

Annals of Spiru Haret University.

Economic Series Since 2000

ISSN:2393-1795 ISSN-L:2068-6900





Issue 1/2022

NIGERIA-CHINA BILATERAL RELATIONS: THE CURRENT CHALLENGES, 2015-2020

Oghuvbu EJIROGHENE AUGUSTINE

Department of Political Science and International Relations, College of Leadership Development Studies, Covenant University, Ota, Ogun State, Nigeria, Tel.: +2348031884727, Email: augustine4best@yahoo.com

How to cite: EJIROGHENE AUGUSTINE, O. (2022). "Nigeria-China Bilateral Relations: The Current Challenges, 2015-2020." *Annals of Spiru Haret University. Economic Series*, 22(1), 283-299, doi: https://doi.org/10.26458/2210

Abstract

The year 2020 marked the 50th anniversary of diplomatic relations between Nigeria and China. Despite the functioning of Sino-Nigerian bilateral relations, criticized every socio-economic **Nigerians** have resented and Concern was raised about the alleged disadvantages on Nigeria's fragile economy by the dumping of inferior Chinese industrial products in Nigeria. Some scholars claim that Nigeria's investment in China has less opportunities to survive due to the restrictions on employment and visa restrictions faced by many Nigerians to explore business opportunities in China. It is against this backdrop, this study examined the relationship between Nigeria and China, accessing their strategic relevance and the current challenges in their bilateral relations. The study also pinpoint into Sino-Nigeria relations during the novel corona virus. This work adopts the historical method of discuss and analysis in understanding the Nigeria-China bilateral relations from 2000 till the covid-19 era. In other to properly do this, this paper looks at primary and secondary sources such as books, newspaper reports, interviews, journal articles among others. The study adopted the Neoliberal Institutionalism theory to explain Sino-Nigeria bilateral relations. The findings from the study showed that the bilateral relations benefited China more in terms of trade, its unwillingness to assist Nigeria curb unemployment challenges and the failure to transfer technology to

Nigeria. Given that the relationship is lopsided, the study concludes that Nigeria's problems cannot be solved by China as the former must learn from China's hard way to industrialization.

Keywords: Covid-19; economic relations; strategic relevance, China, Nigeria.

JEL Classification: F50, F63

Introduction

Inter-governmental relations are often the most common practice in "international relations between nation states. Such relations politically enable countries to speak with one voice in international forums, form an alliance to waive aggression, amongst other issues; help countries to seize the opportunities available both in terms of human and material resources within their frontiers, promote trade and investment and provide support; promote their common cultural values" (Dauda, Idagu & Obiageli, 2018:95). The Nigerian-China diplomatic gates were opened for the government and the citizens of both countries in 1971 and the opportunities to access international relations and benefits of common humanity in a multilateral manner. While interactions between Nigeria and China date back half a century, on 10 February 1971 Nigeria and China formally concluded a diplomatic pact and its substance grew in leaps and bounds (Agyeno, 2021). China and Nigeria are demographically destined giants respectively in Asia and Africa. China is the world's most populous country with a population of over 1.4 billion. The world's biggest concentration of black people and the most populous in Africa is Nigeria, with about 200 million population (Adigbuo, 2019:923). Nigeria and China are blessed with huge mineral resources. Although, the two countries have no colonial link, Nigeria historically shares a great deal with China. Just as China was trampled upon by Western powers, in the 19th century, Nigeria is burdened with its colonial past. China was made a semi colony with unfair treaties so far as it had been forced to give up its sovereign claims on the outer borders of Mongolia in Burma, Korea, Vietnam, parts of Central Asia, and Siberia, the Ryukyu Islands. Also ceded to India, the Soviet Union, Vietnam, Burma and other States were substantial parts of Chinese territory (Adigbuo, 2019:924; Agyeno, 2021).

While China's Communist People agreed to give up its claims in many of these territories, there were nevertheless border wars between it and the Soviet Union, Vietnam and India. China's claims on certain islands, especially with Japan and its

Asian neighbors, continue to remain unresolved. China has changed over time into a communist ideology, but it must model its ideals according to the Western world view sometimes (Adigbuo, 2019:924). The survival was central to China, the Communist Chinese Patriarch Mao Zedong followed in the footsteps of Josef Stalin of Russia, with his loyal colleagues. Land belonged collectively and workers organized into communes. The proceeds used to create state-owned industries, while returning profits to further industrial investments, were extracted by Mao Zedong, through his centrist party state. After the patriarch's death in 1976, economic reforms were implemented (Ayoola, 2013: 98). Deng Xiaoping began economic reform and labeled "reform and opening" his strategy. Reform was meant to bring economic and administrative changes within the domestic realm, especially in freeing peasant communes from farming as well as the local industry itself. Foreign investment was attracted by liberalization in China (Ayoola, 2013:98). China was one of the world's biggest trade nations with the reform and as it became necessary, it must join the World Trade Organization, which sets the rules for world trade. Presently, China has displaced Japan and has the potential to overtake America, to occupy the status of the second largest economy in the world. However, this assumption is cloaked in watchful optimism. To date, China has recognized that its participation in the market economy is new and cannot be totally deregulated. It sees itself as a developing country; China's economy remains under governmental control and economic liberalization is underway (Adigbuo, 2019:22).

The Chinese financial system was sound and stable followed by agricultural reforms. While six special economic areas, including Shanghai, were initially established to attract foreign investment. Foreign policy in China is designed to reaffirm the domination of China in the world. To this end, the country accepts past humiliations as a chance to reinvent itself. China's foreign policy is an instrument for improving its economy (Raji & Ogunrinu, 2018: 124). In addition to re-claiming lost territory, the foreign policy objectives are also directed to reaffirming its historical global domination. The creativity of China inspires Nigerians to confront with courage and renewal of the challenges they face. The foreign policy drive of Nigeria, which is now called economic diplomacy, focuses on achieving the country's key economic interests. In this context, as well as political and other considerations, economic interests are raised in foreign policy priorities (Raji & Ogunrinu, 2018: 124; Adigbuo, 2019:924). Contrary to the laissez faire attitude of some regimes, the Nigerian diplomatic body uses economic

diplomacy to actively pursue the economic interests of the country. Nigeria's colonial experience and civil war show that the preservation of national sovereignty and territorial integrity is important to both countries (Raji & Ogunrinu, 2018: 124). It's on the above note this study will examine the historical background to Nigeria-China relations, strategic relevance and the current challenges faced by Nigeria and China in their bilateral relations. It also examines Sino-Nigeria relations during the Corona virus pandemic.

Historical Background to Nigeria-China Relations

The Chinese delegation, on the invitation of the Nigerian Government, took part in the independence celebration held in Nigeria during the first contact with China in 1960 (Ogunsanwo 2018, 7). The delegation conveyed a message of congratulations from Chinese leaders to Nigeria for the victory of Nigerians against colonialism. More than a decade after independence, in February 1971, Nigeria established diplomatic relations with China the same year the Communist People's Republic of China obtained the right of place in the United Nations Security Council. In each other's capital, the two countries opened embassies within the same vear. Since then, bilateral relations between China and Nigeria have developed quite slowly (Agyeno, 2021). The year 1971 also coincides with the expulsion of the nationalist government in Taiwan from the United Nations, which had previously occupied the UN Seat. With its continuing presence in the Security Council, China began to exercise the veto from 1971, participating effectively in UN agencies' deliberations such as the IMF and in special fields, such as the International Atomic Energy Agency (IAEA) (Pease 2010, 13). China's foreign policy has been centred on fostering relations with many countries, asserting its sovereignty over Taiwan and reprimanding any country that embraces diplomatic dealings with the later.

General Gowon visited China in 1972 shortly after the Nigerian civil war to seek for financial assistance in post-war programs for reconstruction where China supported Biafra (Pease 2010, 13). Other Nigerian Presidents also visited China for over 25 years without the Asian power reciprocating such visits. General Abacha also supported Chinese politics in Beijing following the crackdown on Tiananmen Square on Chinese political opposition, leading to China's international isolation in 1977. Li Peng, then Premier of China, also visited Nigeria in 1998 to boost China's renewed interest in Nigeria with a view to reverse China's trade decline (Reno 1999, 6). However, a deeper relation between Nigeria and China



began in President Obasanjo's second tenure (2003-2007). Chinese President Hu Jintao and Premier Wen Jinbao returned to Nigeria following a number of Obasanio visits to China in 2000 (Egbula & Zheng, 2011). Obasanjo's visit was to encourage Chinese manufacturers to come and invest in the Nigerian economy. The two countries concluded a bilateral agreement during their visit to the oil, gas and petrochemical industries of Nigeria, which culminated in active participation by Chinese firms in upstream and downstream economic arrangements. Indeed, in exchange for their compulsory investment in the petroleum and transportation sectors, in particular the exploration and construction of roads and railway lines (Davies, 2007). The 2006 round of the bidding block China was awarded four petroleum blocks and two licenses in exchange of China's \$2 billion investment commitment for the regeneration of Kaduna's Nigerian oil refinery to the Petroleum Commission (CNPC). The two countries China's National implemented the Oil-for-Infrastructure exchange program where China was contracted for \$5 billion in road and rail construction and collected crude oil equivalent to its cost (Davies, 2007).

In 2006, Nigeria and China also established a strategic partnership that permits free access to each other's markets for both countries' goods and services. The degree of corruption of the bidding process for oil and poor or failure to implement projects by many Chinese investors has led to the cancelation and replacement of the oil for infrastructure program with oil for cash policies, enabling China to pay the equivalent cash of oil imported from Nigeria, while petroleum infrastructure projects were carried out under a private public arrangement. Both companies jointly signed a \$23 billion contract with Sinosure and China Exim Bank, for the refurbishing of the three refineries in Nigeria and the construction of the crude oil refined fuel complex. 80 percent of the costs were provided by the CSCEC and 20 percent of the funding remaining was released by the NNPC. Nigeria was also helped by the Chinese company to build the 2007 NIGCOMSAT-1 satellite (Raji & Ogunrinu, 2018:130).

Under Late President Umar Musa Yar'Adua, who revised Nigeria and China's "oil for infrastructure" agreements leading to contracts being suspended as the Chatham House report revealed that Nigeria lost up to 6 billion dollars to failing oil agreements with China, because no follow-up mechanisms were established for the enforcement of contracts that resulted in partial implementation or the total abandonment (Adeniyi, 2011:136). In addition, the report of the Committee of Inquiry revealed that many of the oil blocks were awarded to Chinese bidder with a

strong connection with Nigeria's corridor but with little industry experience (Umejei, 2013). Whereas the Chinese demanded that Yar'Adua be offered an alternative \$50 billion in infrastructural development financing in Nigeria to sell a large amount of oil and gas assets estimated to contain six barrel of oil reserves, the government refused (Adeniyi, 2011:136). The China Petroleum and Chemical Corporation (SINOPEC) has also picked up, which was one of the largest oil manufacturers in West Africa with expanded offshore operations in Nigeria (Umejei, 2013).

Nigeria signed three loan agreements with China's Exim Bank during Goodluck Jonathan's administration. The agreement is 500 million dollars for Abuja Light Rail, 500 million dollars for the building of the country's four airport terminals and 100 million dollars for the expansion of Galaxy backbone network between government ministries in Nigeria (This Day Newspaper, 2010). Goodluck Jonathan's 2013 State visit to the People's Republic of China expressed interest in Chinese companies' investments worth over 25 billion dollars in Nigeria, including 20 billion dollars signed by the Energy Ministry of China and the Energy Ministry for the implementation of the agreement (This Day Newspaper, 2010). The Buhari administration signed the currency exchange agreement between Nigeria and China in which China also lends a loan of 6 billion dollars to Nigeria for infrastructure development projects and a loan in the amount of 1.5 billion dollars to infrastructure development in Nigeria, including expanding its four Lagos, Kano, Abuja and Port Harcourt airports (Onuah, Blanchard & Ohuocha, 2016; DMO, 2021). Indeed, the effort has reduced import costs from China to Nigeria and vice versa, thereby reducing the selling price for goods in both countries.

Nigeria-Sino Economic Relations

Trade between Nigeria and China increased at low levels, until fast growth made China the world's second biggest crude oil importer in 1993 (Utomi, 2007). The volume of trade between the two countries has increased by almost 300% from 2004 to \$7.2 billion in 2008. Trade between the two countries amounted to 7.3 billion dollars in 2009 and 7.7 billion dollars in 2010 respectively. With this level of trade, after South Africa, Nigeria is now Africa's second largest China trading partner (Ayoola, 2013:99). In Nigeria, the import of Chinese goods relative to Nigeria's exports to China resulted in trade deficits with China, with increased trade relations expected to significantly increase until Nigeria can offer

domestically-created alternatives at competitive prices to its industrial producers (Utomi, 2007).

However, China has pursued a strategic approach by initiating the China-African cooperation in Beijing from 10-12 October 2000 to strengthen its interest in Nigeria and other African countries. The forum was designed by China to provide its 'African friends' with a formidable platform to form a new strategic development partnership, which would, over the long term, speed up China-Africa collaboration in the 21st Century (Ayoola, 2013:99). Besides the first Beijing 2000 Forum, other forums were held in Addis Ababa in 2003, Beijing in 2006, Cairo in 2009 and Johannesburg in 2015. It was on the Forum in 2015 that President Buhari witnessed that "China remains a strategic and reliable ally" with a desire to "change the direction of governance and its content, which includes managing national resources, with responsibility, transparency and governance results priority" Buhari (2015) cited in Adigbuo (2019:927). While China is ironically regarded as a 'dependable ally' by Nigerian President Buhari, China bases its economic relations on shrewd timeless principles. This is apparent in 1999 that President Jiang Zemin recalled the Chinese negotiators on accession to the World Trade Organization (WTO) to the core foreign policy principle of their country that was driven by interest (Lai, 2001: 245). China has undoubtedly helped it to achieve its economic ambitions through its political ingenuity. China is an exporter of finished production products to Nigeria in this economic exploit. Gu Xiaojie, Ambassador of China to Nigeria, declared proudly at a recent conference that 'Nigeria is China's leading engineering market, export number two, trading partner number three and a major African investment destination" (Akinterinwa, 2016)

In combination with little export, Nigeria exclusively imports more from China than from the U.S. and India. China imports from Nigeria only unprocessed agricultural commodities, such as cotton, wood and minerals. With over 200 Chinese companies operating in Nigeria, China has added mechanical, human, and investment capital to its list of Nigeria exports. Nigeria's Railway is almost entirely re-habilitated by the Chinese Civil Engineering Construction Corporation. Nigeria has a deep-water petrol field and has savvy projects and enviable inroads through the Chinese National Petroleum Company (CNPC) and the Chinese National Petroleum and Chemicals Corporation (CNPCC) (Adigbuo, 2019). In the Akpo oil field in Nigeria, the Chinese National Overseas Oil Company (CNOOC) won a stake of 45% in OPL 246 in Nigeria. In this transaction, the CNOOC is expected to earn 70% while the NNPC in Nigeria is 30%. CNPC was awarded a 4-oil block

license for OPL 471, 721 732 and 298, which would help in the rehabilitation of the Kaduna refinery, estimated at \$2 billion. In Nigeria, China also has interest in liquefied gas and some Nigerian crude oil have been signed by Petro China and other Chinese companies (Adigbuo, 2019:927). China's main focus in these efforts is to maintain its economic boom back home by expanding the market and by accessing raw materials. China does not just work in federal employment; Nigerian countries such as Lagos and Ogun, and business men such as Aliko Dangote do some projects together with China. The Lagos state Blue Rail Line has long been awarded to the Civil Engineering Construction Corporation of China-CCECC; it is also responsible for the modernization of the 1,215-kilometre rail line Lagos-Kano and the CECC Lagos-Badagry road expansion. Aliko Dangote signed a \$3.9 billion cement agreement in partnership with a Chinese company Sinoma. The aim is to help the Dangote Group increase its cement production in Africa to more than 50 million tons (Mbamalu, 2015).

In addition to its strength in the Nigerian economy, China's strategic initiatives have enhanced its stronghold so much that Asians are currently known to be "recolonizing" (Blair, 2007) as a scramble (Rice, 2011). Nigeria and China's bilateral economic ties increased by almost 300 percent since 2004 and by the balance of trade strongly in favour of China in 2015 to a tune of 14.94 billion dollars (Premium Times, 2016).

The Strategic Relevance of Nigeria-Chinese Relations

Nigeria-Sino bilateral relations have eight main objectives. These include the "guarantee to supply China with raw minerals and agricultural materials in return for increased exchange income for Nigeria, the creation of a market, in exchange for technical assistance and the lending of loans to both Chinese and Nigerian products, the acquisition of land for agricultural purposes and the provision of diplomatic support to China's international interests by Nigeria" (Ian 2006, 11). China's "responsibility for presenting a credible alternative to the Western model of development through foreign direct investment and teaching of the Chinese model of development, largely based on middle-class technologies for Nigeria, unhindered Chinese migration to Nigeria and vice versa, is another focus of China-Nigeria relations. Another key element of the China-Nigeria relationship is to provide optimal information about potential investment opportunities in both countries and how to use them through conferences, lectures and other forums" (Raji & Ogunrinu, 2018:131).

Nigeria's bilateral relations with China have overwhelming strategic relevance to both countries. China is currently the second largest economy in the world and has successfully brought about the lifting out of poverty of around 400 million Chinese (Ian 2006, 11). This success brought the attention of Nigeria and its huge population to learn lessons from China's social protection experiences to help bring about the lifting of some 80 million Nigerians out of poverty through its own poverty eradication programmes (Berhe & Hongwu, 2013: 215). Nigeria, which could support China's industrial growth, with her huge deposits of natural resources reserves in Africa. China is the world's most populous country with a global growth of an average of 10% each year, the fastest in the last three decades, and has made it a world leader. Its economy is now larger than Japan's, or combined EU countries. Nigeria was able to learn how China achieved this economic feat and then to replicate it in the country (Berhe & Hongwu, 2013: 216). Nigeria is Africa's most populous country, having huge reserves of petrol and gas, but China needs financial and technical assistance to foster value-added products that can increase the value of Nigeria's foreign exchanges in the international markets for these primary raw products. To propel its growing industries, China needs Nigeria's oil and gas, while Nigeria is the world's largest industrial product market in Africa, as China's imports are more than a third of its total trade with West Africa (Ian 2006, 11).

The growing policy of diversification from oil to gas and other energy alternatives by the US and Western countries which might impact Nigeria's oil sales to these countries has resulted in the need to diversify Nigeria's oil exports to China, whose larger potential for long-term support is due to the enormous increase in the number of people in Nigeria (Ian 2006, 11). The increasing China demand for Nigerian oil has made up for the slack in Nigerian oil demand by the US, as Chinese alone accounted for more than 40% of Nigeria's world oil demand in 2017, was also met by the increase in Chinese demand for petroleum from Nigeria (Raji & Ogunrinu, 2018:133). Enhancing Nigeria and China's economic cooperation is therefore, of great significance for Nigerian oil sales. Nigeria is also looking for favourable external markets for its goods and services, which China can provide with more than one billion population. While China is the de facto leader in the developing world, Nigeria is part of the continent of Africa, with China being the largest developing nation able to help in cash and kind (Ian 2006, 11; Raji & Ogunrinu, 2018:133). Despite the benefits inherent in Nigeria's bilateral relations with China and their strategic significance, the scale of Chinese activities in Nigeria brings anxiety, especially as regards its appetite for energy resources,

which are undermined by the poor environmental record at home. Chinese companies' fear of possible environmental degradation has raised environmental concerns among Nigerian consumers about the impact of Chinese investments on the safety of the country's environment (The Conversation, 2021). Thus, Chinese investment is seen as both a threat and potential for Nigeria.

Research Methodology

This work adopts the historical method of discuss and analysis in understanding the Nigeria-China bilateral relations from 2015 to the covid-19 era. In other to properly do this, this paper looks at primary and secondary sources such as books, newspaper reports, interviews, journal articles among others. It was discovered that the Nigeria-China relations has been an uneven relationship with one partner benefitting more, which is emphasized in Linklater (2007) when he opined that the international system has created a hegemon, that has tended to benefit more in the uneven capitalist market which has created losers and winners in the capitalist mode of production.

Theoretical Framework

Reno (1999) in her work views bilateral relations through customs and convenience, countries handle relations with individual foreign states, she went further to infer that state-to-state process as bilateral diplomacy. Therefore, on the basis of this, the work is based on the premise that in the discourse of international relations, cooperation amongst states has been the central topic from time immemorial, infact, the works on cooperation, sees actors mutually adjusting their behaviour in order to accommodate the actual or anticipated preferences of others in the pursuit of a common goal. In light of this, international cooperation can come into play when states follow a particular behaviour that is consistent with other states preferences so as to achieve their common objectives (Reno, 1999).

Thus, Neoliberal institutionalism addresses the issue of cooperation, even though they expect that states will often cooperate, they often do so in their own selfish interest. This is born as a result of the continuous interactions, which paves the way for reciprocated cooperation or non-cooperation. In lieu of this, Sino-Nigeria bilateral relations plays an important role in fostering reciprocity between both states, as long as the cooperation is sustained. In light of this Folker (2019) asserts that the central concern of neoliberalism centres on the achievement of cooperation among states especially when states adjust their behaviour to the actual

anticipated preferences. However, despite the objectives of liberal institutionalism, that sees states interaction with each other in the international system as reducing friction, it has favoured one state against the other and invariably created intensified exploitation of the dependent state. It is observed that the international system is a struggle between bourgeoisie and the proletariat has been the central focus of the capitalist society.

In light of the forgoing, Opusunju (2020) sees the relationship between Nigeria and China as beneficial because of the abundant Chinese raw materials, also, the relationship between both countries can be beneficial if one country can produce two goods at a lower absolute cost. No wonder Steven Jackson (2019) sees the Nigeria-China relationship as one of missed opportunity and rivalry, however the author concludes that the relationship happens to be changing, it however remains to be seen if the current momentum will be sustained. Igbokwe (2020) sees Nigeria as one of China's biggest market in Africa, he however raised the alarm because of the negative effects of China's influence on Nigeria especially in her energy sector. Therefore, Igbokwe (2020) concludes that rural development is sine qua non to sustainable national development.

The Current Challenges

Nigeria's relations with China have developed into one of the major bilateral relations of any country since diplomatic relations were established on 10 February 1971. In addition to high-level visits, Chinese companies and money found their way into Nigeria, the largest economy in Africa (The Conversation, 2021). It is imperative to note that the relationship between Nigeria and China is not without any challenges. Notwithstanding, several analysts has called for a re-examination of the relations between Nigeria and China, especially as China is seen as a scrambler, invader, and colonizer of the 21st century. This is because China's concern is only with the export of its manufactured products and less with the added value of the Nigerian primary products, which are exported as raw materials into China, China, railways, hydrocarbons, telecommunications, agriculture and roads invaded almost all Nigerian economic sectors in 2016 (Adigbuo, 2019). The floods of the market with cheap Chinese products have led to untold consequences for the weak industrial sector of Nigeria by local manufacturing companies. As Nigeria strives to produce low-tech products, such as textiles and detergents, Chinese products are in stifling competition (The Conversation, 2021).

One of the current challenges in Nigeria China relations is the negative impact of China's imports on Nigerian industries, in which the biggest casualty has been textiles. For example, an estimated 28,000 Nigerians lost their jobs to Chinese imports in Kano state alone, which is considered to be one of the main textile cities in northern Nigeria in 2015 (The Conversation, 2021). Furthermore, Chinese engage in illegal textiles trade in Kano which Nigerian laws forbids. In Nigeria, Chinese trade in textiles with Africa is an emotive problem. Many Nigerians have been blamed for Chinese cheap imports in recent decades for the decline in local textile mills (The Conversation, 2021). Chinese firms have been known to stifle local products by pushing non-standard goods to Nigeria. But part of China's strategy, an economic measure that Nigerian government invented, is a complete rejection of import substitution. Indeed, the inconsistent perception of import substitution between the two States is a worrying challenge (Adigbuo, 2019:928). Under this condition, Nigeria may explore the most appealing features of Chinese companies and encourage them to develop their manufacturing equipment in the country. The pursuit of industrialization in Nigeria leads to the concept of technology transfer. Technology transfer is the process by which science findings from scientific research are tailored to solve social needs, which is highly practiced by the less advanced nations like Nigeria. China is not a Santa Claus and is persuaded that its bases for relevance in the international system should be protected. China is only willing to launch Nigeria's orbit satellite after some payments have been made. Before then the Chinese scientists and the Asian monarch are not ready to disclose the modalities to Nigeria (Adigbuo, 2019:928; The Conversation, 2021).

Another current issue that is yet to be met is trade. Before opening its borders to foreigners, China took the road of isolation, like the United States. There is no doubt that Nigeria favours trade. But should Nigeria now participate in the general free trade move with developed economies? There is a need for protection if Nigeria needs to develop and its slender industry beginnings (Adigbuo, 2019:929; The Africa Report, 2020). The Nigerian market is flooded by an unprotected market with any kind of Chinese products including toothpicks, exercise books, domestic bulbs, textiles and cutleries. Unprotected trade has huge consequences (The Africa Report, 2020). Many Nigerians are unemployed, and social crimes about which China is worried are caused by unemployment. Although some argue that Chinese companies now operate in Nigeria, there were thousands of Chinese visitors in Nigeria who were not able to work in Nigeria. These Chinese visitors are protected by Chinese companies and are employed in Nigeria (Adigbuo, 2019:929). While Nigerians languish in prisons in China because of violations of

basic immigration laws; every Chinese is an expatriate in Nigeria who sometimes needs to be protected by the Nigerian Immigration Service (Adigbuo, 2019:929).

Foreign aid poses a further challenge, whether by grants, low-interest loans or other cultural achievements, such as teaching Chinese in Nigerian schools and awarding Nigerians scholarships to study in China. Underdeveloped countries, such as Nigeria, rely so heavily on capital flows that terminology is difficult to make; on the other hand, rich nations, such as China, are keen to make as "help" as possible their contacts with poor countries like Nigeria, even when it is simply a profitable enterprise that matters (Gold, et al., 2017: 1203). The patterns in which much of the Chinese "aid" or granting to bilateral programmes, instead of helping the Nigerian economy, has greatly enhanced Chinese exports. What is worrying is that Chinese "assistance" is passed through officials, like most western aids, that do not involve themselves directly in the running of the Nigerian economy (Gold, et al., 2017). There are numerous stories of corrupt tendencies among these government officials, making "aids" counterproductive. In fact, the flow of Chinese development projects that reach these undeveloped countries is dictated by politics instead of poverty and economic potential (Adigbuo, 2019:928).

The fourth problem is Chinese loans to Nigeria, which are often of concern to the public. These include those who believe they are unsustainable to those who say that they allow Nigerian assets to be acquired by China (The Conversation, 2021). This explains further on what the minister of transportation stated in August 2020: "We must learn to pay our debts and we are paying, and once you are paying, nobody will come and take any of your assets," he said. Which simply means that if Nigeria can't service debits given by China, Nigeria asserts can be taken over. This is a serious challenge facing the country. According to the Debt Management Office in 2021 "Nigeria's public debt was N32.9 trillion, or \$86.3 billion" respectively (Adebayo, 2020; DMO, 2021; Okpi, 2021).

Covid-19 and the Nigeria-China Relations

For Akinterinwa (2020) covid-19 genesis can be traced to a book publication in 1981, what it means is that the virus has been in existence since 2019. What this means is that the renaming of the virus cannot but be partly to underscore the novel character of the virus, as distinct from the old ones.

Nigeria -China relations in the covid-19 era raises controversial questions especially during the extended invitations of Chinese doctors to come to Nigeria to assist the anti-covid struggle because of its rating as the African country with the highest number of covid-19 infection. The Nigerian government requested for the

assistance of the Chinese doctors in order to combat the virus, which they responded favourably as a result of the years of trade and interactions between these countries. The Nigerian people however had mixed feeling about the involvement of China in Nigeria, reason being that the pandemic originated from China.

Going further, Onochie (2020), stressed on the attacks and discrimination of Nigerians in China. Citing Onunaiju (2020), asserts that the glaring cases of discrimination and assaults of Nigerians in China should not be dismissed. He however went further to state that the relationship between China- Nigeria was essential to be distracted by the exigencies and nuances of transitional rules in epidemic control. He however blamed such acts on the works of overzealous Chinese citizens who had no government consent to carry out such actions. In his conclusion, he reaffirmed the strong Nigeria-China bilateral relations which started since 1971 that has grown over the years, which now stands at its best, even during the covid-19 pandemic.

The Nigeria-China relations during the Covid-19 era became strained as a result of the treatment of Nigerians in China. The Nigeria government however debunked this claim and blamed it on stubborn Nigerians who refused to get tested or take the vaccine. However, Nigerians debunked that assertion on social media. The publicity between the Nigeria China relations became negative that the minister for foreign affairs, Mr Onyema Ogochukwu had to travel to China in order to quell the situation (Onochie, 2020).

The Covid-19 era also affected the business relationship between Nigeria and China. This is so because China is the business hub of Nigeria businessmen, however, the lockdown in China affected a lot of businesses especially in Nigeria. Infact, during my interaction with some Igbo spare parts dealers in Delta state, they complained as a result of their delayed goods due to the lockdown, coupled with hiked price in the products and commodities sent from China (Akintarinwa, 2020). However, the end of the lockdown and the opening of China's borders to guests have seen an increase in the relationship between China and other countries including Nigeria. However, a lot still has to be done with regards with the bilateral relations between Nigeria and China.

In all of the issues raised, there are areas of strength Nigeria can learn from China. The question of ideology is another area in which Nigeria can learn from China. As a means of social control, China has a strictly Confucian religion with a communist ideology. This has led Chinese people, whether China, Taiwan, Hong Kong, Singapore and Indonesia and Malaysia where the population of China is

rather insignificant, to work hard. For the so called "Giant of Africa" not to have a guiding ideology is a puzzle. In order to develop our industrial sector, China gives Nigeria a better template. China never compromised its expatriate quota for foreigners in joint ventures when it established economic industrial zones (Adigbuo, 2019:929). China has agreed to train and empower Chinese workers with those expatriates. China encouraged foreign firms not only to empower Chinese workers, but also to train people in Western higher education institutes; it improved the nation's economy in return. Nigerians' best brains are in other countries, and Nigeria is in tatters. China is unwilling to replicate it in Nigeria that forced foreign firms into the sphere of affirmative action. Some of the challenges at the moment are quasi-ethical and legal. However, the ethical values have never guided international politics. Nigeria can only make moral appeals to China; import replacements, technological transfers, compliance with Nigerian immigration laws, etc. while the Monarch in Asia is guided by his interests (Adigbuo, 2019:929).

Conclusion

The findings in this paper were that the diplomatic relations between Nigeria and China have been benefiting, but the relationship is more tilted towards China. The disparity in relations between the two countries increased Nigeria's dependence on China and undermined its economic security. China flooded Nigeria with its manufactured commodities. On the contrary, Nigeria is subject to the rents of crude oil and certain non-processed agricultural products exported to countries such as China. The relationship between Nigeria and China the major obstacles are the current challenges discussed in this study vis-à-vis the Covid-19 era. With China's disproportionate favour over Nigeria, the economic and trade gap between China and Nigeria is growing, the possibilities are remote, particularly in a globalized economy. As countries are developing alternative energy sources, Nigeria's distress is worsened technologically. Even as a reliable ally, China cannot address Nigeria's challenges, Nigeria must address issues such as corruption, insecurity, deteriorated infrastructure, capacity building, functional education and economic diversification. China cannot solve Nigeria's problems unless it wakes up to the occasion by confronting those challenges that have over the years affected its industrialisation.

References



- [1] Adebayo, T. (2020). As senate approves Buhari's \$22.7bn request, Nigeria could service Chinese loans till 2040. Retrieved from https://www.premiumtimesng.com/ news/380677-as-senate-approves-buharis-22-7bn-request-nigeria-could-service-chinese-loans-till-2040.html on the 10-06-2021.
- [2] Adeniyi, O. (2011). Power, politics and death: A front-row account of Nigeria under the late president Yar'Adua. Lagos, Nigeria: Kachifor Publishers Limited.
- [3] Adigbuo, E.R. (2019). Nigeria-China relations: The contemporary challenges. *The Journal of Social Sciences Research.* 5, 923-930.
- [4] Agyeno, O. (2021). Handshake across the ocean: 50 years of Nigeria-China relations. Retrieved from https://www.thecable.ng/handshake-across-the-ocean-50-years-of-nigeria-china-relations. On the 09-06-2021.
- [5] Akintarinwa, B.A. (2020). Nigeria: Covid 19 pandemic and Nigeria-China relations-Critical issues and China's International responsibility. This Day, (03) may. https://allafrica.com/stories/202005030067.html
- [6] Blair, D. (2007). Why China is trying to colonise Africa. The Telegraph 31 August 2007.
- [7] Dausa, S., Idagu, E.I. & Obiageli, N.L. (2018). Nigeria-China relations under President Muhammadu Buhari with particular reference to "financial aids." *International Journal of Current Aspects*. 2, 94-108.
- [8] Davies, P. (2007). China and the end of poverty in Africa towards mutual benefit? Diakonia, August. Alfaprint, Sundbyberg, Sweden.
- [9] DMO. (2021). Press Release Facts about Chinese loans to Nigeria. Retrieved from https://www.dmo.gov.ng/news-and-events/dmo-in-the-news/press-release-facts-about-chinese-loans-to-nigeria 08-06-2021.
- [10] Egbula, M. and Zheng, Q. (2011). China and Nigeria: A powerful south-south alliance. *West African Challenges*, No 5. Nov2011.
- [11] Gold, K.L., Rasiah, R., Kwek, K.T., Muhammad, M. & Agboola, Y.H. (2017). China's aid and oil-for-infrastructure in Nigeria: Resource-driven or development motive? *Contemporary Chinese Political Economy and Strategic Relations: An International Journal*. 3, 1197-1235.
- [12] Ian, T. (2006). China's Oil Diplomacy in Africa. London: Routledge.
- [13] Lai, H. H. (2001). Behind China's world trade organization agreement with the USA. *Third World Quarterly*, 22(2): 237-55.
- [14] Mbamalu, M. (2015). Dangote, Chinese firm. The Guardian, 27.
- [15] Ogunsanwo, Alaba.2008. China's Policy in Africa, 23-28. London: Cambridge University Press.
- [16] Okpi, A. (2021). How much money does Nigeria owe China? Retrieved from https://qz.com/africa/1994765/how-much-debt-does-nigeria-owe-china/ on the 10-06-2021.



Annals of Spiru Haret University.

Economic Series Since 2000

ISSN:2393-1795 ISSN-L:2068-6900





Issue 1/2022

- [17] Onochie, B.C (2020). Covid 19: Centre urges media to save Nigeria-China relationship. in Guardian Nigeria. https://guardian.ng/news/covid-19-centre-urges-media-to-save-nigeria-china-relationship/
- [18] Onuah, F., Blanchard, B. & Ohuocha, C. (2016). Nigeria: China offers \$6 billion loan for infrastructure. Retrieved from https://www.theafricareport.com/1642/nigeria-china-offers-6-billion-loan-for-infrastructure/ on the 08-06-2021.
- [19] Pease, K. (2010). "China in Africa: Curing the resource curse with infrastructure and modernization". Sustainable Development Law and Policy. 12(3). 35-41, 57-60.
- [20] Premium Times. (2016). Nigeria, a, China trade hits \$101 billion.
- [21] Raji, S.A. & Ogunrinu, A. (2018). Chinese investment and its implications for Nigeria's economic security. *Brazilian Journal of African Studies*. 3, 123-142.
- [22] Reno, W. 1999. "The descriptive political logic of weak states". In Warlord Politics and African States, edited by Edbong Moore 23-28. Lynne: Rienner publication.
- [23] Rice, X. (2011). China's Economic Invasion of Africa. The Guardian, 6.
- [24] The Africa Report. (2020). Nigeria and China: Understanding the imbalanced relationship. Retrieved from https://www.theafricareport.com/29060/nigeria-and-china-understanding-the-imbalanced-relationship/ on the 10-06-2021.
- [25] This Day Newspaper (Friday August 27, 2010). Federal government spends \$12 billion on power and rail problems.
- [26] Akinterinwa, B. T. (2016). Africa today's conference on Nigeria-China relations and implications for Nigeria's foreign policy concentricism. This Day May, 8.
- [27] Umejei, E. (2013). Why did China's infrastructure for resources deal fail in Nigeria? Retrieved from https://africanarguments.org/2013/09/why-did-chinas-infrastructure-for-resources-deal-fail-in-nigeria-by-emeka-umejei/ on the 08-06-2021.