agenda, 2007). These saddening statistics are resonates in the minds of Nigeria leaders, and as a result, steps are taken to seek possible solutions.

Most of this reform is centered on improving the structural aspects of this process. Reports indicate that Nigeria and Chinese governments signed N107.4 million contracts agreement for the construction of four rural primaries schools benefiting communities in Katsina, Kaduna and Ogun States as well as the Federal Capital Territory (FCT) (Ochayi, 2009). Nigeria's Minister of Education, Hajiya Aishatu Dukku further states that “this particular assistance is unique and significant because it arises from the forum of China-African Cooperation (FOCAC) where the Chinese President, Mr. Hu Jintao, magnanimously approved the construction of hundred rural primary schools in different African countries with four being allocated to Nigeria, the highest a single country received in Africa.”(Ochayi, 2009). Also, China and Nigeria have signed an agreement

on cultural cooperation and a protocol on cooperation between institutions of higher learning of the two countries. China began to provide scholarship for Nigerian students to study in China in 1993. From 2002 to 2003, there were 24 Nigerian students studying in China (Chinese Embassy in Nigeria, 2004).

Such cultural exchange programs stress the idea that properly educating Nigerian youths are the catalysts for economic prosperity. Nigerian officials understand that collaborating with China's education system, which is well known for its educational rigor, will help Nigeria to improve her education sector. A country with over half of the population being university graduates promotes innovation and ingenuity that will strengthen the country's human capital. Although, Nigeria is culturally rich, exposing students to non-African cultures enables students gain insight into the historical cultural makeup of China. These will improve their overall communication skills with individuals from very diverse backgrounds; consequently eliminating racial and ethnic stereotypes.

In addition to cultural enrichment, these exchange programs further enriches Nigeria's academic programs. With no single Nigerian university listed among the top 500 universities in the world in 2009 (Academic Ranking of World Universities, 2009), Nigerian universities partnering with Chinese universities will enable the expansion of the scope and variety of educational offerings available to its students at minimal additional cost to both the institution and the student. Also, Nigerian universities can combine departmental strengths to develop programs which allow students to expand the depth and breadth of their education by taking courses at two different institutions. This is an opportunity for students to maximize their education and prepare themselves to function in a more culturally diverse society. China seems to be doing something good

within their educational sector because within a very short period, they have been able to provide cheap, reliable and qualified labor to the many foreign manufacturing companies operating with the country. It is not surprising therefore that many countries including Nigeria's traditional western development partners like the United States and Britain are increasing their own educational ties with China. Nigeria therefore stands to reap enormous benefits with its increased investment partnership with China.

CHAPTER 5

CONCLUSION

Enormous evidence shows that Chinese presence on the African continent, especially in the country of Nigeria, is fuelled by its increasing growth rate and has produced some economic benefits. With Nigeria focusing on its ultimate goal of poverty reduction by 2020, some investments made by the Asian Giant in the country are increasing the likelihood for Nigeria to achieve that goal. Nigeria's partnerships with Chinese firms under the umbrella of mutual interest, has created a more appealing alternative than the usual ventures taken with western corporations. In addition to Nigeria acting in its own interests, like other nations, Nigeria must also ensure its survival in the international community of states.

Also, Chinese investors mainly deal with the government and not the private sector. In the words of a Chinese construction official (2009), "*We only work with the government. It's not exactly policy; it's just that there are no really good opportunities to work with the private sector. Despite all the problems since the new administration came in, the government is still more reliable than the private sector*"⁴. This quote speaks truth to the weakness of the private sector in Nigeria which is overshadowed by the government. Unlike Western countries like the US with the thriving private sector being

⁴ This is derived from an interview with a Chinese construction official in 2009

the engine of the economy, Nigerian citizens have often looked to government as the answer to their problems. Topped with political instability, this has continuously discouraged ingenuity and innovation within the economy. In addition, the Nigerian government has failed to provide incentives to the private sector, which in turn creates a monopolized system within the country.

In spite of the enormous benefit Nigeria stands to gain with its continued association with China, there are also some very important concerns that need to be addressed. Although most of these concerns have been expressed by western governments and interests who stand to lose as Chinese investments expand in Africa, most of these concerns are well founded issues. It is in the interest of the Nigerian authorities to take such concerns seriously and find appropriate measures that will minimize the negative effects of such concern without discouraging Chinese investments. Below is a discussion of some of the concerns that have been associated with the Chinese presence in Africa. The discussion will end with some recommendations as to how to Nigeria can maximize the benefits of their relationship with the Chinese.

First area of concern is the Chinese import of its labor force rather than employing equally qualified Nigerians. It is natural for foreign investors to have an increased chance of hiring their own nationals. Since Chinese investors also operate under the umbrella of promoting self interest, not employing Nigerian personnel discourages a watchdog effort because Nigerian personnel are more likely to be whistleblowers rather than Chinese personnel. This seemingly positive factor has extreme negative effects on employment opportunities for the host country, in this case Nigeria. Since infrastructure building and repair is closely related to job creation, Nigerians not partaking in such money generating

projects will only lead to increasing unemployment. This will consequently jeopardize Nigeria's ultimate goal of reducing poverty and unemployment.

The second criticism against the Asian Giant is its human rights violation more notably poor work environment in Nigeria. Although it is important for the Nigerian government to support foreign investments within the country, the practice of ensuring workers are working in a safe work environment is not just essential to increasing productivity, but that is the proper thing to do. In 2007, Chinese investors who own and operate Oceanic Bakery in the country's capital of Abuja were arrested for the abuse of rights of Nigerians working in their bakery. As described by a reporter, "Nigerian workers were caged like animals near an oven in the bakery and were required, when thirsty, to beg their Chinese managers who would not let them out to drink water"⁵. This further highlights the inhumane conditions to which Nigerian workers were subjected. Unfortunately, this is not a rare practice but rather a common practice by foreign employers in major commercial cities in Nigeria.

The third criticism against the Chinese cooperation is the use of cheap and sub-standard materials to develop Nigeria's infrastructure. Major consequences for the use of such sub-standard materials are less durable infrastructures unable to withstand harsh weather conditions, premature repair works and more devastating, the collapse of infrastructure ultimately leading to loss of human lives. The reality of these happening is real because it is often a common occurrence in many developing nations.

These criticisms, although compelling can be seen as secondary, considering Nigeria's strong desire for promoting its own economic agenda. Nigeria, advancing

⁵ Quote from reporter covering story about poor work conditions in an Abuja bakery. (<http://allafrica.com/stories/200707050526.html>)

economically at all cost, is ready to temporarily ignore some of these criticisms to achieve its ultimate goal. With economic development as the leading item on the agenda, Nigeria's quest to position itself to attract investment is critical in improving its infrastructure and reducing its high unemployment rate. In spite of these shortcomings, the alternative to Chinese investments is western help which usually entails a very lengthy process, more scrutiny and less flexibility to Nigeria's situation. Ideally, Nigeria tackling of some of these problems is imperative for the country to maintain self sufficiency and growth. For example, Western countries such as the US can impose stricter regulations on Chinese investors because of its strong position globally and as a result has the power to negotiate and in some cases demand without serious negative consequences.

Also, contributing to Nigeria's dilemmas is the power supply industry. The National Electric Power Authority (NEPA) is responsible for the production of electricity throughout the country. This has not been the case because NEPA's constant underperformance has resulted in severe frustration among citizens. These levels of dissatisfaction have prompted Nigerian officials in advancing deals with some Chinese firms such as CGGC to improve the power industry. Since power is considered one of the major drivers of any economy, Nigeria's development of its power infrastructure is very vital to ensuring long term economic growth.

. While this argument holds some truth, ignoring the existence of such dysfunction does not improve the over all system. Some adjustment on the part of Nigeria can be implemented to ensure maximum benefits from their relationship with China and other potential future investors. As a result of this, some recommendations will be made for

possible implementation by the Nigerian government to better improve the overall benefits received.

- The Nigerian government must strive to eliminate the corruption that is tightly woven in the fabrics of politics.
- Although, Chinese interest in the oil sector is in exchanged for infrastructural projects, the Nigerian government should us profits from it oil resources to also develop its own economy and not rely solely on Chinese investments
- Also, a regulatory body composed of professional and not greedy politicians should be formed which will be charged to oversee infrastructural development promised by the Chinese government. This will ensure that the Chinese comply with safe building standards and codes.
- Furthermore, Nigeria must revitalize other sectors like the agricultural sector. This will reduce the heavy reliance on petroleum products as the major source of the country's revenue. It will also stimulate the creation of jobs.
- In addition, projects within Nigeria undertaken by Chinese corporations must require at least 60% of the labor force to be Nigerian nationals. This will eliminate Chinese importation of Chinese labors into Nigeria to do jobs that qualified Nigerian can do.
- Also, foreign investors willing to invest within Nigeria's economy must provide suitable working conditions for workers, with huge penalties for violators.

If these recommendations are adopted instantly, Nigeria will be on the path to not only achieving its ultimate goal but also attracting future potential investors into the country.

“Since the desire to attain a maximum of power is universal, all nations must always be afraid that their own miscalculations and the power increase of other nations might add up to an inferiority for themselves which they must at all costs try to avoid.”

-Morgenthau, J. Hans

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