Nigeria-China Economic Relations
Under the South-South Cooperation

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Abstract

The defining characteristic of the South-South solidarity is cooperation among the member countries of the South. The original vision was for member countries to promote trade as well as to demonstrate, through practical examples, how commercially viable projects can be implemented using the technology, experience and capital from the South. Regrettably, these dreams still remain unfulfilled. The experience gained by the developing countries after several years of bilateral interaction with the North underscores the idea that South-South trade should be symmetrical. However the most discernible pattern in the South-South relationship is still asymmetrical. A case in point is the Nigeria-China relations which appear to be in great disequilibrium and to China’s advantage.

As the bilateral relations have progressed from cultural linkages to intense economic penetration of the Nigerian economy, observers of Nigeria’s international relations have become highly conscious of the reciprocal need to transform this intensive relationship into a mutually constructive one, that is towards the promotion of a more symmetrical relationship. This article, using dependency approach, demonstrates that these disparities actually account for the sharp differences in the outcomes of the bilateral trade and the level of development in the two countries. It also draws some vital lessons not only for Nigeria but also

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for other sub-Saharan African countries to learn from China in terms of the approach to economic reforms and development experience.

The study seeks also to identify the crucial aspects of Nigeria-China bilateral interactions, assess the receptivity to the Chinese penetration of the Nigerian economy and the changing perspectives on the viability of the bilateral relations.

Résumé

La caractéristique qui définit la solidarité Sud-Sud est la coopération entre les pays membres du Sud. La vision originale était que les pays membres promeuvent le commerce, et démontrent par des exemples pratiques comment des projets commercialement viables peuvent être mis en œuvre en utilisant la technologie, l’expérience et les capitaux du Sud. Malheureusement, ces rêves ne se sont toujours pas réalisés. L’expérience acquise par les pays en développement, après plusieurs années d’interactions bilatérales avec le Nord, met en évidence l’idée que le commerce Sud-Sud doit être symétrique. Or, le modèle le plus perceptible dans les relations Sud-Sud est toujours asymétrique. A titre d’exemple, on peut citer les relations sino-nigérianes qui paraissent très déséquilibrées à l’avantage de la Chine. Alors que les relations bilatérales sont passées de liens culturels à une intense pénétration de l’économie nigériane, les observateurs des relations internationales du Nigeria ont pris pleinement conscience de la nécessité réciproque de transformer cette intense relation en une relation mutuellement constructive et axée davantage sur la symétrie. En utilisant l’approche de la dépendance, le présent article démontre que ces disparités expliquent effectivement les différences nettes des résultats des échanges bilatéraux et du niveau de développement des deux pays. Il tire aussi des leçons capitales de la Chine non seulement pour le Nigeria, mais aussi pour d’autres pays d’Afrique subsaharienne en termes d’approche des réformes économiques et d’expérience du développement.

L’étude cherche en outre à identifier les aspects essentiels des interactions bilatérales sino-nigérianes, à évaluer la réceptivité de l’économie nigériane à la pénétration chinoise, et les perspectives changeantes de la viabilité des relations bilatérales.

Background to the Study

Nigeria and China established formal diplomatic ties on 10 February 1971 with an understanding to abide by a set of five principles, namely mutual respect for each other’s sovereignty and territorial integrity, mutual non-ag-
gression, non-interference in each other’s internal affairs, sovereign equality, and peaceful co-existence (Musa 2007:6). Nigeria’s establishment of diplomatic ties with China was in furtherance of efforts to promote and strengthen the objectives of the South-South Cooperation which, among other things, aimed at promoting cooperation among countries of the Southern Hemisphere in a wide range of areas such as trade, investment, technical cooperation, industrialisation, energy, food and agriculture, and technology (Eze 1986:165).

The formal history of South-South Cooperation is tied up with the activities of the Non-Aligned Movement (NAM) which was established in 1945-55. The initial focus was neutrality from the Cold War politics between the Western and Eastern blocs (Onimode 1995:222; Ojo1981:28). The defining characteristic of the South-South solidarity is cooperation among the member countries of the South. The original vision was for member countries to promote trade as well as to demonstrate, through practical examples, how commercially viable projects can be implemented using the technology, experience and capital from the South (Obasanjo 2001:274).

Nigeria and China share a lot in common from ethnic diversities to rich endowment of mineral and human resources. China is the largest single market in the world with a population of 1.3 billion, while Nigeria is the largest single market in Africa with a population of 140 million. Unlike Nigeria, China has been able to harness its vast demographic, human and material resources to build a strong and virile domestic economy which has impacted positively on its citizenry (Agbu 1994:215).

In addition, Nigeria and China are burdened by destiny in their respective regions. In terms of population, one of every three Asians is Chinese, so also one in every four persons in Africa is a Nigerian. With a population of 1.3 billion, China is in fact the most populous nation in the world. Nigeria on the other hand, with a population of over 140 million people is the largest concentration of black people in the world. In terms of mineral resources China, like Nigeria, is well endowed (Oche et al. 2003:9).

These factors, among other things, predispose Nigeria and China to play prominent roles in the politics and security of their respective regions. They also constitute a common ground that should serve as a basis for nurturing close bilateral relations between the two countries, while fostering their collaboration in multilateral diplomacy on a wide range of issues of general international concern (Akinterinwa 1994:136) China, one the fastest growing economies in the world today, is gradually overwhelming the economies of Europe and the United States. It is also a strong technological nation with proven
expertise in iron ore, steel aluminium, petroleum, textiles, electronics, fertilisers, transport, toys, etc. The Chinese economic model, bolstered by the legendary visionary leadership of modern China, has assisted the once communist nation to become a global power (Xiang 1984:9). Nigeria, on the other hand, is yet to translate its enormous natural endowment and demographic strength into economic buoyancy (Akinjide 2005; Bello 2005) Nigeria’s image of China as well as China’s image of Nigeria played a prominent role in the initial effort to establish relationship between the two countries. A country’s image is an important factor in international relations and can contribute a great deal to the realisation of certain foreign policy goals (Udeala 2008:254). A state’s activities beyond its borders are motivated by its self-perception and image, and its perceived interests in relation to other states in the international system (Ogwu 1986:383). Nigerian leaders exposed during the colonial days to both western tutelage and propaganda were afraid of communist infiltration and subversion. They consequently believed that their country’s liberal democratic and capitalist orientation as well as its independence might be endangered by communism. The Chinese on their part, while recognising that Nigeria is the most important of all of the English colonies in Africa held the view that its leaders were bourgeois reactionaries or feudal-monarchical nationalists (Ogunsanwo 1974; Hutchison 1975).

At independence, Nigeria’s political leadership was not only pro-West but apparently anti-communist. The effect of this disposition was that Nigeria’s attitude towards communist China followed what had then emerged as a clear pattern of most of its relations with the then socialist states — that is, diplomatic isolation accompanied occasionally by bitter attacks against communist subversive ideology at home (Owoeye 1986:295).

Thus, the establishment of diplomatic ties in February 1971 was appropriate and full of practical implications for both countries. The pattern of bilateral interaction between Nigeria and China is compressed into mid-level position. Both Nigeria and China have the West as well as Japan as their major trading partners. Below this level, they jointly operate their own system of exchange where China has the advantage of importing advanced industrial materials from the West and exporting its goods and technology to Nigeria (Bukarambe 2005:248). China and Nigeria have production structures which are convergent in the West. But the advantage that China has over Nigeria is that it has since 1979 used its developmental state and capitalist enclaves of export processing zones at home to establish a strong industrial base (Egom 2007:4).

Since the establishment of bilateral diplomatic links, there has been a substantial expansion in Chinese exports, essentially conditioned by the demands of the economy and requirements to keep up economic growth. In consonance
with this need, China devised economic policy strategies to penetrate the markets of the South particularly Nigeria (Moghalu 2007:15). Currently, the Nigeria-China bilateral economic relations are underpinned by the following agreements:

1. A bilateral trade agreement, signed on 3 November 1972. This agreement expired in 1985. Subsequently, the two countries exchanged a draft bilateral trade agreement with each other through the diplomatic channel.

2. A Bilateral agreement on Economic, Scientific and Technical Cooperation. This was first signed on 12 November 1972 and subsequently renewed on 8 July 1982.

3. Agreement on Cultural and Educational Cooperation. This was first signed on 20 November 1981 and subsequently renewed under the implementation programme of cultural and educational agreements on 28 March 1990.

4. The May 1997 Agreements include:
   (a) Reciprocal Promotion and Protection of Investments;
   (b) Protocol on Cooperation in Electric Power Project in Nigeria;
   (c) Protocol on Bilateral Cooperation on Steel Industry;
   (d) Oil Cooperation; and

China’s renewed interest in the Nigerian economy predated the 1999 inauguration of civilian administration. It was the Sani Abacha Government that tactically and diplomatically brought the Chinese closer to Nigeria in 1995 to fill the yawning gap created by the isolation of the country by the United States and its Western allies as a result of political crisis. China did not join the West in criticising Nigeria’s human rights abuses, killings and other tyrannical measures of the Sani Abacha regime particularly the execution of Mr. Ken Saro-Wiwa and other Ogoni environmental activists (Ogunsanwo 200:24). The period between 1994-1998 witnessed an attempt by the Abacha administration to cultivate stronger political and economic ties with countries other than Nigeria’s traditional Western allies. The imbroglio in which Nigeria found itself with its traditional allies was what compelled the Abacha administration to develop and strengthen pre-existing ties with some countries on the Asian continent.

This change in the emphasis and focus of Nigeria’s foreign policy is what a number of scholars referred to as a ‘policy shift to Asia’ (Oche 1999; Adegbulu 2006). The Chinese took advantage of the gap created by reduction in the
level of trade with Nigeria’s western allies by quickly filling it. Consequently, the trade figures indicate that Nigeria’s imports from China increased considerably in 1997 and have kept rising since then. In 1995, the Nigerian Government signed an agreement with the China Civil Engineering Construction Corporation (CCECC) for the rehabilitation of the Nigerian Railways at a cost of US$529 million which included the supply of coaches (Chibundu 2007; Udeala 2003).

Nigeria-Sino relations enjoyed a steady growth during the Obasanjo era. President Olusegun Obasanjo visited China twice, first in 1999 and again in 2001 to underscore the importance the Nigerian government attached to its diplomatic ties with China. As a result of these visits, a number of trade, economic, technical, scientific, technological and investment protection agreements were signed by both countries (Ogunsanwo 2007; Abua 2004).

To further consolidate existing bilateral relations between the two countries, the Chinese President Hu Jintao paid a two-day official visit to Nigeria starting from 28 April 2006. President Jintao and his Nigerian host signed a Memorandum of Understanding on petroleum cooperation. The deal provides for substantial Chinese investment in the Nigerian oil industry. As part of the agreement, Nigeria granted China four drilling licenses in exchange for commitments to invest US$4 billion in oil and infrastructural projects (Ley 2006; Costa 2006).

During President Umaru Musa Yar’ Adua’s visit to China in February 2008, many financial agreements were also concluded. These include US $500 million concessionary loan for projects to be identified by Nigeria, construction of a hospital in Abuja to be facilitated by a US$4.2 million grant, grant of US$25 million for the construction of the China-Nigeria Friendship Cultural Centre in Abuja, grant of US$7.2 million for the construction of four rural schools in Nigeria, placing of balance of US$2 billion loan under public-private sector partnership with insurance cover to be provided by a Chinese company and Nigeria providing guarantee when absolutely necessary, and the removal of linkage of oil block to the EXIM bank facility (Okeke 2008:4).

Since the inception of China’s open door policy in 1978 which involved readjustment, restructuring and consolidation of its national economy, the urge to modernise has made it necessary for the country to engage in multiple forms of interaction with its external partners, western industrialised nations and, to some extent, countries of the South. With the end of the Cold War that witnessed the disintegration of Soviet Union and the replacement of state communism as the mode of economic organisation as well as the upsurge of liberal democratic values and ethos all over the world, China emerged as one
of economic powers in the current multi-polar power configuration (Breslin 2009:817). The New World Order that saw the triumph of capitalist ideology made it imperative for China to adopt capitalist strategies and manoeuvring in its economic relations with the developing countries, hence concepts such as asymmetry, unequal exchange, imperialism, dependency associated with North-South economic relations are employed in analysing China’s economic relations with developing countries. The arguments of this paper are largely theoretically framed on the dependency approach drawing on works of scholars like Amin, Frank, Emmanuel, Lenin.

This study has both theoretical and empirical significance. From a theoretical standpoint, it would advance the frontiers of knowledge, especially as it relates to the conduct of Nigeria’s external economic relations. Theoretically, the research enriches the available theories and knowledge on matters relating to Nigeria-China bilateral relations, especially since Nigeria returned to democratic rule in 1999. It adds to existing knowledge on Nigeria’s foreign economic relations and indicates the nature of her relationship with China under the configuration of South-South Cooperation. In addition, the scholarship upon which this article is based can benefit from a more robust engagement with the principles and structure of Nigeria’s foreign policy and economics of post-Cold War international relations, particularly as it relates to China-Africa relations and the place of Africa in international affairs.

Nigeria-China relations is a very topical issue, both within the context of the ‘new’ scramble for Africa, and the reconfiguration of international relations where Africa now has new options based on the exploration of South-South solidarity in charting an alternative development course that is free from dependence on the West.

In effect, there exists a gap in knowledge in bilateral relations between Nigeria and China. It closes gap in literature by seeking to promote a deeper understanding of the complex problems of bilateral relations in the context of rapid economic change in South-South Cooperation.

In summary, this work will be a welcome contribution to the field not only because it gives the theoretical clarity and critical perspectives to the theories of unequal exchange but it also throws constructive light on the contemporary inquiry and insight into the dependency and underdevelopment in developing countries. The study will hopefully stimulate those interested in Nigeria-China foreign economic policy and fill a gap in our knowledge of Chinese involvement in the developing world, particularly in Nigeria.

Empirically, foreign policy makers, operators of the public and private sectors of the Nigerian economy, the academia, and the general public alike, will benefit from the study. In all, the work is a valuable input to the understanding
of the present-day problems facing bilateral relations in Nigeria. Given the wide-ranging issues this study addresses, it would be an enriching and inspiring volume for most readers.

Against this background, this study which examines critically the Sino-Nigeria economic relations under the configuration of South-South Cooperation, particularly since Nigeria returned to democracy in 1999, makes recommendations on how bilateral relations can be fine-tuned to ensure that the unequal trade relations deal which is to China’s advantage is balanced in favour of both countries. However, the paper argues that there is the need to reinvigorate and refocus strategy for South-South cooperation. The members should encourage investment across the borders of the countries of the South. Both Nigeria and China must rededicate themselves to exploiting the comparative advantages and complementarities inherent in their respective economies, and adapting new and innovative approaches in pursuing this objective. Nigeria can understand the leadership of the Chinese Government over the years and imbibe those policies that have helped it to identify the way China should go and consequently lead the people accordingly.

Africa and a Rising China

China’s relations with Africa have become the subject of much speculation and controversy in recent years. Much of the debate has been about the fact that Sino-African relations bring into focus, particularly for the industrialised powers, the emergence of a competitor for the continent’s vast natural resources (Naidu, Davies 2006). China’s contemporary relations with Africa are driven by four factors. These are: resource security; the need for new markets and investment opportunities; symbolic diplomacy, development assistance and co-operation; and forging strategic partnerships. But this description of the drivers of China’s engagement with the continent does not adequately explain the underlying strategic vision of the Chinese vis-à-vis Africa (Alden 2005). China’s interest in Africa is not new. In the 1960s and 1970s, China’s interest centred on building ideological solidarity with other underdeveloped nations to advance Chinese-style of communism and repel Western ‘imperialism’ (Ogunsanwo 1974). During the Cold War, Chinese interests evolved into more pragmatic pursuits such as trade, investment and energy. In recent years, China has identified the African continent as an area of significant economic and strategic interest (Taylor 2007; Melber 2007).

America and its allies and friends have since discovered that their vision of a prosperous Africa governed by democracies that respect human rights and the rule of law, as well as embrace free markets, is being challenged by the
escalating Chinese influence in Africa. For the past decade, the Chinese economy has been expanding at a nearly double-digit annual growth rate. This rapid expansion requires enormous resources, especially energy. China’s rising domestic energy demand, combined with declining domestic petroleum production and insufficient coal output, has spurred the country to pursue stable overseas sources of hydrocarbon fuels.

In recent years, with rapid economic development of both China and Africa, the interaction between the two sides, which used to centre on political spheres, is featuring cooperation in various areas including the economic field. Building upon historical experiences, the two sides have translated the political gains into economic advantage with increasing Chinese investments of capital and technology in Africa, which help unlock the Africa’s vast resources and potentials (Musa 2007:5). China is rapidly becoming one of Africa’s main sources of investment. By the end of 2005, China had established more than 800 enterprises in Africa involving a total commitment of US$6 billion; it had signed investment agreements with 28 African countries and its engineering projects covered construction, petrochemical, power, culture, education, health and food processing sectors (Ogunsanwo 2007).

After several centuries of being strikingly inward-looking, China is today expanding in search of relationships that will help underpin its capitalist wealth. Previously led for centuries by monarchical dynasties, China established as a communist nation, the Peoples Republic of China in 1949, after the Chinese civil war in which the communist led by Mao Zedong chased out the previous nationalist government out of China’s mainland to Taiwan. The Chinese had broken ranks with the communist Soviet Government and had begun to position itself as another Socialist superpower. The country became a nuclear power in 1964, however, it was its admission to the United Nations in 1971 and its seat as one of the permanent members of the Security Council that brought communist China into full reckoning as a global power (Bukarambe 2005).

With the death of Mao, communist China’s founding father in 1976, Deng Xiaoping emerged as the official leader of China. Deng promptly began an economic reform programme that was to lead China’s status today as a rising economic power. Thus, China has one of the fastest growing economies in the world today. It has US$1.3 trillion in foreign reserves, making it the highest reserve in the world today. It is predicted that it may become the highest economy by the end of the 21st century, overtaking the United States and Japan. The present economic status of China has created a fundamental shift in the global strategic power balance (Moghalu 2007:65).
China is also strengthening and deepening diplomatic ties with other African countries, state-owned companies have been investing heavily in agriculture, fisheries and related production facilities in Gabon, Namibia, Zimbabwe, Zambia, and Tanzania. Chinese construction firms, supported by the state apparatus and low-cost but effective Chinese labour, have been able to outbid contractors from other parts of the world and winning substantial contracts in African construction sector. They have been building roads in Ethiopia, railway lines in Angola, Stadia in Mali and Djibouti as well as government offices in Mozambique and Uganda. Even in Nigeria, they constructed the headquarters of Nigeria Communications Commission (NCC) and the new office of the Accountant General of the Federation. China has recently broken long-standing protocols and has provided peace keeping troops to Liberia and Democratic Republic of Congo. Its donations to UN operations in Africa have increased substantially and has provided humanitarian assistance to combat drought in the horn of Africa and recently to Darfur (Musa 2007:5).

China’s interests in Nigeria and Africa at large are two folds: First is diplomatic and second economic. The Chinese people will not forget that it was due to strong support of vast number of developing countries including Africa that China successfully regained its lawful seat in the United Nation Security Council in 1971. Nigeria was in the forefront of the support for China right from the beginning. Nigeria voted in the United Nations General Assembly in support of China’s admission to the United Nations. That was Nigeria’s debut at the United Nations General Assembly with Mallam Aminu Kano representing Nigeria.

The Second is Nigeria’s oil and gas which China desperately needs to sustain its 10 per cent annual economic growth. Africa now supplies 25 per cent of China’s oil import. China is more acceptable in Africa partly because it is viewed with more credibility than Western Nations with their imperialist legacies (Akinjide 2005:18) As noted, China’s main interest in economic front lines is securing supply lines for oil and minerals. China has only 2.3 per cent of the world’s oil reserves and even less of gas (1%). Meanwhile, it consumes 6.7 million barrels per day, which is the second largest consumption after the United States. China thus relies on Africa for about one third of its oil supplies.

China has no doubt, identified Africa as an important strategic partner not only for economic growth but also in its quest to establish itself as a major global power. This is evident in the tours the Chinese President Hu Jintao undertook to African countries in quick succession in 2004, 2006 and 2007, where he signed a lot of agreements.

The third China-African Cooperation Summit held in Beijing in November 2006 drew 46 African leaders and was given global prominence. The meeting
was a pointer to several aspects of Sino-African dynamism. The summit approved a three-year action plan to create a new 'strategic partnership' between China and Africa based on equality and mutual benefit. The plan included a doubling of aid to Africa. The Sino-African summit grabbed the headlines of the global media for obvious reasons, the West, especially America, which dominates the global media is concerned that China with its vibrant economy and 1.3 billion people may easily overtake them (the West) as a model of economic development. The West is also concerned that China, along with India, may soon become a more attractive destination for Africa's raw materials and primary products and in general supersede the West as the continent's biggest trading partner (Haruna 2006:18).

**Concept of Unequal Economic Relationship and Dependency**

The arguments of the paper are largely theoretically framed on dependency approach, drawing on the works of scholars like Amin, Frank, Emmanuel, Lenin, Hobson and others. Dependency theory has been the directing light in Latin America and, indeed, the developing countries as well as major opposition to the modernisation theory. Basically, the dependency approach is a general analysis of the process of capitalist development of these peripheral economies and the characteristic mode of analysis has been to focus on the relationship between internal and external structures, with emphasis on the asymmetric interplay depicted in many different ways. A common strand in these ways is the identification, recognition and acceptance of imperialism as the principal adversary (Ndu 1999).

Dependency theorists (Frank 1976; Sunkel 1979; Furtado 1964; Dos Santos 1970; Emmanuel 1972; Ake 1981; Onimode 1982), argue that the dependence of the South on the North is the main cause of the underdevelopment of the former. They hold that the present economic and socio-political conditions prevailing in the periphery are the result of a historical international process. This development emerged as a global historical phenomenon consequent on the formation, expansion, and consolidation of capitalist system, known as dependent capitalism. At the first level, many countries in the periphery have been incorporated into the world economy since the early days of capitalism. At the second level, many countries have become capitalist economies through incorporation into the world economy. At the third level, the world economy has led to metropolis-satellite chain in which the surplus generated at each level in the periphery is successively drawn off the centre as a result, the periphery is impoverished and the centre is enriched (Jhingan 1966:330).
Baran (1957) argues that the advanced capitalist countries of today had managed accumulation of capital by exploiting the colonial territories. Similarly (Frank 1967), maintains that national capitalism and national bourgeoisie, unlike their counterparts in the advanced capitalist countries cannot promote development in Latin America. In Western countries, capitalism played a different role because it was rooted in imperialism. Frank advances a centre-periphery model to enunciate the role of imperialism. He likens metropolis to centre and satellite to periphery. They are linked in such a way that the development of the centre leads to corresponding underdevelopment in the periphery. This relationship continued even when the satellites had gained political independence. Frank suggests that the way to stop underdevelopment of the new nations is to delink them from the capitalist economies’. Nkrumah (1971) argues that states that rely heavily on foreign countries is in theory independent and has all the outward trappings of international sovereignty. In reality its economic system and political policies are directed from outside. According to Mac-Ogonor (1999), flag independence in the developing countries could not break the yoke of economic dependence on colonial countries. The result of this heavy reliance on colonial institutions is that foreign capital is used for exploitation rather than development of the developing countries.

The theory of unequal exchange advanced by Classical Marxist scholars is used to explain the unequal economic relations between a developing economy like Nigeria and a developed economy like China. The theory of unequal exchange in the sphere of international trade between developed and underdeveloped countries asserts that the developed countries get higher value of the labour inputs of their products (because they use superior technology and produce at a large scale) whereas the developing countries get lower value of the labour inputs of their products (because they use inferior technology and produce at a small scale).

Emmanuel (1970:10) propounded the theory of unequal exchange in international trade between the centre (Developed Countries (DCs) and the Less Developed Countries LCDs) which has led to the exploitation of the latter by the former. According to Emmanuel unequal exchange (relationship) occurs when two unequal countries produce two different commodities so that they are not in direct competition with each other. Since wages are low in LCDs, the cost of production is also low, and so is its price. On the other hand, wages being higher in DC, the cost of production of commodity is high, so is its price. Thus, the commodity of LCDs being cheaper than that of DCs, engenders unequal exchange in trade between the two.

Emmanuel’s theory of unequal exchange is in tandem with such other classical writers on imperialism as Hobson, Lenin and Schumpeter who assert
that the impetus for imperialism comes from economic interests related to the process of capitalist accumulation. Emmanuel’s theory is based on Marx’s theory of ‘prices of production’ for the determination of international prices and technological changes in production. He believes that the main reason for economic inequality between the South and the North lies in the differences in techniques of production and difference in wages which lead to unequal exchange in trade.

The relevance of the dependency theory and, to a large extent, the development theory to this study is that the defining features of the developing countries are their dependency and underdevelopment, which derive from the unequal manner in which they have been incorporated into the periphery of world capitalism. The relationship between periphery and the centre is sustained and perpetuated through certain structures, agencies and institutions. Since dependency is an organic feature of world capitalism, whenever there is a general crisis it spreads to its peripheries with varying degrees of intensity, depending on the extent of control the capitalists have over the peripheral economies (Mac-Ogonor 1999; Badejo 1990).

Focusing on Nigeria’s bilateral economic relations, dependency theory enables scholars explore how Nigerian leaders should consciously and effectively use the nation’s foreign policy to construct a self-reliant and just society. The failure of the leadership to conduct foreign policy for economic development and the inappropriate development path pursued by them in the past are blamed for the country’s continued state of dependence and underdevelopment.

**Contending Discourse on Nigeria-China Bilateral Relations**

In contemporary international relations, trade cannot be realistically divorced from politics. Nigeria’s bilateral relations with China have gradually become an issue of domestic concern as Nigerians have become aware of lack of balanced trade. It has been observed, that this situation has led to a great economic disequilibrium and to China’s advantage. This signifies that the economic advantage has gone to China, regardless of increased trade volume between the two countries (Onwubiko 2006:43).

The expansion of Nigeria’s economic interactions with China is constrained by a number of factors. These include the imbalance in the structure of level of their trade, the inadequacy of the industrial infrastructure for promotion of relations, the incidence of flooding of the Nigerian market with substandard goods from China and inability to implement various bilateral agreements between the two countries among other problems.

The trade between Nigeria and China has largely followed a classical pattern of trade disequilibrium between the developing and the developed econo-
The structure of trade between Nigeria and China reflects the difference in the level of development of the two partners as well as high degree of complementarities that exist between their economies.

While Nigeria’s exports to China consist mainly of primary commodities, its imports from that country are made up of largely of industrial goods. Within this commodity groups, there have been some important changes in the structure of trade over the years (Soludo 2006; Agbu 1994).

Since the establishment of bilateral diplomatic links, there has been a substantial expansion in Chinese exports, essentially conditioned by the demands of the economy and requirements to keep up economic growth. In consonance with this need, China devised economic policy strategies to penetrate the markets of the South. China’s rapidly expanding industrial base has provided impetus for its expanded economic penetration of Nigeria, a relatively large market with immense purchasing power.

Over the years, Nigeria has served as market outlet for Chinese products (Michael 2006:17). The immediate problem posed for Nigeria is the negative role which the big Chinese companies have played and are likely to continue to play in Nigeria and Africa, and its consequences for the fulfilment of the aspirations and goals of the Nigerian people (Olisa 2006:24).

Nigeria’s bilateral trade relationship with China after several years shows that the most discernible pattern in this bilateral relationship is still lopsided. It is observed from the trade data that this unequal economic relation is in great disequilibrium and to China’s advantage. It means that despite the increase in trade volume between the two countries, the bilateral economic relations have favoured China, thus creating a feeling of lopsided distribution of the benefits from the bilateral trade (Bukarambe 2005).

Crude oil has replaced agricultural commodities as Nigeria’s dominant export to China, while there has been a shift of emphasis in Nigeria’s imports from that country from consumer products to capital and investment goods. Thus, Nigeria’s exports to China consist mainly of primary commodities while manufactured goods constitute the bulk of its imports from China. In fact, Nigeria’s strength lies on the production of crude oil which alone accounts for over 90 per cent of its foreign earnings (Michael 2006).

Since 1971, when diplomatic relations were established with China, the volume of trade has increased significantly (Akinjide 2005). For example, trade figures from the Federal Office of Statistics (FOS) now Federal Bureau of Statistics and the Central Bank of Nigeria (CBN) between 1999 and 2008 shows the level of trade volume between the two countries. Nigeria’s imports which were ₦39,890,423,259 million in 1999 increased to ₦502,302,250,4.8 million in 2008. As a result of the considerable growth of its trade with China,

The main problem in Nigeria’s trade with China, as indicated in the Tables 1-3, is its asymmetry and one-sidedness. For example, in Table 1, from 1999 to 2008, Nigeria recorded a deficit in its trade with China every year. Between 1999 and 2008, the cumulative deficit sustained by Nigeria in the trade with China was put at N198,594,804,890 (FOS, CBN 1999-2008). While the cumulative amount of Nigeria’s imports from China was N229,678,601,6089 billion, China’s imports from Nigeria totalled N31,083,796,7188.489 Million within the period under review. The years 2003, 2006, 2007 and 2008 are noteworthy for the relatively large size of deficit Nigeria recorded. For example, in 2007, the trade deficit stood at a staggering record level of N515,322,082,120. To some extent, the pressures on Nigeria’s balance of payments since 1999 can be attributed to the imbalance in the trade with China and other developed countries. Nigeria’s export to China is largely characterised by the structural imbalance which afflicts the overall export trade that is excessively concentrated on crude petroleum (FOS, CBN 1999-2008).

Table 2 shows the country’s oil export to China. The cumulative barrels of oil exported to China were put at 70,572,912 million which amounted to N37,124,69 billion between 1999 and 2008. Similarly in Table 3, which covers the same period under review, the cumulative quantity of non-oil export to China was N1,591,411.92 which was 0.81 per cent of the total revenue realised by the country during this period (FOS, CBN 1999-2008).

Over the years, while the broad commodity profile of Nigeria’s exports to China remained virtually unaltered, being consistently dominated by primary commodities, there have been some significant changes in the relative importance of the individual products.

Experience has shown that bilateral relations between the two unequal partners invariably end up to the overall disadvantage of the weaker party, in this case, Nigeria. One effective approach of addressing the trade imbalance is a cooperative mechanism that would enable Nigeria to increase her export of manufactured goods to China. There is no doubt that the persistence and the intractability of the challenges which confront the two countries in addressing the problem of trade imbalance have not been the dearth of sound economic ideas or policy initiations, rather what has been seriously lacking is the political will and resolve to implement these agreements. In order to achieve these goals, there is need for faithful implementation of all outstanding bilateral agreements between the two countries, particularly agreements on investment protection and promotion, avoidance of double taxation and general
economic agreement in the area of oil, gas and solid minerals in their respective economies.

The consequence of intensive asymmetric bilateral interaction to the achievement of Nigeria’s broader national goal should not be glossed over by the Nigerian policy makers as such relationship could be jeopardised if one-sided economic relation continues. A continuation of this pattern of lopsided relationship might have serious repercussions for Nigeria. The intensification of dependent relationship can provide an enormous advantage to China in continuation of its economic and industrial expansion.

Table 1: Nigeria-China Bilateral Trade, 1999-2008

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<thead>
<tr>
<th>Year</th>
<th>Exports (N FOB)</th>
<th>Imports (N. CIF)</th>
<th>Trade of Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>10,671,356,489</td>
<td>39,890,423,259</td>
<td>-29,219,066,770</td>
</tr>
<tr>
<td>2000</td>
<td>11,413,354,432</td>
<td>46,367,894,115</td>
<td>-34,954,539,680</td>
</tr>
<tr>
<td>2001</td>
<td>14,127,160,262</td>
<td>58,595,546,570</td>
<td>-44,468,386,308</td>
</tr>
<tr>
<td>2002</td>
<td>8,812,197,309</td>
<td>89,138,079,432</td>
<td>-80,325,882,123</td>
</tr>
<tr>
<td>2003</td>
<td>15,954,209,434</td>
<td>137,917,168,694</td>
<td>-121,962,959,260</td>
</tr>
<tr>
<td>2004</td>
<td>70,531,578,270</td>
<td>147,913,615,216</td>
<td>-77,382,036,946</td>
</tr>
<tr>
<td>2005</td>
<td>46,742,407,524</td>
<td>244,653,672,626</td>
<td>-197,911,265,102</td>
</tr>
<tr>
<td>2006</td>
<td>527,401,740</td>
<td>403,319,768,287</td>
<td>-376,918,056,547</td>
</tr>
<tr>
<td>2007</td>
<td>111,365,515,522</td>
<td>626,687,597,642</td>
<td>-515,322,082,120</td>
</tr>
</tbody>
</table>


N = Naira.

Table 2: Nigeria’s Oil Export to China

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (Thousand of Barrels)</th>
<th>Value of (N in Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>4,456.7</td>
<td>10,511.6</td>
</tr>
<tr>
<td>2000</td>
<td>5,614.3</td>
<td>13,241.8</td>
</tr>
<tr>
<td>2001</td>
<td>7,614.7</td>
<td>17,960.0</td>
</tr>
<tr>
<td>2002</td>
<td>2,848.9</td>
<td>7,107.7</td>
</tr>
<tr>
<td>2003</td>
<td>3,447.2</td>
<td>12,941.7</td>
</tr>
<tr>
<td>2004</td>
<td>8,752.5</td>
<td>44,670.8</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td>69,923.4</td>
</tr>
<tr>
<td>2006</td>
<td>10,667.8</td>
<td>80,475.7</td>
</tr>
<tr>
<td>2007</td>
<td>9,445.6</td>
<td>71,255.6</td>
</tr>
<tr>
<td>2008</td>
<td>8,456.2</td>
<td>43,158.6</td>
</tr>
</tbody>
</table>


N = Naira.
Table 3: Nigeria’s Non-Oil Export to China (Naira in Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
<th>% Share of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>4,305.79</td>
<td>3.4</td>
</tr>
<tr>
<td>2000</td>
<td>4,489.88</td>
<td>4.1</td>
</tr>
<tr>
<td>2001</td>
<td>4,751.2</td>
<td>5.5</td>
</tr>
<tr>
<td>2002</td>
<td>4,989.72</td>
<td>6.9</td>
</tr>
<tr>
<td>2003</td>
<td>178,719.14</td>
<td>10.4</td>
</tr>
<tr>
<td>2004</td>
<td>187,307.16</td>
<td>10.4</td>
</tr>
<tr>
<td>2005</td>
<td>251,112.32</td>
<td>12.0</td>
</tr>
<tr>
<td>2006</td>
<td>285,012.48</td>
<td>13.5</td>
</tr>
<tr>
<td>2007</td>
<td>326,054.28</td>
<td>14.4</td>
</tr>
<tr>
<td>2008</td>
<td>374,310.31</td>
<td>14.8</td>
</tr>
</tbody>
</table>


As the bilateral relations have progressed from cultural linkages to intense economic penetration of the Nigerian economy, observers of Nigeria’s international relations have become highly conscious of the reciprocal need to transform this intensive relationship into a mutually constructive one, that is towards the promotion of a more symmetrical relationship. It is observed that the consequence of intensive asymmetric bilateral interaction to the achievement of Nigeria’s broader national goal has not been given the desired attention by the Nigerian policy makers given that such relationship could be jeopardised if one-sided economic relations continue.

A continuation of this pattern of lopsided relationship might have serious repercussions for Nigeria. The intensification of dependent relationship can provide an enormous advantage to China in continuation of its economic and industrial expansion. There is no doubt that issues foreseeable in the Nigeria-China bilateral relations present formidable challenges. Given the complexity of the interaction, uncertain domestic setting and the volatile global environment, unseen situation of friction and opportunities for more reciprocal relations would likely arise.
How Relations Can Lead to Mutual Beneficial Outcomes for Both Countries

There is no doubt that China’s failure to implement many of the bilateral agreements signed between the two countries has affected the growth of the economic relations and contributed to imbalance in the trade volume. In addition, the incidence of flooding of the Nigerian markets with substandard goods from China has militated against the growth of the bilateral relations. Development analysts have criticised the Chinese economic drive in Nigeria and argued that China is far more interested in hoarding national resources, including oil, which the country is importing from Nigeria and other African countries than assisting the development processes of these countries (Echiebiri 2006; Jumbo 2007).

Political economists have also often written about how Europe and the West underdeveloped Africa. While these allegations are cogent, given Africa’s unsavoury history of slave trade, colonialism and neo-colonialism, the growing relations with China raises a spectre which, if not addressed urgently, might lead future scholars to grumble again, this time about how the Chinese underdeveloped Africa. The current trend in Sino-Nigeria relations is laden with strategic cooperation and collaboration as well as mutual cooperation. But a dispassionate analysis shows that it is mostly one way traffic of raw materials to China and finished goods to Nigeria, an equation that replicates a similar one the West has with Africa. We are once more being confined to consumerism rather than production, which ought to accelerate growth, development and, therefore, advancement (Azaiki 2006:50). As stated before, China’s failure to implement some of bilateral agreements signed between the two countries has become a source of concern to Nigeria’s policy makers. Nigeria certainly has had a history of chequered relations with China on the Nigerian Railways project since 1995 when the Sani Abacha administration entered into an agreement to overhaul its railway system. The Chinese Civil Engineering and Construction Corporation (CCECC) was awarded US$529 million railway contract by the Abacha administration to supply rolling stocks and engines. The Chinese firm did not execute this contract successfully and nothing has been done today to revamp the rail transport system. In fact, the Nigeria Railways Corporation is still as moribund as it was when the contract was signed over fifteen years ago (Udeala 2001).

Similarly, the shoddy execution of Nigeria’s N40 billion satellite project called Nig-ComSat-1 by the Chinese also generated another controversy (Ezuka 2009). What had appeared in 2006 to be a laudable effort by government to
leap frog the nation into space age communication took a tumble with the missing in action of Nigeria’s first ever communication satellite. However, barely 18 months into its 15 to 18-year designed life expectancy, the Nig–ComSat 1, was packed up and powered down because it’s solar power system failed to function. Like the railway contract controversy, there was diplomatic ripples by the two trading partners over the project (Quadri 2008:14).

Another noticeable problem in the Sino-Nigeria economic relations is that Nigeria has been turned into a dumping ground for all finished goods manufactured in China. Nearly everything Nigeria consumes is now imported from China and the Nigerian government has not done much to stem the tide. Even when the Nigerian Government announced that it had banned foreign textiles in order to encourage the local production, the Chinese businessmen constructed a small village in Lagos called Chinese Village where banned Chinese goods were freely traded (Oyewale 2004).

The glut of cheap goods from China is a problem not only because it brings national industries to their knees but also because imports are increasingly taking place via Chinese trade merchants. The migration of Chinese nationals who are engaged in various economic crimes in Nigeria has constantly raised ripples in the diplomatic circle with the result that several Nigerians have called for total overhaul of Nigeria’s trade relationship with China (Oyewale 2004:42).

Another Nigerian concern is the influx of substandard goods from China. Even pharmaceutical drugs in the Nigerian markets are counterfeit, adulterated or substandard and they are mostly of Indian or Chinese origin. The negative effects of such bad publicity on Chinese goods are ignored by China itself. Nigeria’s regulatory agencies such as the Standards Organisation of Nigeria (SON) and National Agency for Food and Drug Administration (NAFDAC), Customs and other agencies have regularly alerted the Nigerian authorities on the implications of these economic crimes for Nigeria-China bilateral relations (Okoya 2010:18).

Despite these problems, there is the need to ensure that these obstacles are surmounted and that the trade imbalance is addressed to mutual beneficial outcomes for both countries. One effective way to address the trade imbalance is to evolve a cooperative mechanism that would enable Nigeria to increase its export of manufactured goods to China. Over the years, the bilateral trade between China and Nigeria has been growing steadily, but its total volume has been to Chinese advantage. The Chinese Government should encourage Chinese enterprises to give preferences to Nigerian goods with a view to addressing a trade balance between China and Nigeria.
Another approach to the problem is for Chinese companies in Nigeria to diversify their economic activities. Rather than restricting themselves to merely importing finished goods from China for sale in Nigeria, they should invest in the productive sectors of the Nigerian economy and thereby gain from the export of such Nigerian made goods. In this regard, there is the need to bring into Nigeria the kind of technology that Nigerians can easily adapt to. Continued effort should be made to further explore the potentials of economic and trade cooperation and address problems that exist between the two countries through joint efforts. By investing in Nigeria, the Chinese investors will not only be enhancing our bilateral cooperation and relations, they will also help to create employment opportunities, and by extension, contribute to the stability of democracy and good governance in both countries.

In addition, the two countries should vigorously develop and consolidate on investment co-operation. The Chinese should set up special funds and take other incentive measures to encourage its strong and creditworthy enterprises to make investments in Nigeria and to set up export-oriented processing industries, explore natural resources, launch projects with marketable products and economic returns. China should be encouraged to strengthen and improve its co-operation with Nigeria in engineering projects and take part in their economic development and project development through project contracting, technological co-operation, management co-operation and labour cooperation among other things.

Above all is the recurring question of how to borrow a leaf from the Chinese small scale industries and self-reliance on the one hand and from the Chinese conduct and management of its population census on the other. Without doubt, what Nigeria needs is an efficient productive base in the rural areas and a non-controversial census which can be used and relied upon for economic planning. Chinese technology is really down-to-earth and Nigeria needs this type of technology in its search of self-reliance.

Efforts should be made to constantly increase and improve the co-operation between China and Nigeria in agriculture, transportation, medical care and public health, the exploration and exploitation of natural resources, banking, information technology and other areas. China should set up a foundation for Human Resources Development in Africa, specifically for the purpose of training professionals for African countries. In addition, we should enhance our cooperation and consultants in multilateral and regional organisations in order to safeguard the interests of both sides.

The private sectors of both countries should urgently establish bilateral chamber of commerce in order to promote improved Sino-Nigerian relations.
Such a body would be indispensable in identifying areas of cooperation and educating business people and groups about opportunities for mutually beneficial economic ties between both countries. In fact, this would complement the objectives of Nigeria-China Friendship Association (NICAF) which seeks to encourage Chinese investments in Nigeria, and enable its members to tap and adapt China’s less sophisticated technical skills in tool and machine fabrication to Nigeria’s needs.

The time to reinvigorate and refocus the strategy for South-South cooperation is now. Members should encourage investment across borders of the countries of the South. An effective and productive linkage among the private sectors of member countries is indispensable if the numerous opportunities in respective countries are to be fully exploited to their collective advantage. Both Nigeria and China must rededicate themselves to exploiting the comparative advantages and complementarities inherent in their respective economies, and adapting new and innovative approaches in pursuing this objective.

**Conclusion and Options for the Future**

Nowhere in the world is China’s rapid rise to power more evident than in Africa, particularly in Nigeria. From multi-billion dollar investment in oil and minerals to the influx of thousands of merchants, labourers and cheap consumer goods, China’s economic and political reach is redefining Africa’s traditional ties with the international community. This paper investigates the emerging relationship between Nigeria and China to determine whether this engagement is that of a development partner, economic competitor or new hegemony. The paper, therefore, argues that in order to understand the Chinese involvement in Nigeria, we need to recognise the range of economic and diplomatic rationale behind China’s Nigeria policy as well as Nigeria’s foreign policy responses to China’s entreaties. From our study, this article came up with the following findings.

1. Nigeria-China bilateral relations are in great disequilibrium and to China’s advantage:

   The trade between Nigeria and China has largely followed a classical pattern of trade disequilibrium between the developing and the developed economies. The structure of trade between Nigeria and China reflects the difference in the level of development of the two partners as well as high degree of complementarities that exist between their economies. While Nigeria’s exports to China consist mainly of primary commodities, its imports from that country are made up of largely of industrial goods. Within this commodity groups, there have been some important changes in the structure of trade over the
years. The paper analyses from the trade data that despite the increase in trade volume between the two countries, the bilateral economic relations have been in favour of China, thus creating a feeling of the lopsided distribution of the benefit from the bilateral trade.

2. The imbalance in economic relations can be addressed to ensure that the relations lead to mutual beneficial outcomes for both countries. The structure of trade between Nigeria and China reflects the difference in the level of development of the two partners as well as high degree of complementarities that exists between their economies. Although trade remains the most important element in Nigeria’s economic relations with China, it has not been complemented significantly by the flows of investment and aid between the two countries. The consequence of intensive asymmetric bilateral interaction to the achievement of Nigeria’s broader national goal should be given serious thought by the Nigerian policy makers and the public alike as such relationship could be jeopardised if one-sided economic relations continue. A continuation of this pattern of lopsided relationship might have serious repercussions for Nigeria. The intensification of dependent relationship can provide an enormous advantage to China in continuation of its economic and industrial expansion.

The expansion of Nigeria’s economic interactions with China is constrained by a number of factors. These include the imbalance in the structure of level of their trade, the inadequacy of the industrial infrastructure for promotion of relations, the incidence of flooding of the Nigerian market with substandard goods from China and inability to implement various bilateral agreements between the two countries among other problems. However, despite this trade imbalance and other challenges, the bilateral relationship should be symbiotic and mutually beneficial to both countries.

3. Nigeria can benefit from the objectives of South-South Cooperation by learning from the Chinese socio-economic transformation. The paper demonstrates that Nigeria can learn from the Chinese success story. The government and people of China are noted for discipline that promotes hard work and dignity in labour. The leadership itself is both frugal and sacrificial with little or no room for ostentation and corruption. This type of leadership that is committed to people-oriented development, except in a few instances had been absent in post-independent Nigeria.

In conclusion therefore, it must be emphasised that Nigeria’s economic policy towards China has undergone a number of shifts of emphasis and reappraisal of priorities. Nigeria-China relations should, however, go beyond rhetorics. The possibilities and potentials of a bilateral cooperation between the two countries have not been fully exploited. Nigeria and, indeed, Africa should move beyond the bounds of marginality and peripheral association where we are looked upon as marginal factors merely for tilting matters in favour of
developed market economies. Nigeria abounds with immeasurable reservoir of opportunities for trade, investments, business, and cooperation. The phlegmatic response to invitations of Chinese investors to come and invest in the country has not been encouraging as one would have expected.

In addition, therefore, for Nigerian-Chinese relations to wear a more acceptable face, the two countries must go beyond the formalities of signing bilateral agreements. Rather concrete steps must be taken by the two countries to actualise the dreams of these agreements. This will be to the mutual benefit of both countries. By this initiative, Nigeria will take advantage of this bilateral interaction to improve on its domestic economy rather than being a mere provider of raw materials and importers of finished goods from China. The pattern of economic relations between the two countries in future would significantly be determined by the extent to which both countries understand each other’s problems and interests and adopt a cooperative attitude towards solving them.

**Recommendations and Options for the Future**

1. Nigeria’s relationship with China should henceforth reflect a profound understanding that our basic national objectives are long-term. Our policy now and in the near future, must be informed by our ultimate national interests. Nigeria has the responsibility to protect its economy from domination by foreign enterprises which are interested not in the local economies, but in the economies of the developed industrialised states.

2. One effective approach to address the trade imbalance is to evolve a cooperative mechanism that would enable Nigeria increase its export of manufactured goods to China. In addition, Chinese companies in Nigeria should diversify their economic activities. Rather than restricting themselves to merely importing finished goods from China for sale in Nigeria, they should invest in the productive sectors of the Nigerian economy and thereby gain from the export of such Nigerian-made goods.

3. Nigeria should diversify its economy as well as create an enabling business environment to encourage Chinese and other investors. We must work towards addressing basic and other infrastructural impediments to the spread of knowledge, such as provision of electricity, transport and better telecommunication facilities, as well as finding ways, where appropriate, to remove the impediment on regional integration.

4. In Nigeria and other parts of Africa, there is growing concern about substandard products coming from China. Nigeria needs firm commitment from China to tackle and stop this menace. One expects, in the long run, that the several Chinese companies now operating in Nigeria will transfer their technical and managerial skills to Nigeria workers to ensure strengthened cooperation and accelerate economic development in Nigeria.
5. There is a need for the two countries to coordinate their foreign policy approaches in order to facilitate international response to pressing international economic issues such as globalisation, regional integration and global economic crisis. There is need for continuous exchange of visits at the highest level to be strengthened. However, in spite of the high level of official visits, the two countries are yet to forge a close political understanding necessary to boost their cooperation in the economic and technological sectors.

6. Nigeria and China have long standing ties of bilateral relations and a mutual commitment to the quest for global peace, progress and economic prosperity. There is need for the Nigerian Institute of International Affairs (NIIA), Nigerian Institute for Policy and Strategic Studies (NIIPS), various Departments of International Relations in both the Nigerian and Chinese Universities and the Chinese Institute of International Studies (CIIS) not to restrict their activities to strictly academic endeavours. The CIIS and NIIA, for instance, should make the governments of China and Nigeria take and implement policies proposed by both institutes.

7. Nigeria should learn from Chinese socio-economic transformation. As Nigeria rallies to industrialise its economy, it will not be out of place if it copies the Chinese model that is relevant to our local environment. But more than anything else, the Nigerian government should encourage Nigerians to effectively adopt technology that has kept China at the cutting-edge of global economy. For example, Nigeria has a lot to gain from having access to China’s low-cost technologies, because they are easily exportable and transferrable because of their adaptability and simplicity.

8. Nigeria’s interest in entering into bilateral economic relations with China in 1971 arose partly from the fact that such a relationship would be devoid of the master-servant relationship which tainted historical and economic links with the developed market economy countries of the West. It is hoped that, unlike the unequal economic relationship that existed and continues to exist, economic relations with China in future will be built on a foundation of equity, mutual respect and equitable distribution of the fruits of international division of labour.

9. The time to refocus strategy for South-South Cooperation is now. Members should encourage investment across the borders of the countries of the South. An effective and productive linkage among the private sector of member countries is indispensable if the numerous opportunities in respective countries are to be fully exploited to their collective advantage. Both Nigeria and China must rededicate themselves to exploiting the comparative advantages and complementarities inherent in their respective economies, and adapting new and innovative approaches in pursuing this objective.
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