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MAFIKENG CAMPUS

DEPARTMENT OF POLITICS AND INTERNATIONAL RELATIONS

South-South cooperation and the prospects of global economic balancing:

A study of regulatory frameworks of Nigeria-China relations

By

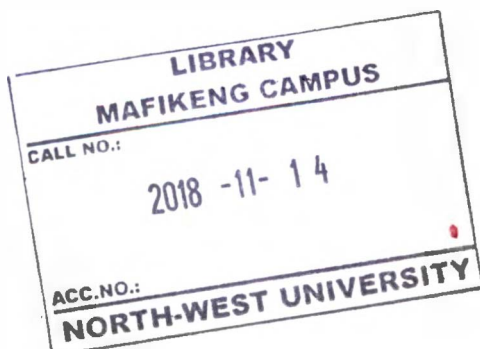
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APRIL 2018

DECLARATION

I declare and certify that this work was undertaken and completed by **AJOJE OLUFUNKE IYABO (24541958)** under the supervision of **PROFESSOR LERE AMUSAN**

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DEDICATION

I dedicate this study to the Almighty God, for granting me the strength, courage and wisdom to complete this study.

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LIST OF ABBREVIATIONS

AAA	-	Accra Agenda for Action
ACP	-	African, Caribbean and Pacific group of states
AD	-	Anti Dumping
AEC	-	African Economic Community
AQSIQ	-	Quality Supervision, Inspection and Quarantine
ASEAN	-	Association of South East Asian Nations
AU	-	African Union
BRICS	-	Brazil, Russia, India and South Africa
CBN	-	Central Bank of Nigeria
CIQ	-	China Inspection Quarantine
CUA	-	Customs Union Agreement
DAC	-	Development Assistance Committee
DCs	-	Developed Countries
ECCAs	-	Economic Commission of Central African States
ECOSOC	-	Economic and Social Council
ECOWAS	-	Economic Community of West African States
ECSC	-	European Coal and Steel Company
EU	-	European Union
FDI	-	Foreign Direct Investments
FOCAC	-	Forum for China-Africa Countries
FTA	-	Free Trade Agreement
FTA	-	Free Trade Area
G77	-	Group of 77 Developing Countries
GATT	-	General Agreement on Tariffs and Trade

GDP	–	Gross Domestic Product
HND	–	Higher National Diploma
ISO	-	International Organisation for Standardisation
KFAED	-	Kuwait Fund for Arab Economic Development
LDCs	-	Less Developed Countries
LPA	-	Lagos Plan of Action
MDGs	–	Millennium Development Goals
MNCs	–	Multi National Corporations
MOFCOM	–	Ministry of Commerce
MPLA	-	Movimento Popular para a Libertac,ãõ de Angola
NAFDAC	-	National Agency for Food and Drug Administration and Control
NAFTA	-	North American Free Trade Agreement
NAM	-	Non-Aligned Movement
NCR	-	Non-Conformity Report
NCS	-	Nigerian Customs Service
NEPC	-	National Export Promotion Council
NIEO	-	New International Economic Order
NIIA	-	Nigerian Institute of International Affairs
NIS	–	Nigeria Immigration Service
ODA	–	Official Development Assistance
OECD	-	Organisation for Economic Cooperation and Development
OND	–	Ordinary National Diploma
PTA	-	Preferred Trade Area
QSMR	-	Questionnaire Software Market Research
SADC	-	Southern African Development Community

SAIIA	-	South Africa Institute of International Affairs
SETC	-	State Economics and Trade Commission
SHDI	-	Sustainable Human Development Index
SON	-	Standard Organisation of Nigeria
SSC	-	South-South Cooperation
SSDC	-	South-South Development Cooperation
UN	-	United Nations
UNCTAD	-	United Nations Conference on Trade and Development
UNGA	-	United Nations General Assembly
UNITA	-	União Nacional para a Independência Total de Angola
URAA	-	Uruguay Anti-Dumping Agreement
WAEMU	-	West Africa Economic and Monetary Union
WTO	-	World Trade Organisation
ZANLA	-	Zimbabwe African National Liberation Army
ZANU	-	Zimbabwe African National Union

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ABSTRACT

The global economy has overtime been characterised by imbalances which resulted from technological and economic advancement of a region over another thereby leading to its classification of the World economy into the North and the South, Core and Periphery, developed and developing countries. The North implies the developed countries while the South implies the developing countries which have been colonised at one time or the other.

This classification is of major concern to this study as most of these developing countries are in Africa. The gap created by this classification has been the concern of political and economic analysts and has therefore become a global issue. To this end, several efforts have been geared towards bridging the gap between the North and the South in order to achieve an economically and technologically balanced economy such as Bandung Conference, Lome convention among others but these have yielded little or negligible result as the dependence of the South on the North has continually deepened.

The heads of government of the developing countries therefore saw the need to form alliance among them having realised the effect of dominance of the developed countries in all areas of their economy. This concept is known as South-South Cooperation which explains the collaborative effort among the countries of the South in order to achieve development. It involves the exchanging of resources technology and knowledge between developing countries also known as countries of the Global South. This has overtime been successful in decreasing dependence on aids programs of developed countries and in creating a shift in the international balance of power. This study therefore centres on the prospect of attaining the much desired economic and technological balanced economy through the concept of South-South Cooperation which if judiciously implemented will lead to a developed South and if concurrently developed with the North will ultimately lead to a globally balanced economy. This is analysed within the context of China and Nigeria as a prototype of South-South Cooperation as both are developing countries.

Even though this study has identified the concept of South-South Cooperation as a verifiable tool to developing the South, it has not failed to identify the challenges embedded in the application of the concept which have been analysed in the study. In order to explore this, this study has identified the concept of dumping as a major clog in the relationship between China and Nigeria which has inhibited the win-win benefit that ought to be the outcome of the relationship. The methodology employed in the study includes both qualitative and quantitative method of research analysis. Many scholars have criticised this relationship and opined that it is not in any way different from the North-South Cooperation and that China being a technologically advanced country of the South but China has continually emphasised that it is a developing country with the major aim of achieving a win-win position in the relationship.

To analyse this, the relationship has been explained within the field of study of political economy. This study also explored the regulatory frameworks under which China operates in

Nigeria and why the relationship has not achieved the desired result. The study has maintained that the concept of South-South Cooperation is a verifiable tool in achieving a globally balanced economy.

The findings from the statistical analysis affirm that the relationship, even though beneficial is not without its challenges which are identified in the study. The subsequent chapters will look into the structure of the relationship, the theories that explain the relationship and the regulatory frameworks that guide the relationship between the countries under study.

CHAPTER ONE

INTRODUCTION

Unrivalled global integration and rapid globalisation have characterised the dawn of the 21st century, and have led to various forms of trade expansion and reformation in world economy. This expansion entails assessment of increasingly growing markets, technological development and increased international activities which have led to new sources of income and financial flows between and among countries. The most integral part of this trade expansion has been the growth of the dynamic South and a rapid development in trade among Less Developed Countries (LDCs). This expansion can be measured from the share of the South in terms of global merchandise exports over the years (Rao, 2011:74). This development has created some challenges in countries of the South and in the entire world. In order to face the challenges borne out of globalisation, nation-states integrate their economies in order to be competitive and be able to withstand the challenges brought about by this evolution. Many international regimes have been formed on International Economic Relations (IER) at global, regional and sub-regional levels in order to achieve a common goal (Carlson, 2011:1). One common feature that characterises Third World States as the South is the fact that most of them emerged as politically independent nations from centuries of colonial rule.

Ironically, these states have been classified as developing and less industrialised, but endowed with natural resources while developed states of the North depend on inputs and primary product markets of the South. The natural resources which are richly available in the South and are required for production in the North are exchanged in order to facilitate production in the North (Amadu & Ojo, 2002:18; Amusan, 2016). The quantity and cost of raw materials required for production by the North are usually high compared to goods supplied to the South. This is referred to as unequal exchange between the North and the South. The prices of industrial inputs are determined by the North while the price of finished industrial products is also determined by developed states. These arrangements perpetuate a widening lacuna between the two regions and have been a major concern to scholars and political economists. In analysing the nature of relations between China and Nigeria, some scholars believe that the relationship is imperialistic in nature (Kaplinsky, 2008:10). In view of this, various development models have been formed and propounded to achieve economic

balance between the North and the South. The politics of technological transfer and financial assistance failed to better the economic situation in the South; neither have activities of multinational corporations improved economic development in the global South (Carlson, 2011:45-48). It is against this background that the concept of South-South Cooperation came into being in order to enhance the economic power of member states as against the fruitless North-South relations (Umoh, 1987:12).

However, the concept of the South transcends geographical connotations (Akindele & Ate, 1988:18). Countries in Latin America, Asia, the Middle East, Oceanic States and Africa are referred to as countries of the South (but not all of them are located in the Southern Hemisphere). They are classified as the South based on their level of economic development. As a point of departure, the China, whose activities cover almost all sectors and regions of Africa constitute the focus of this study in terms of relations with Nigeria as a prototype of the South-South Cooperation (Thomson, 2010:53). These two countries are examples of countries of the South even though with different levels of development. If nations are to be classified geographically, some scholars believe that China should have been considered a developed country since it is situated in the Northern part of the equator. However, this point of view cannot be over-emphasised considering the fact that Australia and New Zealand are geographically located in the South but are developed countries and therefore cannot be regarded as the South. China, on the other hand, has a higher level of development but is still being referred to as developing country despite the fact it is situated in the North.

While some scholars believe that China is among the list of developing countries, others categorised it as one of the developed countries and also as the second economic power house in the world. This is due to its recent, rapid investment and developmental projects in the country and also its status as the largest trading partner with Africa (Ogunrotifa, 2011:3). China continues to reiterate the fact that the country is a developing economy and that it feels more at home among developing countries, especially Africa. Some scholars (who also support the fact that China is a developing country), have maintained that it is a republic that is going through urbanisation, industrialisation and modernisation and that it has a complementary trade and economic structure with African countries. Also with over 1.3 billion population and the fastest growing economy in the world, China is placed as the second largest economy. This fact consequently increases its influential role in the global economy, but despite having the second largest economy and the third largest military base in the World, China can still not be regarded as a developed country because its per capita

income remains below any accepted minimum threshold for a developed country. While China's urbanisation, industrialisation and production techniques are needed for Africa's economic development, she also needs raw material resources and Africa's energy to meet up with the resource requirement of Chinese industrial and economic development (Burke, Corkin & Davies, 2008:66). This study, therefore, maintains that China is a developing country though with higher level of development than other LDCs. This has, therefore, given China comparative advantage over other trading partners, especially the West. This simply implies that China can produce at a lower opportunity cost than the West due to availability of cheap labour. This, therefore, has drawn the attention of scholars on what the interest of China really is in Nigeria in particular and Africa as a whole. To begin with, Chinese leadership is not directly affected by its institutional barriers in its approach to African affairs

Having asserted in this study that China is a developing country, and that the relationship between China and Nigeria is a form of South-South cooperation, this study examines the prospects of the South becoming as developed as its Northern counterparts through the employment of this concept and in turn, becoming a globally balanced economy.

1.1 STATEMENT OF THE PROBLEM

This study addresses the following problems: the effectiveness of South-South cooperation as a verifiable tool in achieving a globally balanced economy; the impact of regulatory frameworks in curbing the menace of dumping which is an impediment to achieving a globally balanced economy; and the structure of trade between Nigeria and China as an unequal exchange.

For over two centuries, North-South relations have dominated world economy and this has categorised the world as North and South, core and periphery, developed and developing, industrial and agro-mineral based economies. This portrays the classic division of labour that dates back to colonial times, which symbolises inequalities in all spheres (Pons-Vignon, 2012:5). These inequalities have become evident in the South as the region has experienced little or no development and the gap between the North and South has continued to widen.

In order to bring about development in the South, the region has been struggling to move out from its present economic plight of dependency to one of self-sufficiency through the formation of South-South Cooperation. One of the major reasons why the South felt they are better off acting together is to bridge the increasingly expanding gap between the North and

the South; but emerging facts have revealed that instead of this collaboration to bring about development, it has rather deepened the level of dependency (Carlson, 2011:18).

In line with the development of the South, several integrations and collaborations have been entered into by the South such as the SADC, G77, ASEAN, LPA and AEC, among others (Rao, 2011:23). Unfortunately, these collaborations have not translated into economic development, as poverty and underdevelopment are still prevalent; various issues such as domination, dumping and different kinds of exploitation have been identified as some of the factors making the purpose of the collaboration a mirage (Wenping, 2012:12). As a way of contributing to the body of knowledge, this study focuses on anti-dumping laws in the context of Nigeria and China. There is a need to address the dumping regime as a way of contributing to the on-going discussions between China and other developing countries.

1.2 OBJECTIVES OF THE STUDY

The main aim of this study is to analyse South-South Cooperation as a verifiable tool to achieve a globally balanced economy. It is common knowledge that there are hindrances to the achievement of this goal but the major phenomenon analysed in this study is the regulatory framework, under which China and Nigeria relate in terms of trade and development and every other area of collaboration or competition. The subsidiary objectives of the study are to:

- i. Analyse the concept of South-South Cooperation within the context of Nigeria and China relationship;
- ii. Analyse investment and trade policies between the two countries;
- iii. Analyse regulatory framework under which China operates in Nigeria with special focus on anti-dumping;
- iv. Examine South-South Cooperation as a competitive framework to North-South relationship as this is a major factor that necessitated its formation; and
- v. Analyse the concept of globally balanced economy within the concept of South-South Cooperation

1.3 RESEARCH QUESTIONS

The following research questions guided the study:

- i. To what extent can South-South Cooperation bring about a globally balanced economy considering the level of development in the North?
- ii. Extrapolating Nigeria-China relations, are there factors for strengthening the concept of South-South Cooperation?
- iii. Considering investment and trade policies between Nigeria and China, what is the effect on the development of both countries under review?
- iv. How well have the regulatory laws fared over time in terms of curbing the menace of dumping in Nigeria?
- v. Has South-South Cooperation created a way out of dependency trap for countries of the South?

1.4 SIGNIFICANCE OF THE STUDY

For centuries, world economy has been dominated by the industrialised North while countries of the South have remained underdeveloped, poor and subjected to domination by the North (Pons-Vignon, 2012:5). In order to move out of this quagmire, various measures have been employed by leaders, political and economic analysts towards the achievement of a globally balanced economy (Ogwu, 2011:76). This study employs the concept of South-South Cooperation as a verifiable tool to bridge the gap between the North and South in order to achieve a globally balanced economy.

The importance of this study cannot be over-emphasised as it tends to emphasise the need to bridge the gap between the North and the South. In order to achieve this, there have been collaborations among the countries of the South. The study is also important as it has established why collaborations among the countries of the South also known as South-South Cooperation is not yielding the desired result of development.

Even though developing countries have realised the essence of synergy and have formed a high level of cooperation, the domination of the North over Southern countries inhibits the growth of these countries and therefore, widen the gap between the two regions. In order to bridge this gap, various forms of collaboration have been entered into by developing

countries largely dominated by the China. China's presence is visible in all sectors of the African economy (Large, 2008:54). A source of concern in this relationship is the fact that China obtains raw materials from Africa and exports finished products back to Africa. These finished products are mostly cheap and substandard which amounts to dumping (which is injurious to the existence of domestic industries) (Chinbudu, 2000:56). This is a major impediment to the achievement of the globally balanced economy, which is the major concern of this study. The Nigerian market is flooded with cheap and substandard products from China and no one seems to care about the situation (Odumosu, 2013:5). This study seeks to examine the anti-dumping law as it affects the Nigerian economy taking into consideration relations between China and Nigeria.

This study explores the regulatory framework under which China operates in Nigeria with special focus on the anti-dumping law. The results of this study further show that the concept of South-South cooperation and global economic balancing require consistent research in order to access progress made and make recommendations.

1.5 SCOPE OF THE STUDY

As earlier indicated, this study focuses on the concept of South-South Cooperation as a tool for achieving a globally balanced economy. In order to do this analysis, the relationship between Nigeria and China is considered. Sino-Nigeria relations is a form of South-South relationship which is supposed to enhance development in the southern region but this is not the case as Nigeria and Africa as a whole, are still beguiled with poverty, inequalities in terms of income, low per capita income and low Sustainable Human Development Index (SHDI) (Chimobi,2010:32).

This study seeks to examine impediments to achieving the desired result about this concept. One of the impediments that constitute the major focus of this study is dumping (which is a major snag in achieving a mutually benefitting relationship). In order to analyse this situation, the periods between 1999 and 2013 are examined in order to accommodate the various changes that have occurred over this period. The period 1999 coincided with the period that a renewed agreement was established between China and Nigeria during the democratic government headed by the then president, Chief Olusegun Obasanjo while 2013 is imperative due to China's continuous involvement in the Lagos state free trade zone and other development programmes in Nigeria.

This study explains the regulatory frameworks of Nigeria-China relations with special focus on the anti-dumping law as it affects the achievement of a globally balanced economy. .

1.6 LIMITATIONS OF THE STUDY

In the course of this study, the major limitation of this study was the inability to measure trade volumes of transactions carried out through illegal means such as smuggling and money laundering. Another limitation is the language barrier in China which restricted the interview to the English language speaking respondents especially in China

Some organisations such as the SON and NAFDAC felt that some of the information required is too confidential to be shared with external party but this was partially overcome by carrying out UNSTRUCTURED INTERVIEWS among the low cadre staffs but the numbers of respondents in this category are few.

Reaching out to some respondents was another big challenge in the course of this study but the use of Skype and other social network medium was employed to minimise this though not totally eliminated. Even despite all these efforts, 20 of the questionnaires could not be retrieved from the respondents.

1.7 RESEARCH HYPOTHESIS

The operational hypothesis for the research is that, in any society, the economic factors are pre-eminent and ultimately determine the essence and character of other spheres of social existence such as; politics, religion and culture. This simply asserts that the economic motive behind China's investment in Nigeria and Africa as a whole supersedes the political motive.

1.8 RESEARCH METHODOLOGY

This study employed both qualitative and quantitative methods of research analysis. The data collected were both in numerical and non-numerical form.

The quantitative research method analyses information in a numerical form while the qualitative research method analyses in a non-numerical form. This study adopts the two methods in order to complement the shortcoming that might come up in the usage of one method over the other one.

According to Coolican (1984:12), there has been rapid growth in the use of qualitative methods since the mid-1980s. This is due in part to the dissatisfaction with the quantitative or scientific approach that has dominated research over time. Reason and Rowan (1981:76) expressed this dissatisfaction clearly, “there is too much going on. Some things which are numerically precise are not true; some things which are not numerical are true”. This implies that both numerical and non-numerical information gathered in this study are analysed using the qualitative and quantitative method of data analysis. The results of this generate knowledge that will assist in the prospect of global economic balancing and how South-South Cooperation can actually lead to development in Africa as whole.

Qualitative research is explanatory in nature and tends to use systems that are not numeric. This was employed to analyse the collected data through interviewing of key officers in the institutions earlier mentioned. This majorly guided into the present relationship that exists between China and Nigeria as of today.

On the other hand, quantitative research is essentially numerical in nature. Here the existing data is analysed using statistical methods which will explain the economic relationship over the years. This is expressed in form of tables, charts, graphs and regression analysis. These two methods are employed in this study as they tend to complement each other.

The study will therefore employ both qualitative and quantitative methods to arrive at the employment of the triangulation approach. There is a need for the qualitative approach because the topic under consideration falls within behavioural science which is beyond mathematical calculations (Ake, 1996:21). The quantitative approach is employed in the study in the area of trade volumes between the two countries under review. This is necessitated by the fact that the volume of trade is measurable.

A research test was also conducted on the primary data to reveal the difference between the expectation of the research and what obtains in the practical sense. This is known as Chi-square test. The aim of Chi-Square is to examine whether a significant difference occurred between observed and expected frequency. The Observed values are data collected by the researcher while the expected values are the frequencies expected based on the initially stated hypothesis.

1.9 POPULATION AND SELECTION OF PARTICIPANTS

The population of the study comprises nationals of Nigeria and China. In order to get rich and detail information about Nigeria-China relationship the study goes further by narrowing the population to the major stakeholders; and this include student and lecturers of international relations or international trade; embassy; Customs; and trade related organizations in these countries. The total intended population size was two thousand, four hundred (2400) participants; which was reduced to two hundred through the employment of cluster sampling. Cluster sampling is employed to group large participants into small clusters for easy assessment and cost effectiveness. This was necessary in order to reduce the effect of the major limitation encountered in the field which are cost and language. Cluster sampling is one of probability sampling techniques and it is one statistical method that gives equal selection chances to all participants from the entire population of the study. With cluster sampling, the researcher divides the population into separate groups, called clusters. Then, a simple random is applied to select sample from its population. The study separated the population into twenty clusters; and this included the Nigerian Institute of International Affairs (NIIA); the Nigeria Customs Service; the Standard Organisation of Nigeria; the National Export Promotion Council (NEPC); the Chinese Embassy in Nigeria; the International Trade Department of the Central Bank of Nigeria; the Nigerian International Chamber of Commerce and Industry; the Nigerian Embassy in China and the University of Hong Kong and Nigerian academic institutions such as polytechnics and universities. Twenty respondents were sampled from each cluster and giving a total of 200 participants. Each cluster in this study was selected because they were in position of providing needed primary data to analyse the economic relations between the Republics of China and Nigeria. Despite the fact that two hundred copies of the questionnaire were distributed, only one hundred and eighty (180) were returned and this represents 90% recovery.

1.10 DATA COLLECTION AND ANALYSIS

This study used both primary and secondary sources of data. Interviews (both structured and unstructured) were conducted with key informants in order to obtain primary data for the study. The need for structured interview is to enhance the collation of information in a structured manner; while the unstructured questionnaire focused on the trade relationship; dumping, performance of South-South Cooperation and bilateral agreement on Consular Affairs between Nigeria and China. The responses from the structured interview were later

grouped into structured likert scale based on common features. This study is not unmindful of the lapses in analysing this such as ; misunderstanding or missing out on the questions by the respondents, improper responses and unwillingness to disclose full information concerning the subject matter and cost of reaching out physically to some respondents. The unstructured interviews catered to minimise the gap that could have been created by these lapses. Reaching out to the focus group was also carried out via the conducting of unstructured interviews. The focus groups are customs officials, SON staff, NAFDAC staff, importers, exporters and clearing agents who are directly involved in the process of transaction between the two countries. Secondary sources of information such as books, journal articles, newspapers, magazines as well as writings of retired diplomats and foreign affairs ministers in China and Nigeria were used to obtain secondary data for the study.

For accuracy and reliability of information, emphasis was placed on published and accredited publications. The major institutions under consideration are the Chinese Embassy in Nigeria, the Ministry of External Affairs, the Nigerian Institute of International Affairs (NIIA), the Ministry of Trade and Productivity, the Central Bank of Nigeria, the Nigeria Export Promotion Council and the Nigeria Customs Service. Also, institutions such as the Nigerian Embassy in China, the University of Hong Kong constituted the focus in China as required in the course of the study. The researcher faced a major constraint with institutions in China, especially in terms of language. Hence, institution in Hong Kong which is an English speaking city was chosen for the study. The information obtained was analysed using the Questionnaire Software Market Research (QSMR).

This software analysed how well anti-dumping law has fared in China-Nigeria relations since it is not a quantitative phenomenon. The software is designed to meet the needs of the most complex online market research projects. Functionality like, branching, randomization, and piping are all simple point and click programming tasks. For the research project that requires the next level of programming, the system is backed by a proprietary custom scripting module that allows for unlimited possibilities in survey programming.

Questionnaires were administered to participants both electronically and by the researcher. The need for an electronic questionnaire is to be able to reach out to those who may not be ordinarily available for personal interviews. The purpose of using an electronic questionnaire was to reach out to as many as 200 respondents in Nigeria and China.

The researcher was only able to access respondents in China (Hong Kong) due to the language barrier to collect information on trade relations between China and Nigeria. In Beijing, the researcher conducted preliminary interviews with scholars from different universities, think tank institutions such as the China Food and Drugs Administration, the Ministry of Commerce, the Ministry of Customs, the Ministry of Foreign Affairs and other relevant government officials in the Department of Trade, Foreign Affairs and Finance. In Nigeria, the researcher collected data relating to economic relations between the two states. Based on preliminary interviews with officials in the Department of Foreign Affairs and the Ministry of Economic Development, there is a clear indication from their responses that an economic relation between the two states is of unequal exchange.

1.11 ETHICAL CONSIDERATIONS

The researcher was guided by the North West University research ethical rules. The confidentiality of the identities of all interviewees and information supplied by them was guaranteed. In the same vein, interviewees were informed to feel free to terminate their participation in the study whenever they deemed it fit.

Fairness and ethical consideration is important to the success of this work, therefore issues such as voluntary participation, informed consent, confidentiality and privacy were fully considered. Since some high profile confidential information was also required from governmental departments, they were assured of the confidentiality of information provided by them. The various risks associated with research in such volatile environment were averted due to personal relationship that exist between me and some of the public officials due to the nature of my job which deals most times with military officers and other civil servants' remuneration.

This gave me access to some of these officials and I was able to gather the necessary and required information. The introduction letter issued by my supervisor was also of immense help in gaining access to the sensitive and volatile areas such as the customs environment.

1.12 DEFINITION OF BASIC CONCEPTS

The global South

The concept, South, has both geographic and economic connotations and its definition largely depends on the context within which it is viewed. Geographically, the South refers to countries located in the Southern Hemisphere while the economic definition simply implies developing countries which may or may not be geographically located in the Southern Hemisphere. Most of these countries are third world countries and were once colonised by world powers (Ubaka, 2008:44). Third World refers to the majority of countries and people who live predominantly in the Southern hemisphere and lie at the periphery of the international system. They include countries in Asia, Africa and Latin America and are characterised by underdeveloped and dependent economic systems and by a low standard of living for a large percentage of their people. Its peripheral position in the international system is a function of its colonial subjugation which is maintained through neo-colonial processes (Ate & Bamidele, 2005:1).

The classification of countries based on the **North-South** divide depicts a socio-economic and political development that exists between the North and the South. As earlier indicated in this study, this classification is not wholly defined by geographical location but by level of economic development. The North depicts the wealthy DCs while the South depicts poor LDCs. Nevertheless, it is not untrue to conclude that most countries in the Southern Hemisphere are characterised by under-development, dependent economic systems, low literacy rates and low standards of living for majority of citizens. On the other hand, the Northern Hemisphere consists of developed countries of the globe. These include countries in Western Europe, the United States, Canada and Japan (Echezona, 1998:236). Even though most of the countries of the North are located in the Northern Hemisphere, with the exception of Australia and New Zealand, this study asserts that the North-South divide does not completely imply regional or geographical classification (Ubaka, 2008:52).

South-South Cooperation

This concept entails diverse cooperation among developing countries otherwise known as countries of the global South. It is a broad concept that explains different forms of relationship and collaboration among LDCs. Specifically, it refers to cooperative activities between emerging economies and other developing nations of the South (Enchill, 1998:25).

The United Nations office for South-South Cooperation defines the concept as ‘a broad framework for collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, it can take place on a bilateral, regional, sub regional or interregional basis. Developing countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts.

Recent developments in South-South cooperation have taken the form of increased volume of South-South trade, South-South flows of foreign direct investment, movements towards regional integration, technology transfers, sharing of solutions and experts, and other forms of exchanges’ (UN Handbook, 2005). These activities mostly cover the areas of political, economic and technological development (Carlson, 2011: 18-25). A major characteristic of this concept is the solidarity among member countries which is aimed at promoting trade activities and the employment of sophisticated technology to carry out viable projects which will eventually lead to the development of the global South. By way of conceptualisation, South-South Cooperation refers to concerted efforts by countries of the Southern Hemisphere to work together towards addressing common developmental problems confronting them. This cooperation can take place at formal, informal, bilateral, multilateral and interregional levels. It is significant to clarify here that this concept does not necessarily imply that the countries under this umbrella always agree with one another, but it is a step towards the adoption of collective measures to solve problems that are common to member states (Eban, 1983:172).

The potential for South-South Cooperation, therefore, has to be viewed within the context of the wide-ranging and rapid economic and political changes which are profoundly altering opportunities for growth and development, and presenting new challenges to developing countries. Indeed, the impact of these forces in world economy has wrought significant and differential changes in the South, sufficient to anticipate an emerging shift in the balance of global economic power (Martinez-vela, 2000:5).

However, while the growing differentiation among countries of the South itself presents new opportunities for economic cooperation, the impact of globalisation has also thrown up new challenges to such cooperation and to forging common positions on development and social issues among developing countries. Irrespective of the high rates of economic growth which the countries of the South have experienced over the years, the economic and social

inequalities of the global economy have grown more acute for those countries which have not been able to benefit from the opportunities presented by the globalising world economy (Wallerstein, 2000:18)

Regional economic arrangements symbolise one of the most prominent forms of SSC. This is to enable developing countries compete more effectively in the global economy. This, therefore, necessitated the need to develop and strengthen ties between such regional groupings in order to expand and deepen the scope of South-South Cooperation in terms of trade and investment (Wenping, 2012:88).

Originally, the focus of the concept was to neutralise the Cold War politics between the Eastern and the Western alliance but in the course of achieving this, developmental issues also became the focus of South-South Cooperation and efforts were geared towards it. One of such efforts is the improvement of self-reliance of the countries of the South which was implemented by reducing aid from countries of the North which ultimately altered the global balance of power (Brown, 2004:22). This in turn, created North-South tension. Proffering a solution to this tension and reducing the North-South tension are one of the major objectives of this concept (spear-headed by China). It is targeted at advancing the economy of countries of the South. Other objectives include improving communication among member countries to create awareness of common problems and broader access to available information and knowledge required in resolving developmental problems.

Technology

Technology has been defined by different authors depending on the perspective from which it is viewed. Kumar, Kumar and Persaud (1999:33) define technology as the contribution of physical and informational component of 'know-how' in functional areas of a product such as quality control, production and marketing. Lan and Young (1996:44) concur with the above definition but go further to explain that technology transcends this level as it also entails the production processes of a product and the availability of sufficient information required in the development and use of the product.

In order to buttress definition by Lan and Young, Rosenberg and Frischtak (1985) consider technology as information concerning the quality production processes and product designs. This implies that, technology is inferred and cumulative in nature and that it entails

theoretical skills and practical knowledge that can be applied to develop products and services. It is also a production and delivery method. The authors further assert that technology is inherent in people, materials, cognitive and physical procedure, amenities and equipment (Lin, 2003:22).

Technology transfer

This implies the transmission of knowledge and expertise from a technologically advanced country to a LDC, which enables the beneficiary to manufacture a particular product or provide a specific service (Wahab, 2012:3). This is in line with the earlier definition by Chesnais (1986:88) which maintains that technology transfer also entails the transfer or ability to master, develop and later apply independently, the technology required for the product or service. This implies transfer of after-production technology or after-sales service as the case may be.

Globalisation

The concept of globalisation connotes different meanings depending on the context of its application. Globally, the term globalisation refers to the increasing exchanges and relations in world trade, local and foreign investments, capital markets and other official roles of government in national economics (Ojo, 2004:69). Obadan (2004:2) considers globalisation as a concept which explains the increasing interconnectedness and interdependence among regions of the world, nations, governments and individuals. It promotes the advancement of a global village mentality and depicts the picture of a borderless world through the use of information technology. This creates the partnership required to enhance greater financial and economic integration. There have been conflicting views on this concept by different schools of thought, that it is not all a positive effect concept. Though the proponents are of the opinion that it has infinitive potential for economic welfare and development, another school of thought is of the opinion that it is a verifiable evil that is out to drive developing countries back to the colonial days and abject poverty (Bhagirath, 2004:18). These scholars are of the opinion that free and unrestrained imports can result in severe drain on foreign exchange reserves, resulting from the fact that domestic production in LDCs are not able to withstand competition with the developed world, thereby, causing industries in the developed world to have advantage of extensive networks of production, services and trade. It is therefore highly ironical that globalisation, which is being championed on the merit of encouraging interconnection and interdependence, is actually constraining competition in other areas.

Therefore, for the concept of globalisation to have an increased positive effect on developing countries, such countries should not completely go by the slogan as defined by developed countries (Lin, 2012:4). As much as developing countries require financial and technological resources, foreign capital to augment and modernise technology to move on a fast growth path, they should not expose their economy to exploitation by the developed world in order to enjoy the benefits that the concept of globalisation has to offer.

Foreign Direct Investment (FDI)

This concept can be defined as investment made to acquire a lasting organisational interest in a business enterprise operating in a country other than the home country (World Bank, 1996:18). It is a concept that has been continuously viewed by economists, political analysts and policy makers as a means of achieving increased productivity, to finance development and also to acquire recent and applicable technology which serves as a buffer for beneficiaries in time of crisis or economic depression. This form of investment may be in the form of a new investment or in the form of merging existing investments for the purpose of either ensuring continuity or to strengthen the capital base of investment or outright acquisition of an existing investment by a new one. This is referred to as Merger and Acquisition (M&A), (Obwona & Marios, 2001:1). The concept of FDI has been perceived by analysts as a fallout of the globalisation concept which is targeted at driving cross-border investments with the ultimate aim of achieving economic development. Findlay (1998:3) maintains that FDI is a major means of achieving technology transfer and enhances the technical progress of the destination of such investments by augmenting domestic capital which in turn, increases the output of such investments.

Globally Balanced Economy

This refers to a rise of truly interconnected global economy where no one dominates world economic policy (Pons-Vignon, 2012:3). For centuries, there has been diametric disequilibrium in economic relations between countries of the North and the South, with the former having an edge over the latter. Most countries of the Southern Hemisphere were at one time or the other in their history, colonised by major colonial powers of the North (France, Britain, Portugal, Spain and the Netherlands). Centuries of colonialism preceded by centuries of slave trade have had negative impacts on the economic, social and political development of countries in the Southern Hemisphere (Akinbobola, 2001:52). This has led to the dominance of the world economy by one region over the other over time. In the 19th

century, Asia dominated the world when China and India represented about 50% of the world's GDP and Western Europe and North America accounted for only 20%, however, this was later changed by industrial power (Piertese, 2011:2). One thing that is certain is the fact that the North has dominated the world economy for a long period of time while the South has remained underdeveloped (Ogunsanwo, 2010:22). In recent years, the tide has turned and China has re-taken over its dominant position and is presently being referred to as the world economic power, but this situation still depicts disequilibrium as long as one region dominates the other.

The global economy will be referred to as balanced when the economy is devoid of swings and both the North and the South are at equilibrium. This study is of the opinion that concurrent development of the North and the South will eventually lead to a globally balanced economy.

Regional integration

The concept of integration in International Relations explains sub-regional cooperation and the creation of political and economic union among neighbouring countries. Various analysts around the world have considered it as an approach to achieving national development (Eze, 2005:18). This is evident in various achievements by different regional groups that have been formed, especially since the wake of the 1970s. Even industrialised nations of the world have realised the essence of integration and find it essential to integrate and form different groups. This, therefore, implies that the benefits of integration cannot be over emphasised (Tokuta, 2002:3). Integration has been anticipated with so much devotion, particularly in developing countries, as a major solution to the problems of underdevelopment. As the gap between developed and developing countries widens, integration is imagined as a counter reaction by developing countries to fully utilise the limited resources for development purposes as well as a source of bargaining power in relations with the developed world (Akinyemi,1984:2); (Omitola &Jiboku,2011:55). This gap has become wider with the growth of economic, political, social and cultural relations across international boundaries, especially with the current economic supremacy in the form of globalisation.

Regional integration is therefore an issue that has occupied a great deal of attention of political scientists as well as policy makers in Africa. Regionalism describes the array of activities from state-led efforts to develop an economic, political or security region, to the organic creation of regional cooperation through intensified economic or political

independence (Gilson, 2002:3-4). This concept became popular in the last decade, especially after the Cold War. Practically, all states of the world belong to a regional organisation and nearly all regions of the world have at least one organisation, which aims at establishing a free trade area among its members (Hettne, 1999:16).

In the context of this study, over time, countries of the South have not occupied the centre of the global economy which is clearly shown by the continuous decline in global trade share. Most of these Southern states (with the exception of Nigeria and South Africa), have a population of less than 50 million (Fashola, 2010:56). These countries are faced with declining GDP, high production cost, border barriers, low per capita income and declining infrastructure (Anyawu, 2005:67). These countries, therefore, saw the need for alliances and integration in order to tackle these problems. In order to achieve this, various groups such as the LPA, ECA, SADC, ECOWAS and ECCA, among others, have been formed.

Dumping

Dumping, as a concept, can assume different meanings depending on the context in which it is used. Environmental dumping is the practice of trans-frontier shipment of waste from one country to the other (Bown, 2007:8). The goal behind this is to take the waste of a country to another country that has less strict environmental laws. This means dumping of hazardous wastes which can harm humans, animals and plants if they encounter these toxins.

It could also mean exporting of goods and services by a company at a lower price than what is charged in its home market. This can further be referred to as 'price discrimination'. It depicts a situation where different prices are charged for the same commodity in different markets (Fashola, 2010:54). This can be likened to the type of dumping referred to in this study. As indicated in the earlier part of this study, dumping can assume different meanings depending on the perspective from which it is viewed. When viewed from the real perspective, dumping is usually mistaken to be the selling of goods, mostly imported at cheaper prices. On the other hand, when viewed from the legal perspective, it implies the export of goods to a foreign country at a lower price than its normal value (Anyawu, 1998:54). Globally, the term dumping is acknowledged as an act of selling a product in a foreign country for less than the price of the same product in the home country or its cost of production. This business practice has been declared illegal in many countries in order to protect domestic industries from unfair competition. LDCs with low overhead and cost of manufacturing can benefit from the act of dumping as it encourages them to sell more goods

at lower prices in the international market. This form of dumping is quite different from the harmful form of dumping known as 'predatory dumping' and needs to be encouraged. Dumping is referred to as 'predatory' when a foreign firm sells at a price lower than its cost of production with the help of huge subsidies from its government, with the aim of eliminating domestic producers and achieving monopoly (Miyagiwa & Ohno, 2007:221).

Anti-Dumping

Anti-dumping can therefore be defined as a tariff imposed by a domestic government on foreign imports believed to be priced below fair market value in order to protect domestic industries. It can also be defined as a form of control that can be employed in order to ensure fair competition as allowed by WTO and reduce the twisting effect of dumping and enhance trade within and among countries (Messerlin, 2004:112). When this concept is viewed superficially, it can be explained within the context of protecting domestic industries but in the real sense, it only cushions the effect of unfair trade which may or may not protect domestic industries and also reduces the distorting effect of price discrimination which is a fallout of dumping. Anti-dumping can be employed as an instrument to safeguard dumping in international trade and also as a tool for governments that detest unfair and strong competition (Beggs *et al.*, 2002:55).

Economic growth

This concept can be defined as the continual capacity of an economy to produce goods and services required to enhance the well-being of citizens over time. In the words of Todaro quoted by Fashola (2010:82), 'economic growth is the steady process by which the productive capacity of the economy is increased overtime to bring about rising levels of national income'. This simply implies that economic growth is a process of increasing output in order to increase the national product of an economy. Thus, in discussing economic growth, it is necessary to discuss the population of the economy under examination. This is because economic growth becomes a meaningful concept if it leads to improvement in the wellbeing of society overtime. This can only happen if the rate of population growth lags behind economic growth over time. Growth, therefore, refers to the increase, over time of a country's production of goods and services (Anyawu, 2005:405). It also refers to the volume of output in the current year in relation to the previous year. It is one of the four major goals

of any economy; others include price stability, full employment and a healthy balance of payment solutions (Anyawu, 2005:405).

Economic development

Until the mid-1960s, economic development was virtually equated with economic growth and was used interchangeably but these two do not necessarily have the same meaning. Economic growth, as defined above, does not take cognisance of desirable structural changes in the society's economic arrangement as it overlooks the distribution of income and hence, the well-being of citizens in the economy (Frankel & Romer, 1999:380).

Economic development, in a general sense, can be defined as economic growth which considers and enhances the economic welfare of its citizens, especially for people living below the per capita income, enhancement of the economic power through the eradication of mass poverty which is often accompanied by high levels of illiteracy, diseases, early deaths and shifting of structure of production towards industrial activities (Anyawu, 2005:405-408). Economic development, therefore, can be defined as the total transformation of an economy from a less to a more desirable one which has direct positive impact on the overall improvement in the well-being of all citizens. It is a multi-dimensional process involving the provision of basic needs, acceleration of economic growth, reduction of imbalances, eradication of absolute poverty as well as general overhaul of structures of the economy Todaro cited by (Anyawu, 2005:23). Development is thus considered as being more pervasive and more embracing than economic growth.

1.13 OUTLINE OF THE STUDY

This study is divided into seven chapters as follows:

Chapter One is the introduction and presents the focus of the study, research hypotheses, methodology and sources of data for a better understanding of the major concepts used in this study (South-South Cooperation, Regional Integration, Foreign Direct Investment, Global South, Global Economic Balancing, Dumping and Anti-dumping as it relates to Nigeria-China relations).

Chapter Two is the literature review and theoretical analysis of China-Nigeria relations. The Chapter also discusses regional integration theory as it relates to the relationship between

China-Nigeria and other African countries. The relationship is also explained within the context of regional cooperation.

Chapter Three focuses on the legal framework on dumping in theory and practice. Anti-dumping law as it relates to Nigeria-China relations is extensively discussed in this Chapter.

Chapter Four presents the historical evolution of South-South Cooperation with Nigeria-China in view, key issues in South-South Cooperation and problems associated with South-South Cooperation. It also examines China-Africa relations as unequal exchange.

Chapter Five examines China-Nigeria relations with key focus on Nigeria's economic structure and performance with special emphasis on the role of trade with China. It also discusses the effect of legal framework in Nigeria on its relations with China, the role of Standardisation Organisation of Nigeria (SON), International Standardisation Organisation and other relevant regulatory institutions. The Memorandum of Understanding between the two countries is also discussed in this Chapter.

Chapter Six describes the method of data presentation and result of the findings. It also analyses the data on South-South Cooperation, dumping and anti-dumping within the context of China-Nigeria relations.

Chapter Seven is a summary of the study, relevant recommendations and conclusion drawn from the study. The next chapter is the literature review.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL ANALYSIS

2.1 INTRODUCTION

The major emphasis of foreign policy analysis is on political interaction between different actors in the international system. This becomes inevitable due to rising global interdependence which advocates the separation of political variables from economic variables while analysing the behaviour of states in the international system (Friendman, 2005:78). As the spate of globalisation increases, territorial borders and intellectual boundaries start disappearing. The collapse of the Soviet Union, the Asian financial crisis and Africa's intractable development crises further explain the critical intersection between politics and economy which also explains how states relate with each other in different areas such as foreign aid, access to markets for the facilitation of trade, FDI and technical cooperation (Kegley, 1993:33). The relationship between China and Nigeria constitutes the focus of the study. The major assumption of this study is that the primary aim and concern of policy makers is the desire to improve the welfare of the citizenry which requires the attraction of foreign capital and favourable terms of trade which catalyses economic growth and development.

Based on the above premise, the decision by the governments about the relationship between China and Nigeria is no exception, but while striving to achieve the desired goal, there is a countervailing objective of political autonomy which states also strive to keep. One fact that needs to be pointed out in this study is that there is an inverse relationship between the objective of maintenance of wellbeing and political autonomy as the desire to improve necessitates closer relationship with economically and technologically advanced partners. The achievement of economic wellbeing, in this case might jeopardise the goal of political autonomy of the economically weak and dependent political systems which, in this case, is Nigeria.

The diplomatic tie between Nigeria and China was formally established on 10 February 1971. Formalising and acknowledging this full diplomatic relationship was a triumph for both countries, as they both desired a mutually beneficial relationship (Bukarambe, 2005: 253).

This relation (which can be regarded as a form of South-South Cooperation) (Eze, 2005:31), has generated heated arguments among politicians and scholars globally (Akinterinwa, 2012;

Ogwu, 2005 and Orugu, 2009:7). While some argue that the presence of China in Nigeria will not, in any way, address the significant problems of the country, but rather a relationship that will further impoverish the already dwindling economy, others see it as a way out of the economic, political and technological doldrums which the country presently finds itself.

Both countries enjoyed a moment of diplomatic triumph from their respective viewpoints due to certain specific qualities relating to both. But beyond the general view, both countries saw the very act of establishing formal ties as an aspect of national self-assertion. While Nigeria saw it as a clear demonstration of its commitment to non-alignment, China saw it as another step in the fight against the policy of domination pursued by western powers (Chibundu, 2000: 18).

Generally speaking, there is an abundant body of knowledge on the pattern of relations between these unequal partners, but while some are theoretical expositions, others are experimental or case-based explorations (Hirschman, 1998: 5). As expressed by the then Military Head of state, General Gowon, 'the policy of non-alignment will be given more active expression when looking at the relationship'. As earlier indicated, this relationship is one that has attracted a lot of views and criticisms from different scholars and various schools of thought. Joshua Goldstein (1999) opines that there is no single theory that can unilaterally explain the wide range of international relations, both conflictual and cooperative. To this end, the relationship between Nigeria and China is no exception. This section examines Nigeria-China relations as viewed and explained by different schools of thought.

This chapter discusses nine theories as follows: Realist; Neo-Realist; Marxist; Neo-Marxist; Neo-colonialism; Dependency; Attribute; the New Imperialists; and Political Economy. It also discusses the World System Analysis theory which encapsulates all the other theories in order to justify the fact that the concept of globalisation is basic to modern world system. It is argued in this chapter that Nigeria-China relation is driven more by economic ambitions which supersede political ambition and benefits as asserted by the political economy school of thought. Therefore, the political economy approach is employed in the analysis of this relationship as stated in chapter one even though this also has its flaws which have been explained above but in all, it relatively explains the relationship between the two countries being studied here.

2.2 THEORETICAL FRAMEWORK

Different schools of thought in international relations (IR) have all been pondering on how to categorise interactions among nations. With the gaining of momentum of several theories in international relations in the early twentieth century, this discussion has continued to dominate research in the twenty-first century (Jhingan, 2003:109). These theories can be majorly divided into two approaches which are; the mainstream approach and the critical theory approach. Realism and liberalism fall under the mainstream approach and are often considered the most commonly used theories in international relations. Marxism and feminism are more associated with the critical approach (Ogaba, 1997:64).

At the end of the Cold War, liberal economic policies and institutions emerged, a development which was described and defended by numerous scholars. Balaam and Veseth (1996:25) and Henning (2007:43) assert that the co-operative strategies of today are predominantly liberal in their orientation. According to Nel and McGowan (2003: 59), cooperation by states on functional issues such as trade and economic development is explained by the theory of liberalism which allows international organisations to encourage such acts (Amusan, 2011, 2017; Mills, 2008 and Yopo, 2008).

These authors describe the trend towards new regionalism in the South, agreements on regional economic integration and/or political co-operation emerging in less developed areas of the South. In the majority of cases, regionalism is viewed as a prerequisite for securing a better position in global markets and improved bargaining power in international relations, especially in economic and political fields. Development options which emphasise closed economy and national self-sufficiency have been discarded almost everywhere, including developed countries. Expanded markets are also considered more attractive to foreign partners and effective instruments when competing for goods, services and capital in world markets (Yopo, 1998:17).

Yopo's views on regionalism have evolved in response to recent changing structural circumstances and economic and political ideas. In the past, regionalism in Latin America, for example, was seen as a way to further the process of import-substitution industrialisation in the region in order to provide sufficiently large markets to satisfy economies of scale. Protective trade barriers were accordingly raised against competitors outside the region. At that time, integration was perceived as an instrument of collective defence against external threats. In contrast, the new integration schemes are based on the following: across-the-board

and accelerated liberalisation; reciprocity in the concession of preferences; a search for special trade relations with developing countries; institutional flexibility; and collective leadership by governments involved, rather than by autonomous technical secretariats (Yopo, 1998:17).

The post-Cold War era led to the proliferation of liberal and fiscal economic strategies and institutions. McGowan and Nel describe liberalism as ‘the political and economic doctrines stressing individual freedom and responsibility’ (Nel *et al.*, 2003:22). Liberalism emphasises the involvement of many actors in international relations to promote the advantages of co-operative relations among them. Liberals argue that the lowering of barriers between countries encourages interdependence and raises the costs of conflict. They are also of the opinion that the strengthening of international law and the creation of international organisations encourage peace and cooperation. The liberal theory encouraged international organisations to devise ways in which states of the world could cooperate on functional issues such as trade and economic development. The more areas in which countries cooperate, and the better the sharing of information about each other’s interests and concerns, the more opportunities there are for them to sort out their differences peacefully (Nel *et al.*, 2003:23).

Proponents of the liberal thought consider the maximisation of economic growth and efficiency to be the ultimate goal of national policy on international economic relations. According to them, the optimal allocation of resources for national economic growth is the basic value that determines national economic policy, which must be made in the context of a global economy that operates in accordance with the *laissez-faire* norms of liberal tradition. It is therefore assumed that all countries open themselves to international relations. Even though the liberalists recognise that the distribution of benefits from existing international economic relationships based on these prescriptions is never symmetrical, they still maintain that such relationships are mutually beneficial. In the event that existing international relationships do not enhance growth and efficient allocation of resources, the liberalists blame it on the ‘unwillingness’ of decision-makers within nations to pursue rational liberal policies. This implies that as soon as individual state policies and the global economy as a whole conform to the views of the liberalists, growth and efficiency will be maximised globally (Akinbobola, 2001:13).

Economic cooperation is further supported in the liberalist doctrine by the assertion that the international economy is a positive-sum game in which prosperity is available to all (Fashola,

2010:398). Liberalists contend that it is also the best way to create prosperity to free economic interchanges from political restrictions and to enhance interdependence. They oppose the use of national economic restrictions, such as using tariff barriers or domestic subsidies to upturn the free flow of trade and investment, and to dominate trade with other countries. Free international markets are perceived as stimulating industry, encouraging innovation and increasing production (Balaam & Veseth, 1996:39). These liberal ideals of economic co-operation originate from “*The Wealth of the Nations*” by Adam Smith (1776), and have been endorsed by David Ricardo and John Keynes (Fashola, 2010:463).

Liberalism has been considerably adapted since these traditional ideals were first set out, because critics argue that these aims are highly optimistic and unrealistic. Armstrong, Harvey and Robert (2003) state clearly that a ‘positive-sum game (does) not exist in the contemporary political economy’. They believe that gains by one nation would surely not be at the expense of others, which would result in inequality and unfair advantage for the more powerful nations. Liberals have also come to the realisation that the state has a crucial domestic role to play in equalising income, decreasing inflation and unemployment, and preserving the environment, among other things, which could classify nation-states as developed. This has become a widely accepted viewpoint in the discourse on political economy, although the desirable degree of state intervention is still overtly contested (Ogunsanwo, 2010:18).

However, although liberal norms have been adopted and are being implemented in the South, the latter continues to depend on the North, as it represents bigger markets, more spending power and greater opportunities.

The pattern of foreign investment in post-colonial third world countries was structured in the colonial period to reinforce the integration of those countries to Western-market economies and the structural dependence of the former on the latter. In summary, because of trade dependence of DCs, domestic economy is quite defenceless against the detrimental effects of international trade as any economic growth that may have been achieved by internal efforts may be counteracted by external effects that would often be connected with conscious neo-colonial actions (Bhagirath, 2004:9).

Due to the economic and political power of the North, and the dependency of the South, the latter has had no option but to adopt liberalism and incorporate the structure of the modern

political economy. Liberalism and dependency both explain current bilateral agendas, and have substantial influence on development in today's terms (Cline, 2008:15).

Having examined the theoretical framework of South-South Cooperation, an analysis of the emergence of closer and improved relations between China and Nigeria is done in accordance with the political economy approach.

The major emphasis of this theory is that economic structure determines the politics of a state. Proponents of this school of thought believe that the political economic organisation of the world trade pattern must be radically altered for developing countries to develop (Chimobi, 2010:43). This approach is integrative and provides an organised means for deeper penetration of social events. As a methodology, this approach assigns primacy to economic factors as opposed to cognition which depends on the former. In general, this approach postulates that, in any society, economic factors are paramount and eventually determine the fundamental nature and activities of other spheres of social existence such as politics, religion and culture (Eze, 2011:4). It does not deny the fact that non-economic factors have an impact on and influence the economic base. In effect, the argument is that if one understands how the economic system is organised, one can come to the understanding of the societal traditions, its laws, religious system, political system and even the mode of thought (Eze, 2011:187-188). This approach fully explains the motive behind China's investment in Nigeria and analyses the relationship in detail.

A lot of scholarly works have painted this relationship as beneficial to both China and Nigeria. However, there are some issues relating to exploitation which can, and have been impediments to the achievement of the so much desired globally balanced economy. Within the context of Nigeria-China relations, Ogwu (2005:33) does not believe in the dominance of any race. She argues that Nigeria is supposed to have influential power to be able to influence another international player. For this to be carried out successfully, Nigeria must have a strong military, an industrial base and should engage in global politics. This supports the assertion of the realists that nations are always self-centred and will always put their interest above that of others.

Hartmut (2010:56) considers Nigeria-China relations as a strategy to secure power and also a political strategy by China to have Nigeria under its control in order to elevate Chinese influence in Africa.

Many scholars in Nigeria (Adegbulu, 2006; Akinterinwa, 1994; Bukarambe, 2005) have emphasised that the benefit of the relationship is one-sided with respect to bilateral issues and trade. They also opine that Chinese involvement in the importation of substandard goods into the country is a means of enriching the country to the detriment of Nigeria's economy.

Sino-Nigeria relations, when viewed from this perspective, based on recent activities that are mostly based on the quest for African natural resources by China and other Western countries, and the thirst for social, infrastructural and economic development by African countries; it is undeniable that the interests of both countries are focused on how to rise in terms of economic growth and development. Being a primary economy, Nigeria tends to rely on China as an alternative for its own economic growth while China relies on Nigeria for raw materials, market and energy. This further promotes the self-centredness of states to ensure their own survival. This theory is considered the most realistic tool in analysing Nigeria-China relations. Eze (2005:21-24) opines that the outbreak of war is a fall-out of uneven power distributions among states and this is inevitable due to conflicting interests among states (Eze, 2005:33).

The bane of this theory in explaining the motive behind China's relations with Nigeria is that most recent development in International Relations are not captured in this theory as nations have other reasons to relate other than power acquisition.

2.2.1 The Realist school

In international relations, there are various theories and theoretical viewpoints which explain the mode of relations between and among nations. Realism (which is one of such theories), emphasises the competitiveness of 'states' and its conflicting side. It is contrary to idealism or liberalism which emphasises cooperation among states. Realists assert that 'states' are the principal actors in the international arena and are mostly concerned with self-protection and security in pursuit of national welfare and power acquisition. They also assert that supremacy and law characterise the realm of national politics while international politics is characterised by injustice and prospective conflict among states (Donnelly, 2000:18). Classical realism accentuates the concept of national interest but this assertion neither fully supports Machiavellian's principle 'that anything is justified by reason of state (Amin, 1972; Surhone & Timpledon, 2010:189) nor does it fully support the realist in the area of glorification of war

or conflict. It does not also reject the possibility of moral judgment in international politics. Rather, the principle is critical of moralism-abstract that does not consider political realities (Beitz, 1997: 78). It assigns supremacy to prudence and ability to weigh actions among possible alternatives as the major value to successful political action on the basis of its likely political consequences but the negative part of the assertion on power and self-interest is often the cynicism regarding the significance of ethical norms to relations among states. The founding fathers include Thucydides, Machiavelli and Hobbes (Brown, 2001: 34).

The assumptions of basic realist ideas include the pessimistic nature of the human race, certainty that international relations are unavoidably conflictual and that international issues are mostly resolved through wars. They place a high consideration on national security and state survival, and support the fact that states acquire as much resources as possible in pursuit of security; and are also sceptical about the fact that progress in the international arena cannot be comparable to such in a domestic political life (Jackson & Sorensen, 2003: 10). Realism further embraces the ideas that nations will always consider their own interest first. This implies that they place their needs and desires above every other state (Bukarambe, 2005: 8). It is also often referred to as the power politics with central focus on power acquisition, maintenance and its implementation by the states (Stiglitz, 2002:13). It is *materialistic* in nature as it depends on economic and military power.

Realists believe that states, with their uneven distribution of power, are characterised by conflicting interests which will inevitably lead to outbreak of war. They further classify such powers into 'hard' and 'soft' depending on issues on the ground. According to them, hard power involves tangible military hardware engaged during war and conflicts while soft power implies power generated from ideas, possessions or political/economic advancement (Stiglitz, 2002: 7).

Realism is an old model and has been the prevailing model of international relations for over six decades. It is supported by the proponents because even in the face of serial aggression from the Far East and Europe, it provides a practical framework for explanation of collapse of post-World War I, international order of World War II and the Cold War. Nevertheless, the classical versions of realism articulated by Morgenthau and Waltz (1990) have been criticised by some scholars who acknowledge the basic premises of realism but argue that the theory lacks sufficient precision and rigour in at least four important respects (Clapham, 1996:44). These four aspects are as follows: the assumption of pessimistic nature of humans either

viewed from theological or secular version (Kaplinsky & McCormic, 2007:4); the fact that self-centredness activities are basic to homo politicos and thus, is at the hub of the realist theory (Zhefuss, 2002:66); modern realists assert that classical realism cannot be regarded as a satisfactory justification for the full explanation of international relations due to variability of human nature which necessitated the explanation of state behaviour using the structure of international system other than human nature (Zhefuss, 2002:66).

The theory has also been criticised based on the imprecision and contradictory explanation on the usage of terms which are core to the explanation of international theories. These terms are 'power, balance of power and national interest' (Errine, 2010:6). Furthermore, contradictions between the central descriptive and prescriptive elements of realism form another basis of criticism. This explains the fact that nations and their leaders think and act in terms of interests defined as power on the one hand, but on the other, statesmen are urged to exercise prudence and self-restraint, as well as to recognise the legitimate interests of other nations. Power plays a central role in classical realism, but the correlation between relative power balances and political outcomes is often less than convincing, signifying the need to analyse power with other variables (Errine, 2010:16).

2.2.2 Neo-realist approach

This is another international relations theory which on the one hand, accepts some basic assumptions of realists but some of its proponents (Robert Keohane and Joseph Nye, 2001:18), went further to clarify that the concept of complex interdependence is a useful tool to describe the picture of global politics which they considered sophisticated. They assert that there is the possibility of progress and advancement in international relations without resulting into war.

The very term neo-realism has often been a source of debate because many realists regard the ideas it conveys as nothing that would merit the prefix 'neo'. However, most observers disagree and feel that something did change with realism in response to the pluralist challenge and neo-realism is a way of pointing out that change (Brown, 2001:18). According to Kenneth Waltz (1990:89), the departing point of neo-realism from traditional realism can be explained as follows: Neo-realism portrays a shift in causal relations; offers a different level of interpretation of power; and treats the unit level individually. Starting with the shift in causal relations, 'neo-realists' re-conceived the causal link between interacting units of these levels and international relations. The theory shows that causes run not in one direction,

from interacting units to outcomes produced, but rather in two opposing directions which may produce opposite results (Waltz, 1990:55). Rather than studying interacting units as producing varying and sometimes conflicting causal relations, the structural level of international politics has been embraced as a possible cause to some relations occurring on the international stage. Realism did not recognise the fact that structural conditions, which belong to the international system, can impose themselves on all the units and which therefore, ultimately establish the outcomes of interactions between states (Brzezinski & Mearsheimer, 2005:6). Focusing on a comprehensive approach of both structural and unit levels causes and excludes neither factor, supports the assertion of neo-realist with a better explanation of possible casual relations among states. In addition to causal relations, the interpretation of power provided by neo-realists has convincing differences with that of traditional realists. For many realists, the desire for power is intuitive and deep-rooted in the nature of man which often arouses evil feelings and actions. On the contrary, neo-realism employs the idea that the struggle for power arises simply because people want them and not necessarily because of the evil in their desires (Waltz, 1990:10). In international relations, the strong desires of states seeking power for the purpose of deterring potential aggressor(s) and ensuring security is at the forefront of any country's foreign policy agenda. Both viewpoints are undeniable and quite reasonable because the desire for states to attain maximum power is universal (Taylor, 1998: 19). Since relations among state actors do not fit a particular mould, both are practical in the sphere of International Relations and further determined by those asked to describe that particular behaviour.

Lastly, the unit of level places a lot of emphasis on how states interact. Neo-realists consider states as units; each state is like all other states in being an autonomous unit. States are made functionally similar by constraints of structure, with the main differences among them defined according to capabilities; moreover, structures mediate the outcomes that states produce (Waltz, 1990:6). This view embraces the idea that units function based on the structure of their states and the international system. An important point to note is that neo-realism, as a theory, is in one way or the other, connected to the classical or traditional theory. Both theories support the idea of states as self-driven and always placing their individual interests over others.

The theory was criticised on the ground that its application to the current international system is limited as the world currently looks more Liberal and Constructivist. To this end, states care less about war and place more emphasis on norms (Sorensen, 2003:23). In order to drive

this point home, nations are inhibited by domestic conditions and international or global opinions. Consequently, this opinion is applicable both in the developing and developed world. The major criticism to this theory is the limitation to its application in developing states (Brown, 2001:16).

Factors that come into play and the implementation stage constitute the point of departure of both theories. Since the focus of this study is on the economic and political aspects of relations between Nigeria and China (in terms of development and mutual benefits), analysis in the study examines the extent of this relationship and the degree of its existence.

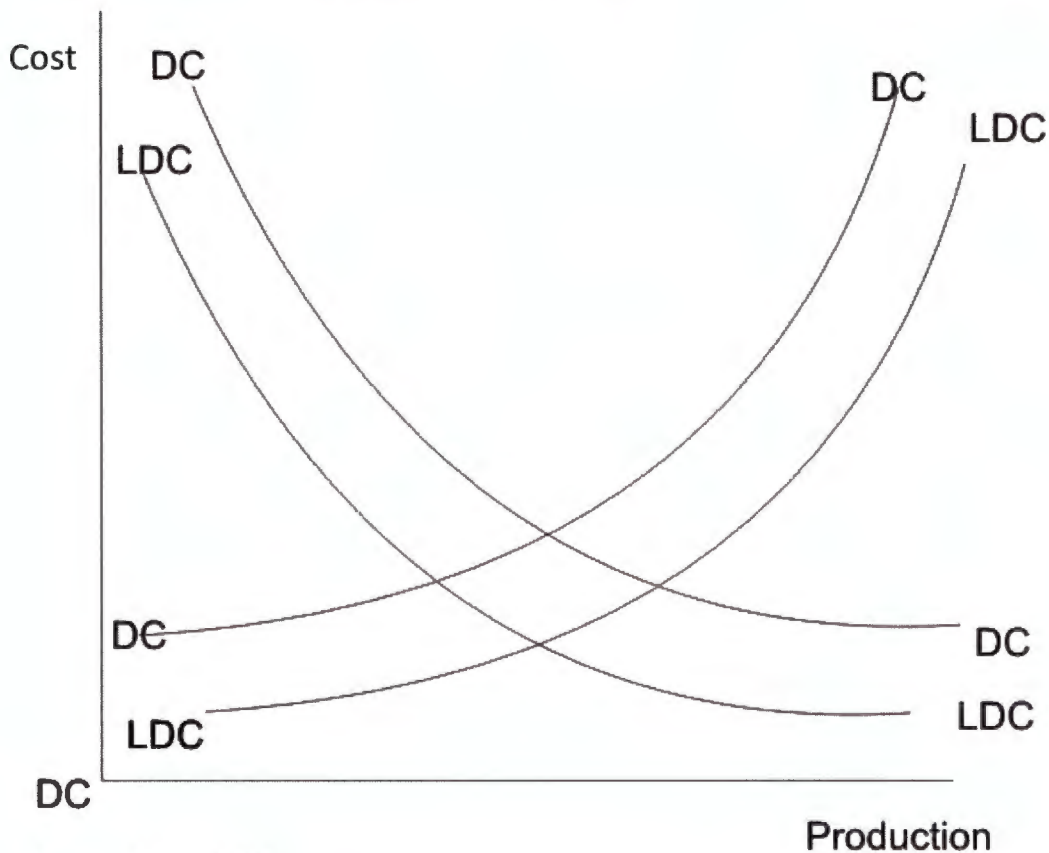
2.2.3 Marxist approach

This theory explains the relationship between Nigeria and China in terms of bourgeois capitalist exploitation of proletariats. Advocates of this theory include Baran (1957:2) who argues that capitalist countries accumulate their wealth by exploiting the colonial territories. Frank (1979:76) supports this assertion and maintains that this theory explains why socialist countries cannot record development like their counterparts in the Western World. Capitalism played a different role in Western countries because it was entrenched in imperialism. Frank advocates a centre-periphery model to articulate the function of imperialism. He likens metropolis to the 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 address underdevelopment of the new nations is to 'delink' them from capitalist economies. (Eket, 2008; Nkrumah, 1971: 8) argue that states that rely heavily on foreign countries are in theory, independent and have all the outward trappings of international sovereignty. In reality, their economic systems and political policies are directed from outside. According to Mac-Ogonor (1999:67-89), the fact that a country has an independent national flag and referred to as independent, is not sufficient to break the yoke of economic dependence of developing countries on colonial countries. The result of this heavy reliance on colonial institutions is that foreign capital is used for manipulation and exploitation rather than development of developing countries. The theory of unequal exchange advanced by Classical Marxist scholars is used to explain the unequal economic relations between a developing economy such as Nigeria and an advanced developing economy such as China. The theory of unequal exchange in the sphere of international trade between developed and underdeveloped countries maintains that developed countries get

higher value of the labour inputs of their products whereas developing countries get lower value of the labour inputs of their products. Emmanuel (1971:10) propounded the theory of unequal exchange in international trade between the centre (Developed Countries and Less Developed Countries) which has led to the exploitation and manipulation of the latter by the former. According to him, unequal exchange 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 LDCs, cost of production is also low. On the other hand, since wages are higher in DCs, cost of production of a commodity is high, as well as its price. Thus, the commodities of LCDs become cheaper than those of DCs, indicating an unequal exchange in trade between the two. LDCs, therefore, require more resources to acquire commodities produced in DCs. This singular act will continue to impoverish LDCs as more resources are required to acquire a corresponding volume of commodities from DCs. This theory is further explained by the law of production at the micro level and law of comparative advantage which is a larger scale of theory of production at the macro level (Beggs, Fischer and Dornbusch, 2002:142). As earlier mentioned, cost of production is higher in DCs and vice-versa for LDCs. This has automatically created international division of labour, which is a major requirement for the law to be efficient. In economics, the law states that countries specialise in producing and exporting goods that they produce at a lower and relative cost than other countries. This is based on the assumption that capital-labour ratio in developing countries is low compared to developed countries (Anyanwu, 2005:10). The exchange of goods between the two is summarised below

FIGURE 1:

GRAPH SHOWING THE STRUCTURE OF EXCHANGE OF GOODS BETWEEN DEVELOPED AND DEVELOPING COUNTRY



Source: Umoh, 2007

From the graph above, the vertical axis depicts cost of production while the horizontal axis depicts the volume of production. Generally, cost of production is positively related to the volume of production and imports. This implies that the higher the volume of commodities imported from DCs, the higher the volume of commodities required to acquire them in LDCs. Costs of production are higher in DCs, thus leading to high prices and vice-versa for LDCs. Therefore, when goods are exchanged between the two, LDCs require more to acquire commodities produced in DCs, thereby, leading to speedy depletion of resources in DCs and more economic development in DCs. This explains the concept of 'unequal exchange'. The basic rationale behind this analysis is that the cost of goods and services is higher in DCs.

Emmanuel's theory of unequal exchange is in line with other classical writers on imperialism such as Hobson, Lenin and Schumpeter (1965:102-105) who assert that the drive 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 maintains that the differences in techniques of production and difference in wages is the major reason responsible for economic inequality between the South and the North, which consequently lead to unequal exchange in trade (Wendt, 1999:33).

The theory of unequal exchange was criticised on a lot of grounds such as its assumption that there is no mobility of labour from LDCs to DCs and that division of labour is based on exploitation of LDCs by DCs. This implies that the proponents ignore or belittle international migration of human beings seeking employment outside their country but the international division of labour allows DCs to import goods which they either would not produce themselves or only at a higher price than they pay for the imports. The lower wage level in DCs may also help them obtain employment at the expense of industrialised countries. Low wages are therefore, ultimately not a question of exploitation but of development priorities (Errine, 2010:18).

Many scholars have criticised Marxism based on World history. According to them, Marxism has been the foil for their argument that international politics have long revolved around competition and conflict between independent political communities, and will do so well into the future. Realists such as Kenneth Waltz (1990:33) claim that Marxism believes that the rise of socialists as opposed to capitalist regimes would eliminate conflicts between states. Its utopian aspirations were bound to be dashed as the struggle for power and security is an inevitable consequence of international anarchy (Waltz, 1979:12), also that Marxists had underestimated the crucial importance of nationalism, the state and war, and the significance of the balance of power, international law and diplomacy for the structure of world politics.

Furthermore, Marxism tends to emphasise the role of capitalism. In particular, focus is made on modes of production and class antagonism as the determining features of modernity (Burchill, 1996:87-89). It also tends to underestimate the impact of state, state-system, nationalism and war on the present order (Linklater, 1996:26). While Marxism has an interest in the emancipation of the species, it has been concerned mainly with overcoming alienating and exploitative relations of production and as a consequence, neglected other forms of alienation, exploitation and division based on gender, race, nationalism and state sovereignty (Linklater, 1996:28). Although this theory can be practical, it explains the origin and

development of modern capitalism and has been influential in the development of approaches to international political economy which have a critical or emancipator intent, it is not an end in itself. He was especially interested in the social forces that would bring about its downfall with the result that the mass of humanity would be free from domination and exploitation.

Another major criticism is that the theory ignores the wider context of these economies in which foreign investments are made, the existence of different wage levels between different economies is not seen as autonomous or an isolated factor but itself is related to the stage of development of any given economy (Burchill, 1996:7).

Amin and Betheleim (1988:44) also criticise the theory based on the fact that the structural inequality between the North and the South is primarily due to differential levels in the growth of productive forces. Eskor Toyo (2000:10) explains this relationship in terms of competitive inequality. Competition is unequal in two circumstances: the first is competition in circumstances of inherited inequality in techniques of production, technology, access to market, equipment and so on; and the second is when competition becomes exploitative and manipulative. He re-asserts the fact that Marxist theory is designed to broaden the living space for imperialism by enlarging the living space for capitalism. The major scholars of this school of thought believe that the relationship between Nigeria and China are exploitative. Eskor corroborates this argument by postulating that the economic relationship between Nigeria and China is an attempt at global exploitation and imperialism. He further maintains that globalisation, in terms of relations with China; the Structural Adjustment Programme (SAP) logic constitutes the post-1970 capitalist, imperialist economic anti-people activities, and a camouflage of hostility to welfares through hostility to state patriotism and socialism (Toyo, 2000:18). In addition, economic inequality seems to play a significant part in the scheme of things. Some Marxist scholars such as Brown (2001:13); Toyo (2000:43) and others opine that economic inequality in the distribution of economic assets and income seems to give an edge to the Chinese over their Nigerian counterparts. This explains why China cannot be challenged when the country imports substandard goods into Nigeria. According to scholars in this school of thought, the economic relationship between Nigeria and China is premised on moral imperfection and economic imbalance (Sandrey, 2006:55). The opportunities are higher for China than those of Nigeria in terms of benefits. Even though the theory explains the realities of the relationship to some extent, recent events have shown that the Marxist theory has become archaic in explaining issues arising in international relations.

2.2.4 Neo-Marxist approach

This is a sort of amendment to the Marxist theory. It developed after the First World War when proponents (Friedrich Pollock, Karl Korsch, Antonio Gramsci and George Lukacs, 2005) saw the failure of working class revolutions in Western Europe. They maintain that these failures were tantamount to lack of adherence to the true Marxist, along with lack of understanding of prevailing social conditions (McCarthy, 2006:5). The term neo-Marxist does not refer to a single theory, rather, it is a colloquial reference to the combination of various twentieth century schools of thought that amend or extend Marxist or Marxist theory. This school of thought adds elements of other intellectual traditions to the classical Marxist theory. It is a theory which finds its definition and application in various fields such as psycho-analysis, sociology and anarchism (Marshall & Scott, 2005). This implies that the theorists are concerned with culture and ideology, and with the roles of capitalist states welfare institutions in retarding socialism rather than advancing it (Kolawoski, 1978:3).

One of the most popular forms of Neo-Marxism is the Frankfurt school of thought which follows the critical Marxist. It maintains its position as one of the major criticisms of capitalism but not in support of Marxism on the ground that Marxism was close to communism. They claim that Marxism supports only a narrow selection of broad ideas (Zehfuss, 2002:5). Therefore, Neo-Marxists believe that change and amendments need to be made in order to become relevant and useful to recent happenings around the World and also keep in mind changes in social conditions different from Marx time (Hopf, 2002:66). Some of the Neo-Marxist ideas were developed by Max Weber and focused more on social influences that perpetuate both economic and social oppression. He argues that Karl Marx saw the economic sector as pre-eminent but ignored the dialectical process embedded in it such as politics, legal, religion and social media. Contrary to this, Neo-Marxists argue that the processes cannot be reduced to something that is solely determined by economic factors only (Hopf, 2002:66)

Neo-Marxists also argue that if underdeveloped nations keep their economies open to free trade and international competition, this will benefit only the rich and widen the gap between rich and poor countries. This theory explains that the interrelationship between Nigeria and China will only deepen the technological and economic gap between the two countries as days go by (Ogunkola, 2006: 56).

This theory is supported by the theory of unequal exchange advanced by classical Marxist scholars. It explains the rate of economic retardation in developing countries such as Nigeria. Proponents of this school of thought believe that the major problem arising from inequality of the centre-periphery system is the dependence as distinct from independence (Orugu, 2009:8). For Third World countries, dependence is a major problem arising from the existing global capitalist relations.

The principal thrust of Neo-Marxism of underdevelopment is that, the under development of Third World countries is not a stage on the road to capitalism; it is a condition that is synonymous with domination by the capitalist world. Advanced industrial societies of the West have throughout been responsible for economic and political underdevelopment of the third world (Orugu, 2009: 34). It is therefore important to mention here that the Neo-Marxist approach to development is highly connected with the dependency and world system theories (Taylor, 1974) explained later in this chapter.

One point that cannot be over emphasised is the fact that Neo-Marxism reveals the flaws of the Marxist theory and tends to proffer solutions to issues raised; the truth is that the Neo-Marxists theory is not without criticisms. Arato (1993:6) criticised it on the ground that it tends to either overlook other forms of non-economic conflict or root the explanation of these conflicts on the economy. This is inaccurate in most cases.

The theory was also criticised by Zhefuss (2002:44) who likened the Neo-Marxist theory to a 'conspiracy theory' which maintains that a capitalist ruling class is able to manipulate all other classes in the society for its own ends and benefits. It was also referred to as unscientific as it cannot be tested and possibly falsified. This is mainly because it involves the replacement of capitalism by communism as historically inevitable.

Thirdly, the theory of Neo-Marxism was criticised on the ground that it tends to always examine social relationships in terms of their conflictual basis (Sparks, 2008:7).

Despite all these criticisms, Neo-Marxism still finds its relevance in modern economics and it is helping the theorists to understand the functioning of an autonomous state in a better way. It also tends to provide answers to questions that had not been explained by the Marxist theory. Even though the theory explains the opposition to inequalities, which is prevalent to LDCs in a globalised world, it cannot be employed in this study due to the fact that it only stresses on the monopolistic nature of modern capitalism.

2.2.5 Neo-colonialism

This theory came into being shortly after the Second World War in the wake of decolonisation. Following the success of the independence struggle from the colonial masters, a few decades after the postulation of modern theories lost its relevance in post-colonial scholarship, development within Africa has been saddled by the force of new colonialism (Rodney, 1972:44). This theory explains imperialism in contemporary terms and has some attributes of Marxism, Neo-Marxism, Dependency and Imperialism. As a term, neo-colonialism expresses the notion of widespread intensive colonialism or enslavement. This involves integration in the area of business, services and natural resources to the business operation of expansionary global enslavement. Neo-colonialism theorists believe that though Africans were granted political independence, they remained economic colonies (Iweriebor, 1997:12). This is evident in the economic superiority operational in the sphere of trade, growing power of transnational corporations, international spread of trade and international finance institutions in these processes (Koehler & Tausch, 2002:69).

The events that unfolded in the wake of collapse of Eastern Europe, the Soviet Union in the 1990s and the formation of the WTO in 1995, led to an increasing expansion of global economy such that different actors are now competing for spheres of influence in the New World Economic Order (Tang, 2010:15). The rate of political and economic activities of the post-colonial super-power in Africa has led to intense debates and academic critiques, in which terms such as 'New scramble' (The Economist, 2004:45), and 'Neo-colonialism' (Taylor, 2006; Michael, 2006) regained momentum in conventional political discourse. Although none of these scholars have singled out neo-colonialism as an exceptional observable fact with its own logic and dynamics, each one of them has mentioned it in the course of explaining other issues associated with Africa's relationship with China. While most of these scholars agree that the West is also culpable in Africa's neo-colonial rhetoric, a debatable point is whether prevailing Chinese involvement in Africa's socio-politico economic environment is a form of a new variant of colonialism.

One of the scholars in this school of thought is Udeala (2008: 43) who insists that despite the fact that China's footprint has become evident in 50 out of 54 countries in Africa, including Nigeria, China has been open and unapologetic about its strategic objective in Africa. He posits that China is hungry for Africa's natural resources and has already secured deals from oil, minerals and trade just to mention a few. China has also declared its interest to tap into

Africa's unsaturated markets for its manufactured goods (Roy, 2005:22). China is also seeking to expand its global influence with the help of African countries. If further evidence of China's statement of intent were regarded, then it came from the funding of the magnificent \$200 million African Union headquarters in Addis Ababa. According to this school of thought, what China is doing in Africa is similar to what Britain did 150 years ago and they see all these China's gestures as a means of 're-colonising' Africa. Nigeria is not excluded from this re-colonisation of Africa by the Chinese (Plato, 2013: 13).

This school of thought believes that China is towing the path of early colonisers of African countries (Michael & Daniel, 2006:93). According to them, history has revealed that almost all African nations obtained independence from colonies less than 100 years ago. Before then, the colonisers followed the same path the Chinese are following today to get into Africa. They settled in when a reasonable number of them had done so and colonised the owners of the land. This school has projected that there will be an estimated 600 million Chinese in Africa in the next 20 years which will be enough to re-colonise Africa by that time with great ease (Agbu, & Omoweh, 2005:4).

Fundamentally, Chinese entry into Africa is part of the New World Order where there is a struggle for global economic supremacy and access to Africa's raw materials. China has overtaken Germany as the world's biggest exporter and is on its way to becoming the world's largest economy (McCormick, 2006:10). This school of thought believes that China's interest in Africa is purely for survival and the economic interest of Chinese and not economic emancipation of Africa, including Nigeria.

2.2.6 Dependency approach

This theory was developed in the late 1950s under the guidance of the Director of the United Nations Economic Commission for Latin America (ECLA), Paul Presbich. One of the principal arguments of the dependency theory is that the bane of development in the Third World is the forceful incorporation into the global capitalist network within which they are assigned tangential roles (Duvall, 2001:25; Omoruyi, 2001:24). Dependency theorists (Ake 1981; Dos Santos 1970; Emmanuel 1971; Frank 1979; Furtado 1965; Onimode 1982; Sunkel 1979) argue that the dependence of the South on the North is the main cause of underdevelopment of the former. They maintain 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 event consequent on the formation, extension and

consolidation of the capitalist system, known as dependent capitalism (Iwiriebor, 1997:5). 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 integration 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 deprived in order to enrich the centre (Jhingan, 1966:330). At another level, this system was imposed through colonialism as discussed above.

There are three major features in relation to these definitions which are most commonly shared by dependency theorists. First, they believe that the major characteristic of the international system is the involvement of two sets of states, which can be described as dominant/dependent, centre/periphery, haves/have nots or metropolitan/satellite. The dominant states are developed industrial nations in the Organisation of Economic Cooperation and Development (OECD). Dependent states are those that have low per capita GDPs and are found in Latin America, Asia and Africa. These states rely heavily on the export of a single commodity for foreign exchange earnings; they are mostly mono-product economies (Hirschman, 1998:76).

Second, both definitions assume that economic activities within dependent states depend heavily on external forces. These external forces include multinational corporations (MNCs), international commodity markets, foreign assistance and any other means by which advanced industrialised countries can represent the economic interest of developed countries abroad (Hirschman, 1998:76).

Thirdly, the definitions of dependency indicate that the relations between dominant and dependent states are complementary. Moreover, dependency is a very deep-rooted historical process, rooted in the internationalisation of capitalism (Hirschman, 1998:76).

Presbich (1978) and his colleagues were worried that deepened levels of relationships between LDCs and DCs do not automatically translate into economic growth and development in LDCs. Primary products are produced at low cost in LDCs and exported to DCs, which are in turn, manufactured to finished products and sold back to LDCs mostly at higher prices than the cost of the primary product. This 'Value added' usually costs more than the primary products used to manufacture these products. Therefore, poorer countries would be earning lower income from their export earnings to pay for their imports. Indeed,

their studies suggest that increased economic activities in developed countries often lead to serious economic problems in developing countries (Griffins, 2007:6). Chibundu (2000: 25) supports this assertion and opines that in the course of the years (since 1978s); China has undergone significant and profound political, ideological, administrative, economic commercial and broad societal changes and experienced a *virtual second revolution* which moved away from its radical Maoist communist traditions. Along with these changes in form and outlook, China has evolved and become economically more prosperous and buoyant in spite of its ever large population (over 1.6 billion people). Essentially, China has transformed from an ideologue into a strong contestant for global economic power through its capitalist economy and socialist political system (Griffins, 2007:6).

On the other hand, Nigeria experienced no significant or profound transformation. Rather, it remained essentially intact in its old form of the 1970s. The structure of the economy remained undiversified and monocultural, dependent on the export of raw materials with petroleum accounting for over 90 percent of export revenue and import of manufactured goods. Even at the political level, there has been no profound transformation. In combination, lack of economic and political evolution and development means that, overall, an objective rating of Nigeria's condition can be classified as either stagnant or low. This is against the neoclassical theory of socialism which assumed that economic growth of developed countries was beneficial to all even if the benefits were not always equally shared (Griffins, 1997:8; Vines, 2007:18; Ruggie, 1988:14).

The theory postulates that in order to understand why some societies are developed and others are not, it is important to analyse the relationship between societies now considered as developed and those considered underdeveloped. This is because the condition of the latter cannot be explained in isolation. This theory implies therefore that, it is the condition that is responsible for development in western societies that is responsible for the underdevelopment of third world states (Martins, 2007:17). According to this theory, the relationship that existed and still exists today was characterised by unequal exchange which is why one society is decapitalised in order to enrich the other.

Aremu (2011:20) opines that even though the dependency theory was criticised for its opaque conceptual properties, lack of concrete variables and measurable procedures, there seems to be a common strand that runs through the views of dependent scholars. Hirschman (1998) and Aremu (2011) believe that it is the incorporation of the periphery into the global

capitalist network, together with the historical and dialectical forces that constrain developmental efforts in dependent states.

According to dependency theorists, underdevelopment is a wholly negative condition which offers no possibility of sustained and autonomous economic activity in a dependent state. Proponents of this school of thought maintain that since the root of underdevelopment is in the exploitative nature of international capitalism, the solution lies in de-linking from that system. Hence, import substitution strategies and policies became popular in Third World countries where dependency scholars had significant intellectual prowess (Sparks, 2008:7). The relevance of the dependency theory and, to a large extent, the development theory to this study is that the defining features of 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 the 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 which capitalists have over peripheral economies (Mac-Ogonor 1999; Badejo 1990).

However, it is still important to agree with 'Prebisch-Singer thesis' (1950:83-85), that in the relationship between the core and the periphery, the underdeveloped or less developed countries, engaged in international trade, should look for 'protectionism', meaning, to look for protection from the core countries, so that the relationship would truly be seen as providing assistance or help to the economies of the peripheral countries who are actually the underdogs.

Focusing on Nigeria's bilateral economic relations, the dependency theory enables scholars to explore how Nigerian leaders should consciously and effectively use the nation's foreign policy to construct a self-reliant and just society. 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 (Sparks, 2008:7). Even though this theory looks real and applicable to this problem, it is not sufficient to explain the relationship between China and Nigeria since there is no sufficient evidence to believe that this form of inter-relationship was a catalyst to development in any

country where it was adopted (Duvall, 2001: 8). Instead, nations that chose the opposite direction of purposeful integration into the world economy recorded steady progress in terms of development. Aremu (2011: 33) also argues that apart from being a strong ideological statement, it hollows as a theoretical framework. This is primarily because dependency arguments are generally non-falsifiable (Omoruyi, 2001: 28). This makes it difficult to collect data that would confirm or reject the central assumptions of the theory. As a result of this, the dependency theory was not expressly included for empirical analysis in this study. .

2.2.7 Attribute approach

Attribute refers to the measured qualities of nations such as Gross National Product (GNP) per capita, population size and political system, among others. The key assumption of the attribute theory is that inherent qualities such as regime characteristics could have an influence on the behaviour of states. Democratic countries, for instance, irrespective of their physical location may feel closer to one another than they do to non-democratic ones (Vincent, 2010: 551-582). The common sense of belonging pervades relations between states with shared values of freedom and democracy. This line of thinking also has theoretical support from the democratic peace paradigm (Vincent, 2010:557). 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 over 1.6 billion people, while Nigeria is the largest single market in Africa with a population of about 170 million people. 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 the Chinese 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 Asian is a Chinese, so also, one in every four persons in Africa is a Nigerian. With a population of over 1.6 billion people, China, is in fact, the most populous nation in the world. With a population of over 170 million people, Nigeria, on the other hand, is the largest concentration of black people in the world. In terms of mineral resources, China, like Nigeria, is well endowed (Oche, 1999: 9).

Similarly, the two countries are great advocates of South-South Cooperation as a means of achieving a new international economic order which has so far unattainable or eluded the international community. While China respects and admires Nigeria's Non-Aligned foreign

policy application, Nigeria remains a staunch supporter of 'One China Policy' that Taiwan is an inalienable part of China and that the government of China is the only legitimate government. Also, in spite of the military incursion into Nigeria's democratic process in the past, it has occupied a relevant position in Africa, while China also has been relevant in Asian and global politics over the years (Chibundu, 2000:5).

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 of 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 and toys, among others. The Chinese economic model, bolstered by the legendary visionary leadership of modern China, has assisted the once communist nation to become a global power (Ziang, 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 communism and communistic ideas. 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 the English colonies in Africa, held the view that its leaders were bourgeois reactionaries or feudal monarchical nationalists (Ogunsanwo, 1974:6; Ogunsanwo, 2007:21).

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 a 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 since 1979, it has used its developmental state and capitalist enclaves of export processing zones at home to establish a strong industrial base (Egom, 2007: 4).

This theory, to an extent, might explain the relations between China and Nigeria but does not explain the motive behind China's investment in Africa, including Nigeria.

2.2.8 The Imperialism approach

Before World War II, imperialism could neither be viewed nor classified as a theory that explains the relation between DCs and LDCs as it did not analyse the economic, military and political relation of LDCs by DCs. It analysed capitalism in its real sense (Petras, 2001:8) as a theory that focused on capital accumulation in industrialised nations and also explained the unstable circumstances that led to the emergence of capitalism. It therefore was not considered as a theory of foreign relations of LDCs and DCs until after the war. This consequently led to the classification of imperialism to the old and the new one (Petras, 2001:12). When viewed within the context of old imperialism, it explains foreign relation as militarisation of industrialised nations and disagreement over colonies which eventually led to World War I. In their opinion, the war was caused by monopoly capitalism, the emergence of finance capital and state control. The end of the war led to the emergence of another stage of imperialism in the 1960s. The tenets of the 1960s group of imperialists agrees with that of the dependency school and in the 1980s and 1990s, the theories of new imperialism emerged. They explained foreign relations, globalisation and militarisation in a different perspective which supports capital accumulation and undermining inter –capitalist rivalry (Polanyi, 2001:27)

In order to explore the old theories of imperialism, it is imperative to identify and clearly distinguish the two elements that combine to form these theories. The two elements can be categorised under historical and theoretical elements. The historical element covers a political process of geographical expansionism and a particular phase of industrialisation which involved the old and newly industrialising countries (Smith, 1978:5). On the other hand, the theoretical element covers the post-Second World War period. This period coincided with the era when imperialism became a theory of relations between DCs and LDCs (Ake, 1988:51).

The historical element explains the relation and geographical expansionism between industrialised nations such as England and France with the newly industrialising nations such as Japan, Italy, Germany, and Sweden, among others. It also explains the proliferation of world trade, emigration and capital mobility which eventually led to the first phase of globalisation (Rodrik, 1997:8). Even though there was international trade boom in the 20th century, world trade was mostly controlled by the influence and free trade related ideas of the British. This stage could be classified as contradictory as it had different effects on different countries of the world. For instance, it led to the protection of industrialisation of many countries, South-East Asia and the partitioning of Africa, and the opening up of Chinese economy to world trade. Simultaneously, it led to the formation of 'North Atlantic Economy' and international trade between Europe and North America reached its peak. This eventually led to increased average income of these nations (Warren, 1981:55).

The theoretical element is similar to Marx's analysis of capitalism which explains that the capital-labour relation is central to distribution, circulation and production processes. This is not different from the capitalist view, but capital accumulation and commercial exploitation have little relevance in capitalism analysis. The integration of these two elements can only be possible under methodological and strict systems of capital analysis (Warren, 1981:57).

Imperialism theory assumed a different dimension after the 16th century due to the Cold War and decolonisation with special focus on development, which brought about a new political agenda. The Western world responded to this new political agenda through a modernisation paradigm integrating LDCs to the open market export-oriented strategies. On the contrary, dependency theory asserts that underdevelopment is the outcome of the same process proclaimed by modernisation paradigms such as polarisation and cumulative process of a growing gap between the centre and the periphery. Therefore, in order to achieve economic development, severance of free trade and world economy is a requirement (Amin, 2001:43). Even though these old imperialism theories were discontinued, it led to opening up of

research areas for new theories such as Marxism theory of money, Keynesian theory of under consumption and theory of globalisation which had its space in the Communist Manifesto.

New Imperialism is a political theory which analyses foreign relations in a contemporary manner. It therefore explains foreign relations within two major contexts of 'tremendous inequality within and between states' and also the resistance of the inequality to change. Imperialism also explains the dominance of a nation over the other which can be in three forms, namely; harmonisation of interests, neo-colonialism reflected in vertical interaction whereby the dominant nation tends to enrich itself.

Enrichment occurs when the more advanced nation exchanges manufactured goods for raw materials from the developing nation and where the involved nations are kept apart with little trade activities among them (Harvey, 2004:31). Proponents of this school of thought assert that China's involvement in Nigeria is a means of exercising its monopolistic activities and power. It also explains that China is using the involvement to work in its favour and not in the favour of Nigeria as claimed. They also explain that the motive behind Chinese expansion in Nigeria and Africa is to preserve social order and maintain its ideology.

One unique characteristic of proponents of this school of thought is the fact that they have different views on the relationship between China and Africa. Some of the proponents assert that China's involvement with Nigeria and Africa as a whole exerts a form of economic and political control. Their argument is based on the premise that China is involved in all sectors of the economy. This has attracted the attention of some other scholars in this school (Tull, 2006:33, Kagan, 2006:1). They opine that China's presence in Africa signifies dominance and is in no way different from that of the colonial masters. Chantisel (2007:34) and Segal (2012) also support this idea and maintain that misappropriation of Africa's resources is a common attribute of China and its Western predecessors. Kagan (2006:8) expresses his fears that China is gradually taking over Africa and is becoming more like other dictators. The only consensus among the scholars is the fact that China's presence in Nigeria is mostly business-oriented.

Unlike the old theory of imperialism, the new imperialist theorists tend to recreate some of the major deficiencies of the old imperialists but expand on the neo-liberal era of capitalism. Their emphasis centres on economism with special focus on economic crisis and dynamics of capitalism (Amusan, 2016).

Also, the approaches of some of the proponents such as Amin (2001:10), is still within the discourse of dependency theory with a poor understanding of political and economic

development, especially with the emergence of new economic power such as China from the periphery. Another proponent of new imperialism, Panitch, tilted his own analysis towards a greater understanding of interstate relations, market proliferation and the emergence of the American Empire (Brewer, 1980:18).

The major criticism of the tenets of this school is that interaction among nation-states is not limited to business purposes only even though some of its principles have been verified empirically.

As factual and realistic as the views of this school of thought may seem, this study maintains that there are more reasons other than investment as both parties are striving to achieve economic growth and development. Also, the theory has not gained so much advancement in the last six decades thereby becoming archaic and inapplicable to the recent event in the global world (Etsako, 2012:18).

China has clearly joined this select rank of 'heavy-weight' developing countries because of its accession to the WTO in 2001. In certain instances, China has forged links with other developing economies and claims to be an advocate of the South. However, in this study, it is regarded as a separate entity and not as a typical example of a developing southern economy pursuing economic alliances with other developing states. Countries that are included under the category of typical emerging southern economies are India, Brazil, South Africa, Mexico, Argentina, South Korea, Malaysia and Thailand (Ogaba, 1997:33).

China has a unique political economic structure that displays characteristics of both First and Third World countries. In its current state of economic growth and development, an estimated population of about 1.6 billion people, and an economic base of \$1.6 trillion, it is virtually incomparable with other smaller economies. Its extraordinary performance has been based on expanding its industrial sectors and focusing on labour intensive manufacturing. Therefore, although it cannot be classified as a typical emerging economy, China's case is worth examining in detail. In light of this characteristic, some scholars consider China as a developed country and explain Sino-Africa relations within the context of the theory of Imperialism (Smith, 1981:10, Smith 1982:43, Ogunrotifa, 2011:5). These scholars assert that there has been close interconnection between colonisation and economic domination. In addition, they maintain that Sino-Africa relationship exhibits features of neo-colonialism but in a friendlier manner. However, China has continuously debunked this fact as China was also once colonised by Western powers.

2.2.9 Political economy approach

This approach (which is integrative in nature), provides a ready tool for deeper penetration of social phenomena. In general, it postulates that in any society, economic factors are pre-eminent and ultimately determine the essence and character of other spheres of social existence such as politics, religion and culture (Eze, 2005: 4). In this interplay between sub-structure and super-structure, it is believed that the sub-structure plays a dominant role in determining the super-structure. It does not deny that non-economic factors have an impact on and influence the economic base. In effect, the argument is that if one understands how the economic system is organised, one can come to understand the culture of the society, its laws, its religious system, its political system and even its mode of thought (Ake, 1981: 1). It interrogates organic linkage between politics and economy. From the political perspective, the politics of any state is determined by its economic situation (Eze, 2005: 18).

In the last twenty five years, the systematic study of inter-relations between political and economic factors has grown considerably within many fields in economics. At the same time, the increased interest in applications has been paralleled by a surge in theoretical research aimed at developing a common, rigorous language and a coherent class of models to analyse political institutions and outcomes as endogenous, equilibrium phenomena. It is the combination of the outcomes of these efforts that now defines political economy as a field.

Wang (2009) considers relations from political economic perspective as building relations between states, predominantly of a political nature through economic aid, infrastructure and medical help, or efforts to gain support from other states. The international political economy is a specific discipline that focuses on the two-way conditionality between economic and political appearances in the international environment (Krpec & Hodulak, 2011:12). Even though market forces are increasingly winning on importance, 'the main purpose of economic actions and economic work is given by the rules, standards and interests of political and social systems' (Sparks, 2008:7). Eden (1991: 4) further suggests that economic factors will continue to be relevant when it comes to world economy. However, he adds that even a greater role will remain within political factors. The concept of political economy considers states as key actors in the global system and as the organiser of the international political order. However, Finnemore (1996:8) suggests that the market is rather a structure than an

actor. Therefore, taking over markets at home as well as abroad, Multinational Corporations (MNCs) is a proper complementary factor to the state (Eden, 1991:4).

One of the fundamental premises of political economy is that the actions of governments can be fully understood as consequences of the political forces that enable governments to acquire and maintain power. Another defining feature of current research in political economy is the attempt to fully integrate political actors and institutions with private decision-makers in a 'general equilibrium theory' of political economy (Finnemore, 1996:8).

In contemporary international relations, trade cannot be totally separated 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 great economic disequilibrium and to China's advantage. This signifies that the economic advantage has been in China's favour, regardless of increased trade volumes between the two countries (Aremu, 2011: 43).

However, as practicable as the political economy theory may seem, it has been criticised based on the fact that economic concerns do not necessarily determine state relations, in some cases, political concerns also do. This argument was raised by the theory of constructivism spear-headed by Alexander Wendt (1999). He rejects the position of political economy that identity and interests of states are created and that states know what they want before they begin interaction with others. However, Wendt is of the opinion that it is the interaction with others that creates and determines one structure of identity and interests rather than another and that has no existence or casual power apart from process. The only point of agreement between constructivism and political economy is that the major goal of any state is survival and security. This position also concurs with the theory of realism.

Wendt also emphasises that in the theory of constructivism, material power and state interests are fundamentally formed by ideas and social interaction (Fierke & Jorgensen, 2001:5). Therefore, states in anarchy may each possess military and other capabilities which can be seen as potentially threatened by other states. Social interactions between states can also lead to benign and friendly culture of anarchy. Wendt's view was also criticised based on the fact that his argument focuses more on interaction between states on the international system and disregard the role of domestic factors.

Finnemore (1996:7) who focuses more on norms of international society as they affect states' identities and interests, also criticised the theory of political economy that primacy should be assigned to economic factors. She maintains that just like the theory of constructivism, the social and political world is made up of shared beliefs rather than by physical entities which must always be the starting point of analysis.

This study acknowledges these criticisms against the theory of political economy, but maintains that despite these, political economy is still considered in this study as it fully explains the relationship between Nigeria and China and examines the relationship in a more practical way (which is the major focus of this study).

2.2.10 World System theory

This is a macro-sociological approach which was made popular by Immanuel Wallerstein (Martinez-vela, 2000:5). This theory encapsulates all other theories. It considers historical changes of development different from the uniform evolutionary concept of modernisation theorists. It seeks to analyse the dynamics of 'Capitalist World Economy' as a total social system. According to Wallerstein, at one time or the other, all societies were mini-systems. Mini-systems have within them, a complete division of labour and a single cultural framework. This is just an imaginary system. This led to the formation of the World system which encompasses a unit with single division of labour and multiple cultural systems which is more realistic. The theory is both a political and an intellectual endeavour as it simultaneously falls into the fields of historical sociology and economic history (Cosma-sonnel, 2002:44).

This school of thought maintains that globalisation is basic to the modern world system and that the social reality with which we live and which determines what our options are, has not been the multiple national states of which we are citizens but something larger which we refer to as a World System. It is believed by these analysts that the World system has had many institutions which have formed a matrix which permits the system to operate but at the same time, stimulates both the conflicts and contradictions which permeate the system.

According to Wallerstein (1974:1), there are three major intellectual building blocks of the World system theory, namely; the Annales School, Marx and Dependency theory. This has caused the theory to have a major impact and perhaps a warmer reception in the developing world. Its main thrusts were to: create an alternative explanation in order to create a new

theoretical paradigm to guide the investigation of the emergence of development of capitalism, industrialism and national statutes. It has since then, been accepted by development theorists and practitioners because of its emphasis on development and unequal opportunities across nations.

The World System theory encompasses all the other theories mentioned above in this chapter. According to Wallerstein, the current world system is a power hierarchy between core and periphery in which powerful and core societies dominate and exploit the weak and peripheral societies. This supports the assertion of the dependency theory which maintains that advanced and developed countries are the core while less developed countries are the periphery. The current world system also maintains that the differential strength of the multiple states within the system is required for the maintenance of the system as a whole. Due to the fact that peripheral countries are structurally constrained to experience a kind of development that reproduces the subordinate status, strong states reinforce and increase the differential flow of surplus to the core zone (Goldfrank, 2000:55). This analysis aligns with the opinion of the theory of unequal exchange which asserts systematic transfer of surplus from periphery to the industrialised core (Goldfrank, 2000:34). This leads to a process of capital accumulation at global scale and necessarily involves the appropriation and transformation of the peripheral surplus (Wallerstein, 2000:66). This implies that the periphery can now re-import the product it originally exported and leave behind a surplus in the core. This also tallies with the explanation of Marxism. The theory also goes further to explain the theory of political economy. The explanation is based on the political events in many of independent LDCs. He discusses both the pattern of World economic development, ethnic survival and reactions in developed countries and concludes that the developed core and the less developed periphery relate mostly for economic gains and that these gains are corroborated through globalisation (Wallerstein, 2000:63).

As discussed above, the World System analysis combines the ideological and political punch of Marxism. The major criticism which the World power theory is meant to overcome is by Wallerstein himself but the beauty of the criticism is that it also created an alternative explanation to guide the formulation of the new theory. Despite all the explanations of the theory, it is not without criticisms. The World system analysis was criticised by Hechter (1975) on the grounds that the theories are not logically inconsistent with strict quantitative positivism. However, this was counter explained by John Meyer (1979:17) who maintained

that Wallerstein's analysis was logical enough to affirm his belief. Furthermore, the theory was criticised by the Ottoman project, that the world system has been weak in distinguishing between different types of pre-industrial agrarian empires, and that the attack against capitalism is not being accompanied by a convincing explanation of what might replace it. It was thus criticised based on major empirical and theoretical gaps.

Having critically examined these theories, it is concluded in this study that despite all the criticisms, the World system analysis best explains the basic requirements for social and economic change (Chirot, Daniel & Thomas, 1982:100).

According to the theory, some issues such as the reason why elites in developing countries do not act in the interest of their countries; the reason why elites of LDCs form allies with elites of DCs; and why the DCs will not follow the development of the capitalists are discussed.

2.3 COOPERATION WITHIN CHINA-AFRICA CONTEXT

The concept of integration is a great tool employed by Africa to achieve development through peace and security and as a way of getting out of events that beguiled the continent in the past. These events include political instability, internal conflict and international crises that have caused a lot of problem for its internal trade. It is also a verifiable strategy to reinforce external economic development of member states as it has direct impact on it. Hettne (2005:66) further emphasises the importance of regional integration as a tool employable to improve the capacity and complementarities of regional economy and also create equality between the territory and its function.

It was also identified as a key element to Africa's peace and security that can enhance effective relation and then ultimately lead to a mutually beneficial and win-win opportunities for both Africa and China. In order to enhance Africa's rehabilitation and development, the combination of China-Africa cooperation and Africa integration can ultimately lead to sustainable development and industrialisation if properly implemented (Naughton, 1995:88).

The formation of FOCAC and its periodical conference have been seen as a great avenue to achieve bilateral cooperation, coupled with multilateral cooperation. During its 5th Ministerial conference, China promised to support Africa's integration (as it is a way of improving its own capacity for total development). Regional integration is perceived within China-Africa context and how this can lead to economic and political development in Africa and to enhance its position in the global economy (Naughton, 2007:12).

China has emphasised its commitment to Africa in the area of capacity building and utilisation through the establishment of partnerships in the area of trans-regional and trans-national infrastructural development.

In order to achieve this, China identified five priority areas that can boost China-Africa relations. These areas are: cooperation in the area of political relations which if deepened based on mutual trust and equality, can enhance the relationship; enhancement of health, culture and tourism through increase in the exchange of people-people; and full participation of either party to ensure win-win cooperation. Another area of interest is the attainment of global development through enhancement of South-South Cooperation and encouragement of North-South dialogue in order to attain MDGs which can in turn lead to a globally balanced economy (Hopf, 2002:76).

One major way by which China-Africa cooperation could be enhanced through regional integration is through the creation of a favourable atmosphere for the relationship to thrive (through unified trade, regulatory and investment environment).

This is evident in the achievement of these groups which obviously surpass what could have been achieved if these countries related singly with China. For instance, by the end of first quarter of 2009, thirty three (33) agreements, treaties and charters had been adopted by the AU covering anti-terrorism, culture, natural resources, human rights and democracy, among others. Also, conventions have been adopted for the prevention and total condemnation of all acts that depict unconstitutional toppling of governments, among others. In case of NEPAD, it has supported treaties and charters adopted by the AU and continuously emphasised its commitment to peaceful transition between democratic government and full implementation of the rule of law (Wang, 2002:66).

Another benefit that would accrue to Africa if its relation with China is carried out through regional integration is the achievement of increased implementation capacity and the creation of regional organisations that are an active tool in the unification of domestic law among member states. A very good example of such is OHADA (*Organisation pour l'harmonisation du Droit des Affaires en Afrique*) which has made great strides in the unification of legal documents among member states with the aim of ensuring uniformity and predictability of such laws (Pollack, 2002:80). This will further facilitate trade and investment promotion as China would have had a unified regulatory and legal system and also a common market to relate with.

Economic cooperation among African countries would have made a huge difference if China had related with them collectively as Chinese products would have been faced with less restrictions and tariffs when imported into African markets. This is because economic integration is a channel and tool of creating a sure market with the tendency of attracting foreign investors and would have created a more conducive economic environment for the relationship to thrive. It also has the possibility of transforming Chinese economic and industrial structural adjustment (Akingboye & Ottob: 2005:78). It is a well-known fact that Africa's raw materials are required for Chinese industrialisation and capacity production. Hence, Africa's internal trade development and industrialisation through economic cooperation would have enhanced Africa's productivity and industrialisation. This can further enhance the Chinese manufacturing sector through technology transfer and in turn achieve win-win cooperation.

If these are well pursued, the relationship has the potential of expanding cultural exchanges between the two parties which will in turn enhance mutual understanding, bridge cultural gaps and achieve win-win cultural values. It will also deepen the understanding of cultural values of either parties and achieve a balanced reform through economic construction and hard work (Ubaka, 2008:67).

This section has discussed the benefits and opportunities embedded in China-Africa relation if pursued through the concept of regional integration. However, the country-to-country analysis of China-Africa relationship has revealed that China prefers to relate with each country and not as a collective body as this gives the country room for exploitation. It has also been established that the unification of law will imply that the relationship will be faced with a unified regulatory system which will guide the Chinese and therefore cause them to exercise caution in relating with the countries collectively (Johnson, 2001:110). This implies that Africa stands to benefit more from the relationship and achieve the desired win-win cooperation if there is mutual cooperation. Various theories have established that Africa's major aim of integration is to gain the favour or external trade partners and gain support but in reality, Africa has become the destination for the exploitation of resources. Africa continues to be dependent on these external trade partners and thus making the attainment of the win-win relationship a mirage. Table 1 shows that most of the countries involved in trade relationships have balance of payment deficits in favour of China. The Table also shows that the relationship is with the selected few (countries richly endowed with natural resources required for Chinese industrialisation).

2.4 LITERATURE REVIEW

Several studies have been conducted on the concept of South-South Cooperation focusing on Nigeria-China relations, especially with the recent growing Chinese involvement in Nigeria and Africa as a whole (Ndubuisi, 2000:18; Aremu, 2011:55; Ogwu, 2011:45; Ubaka,2008:32; Enchill,1998:5). The major and common attribute of these scholars is that they are great proponents of South-South Cooperation as a means of achieving a new international economic order which has so far been a mirage and eluded the international community.

Schlager is of the opinion that very little has been written on the concept of South-South Cooperation contrary to the opinion in this study, especially from the theoretical point of view due to the imprecision about the real definition of South-South Cooperation (Schlager, 2007:8). This is because in his opinion that there is no clear definition about the point at which collaborations among developing countries should be regarded as South-South Cooperation (Schalger, 2007:12), but, according to the definition of South-South Cooperation, scholarly works abound in this area as revealed in subsequent chapters.

In contrast to the Schalger opinion above several authors such as, Enchil (1998:54), Chisom and Khamsi (2009:5), analysed South-South Cooperation as a concept that explains the relationship among countries of global South with the aim of improving their economic growth and also encouraging self-reliance among themselves. This move has created a great challenge for the North since it was considered as a move towards advancement of the South and freedom from domination by the North. They also assert that South-South Cooperation aims at promoting self-reliance and independence among Southern nations and to reinforce economic relations among countries whose economic power is more equally on the same level rather than an unequal North-South relationship (Carlson, 2011:18); Chisom & Khamsi, (2009:5) Enchil 1998:54)

Ashish (2012) opines that SSC is as a result of globalisation and the quest to meet the challenges posed by it. This is in line with the view of various scholars who maintain that the formation of SSC was driven by the quest to resolve the challenges of globalisation and a means of creating economic opportunities and not just a competition with countries of the North.

Edward (1998:5) conducted a survey of 93 countries (including advanced and developing countries) on the extent to which South-South Cooperation and International Trade affects the

economy. In his report, he maintains that there is a positive correlation between economic growth and the exchange of resources between and among countries. To buttress the analysis of Edward, (1998:54), Frankel and Romer (1999:19), while explicitly eliminating problems of casualty and measurement errors, applied geographic characteristics of sampled countries to explain South-South Cooperation and economic growth. They also support Edward's assertion and conclude that South-South Cooperation has a positive effect on growth by stimulating investment on physical and human capital. However, this study does not deny that this cooperation can and will actually lead to economic growth as increased trade activities will result in increased Gross Domestic Product of the countries under examination, the concern of this study is how well this economic strategy has translated into economic development in real terms.

Keohane (1984:5) used the Neo-Institutionalism approach to explain the concept of South-South Cooperation and concluded that states tend to build coalitions with countries with similar interests and/or common interests or goals that can be pursued. This also concurs with the view of the attribute theorists supported by Gibbon (2007:23) who used the dependency theory approach to explain that states try to maximise their welfare and security through international cooperation. These views explain the essence of South-South Cooperation within the framework of this study. Robinson (1986:82) advocates the need for self-reliance for developing countries not only at scientific or technical levels but also in the capacity to apply science economically and socially. It is re-asserted that South-South Cooperation cannot be a replacement for cooperation with the more technologically and scientifically advanced countries of the North.

Rao (2011:3) maintains that even though developing countries have similar problems which ought to unite them, there are various problems which have made the cooperation difficult and posed problems to the advancement of the concept. In response to this, the UNGA president, Ali B. Terki (2011:32), maintained that all South meetings and Non-Aligned Movements are geared towards the promotion of SSC. He also argues that even though the definition of SSC is broad and imprecise, various regional initiatives among developing countries, political cooperation and communication networks targeted at development of their economies, could be regarded as SSC. This is in line with the focus of this study which asserts that one of the major purposes of SSC is the achievement of economic development among member countries. This was re-affirmed by the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries that SSC

is a major tool that provides viable opportunities for LDCs to individually and collectively pursue sustainable growth and development.

Sylva (2014:18) defined SSC as a 'relationship among equal partners'. He is also of the opinion that the collaboration is important as it reveals horizontal cooperation among member states. According to him, many developing countries are able to improve economically through this concept. Also, the transfer of technology among member countries will lead to sustainable economic development if well implemented.

The UN also supported this stance and maintained that even though there are various forms of history behind the formation of SSC, one common fact is that it is a manifestation of harmony among Southern countries geared towards the advancement of common goals of which MDGs constitute one of them without compromising the sovereignty and independence of member states. The UN also asserts that SSC is a complement to North-South Cooperation if well implemented and not a substitute. It is also a major means of achieving a globally balanced economy which is the major focus of this study.

However, this study does not present South-South Cooperation as a substitute or replacement for North-South Cooperation, but as a complement through which the global economy can actually become balanced.

China-Nigeria has been chosen as a prototype of SSC in this study. In virtually all spheres, China appears to have scaled up its African diplomacy which, to a large extent, seems to have yielded remarkable results. This is largely because in dealing with African countries, China appears to enjoy some comparative advantage over its traditional trade partners, which is the West (Agbu & Omoweh, 2005:83). This simply implies that China can produce at a lower opportunity cost than the West due to availability of labour. This, therefore, has drawn the attention of scholars on what the interest of China really is in Nigeria in particular and Africa as a whole. To begin with, Chinese leadership is not directly affected by its institutional barriers in its approach to African affairs. The strong state and charismatic personality of its leader is sufficiently endowed with necessary powers to chart the course of foreign policy orientation with relative ease than in political systems characterised by layers of authority and fragmented decision-making structures (Akindele, 2005:23). Akindele's view in this study in his quest to find out what Chinese interest is in Nigeria and Africa as a whole resolved that China being the second largest economy in the world is sufficiently endowed economically to directly control the foreign policy of any country. On the other hand, the same cannot be said

of Chinese political systems as its structure is not strong enough to control the political affairs of other country. He therefore concluded that the major motive of China in Nigeria is to take charge of economic power in order to improve Chinese economy.

Wilson (2005:44), Alden (2005:12) and Tull (2005:66) consider China's engagement as an alternative to the age-long engagement of Africa by developed countries of the West without commensurate gains in the area of social and economic development. This contradicts the view of Chinbudu (2000:15) and Large (2005:55) who believe that the relationship indicates a definite line of pragmatism in the approach of the two countries towards each other. This position is in agreement with that of Kopinski (2007:54) and (Mukaelia,2011:11) who maintain that China turned to Africa due to the precariousness and unrest that characterised the Middle East as well as other economies in order to encourage Chinese oil companies to seek other sources of oil to fuel China's emergent and rapidly expanding economy. This is a pointer that the motive behind China's involvement in Africa is purely economic.

Aja (2011:44), Ogwu (2011:8) and Ubaka (2008:18) have a common ground on the analysis of Sino-Nigeria relations. They opine that the involvement has not been too beneficial to Nigeria in the sense that even though Nigeria has continuously recorded increase in its economic growth, the state of development remains low while China, on the other hand, has been experiencing growth and development in its own economy. This supports the assertion by Temple (1999:10) that South-South Cooperation is most favourable to countries already specialised in manufacturing and exports. This implies that most favourable gains come from intra-industry trade which suggest that the relationship is more beneficial to China.

Various scholars and analysts (Bown & Crowley, 2005:33; Tull, 2006:222) have increasingly raised concerns about the volume of trade between China and Africa (which has increased tremendously). Some scholars (Mark, 2006; Versi, 2006:66) maintain that China's aim is to acquire natural resources and to create a broad market for the sale of its products having realised the advantage of the population of Africa and its backward technology.

Some scholars (Brautigam, 2008:16; Mawdsley, 2007:46), however, have contrary opinions and argue that China is committed to the development of African countries. This is contrary to the opinion of other scholars (Moyo, 2009:120) who consider China as a new imperialist and that the country has no regard for human rights. They also opine that China has abused human rights severally in order to improve its bargaining position.

A Neo-liberal analysis of this relationship reveals that there is possibility of win-win development (Brautigam, 2009:120). According to these analysts, the analysis of the pros and cons of the relationship reveal that the benefits far outweigh the disadvantages and conclude that the relationship is beneficial to African countries.

However, an examination of studies on the concept of South-South Cooperation and Sino-Nigeria relations and its implications , reveal that it is obvious that such analysis emanated from historical and national perspectives. The major point of agreement is that South-South Cooperation involves developing countries and that it can actually be a medium by which countries of the South can come out of their underdevelopment. Based on this, China and Africa collaborate in order to achieve this, but this has attracted a lot of criticisms which emanate from the fact that Chinese relationship with Africa is mainly beneficial to China. This, therefore, implies that the benefits are not mutual. In the area of trade, China obtains raw materials from Africa and imports finished goods in return (which are mostly cheap and substandard) (Akinterinwa, 2012:23). Even though this has been contested severally by Chinese investors, the general view is that Chinese companies have turned Nigeria in particular and Africa in general, into a dumping ground. Since the major focus of this study is to explore China-Nigeria relations as an example of South-South Cooperation, and how this can be used to achieve a globally balanced economy, this study examines the regulatory frameworks of Chinese operations in Nigeria with major focus on dumping.

It has been reiterated in Chapter 1 of this study that very little scholarly works have been conducted on the concept of South-South Cooperation due to its definition and interpretation. However, available literature consulted during the preliminary literature review revealed that few scholarly works have been carried out on this topic. The preliminary literature reviewed covered the concept of South-South Cooperation in the context of China and Nigeria relations. The literature on the concept of dumping is reviewed in Chapter Three of the study. A close look at the literature on China-Africa relations reveals that few or no scholar works have focused concurrently on both political and economic relations. This implies that these scholarly works were not focused on the two, but rather a study of one at the expense of the other aspect. Eisenman and Kurlantzick (2006:14) opine that different scholars have studied these relations by examining development within Africa and China's domestic situation separately. This also points to the fact that scholarly works that actually focus on China-Africa relations are focused as each scholar deals with a particular area of the relation over time.

Some of the few scholarly works are examined in this section. Wang (2007:6) and Large (2008:18) conducted extensive review of existing literature while Snow (1988) reviewed other scholarly works relating to post-1949. Jackson (1995:13) analysed Chinese foreign policy as it relates to the Third World (Large, 2007:8). Yu (1975:2) examined the relationship within the context of China-Tanzania relations while the colonialism aspect was reviewed by Peter Van Ness (1988). Kennan and Stevens (2005:4) discussed the merits and demerits of the relationship which eventually revealed the 'winners and losers' among African countries.

From the various studies highlighted above, the major point of agreement is that China is not different from the West in its relationship with the continent as all its infrastructural developments are geared towards the achievement of economic and political goals. In another review conducted by Large (2008:31), he maintains that Africa has been neglected and China has not conducted any viable research to discover this. This neglect resulted from the fact that 'Africa is not a particularly noteworthy constitutive member of the Third World'. He further studied restricted Chinese engagement on the African continent in the era of post-colonialism.

Alden, Large and Soares (2008:10) maintain that even though China started its relation with Africa during the Bandung Conference in 1955, the major aim of the relation was mutual interaction and cooperation in the economic and cultural spheres (which have eluded the relation over time). Tull (2006:9) emphasises that Chinese involvement in Africa is a 'manifestation of remarkable transformation of the country's foreign policy over the past 10-15 years'. He bases his views on the technical and infrastructural and developmental qualities of foreign aid towards Africa based on historical ties. The modernisation era witnessed the giving up and re-establishment of Africa, coupled with adjustment of both foreign and domestic development (Alden, Large & Soares, 2008:22).

When the relationship was renewed after 1989, Tull (2006:12) identified major factors responsible for the renewal as the need to secure potential markets, seek required resources and the quest to gain political support at the Tiananmen square (Sperbee, 2009:8). This, however, contradicted the earlier view by Larkin (1971:5) as explained by Eisenmann and Kurlantzick (2006:3). He disagreed with Sperbee's view and maintained that the proliferation of Chinese relationship goes beyond the factors identified. He further maintained that the relationship was necessitated by political needs such as 'strategic competition with Taiwan

before and after successful entry into the UN with the support of African votes in 1971' and also to guard the interests in international institutions and forums (Tull, 2006:18).

According to Muekalia (2004:52), Chinese foreign policy towards Africa has been stimulated by the 'emergence of US hegemony, coupled with globalisation which has made it become a necessity to formulate a global foreign policy'. It was after the formulation of these policies that China began to see the prospects in African markets which led to the establishment of the Chinese EXIM Bank and investment and Trade centres in African countries in order to 'encompass investment resource extraction and Trade frictions' concurrently to enlarge imports from African markets. Muekalia identifies the five as factors employed to further strengthen the relationship. China has, therefore, based its interaction on these principles and has continuously emphasised that it is also a developing country. Even though it is a donor, it is also a recipient of foreign aid. China understands that Africa has its developmental needs and will not take advantage of the continent but rather support the continent in its international negotiations.

Although globalisation could be a factor for Chinese engagement with Africa, it has also increased Africa's external dependence and vulnerability (Westein, 2005:9). Tull affirms that it is fallout of the Chinese goal to adjust international and national interests which led to increase in mutual relations with African countries. He, therefore, considers the relationship as 'a part of a wider policy which manifests itself equally in China's relation towards other regions of the world' (Alden, Large & Soares, 2008:67).

The growth of the two countries has been enormous in recent years, contrary to what it was when China had not yet defined its position in the international system. The new position of China has resulted in its need for international backing. Furthermore, Eisenman and Kulantizick (2006:9) define the 'resource grab' and the quest to open new markets. Many scholars have also defined the relationship as 'a test of how China will develop as an international power and as a way to better understand how China sees its own potential role in the world' (Wang, 2009:89). The Governor of the Bank of Botswana maintains that 'though I do not think China is a panacea to solve all economic issues in Africa, I should say China is a key catalyst'. Regular efforts are therefore being made to enhance the relation as China has become the largest investor in recent years.

From the views of the above-mentioned scholars, it can be concluded that China's engagement with Africa is to exploit the continent and enrich China. This study concurs with

the view of some of these scholars as it can be concluded that even the seemingly beneficial infrastructural developmental contribution will ultimately work in favour of China.

Some scholars such as Fang (2014) and Brautigam (2009:76), have a contrary view and have criticised the analysis of scholars who are against Chinese engagement as a one-sided relationship in Africa. They opine that their conclusions are based on sentiments and do not consider the deep level of organisational analysis. They also maintain that their analysis and conclusions are based on scanty and incomplete information. Brautigam (2009) concludes that little or no attention is paid to the benefits of Chinese investment in Africa. This position is supported by Berger (2011:39) who asserts that the same labour force standard enforced in China is not different from what obtains all over the world.

Berger, Brautigam and Baumgatner (2011:12) concur with these scholars by faulting the analysis of the first group of scholars. They opine that Chinese investment motive in Africa is not all out to exploit as they compare the foreign aid from China with the West. According to them, aid received from China in recent years is greater than what is received from the counterpart in the West. They argue that their negative disposition against Chinese investment is as a result of the manner in which the country is portrayed by Western scholars and analysts. They also maintain that the relationship between China and Africa relation is not characterised by totalitarian and authoritative government as in the days of colonialism but has been democratic over time (Berger, Brautigam and Baumgatner 2011:54). This study, supports the assertion that the relationship is also exploitative but no act of totalitarianism can be exerted on any country anymore as all nations have attained the stage of independence and can expressly enjoy their sovereignty.

2.5 SUMMARY OF IDENTIFIED GAPS IN THE LITERATURE

From the literature review, various scholars have examined the concept of South-South Cooperation. However, in the literature survey carried out for this research, no sources were encountered that have addressed South-South Cooperation as a verifiable tool in achieving a globally balanced economy. Alternatively, Udeala (2010:1-15) conducted a study on Nigeria-China relations within the context of South-South Cooperation. However, the study did not cover the prospect of using this concept as a tool to achieving a globally balanced economy.

Furthermore, based on the literature review for this study, out of these reviewed scholarly works, none has thoroughly evaluated the regulatory frameworks under which Nigeria and China relate with special focus on dumping.

The recent Chinese investment in Africa, especially Nigeria, calls for special attention in order to establish the major Chinese motive in Nigeria. In spite of the huge Chinese investment in Nigeria in particular and Africa in general, economic development is still very low. Various scholars such as Mukaelia (2008:2), Alden (2005:8) and Brautigam (2011:5) have written on this concept but this study goes further to establish the reasons why Chinese investment has translated to little or no development in Nigeria.

2.6 CONCLUSION

International relations occur under unequal circumstances where the foreign policy behaviour of a country is determined by factors such as the relative strength of the economy, linkage concentration, physical distance from the more advanced country and differences or similarities of attribute of the super-ordinate country (Ake, 1996:34). Analysis of the nature of responses of states to economic stimuli and external dependence is a major concern of political analysts and policy makers. This chapter has examined the various schools of thought that have influenced the relationship between China and Africa with special reference to Nigeria. Ten approaches were examined as follows: Realist; Neo-Realist; Marxist; Neo-Marxist; Neo-colonialism; Attribute; Dependency; Imperialism theory; the Political economy approach; and the World System theory.

Having examined the approaches and the context within which China-Nigeria relations operate, the disadvantage of the realists approach is mostly in its criticism that it cannot be regarded as a satisfactory justification for the full explanation on international relations due to the variability of human nature. One fact that cannot be denied is the idea that dependency theory critically analyses China-Nigeria relations and opens up a new view on the veracity of political economy. It also emphasises the interdependence of political relations in the international arena. However, its major disadvantage is its inability to analyse the concept and foundation of underdevelopment (Akinjide, 2005:1). The theory considers underdevelopment from an economic angle alone and this cannot be applied globally due to its preference of developed over underdeveloped countries. It has also been weakened by recent happenings in the world as it is not applicable to the emerging global economy.

Liberalists also explain relations between China and Nigeria and conclude that as a developing country with lower levels of development compared to China, Nigeria is trapped and will only require sound economic policies to set itself free from the bondage of China.

This approach, however, seems more realistic than the dependency theory which lacks empirical findings and its applicability to the global economy is questionable. However, it has not been preferred in this study as the researcher believes that foreign relations is not about subjection of the lower to the developing ones. As a developing country, Nigeria is also endowed with resources which China is also interested in. This study employs the political economy theory which is more relevant and explains that as much as there are various reasons for China's involvement with Nigeria, the relationship is driven more by the economic motives which supersede other ambitions (Vines, 2007:7).

Even though both dependency approach and political economy approach adequately explain the motive behind this relationship, this study applies political economy because the dependency arguments are generally non-falsifiable as pointed out by Omoruyi, (2001:28). Political economy was chosen in this study because of its advantage and relevance to the global economy. It integrates political actors and institutions with private decision-makers in the general equilibrium theory of political economy (Finnemore, 1996:8). A combination of prescriptive and descriptive approach was used in analysing China-Nigeria relations. Political economy explains this relationship to an extent even though it is not without its flaws was therefore, adopted throughout the course of this study.

The relation of China with these bodies will be beneficial to the grassroots of participating countries as the formation of these cooperative bodies reveal Pan-Africanism (Falola, 2000:45). This is a pointer to the fact that Africa has upgraded comprehensive cooperation which is characterised by seeking economic development and national peace from the status quo of political cooperation.

It can therefore be concluded that regional integration is a great tool in achieving Africa's political stability which is the major motive behind the formation of FOCAC. It is also a variant of South-South Cooperation.

CHAPTER THREE

LEGAL FRAMEWORK ON DUMPING: THEORY AND PRACTICE

3.1 INTRODUCTION

International trade thrives under conditions which bind different countries with different backgrounds and attributes in order to achieve a common goal. These goals can be political, economic or any other goal as desired by the nations involved. The case of Nigeria and China is no exception. Even though they are both referred to as developing countries, the level of development in China is far higher than that of Nigeria. China is currently considered as one of the world powers but they both desire a relationship that will be beneficial to both countries (Ogunkola, 2008:4).

The Nigerian economy is considered as an import dependent economy with low levels of development in the manufacturing sector, Nigeria is a country that consumes more and produces less of what it needs. This fact has encouraged various products to be imported by both legal and illegal means, coupled with the preference by citizens for imported goods, thus causing the country to become a dumping ground for imported goods. This has brought about the need to control the quantity and volume of imported goods. In order to curb the quantity of commodities brought into the country through illegal means, the Nigerian Customs Service has been saddled with the responsibility to ensure that the country does not become a dumping ground for imported goods. It is guided by the Customs Duties (Dumped and Subsidized goods [1958:9) which is an Act that allows the imposition of charges where commodities have been considered dumped or subsidised, and also to ensure that all issues relating to dumping are taken care of by preventing the country from becoming a dumping ground. This Act has been in use since 16th October 1958 (NCS, 1958). On the other hand, the Republic of China trade relations are principally guided by Foreign Trade law of the People's Republic of China. This consists of eleven chapters covering all aspects of general provisions, foreign trade dealers, import and export of goods and technologies, international trade and services, protection of trade related aspects of intellectual property rights, foreign trade order and foreign trade investment (SAIIA, 2013:257). This law has been operational since its adoption at the Seventh Session of the Standing Committee of the Eight National

People's Congress on 12 May 1994, and made effective on 1 July 1994. It was later amended in April 2004 and took effect on 1 July 2004.

Dumping is considered a form of price discrimination in international trade law. It is also considered to have occurred when an exporting country sells a product at a price less than its domestic market price. Dumping can also be considered to have occurred when an exporting country sells below production cost. Even though goods may be sold below production cost, without discrimination, economists have, however, embraced this latter definition as a more detailed description of dumping. Dumping, therefore, implies the sale of goods in another market below their normal value. A value is considered normal when it depicts an equivalent value in the normal course of trade for a similar product when intended for consumption in the exporting country (Either, 1982:5). From the above definition, trading cheap imports under fair and competitive conditions does not imply dumping.

Exporting countries are involved in the act of dumping due to a number of reasons and this explains three forms of dumping examined in this study. Firstly, countries involve in dumping when there is competition among exporting countries over a limited market. This creates a glut and exporters resort to lowering prices in order to make their goods more appealing to the importing market. This causes the exporting country to sell at lower prices than that of the domestic market, thereby constituting dumping in the destination market. Secondly, a glut in the domestic market can also cause the exporting market to dump goods at the destination market. Here, selling below production cost may be employed to get rid of the surplus, thereby keeping production high and the exporting country can have a viable economy. This also constitutes dumping as it is detrimental to the importing country. Dumping may also occur when an exporting market deliberately abuses the economy of an importing country by exercising its dominance on the latter (Corr, 1997:23). This is referred to as predatory dumping and harmful to the importing country. In this situation, the exporting country sells at prices lower than the market value of the goods in the domestic market with the aim of stalling competition and striving to become a monopolist country. Once this is achieved, it controls the price and inhibits the activities of other exporting entities. The most feared form of dumping is the predatory type because its effects are capable of crippling domestic markets through the domination of the exporting country (Bown, 2005:14).

Dumping in the actual sense, is neither forbidden nor banned under the policies of the WTO but condemned as being anti-competitive, especially when it causes material injury to another

market. From the record of the WTO, China has been accused of dumping and subjected to various anti-dumping investigations. The record also ascertains that 664 cases of anti-dumping investigations have been initiated against Chinese products between 1995 and 2012 by 32 countries worldwide. About 20 of these countries are from Africa with 19 of such cases from South Africa alone. These cases have proven that the material injury suffered by applicants is similar irrespective of location or race (Bown & Crowley, 2005:77).

From the above, it could be concluded that the concept of dumping or anti-dumping is a global one. Scholars and organisations have defined it differently as indicated above but the most acceptable definition is the one proposed by the latest Multilateral Trade Agreement (the 1994 Uruguay Round Anti-dumping Agreement (URAA)) which states that 'dumping is said to have occurred when a product is introduced into the commerce of another country at less than its normal value'. 'The normal value' has been defined as, the equivalent price, in the ordinary course of trade, for the same product when designed for consumption in the exporting country. This implies that consumers in the importing country pay a lower price for goods than consumers in the exporting country. Although consumers in the importing country may benefit by paying less for such products, however, such low prices could be harmful for the competitive industry in the importing country (Douglas & Vandebussche, 2002:21).

Anti-dumping, therefore, refers to the laws and sanctions that are allowable against defaulting members whose actions can be proven to have actually dumped goods on the other member market. The supervisory act is carried out by the WTO and GATT (Dale, 1981:18).

The normal value can be sufficiently based on anti-dumping agreements and domestic sales of such products if the addition of the two accounts for 5% or more of sales of such products in the importing country (Mohan & Power, 2008:66). This is otherwise known as 5% or home-market viability test. The result of this test shows the ratio of quantity sold in the domestic market to that of the importing market and this is applicable globally.

On the other hand, it cannot be based on exporting domestic market price when there are no domestic sales. This implies that normal value can only be determined based on any other basis other than the one mentioned above if the products are only sold on the foreign market or if the quantity sold in the domestic market is small compared to the quantity sold in foreign markets (Goncleves, 2014:2). This often happens in countries with small domestic markets such as Hong Kong and Singapore, and occasionally, in larger markets due to disparity in factors such as consumer taste and maintenance in such markets.

The application of anti-dumping measures can only be effective if the act of dumping is hurting the industry in the importing country. Therefore, a detailed investigation must first be conducted according to specified rules in order to establish if the dumping is hurting the domestic industry by evaluating all relevant economic factors that have a bearing on the state of the industry in question. If this is established, the exporting company can raise its price to an agreed level in order to avoid anti-dumping import duties.

3.2 THEORETICAL EXPLANATION

In the contemporary world, various issues and restrictions are being imposed internationally in relation to dumping, anti-dumping and industry linkages in between and among nations. This has been a source of concern to analysts and policy makers who have been conducting research on the theory of dumping and anti-dumping as these are serious global issues. Economic theory provides different scenarios under which dumping is said to have occurred or thrived. The mainstream economic theory maintains that dumping is considered to have occurred when an enterprise has an artificial edge over its competitors, which results from the display of monopoly power, government subsidies or some artificial barrier that shields the enterprise in its domestic market. Theoretically, an enterprise may find it hard to dump if it operates in a competitive environment. Since dumping does not operate in a competitive market, it is imperative to analyse dumping, especially when an enterprise operates in an imperfectly competitive market (Viner, 1981:7).

From the point of view of classic theory, dumping is regarded as international price discrimination by an enterprise which has the ability to exercise monopoly power in its domestic market. Hence, the reason why some economists dispute that problems arising from such act should be redressed through antitrust/competition laws and not through anti-dumping actions (Kreps & Wilson, 1982:6). Dumping could also result from predatory pricing, even though the popularity of this explanation of dumping has dwindled among scholars. Some proponents of game theories have defended the reasons behind predatory dumping, while other economists have opined that predatory acts could work in favour of the exporting country, by causing it to create a dominant market share rather than creating monopoly (Deardoff, 1990:34).

Dumping could also result from excess capacity during a recession when global demand decreases or when enterprises have produced more than the global demand thereby, creating glut. This causes enterprises to have excess which can only be sold if and when they are

prepared to sell below the production cost and even below marginal cost. This form of dumping is referred to as counter-cyclical dumping and could be employed as a temporary approach to stabilise production and employment over a business cycle (Prusa, 2001:16).

Dumping could result from economies of scale. This occurs when an enterprise produces in large volumes and sells below cost to gain entry, increase its market share or even to discourage other potential entrants into the market (Stalger & Wolek, 1994:18). Some scholars also maintain that dumping is momentary as no country or enterprise can engage in dumping indefinitely unless it is being compensated for such losses, mostly through government subsidies which could in the long-run, cushion the effect of losses resulting from the act of dumping.

When such situation occurs, an enterprise is able to export products at a cheaper rate because it receives government subsidies. Competitors in importing countries may effectively bring a case against such establishment under the Agreement on Subsidies and Countervailing Measures (SCM). For such case to be considered tenable the allegation must be specific and the competitors must be able to prove that such case is threatening or injurious to the applicant of the action as defined in the SCM Agreement (Tian, 2005:8). Over time, these are the types of cases that have been brought against Chinese exporters which could be tantamount to anti-dumping actions.

Dumping can be practically tested by comparing the difference between the normal value and the export price. The result of such price comparability test then reveals if actually, goods are dumped. If the export price is less than the normal value, it implies that the exporter is dumping and vice-versa (if the normal value is higher). The only problem is when there is no consistent normal value against which the export price can be compared with. In such situation, it becomes difficult to determine if dumping has taken place. There cannot be a normal value to be compared with export price if a country produces a certain product for export only without selling such product in the domestic market, thereby, excluding the possibility of having a normal value. There is provision for such test in URAA (Elias & Julios, 2005:50).

The effect of the Anti-dumping law has been prominent in the literature for as long as the concept of dumping has been in existence. The major conclusion is that there are instances where such laws are supported by sound economic motives based on the fact that the empirical occurrence of the case of Anti-dumping is rare. The general assumption is that such

laws are used to the benefit of industrial interests and to the detriment of the welfare of consumers and competition. Scholarly works have also revealed that imposition of anti-dumping duties result in a gain in the welfare of producers that is, smaller than the consumer law (US International Trade Commission, 1995).

Anti-dumping, therefore, refers to the sanctions that members are allowed to assess against other members if it can be proven that the goods were actually dumped into the member market. The empirical relevance of anti-dumping has increased over time as many countries are now involved in employing the concept as a protectionist tool (Merle, 2002:11).

This has stimulated many theoretical studies even though the phenomenon is an empirical one, hence, the reason for the prevalence of descriptive statistics on the issue in scholarly works.

From a historical point of view, awareness about anti-dumping could be traced to the period when globalisation, coupled with capital and labour international mobility were at their peak. This period was also marked with the development of economic nationalism in newly industrialising countries and increasing anguish in these countries over the oppression by large corporation powers which set out to exploit them through mass production (which will erode their economies of scale). This was concurrently followed by the proliferation of anti-dumping legislation around the world and this has been on the increase. The proliferation as explained by Prusa (2005:19), identified three conditions under which anti-dumping thrives. These include; the considerable diplomacy involved in anti-dumping cases, consistency and the absence of concession of WTO in anti-dumping cases and the successes recorded by WTO negotiations in reducing tariffs.

When the concept of anti-dumping was earlier integrated into economic theory as an international section of local competition policy, it was graced by official endorsement in international relations and accepted by governments as a legitimate policy. However, the mode of application by different countries portrays it as a tool of political economy which when employed, could be an easy way to escape sanctions laid down by WTO (Krishna, 1997:18) The application of anti-dumping from the political economy point of view has, therefore, set the 'fair traders' against the 'free traders' and as a concept supported by price discrimination. It explains anti-dumping as a tool of trade adjustment which could be used to correct local and global financial system imbalances. In practical sense, provided that the reaction of anti-dumping legislation to exchange rate changes is tantamount to that of tariff

changes, increase in anti-dumping actions in the contemporary age of globalisation may reveal more than just protection from bound tariffs to unbound contingent protection. It may reflect the performance of the global exchange rate system as well (Tian, 2005:66).

In trade policy literature, anti-dumping policy occupies a dubious niche and is seen as a policy to oppose a rarely observed position and, therefore, have the only thinnest of possible efficiency rationales. This concept has become a topic of controversy among economists and political scientists. As a result of this, there have been different views of the concept both from theoretical and empirical perspectives.

From the political economy perspective, the theory draws inference from examination and application of anti-dumping against China by ten different countries (South Africa, Venezuela, Turkey, Peru, Mexico, India, Indonesia, Columbia, Brazil and Argentina). These countries have been selected as reference due to the fact that they are 'new users' of the Anti-Dumping instrument in less developed countries and the required data is sufficiently available in the selected countries. Over forty percent of anti-dumping investigations occurred in these countries. They constitute the focus of WTO and make up forty five percent of new anti-dumping laws imposed by the organisation in its first ten years of existence (Bown, 2008: 18).

Various theories have examined the concept of anti-dumping and the effect of international institutions on the behaviour of states with regard to the concept of anti-dumping. Many of these theories explain how international cooperation can be enhanced by hindering the behaviour of states. The application of this to the impact of anti-dumping laws as imposed by WTO on states, has been argued by different scholars (Davies, 2004; Keohane, 1984; Simmons, 1998). They argue that before any nation can levy any anti-dumping allegation against imports from another country, as stipulated by the WTO agreement, the country must be able to present enough evidence that the country being accused has sold its product at a price lower than the normal value and the authorities of the investigation authority must also be able to present evidence that the dumped products have in one way or the other, caused 'material injury' to local industries.

Another rationalisation for anti-dumping duty emanated from the fear of strategic dumping. This occurs where producers are shielded from competition locally and as a result, can sell below the normal value in their domestic markets. This form of dumping can be challenging, especially if the exporting industry is faced with large economies of scale or high

development costs. The importing producer may not be able to generate corresponding economies of scale and, therefore, be driven out of business when it sells in multiple markets (Bekker, 2001:22). When such situation occurs, anti-dumping duties could be effectively employed to inhibit or eliminate strategic dumping and ultimately curb the imposition of monopoly otherwise; anti-dumping duties will favour producers at the detriment of the importing industry or market.

A recent study by Bolton (2010) identified a disturbing feature of anti-dumping disputes referred to as 'legal capacity'. Bolton maintains that nations that are being charged with anti-dumping are those that do not have a well-established legal framework to defend themselves and also countries with low capability to challenge such anti-dumping allegations. Such countries, therefore, tend to avoid anti-dumping issues even when there is sufficient evidence against legally advanced countries.

Other justifications highlighted by this theory are: state trading dumping; cyclical dumping; and dumping as a result of fear of market expansion. These justifications are adjudged to be competitive in the importing industry market and the benefits accrued to the buyer exceeds that of the buyer (Bown, 2007:7).

From the above, it can be concluded that political economy theory analyses valid reasons for provision of anti-dumping duties and provisions by the World Trade Organisation. According to this theory, anti-dumping theory is an outcome of predatory pricing. Richard Pierce (2000:33) maintains that such pricing 'is economically detrimental but comparatively rare'.

A well-established conclusion of scholarly works is that the effects of anti-dumping law can be pervasive, especially when neither duties nor petitions are initiated (Prusa, 1994:66). Prusa further explains this concept using the Bertrand game and concludes that imposition of a lower bond on import price and anti-dumping law facilitates collusion which in turn, enhances domestic and foreign firms gain when anti-dumping law is being applied. This further reiterates the fact that there is a need to impose a levy whenever the imposition of anti-dumping law is required. However, the main challenge is the point and conditions under which the levy can be imposed. This study is therefore of the opinion that though levies should be imposed, the point at which it would be imposed should also be defined, thereby cautioning erring countries that this is in agreement with the cournot setting argument.

In cournot setting, Stalger and Wolek (1989:2) concluded in their analysis that anti-dumping petitions can be a realistic and reliable threat that led to more successful agreements in the relationship between a foreign monopolist and a domestic country. Anti-dumping petitions are capable of preventing monopolists from dumping their excess capacity in domestic markets when demand is low. Whenever threat is realistic and the domestic market is competitive, anti-dumping laws do not have to be implemented and duties are not necessarily imposed. This filling behaviour makes the foreign monopolist reduce its capacity to obtain a lower level of imports even when petitions are not filed since demand is not low.

Contrary to the above situation, Anderson (1992:5) maintains that anti-dumping laws encourage the intention to dump even more. Exporters are allocated with export licence based on firms' historical market shares when petitions result in voluntary export restraints. Over-ambitious exporters tend to dump more at present and then securing larger profits under the export restraint with the intention to enlarge their market shares. This contradicts the view of Prusa who believes that levies should be imposed. Economic theories have affirmed that policies are complied with when levies are imposed. It is, therefore, important to apply this accordingly.

Finger (1993) interpreted the first indicator of anti-dumping legislation as a pointer towards global hostility against Germany. It was discovered that it had a huge production and surplus ready to be dumped at the general climate of trust busting in the political debate towards the end of World War 1

From the above theoretical expositions, it can be inferred that the explanation of anti-dumping goes beyond the number of petitions filed, hence the need to examine anti-dumping in the practical sense. In practice, anti-dumping becomes relevant as tariffs are reduced due to increase in trade liberalisation. The Anti-dumping law started with Canada in the 20th century. During this time, the traditional users of anti-dumping were Australia, United States, European Union and New Zealand. Though the law suffered a set-back and became dormant for 30 years, by end of 2001, 94 countries had employed the anti-dumping law while at the end of 2012, 122 countries had employed the law (WTO, 2013:33).

In the 1960s, an Anti-dumping system was set up to govern the use of anti-dumping policy which formed part of the Kennedy Round of multilateral trade negotiations This was subsequently amended and added to in each subsequent GATT round. The current policy was considerably revised as part of the negotiation concluded as a subject of negotiations within

the framework of the Doha Round in 1994. In this policy, members of the WTO are permitted to introduce their own laws to curb dumping but these laws conform to the WTO Code for anti-dumping. If a country is a member and does not have this policy in place, it becomes plausible for another member state to bring a complaint before the WTO, setting in motion an arbitration process within the WTO. The Code emphasises that before the imposition of any anti-dumping measures, a full and formal investigation of the complaint must be carried out by the authorities of the importing country (Vermulst, 1990:211). When this obtains, information relevant to the case is gathered from all interested parties, including the exporters. Provisional duties may then be imposed for a period of between four to six months following a preliminary finding. Within this period, a fuller investigation must be carried out during which the duties may be removed or replaced with definitive duties which can last up to five years. This has created a trend that exporters demand to be settled by asking for or making monetary demands as a form of rather than demanding for the imposition of actual duties. This has inhibited the effectiveness of anti-dumping policies even when the exporting party has a genuine reason for levying such allegation against the importing country (Viner, 1981:65).

In international trade, the major function of the WTO is to achieve a global trade that is devoid of barriers and restrictions. This was a difficult task in the past as it was only made up of 23 members but this later improved as membership increased to 155 as at the end of 2014. Tariffs among member countries have been reduced but protectionist tariffs on goods that are adjudged to be harmful to the health of citizens are allowed.

There are different opinions about what constitutes dumping and the point at which such practices amount to unfair competition, but the point of agreement is, that, most governments formulate policy against dumping to protect domestic industry (WTO, 2005:5). The focus of WTO is to guide governments of member states on the extent to which they can react to dumping; at the point when they can react and also discipline anti-dumping actions. This action is carried out based on the 'anti-dumping agreement' which serves as a guide to member states and also sets a clear distinction between anti-dumping and SCM.

Legally, the WTO agreement allows governments to react against dumping where there is material injury to their domestic industry. The government must be able to establish this by being able to calculate the extent of dumping and also that the dumping is causing injury or threatening to cause injury. However, some scholars maintain that according to free trade

principles, such measures cannot be justified and that they are merely being employed as instruments of protectionism and misallocate resources (Krishna, 1997:6).

3.3 ANTI-DUMPING AND NIGERIA-CHINA RELATIONS

Strategic cooperation and bilateral trade relations between Nigeria and China have been expanding over the years with the trade volume reaching \$13 billion in 2013. The bulk of such trade occurred during the administration of former president Goodluck Jonathan (the trade volume for the period was worth over \$10billion) (CBN: 2015:18). The point of concern here is that the balance of payment has been in favour of China. As at March 2015, the trade relationship was about \$2.7 billion in favour of China and \$700 million in favour of Nigeria. Another point of concern is the nature of goods traded between the two countries. Even though Nigeria exports raw materials such as oil, cotton wool, cocoa and cashew, this has led to the influx of many Chinese companies providing jobs for about 5000 to 6000 people (WEF:2015:18). The major imports to Nigeria are finished products (which are mostly cheap and sub-standard). This has spurred controversy about the nature of the traded goods between the two countries. While Nigeria's trade and commerce sectors are booming as the country's market are flooded with all sorts of products imported into the country (either legally or illegally), the local manufacturing sector is in near comatose and has led to either the relocation, scaling down or closing down of these companies (Goncleves, 2014:2).

These issues are caused by the flooding of sub-standard products manufactured in China, coupled with the fact that these products are sold at very low prices (which Nigerians have embraced due to the poverty level, however, this is working to the detriment of quality producers) (Akinterinwa, 2012:136).

Over the years, the general notion about Chinese products is that they are generally cheap and sub-standard and China has been accused of dumping such sub-standard goods in other developing countries, especially in Africa though this has been contested by Chinese authorities who have defended their exporters and insisted that dumped commodities could not have all come from them. The case of Chinese merchants dumping goods in Nigeria has become a major problem as it is killing national industries and enriching Chinese merchants (Akinterinwa, 2012:136). In reaction to this situation, political scientists and economists have called for total overhaul of the country's trade with China (Liew, 2004:42). Despite all these reactions, the volume of such imported goods has been on the rise and carried out with impunity. Even when the Nigerian government banned the importation of textile to improve

local production, Chinese merchants established a Chinese village in Lagos where such banned goods are traded liberally. This has created bad publicity for Chinese goods but it seems this is being ignored by China itself (Bekker, 2010:18).

The multiplier effect of this act which ranges from low capacity utilisation to an average of 40 per cent, low and diminishing contribution to GNP to an average of 4 per cent, declining real growth rates, low value addition due to high import dependence for inputs, to accumulation of large inventories of unsold finished products, among others, has been a source of concern to many Nigerians who decry the manner in which Nigeria has been a dumping ground for all kinds of goods. These goods not only come from China are also from India and other Asian countries (Vermulst, 1990:88). The fact that Nigeria is an importing country cannot be ruled out, but the quality of imported goods is a source of concern. Exporting companies take advantage of this fact to import and manufacture sub-standard products such as drugs, electrical products, just to mention a few.

There have been cases of dumping in Nigeria and it is obvious that the government seems to ignore this fact. The Nigerian market is flooded with cheap and sub-standard Chinese products. This destroys which have its way of destroying the commercial sector and increases unemployment in the country. The most recent instance is the Nigerian textile industry where Chinese involvement accounts for over 15% total export to Nigeria and this has resulted in the closure of the entire plant (Ogunkola, 2008). Chinese fabrics have flooded the market and consumers have resorted to buying these rather than Nigerian textile products because of its cheap price. It is no longer news that China is endowed with huge labour intensive potential due to its large population. This has resulted in vast availability of relatively unskilled manpower; this enables Chinese merchants to produce at relatively low labour cost in addition to the subsidies made available by the Chinese government for emerging enterprises. Hence, the reason for selling at such lower prices than Nigerian textile which seems so costly to Nigerians (Institute of Development and Education for Africa, 2005). As at 2014, more than 12 textile companies had folded up. The general belief is that Chinese export policy supports dumping. However, the Chinese government has continuously denied this allegation and insisted that the dumped goods are not lawfully from China and blamed Nigeria for the porous borders that allow the entry of such goods into the country without control (Tian, 2005:8). Hence, Nigeria could not institute countervailing actions against Chinese exporters due to lack of tenable evidence as required by the WTO anti-dumping agreement. Although there has been allegations that the China government encourages dumping by subsidising

policy, however, the Chinese government has insisted that such subsidies have been general and not specific and, therefore, not intended to constitute dumping in any country. The Chinese government has also defended its position that as a member of WTO, like Nigeria, they are well aware of the anti-dumping agreement that binds all member states and also the goals of WTO which necessitate that both countries must have anti-dumping laws in place (Wang, 2002:5).

China has constantly reiterated this by taking steps to reform its trade regulatory policies in order to conform to WTO rules and avoid anti-dumping actions due to pressure from other trading partners. China has, therefore, accelerated its market liberalisation process and tariff and non-tariff barriers to trade have been significantly relaxed. It has, therefore, become obligatory that some domestic industries which are unable to compete with foreign exporters, are protected. Remedies for injuries to domestic firms caused by unfair trade practices are also provided. Within this short period of its involvement, large-scale efforts have been made to build its trade remedy system (Tian, 2005:66). The setting up of these rules on trade remedies caused the State Council of China to formulate policies and measures on anti-dumping and countervailing duties in 1997, known as 'Anti-Dumping and Anti-Subsidy Regulations of the People's Republic of China'.

After the implementation of the regulation, China did not institute its first anti-dumping investigation until the tail end of 1997. China only defended its enterprises that were charged with different anti-dumping investigations by other member states. Bown (2005:10) argues that the provisions of the regulations are general and do not offer sufficient guidance on the practical implementation.

Although this assertion seems correct, there are, however, several sections of the regulations that are different from those of the WTO agreements. These differences were pointed out by other member states during the negotiations with WTO and concerns were raised about the inconsistencies between China's provisions of WTO despite being a member of the organisation. China conceded this inconsistencies, amended its trade laws and regulations in order to conform to the WTO agreements. Thereafter, China abolished the old regulations and enacted two new ones (the 'Anti-Dumping Regulations' and the 'Anti-Subsidy Regulations') with emphasis on separation between anti-dumping issues from subsidy-countervailing issues. The National People's Congress of China endorsed the new Regulations which became effective on 1 January 2002. The new Anti-Dumping Regulations

which consist of six chapters, made up of 59 articles, recommend more detailed regulations. These regulations were further elaborated upon by many provisional rules by MOFTEC and the State Economics and Trade Commission (SETC) based on Article 71 of the Law on Legislations of China (which empowers such organisations to draft regulations). These regulations often take the form of provisional rules and suffice when there is need for urgent promulgation of regulations and the state council is not ready to draft legislation and administrative regulation is not in place. Such provisional rules are meant to be temporary and gradually replaced by definitive laws or administrative policy (Omotola, 2003:23).

In March 2003, the Ministry of Commerce (MOFCOM) was established as fallout of the major restructuring of the state council carried out by the Chinese government in compliance with the decision of the National People's Congress on Institutional Reform to support MOFTEC and SETC in the area of regulating dumping and subsidy practices. MOFCOM then revised the Anti-Dumping Anti-Subsidy regulations in March 2004 and started its implementation in June 2004. This covers a wide variety of subjects ranging from the determination of dumping, calculation of margins, injury determinations, investigation procedures, anti-dumping duty, price undertaking, and sunset review to notifications. MOFCOM went further to promulgate another regulation in October 2003 on 'Rules on Industry Injury of Anti-Dumping Investigation' and the 'Rules on Industry Injury of Anti-Subsidy Investigation' in accordance with the WTO Anti-Dumping agreement which supports the section of China's law which focuses mainly on the foreign section of Anti-Dumping (Bown, 2005:18). This regulation acknowledges the right of petition by providing that a domestic industry or a natural person, legal person or relevant organisation representing a domestic industry may file a written application for an anti-dumping investigation to MOFCOM. It is also empowered to initiate investigation by itself or on behalf of domestic industries (Bown, 2005:22).

Another prescription of the initiation section of the anti-dumping investigation is the issue of 'standing to file petitions'. These rules provide that anti-dumping investigation may be initiated by or on behalf of a domestic industry. It also provides that an application is considered initiated and tenable if it is supported by 'those domestic producers whose collective output constitutes more than 50 per cent of the total output of the similar products produced by that portion of the domestic industry expressing either support for or opposition to the application and that such output accounts for at least 25 per cent of the total production of the similar domestic product. The major system of selecting applications by MOFCOM

was by applying statistically valid methods of sampling (Prusa & Skeath, 2002:6). The supplementary section of the regulation explains the term 'domestic industry' and 'major proportion' in the provision, 'domestic producers as a whole of the similar products within China or those whose collective output of the product constitutes a 'major proportion' of the total production of those products, and 'major proportion' means 'more than 50 per cent'. Certain domestic producers are excluded from the scope of the domestic industry when the producers are 'related' to the exporters or importers, or are 'themselves importers' of the dumped imports or similar products (Bown, 2005:12).

Nigeria, just like China, has put in place various institutions and systems targeted at curbing dumping and ensuring that high quality goods are imported into the country. One of such is the mandatory SONCAP which mandates the SON to carry out a pre-shipment inspection of imported goods with the aim of ensuring that such conforms to the applicable NIS and technical specification before shipment. This inspection is not limited to physical inspection but extended to laboratory testing, documentary check and audit of processes and systems with the overall target of ensuring conformity with standards. Under this Act, imported goods that are in conformity with applicable standards obtain a SONCAP certificate while NCR (Non Conformity Report) certificate is issued when such goods do not comply.

Apart from these measures, there are also the Customs duties Act of 1958 which provides that special duties and sanctions be imposed on any good that is considered dumped. Under this Act, goods are considered to have been dumped if the export price is less than the normal price. This conforms to the definition of the WTO (Annex 1).

In furtherance of the anti-dumping measures, a Nigerian Anti-Dumping Bill was passed. This Bill seeks to grant anti-dumping and countervailing remedies targeted at alleviating and possible offsetting of injurious subsidies, protect domestic industries and producers alike provided they are not in any way related to the allegedly dumped goods. It is alleged that some producers in Nigeria enjoined exporting producers to lower the standard of their goods in order to increase profit margins. In order to enhance the fight against dumping of sub-standard goods, institutions such as NAFDAC, SON, NIS, NCS and others were set up to curtail dumping and related issues (KPMG Report, 2002:45).

Nigeria actually has laws that protect local industries and ultimately against dumping. This is to fulfil the Uruguay round of anti-dumping agreement of 1994 which is the latest multilateral trade agreement (WTO, 2005). This agreement requires that member states establish regimes

for implementation and submission of notification to the WTO. These conditions are required to ensure successful implementation of the URAA.

Despite the obvious prevalence of dumping of Chinese goods in Nigeria, The country Nigeria has not levied any anti-dumping law against China, although Nigeria has attempted to disagree with China over the anti-dumping pact. In 2000, the two countries held a meeting to address the issue of dumping of sub-standard goods in Nigeria but could not reach an agreement on all the issues raised at the meeting, hence could not sign the intended bilateral pact on dumping (Odumosu, 2012:6). Nigerian and Chinese authorities later decided to agree on the Abuja's proposal that only quality products be imported into Nigeria (Bekker, 2001:45).

Despite these agreements, the menace of anti-dumping could not be curbed. This has spurred protests from the Pharmaceutical Manufacturing group of the Manufacturer Association of Nigeria (PMG-MAN) which submitted a draft bill to the National Assembly against the dumping of pharmaceutical products in Nigeria. This was done after six children died from heart operations due to the usage of sub-standard imported drugs from China in 2008 (Vanguard, 1 August 2010). The draft proposed that a stiffer penalty be meted out on fake drugs dealers for infringement on other pharmaceutical products.

On 23rd February 2013, the head of the Standardisation Organisation of Nigeria (SON), Joseph Odumosu spoke on anti-dumping as a menace to the development of the economy. He maintained that Nigeria, being an import dependent economy, is plagued with more imported products than what is being produced locally. This has posed a major challenge to the fight against dumping in Nigeria. 'In Nigeria, we are inundated with 80% imports may be because of our taste, laziness or whatever reason which has ended up killing our industries.' This prompted him to lead the Nigeria delegation to the talks with the Chinese Director General of Quality Supervision, Inspection and Quarantine (AQSIQ), Wang Xin. No serious conclusion was reached as both countries refused to shift ground. The Chinese government refused to grant concession as demanded by Nigeria (Odumosu, 2013:5).

As a result of the inconclusiveness of the earlier meetings, another meeting was arranged again on 22nd March 2013 during which some agreements were reached. These agreements provide as follows: sub-standard goods in the country be identified and banned; manufacturers who violate the law be punished; and that all goods imported to Nigeria obtain the China Inspection Quarantine (CIQ) and meet the NIS specifications. China also agreed

not to charge any levy for pre-shipment inspection on goods exported to Nigeria. SON also ruled that products not consumed in China should not be marked fit for export and should not be consumed in Nigeria as dumping of sub-standard products in Nigeria has led to loss of hundreds of lives, economic hardship and environmental degradation and should, therefore, be stopped (Odumosu, 2012:6).

As earlier indicated in this study, there are laws and international doctrines that provide guidelines for regulating importations and quality of goods in Nigeria. However, they appear docile because some individuals or organisations mandated to carry out these responsibilities have compromised in one way or the other. Many institutions such as the National Food and Administration and Control (NAFDAC), the Standard Organisation of Nigeria (SON), the National Export Promotion Council (NEPC), among others, were created in order to control this menace but the effort has yielded little or no result.

3.4 CONCLUSION

This chapter has discussed dumping and anti-dumping in the theoretical and practical sense. Theoretically, the economic and classical theory deduced that different countries enforce anti-dumping laws for various reasons as explained in the chapter. The concepts of dumping and anti-dumping were examined and it was concluded that GATT and WTO developmental dispositions correlate with the widespread adoption of the AD laws. This, therefore, implies that many countries have promulgated the laws but do not apply them. This is an indication that the is a possibility of putting in place AD laws does not imply that duties are automatically in place as there are other possible results of undertakings where foreign producers agree on the normal value or on the maximum amount to export.

Due to this possibility, it was concluded that both countries need to address trade imbalance and overcome all obstacles in order to make the relationship a win-win one. In order to achieve this, there is a need for Nigeria to increase the exportation of manufactured goods to China through a cooperative mechanism. This will enhance the quality of export to China. It is a widespread belief that even though the volume of bilateral trade has been on the rise, the balance of payment is in China's advantage. To avert this trend, the Chinese government should be encouraged to consume Nigerian goods in order to increase GNP and reduce trade imbalance between the two countries.

From the above, it is obvious that there are laws in place against dumping. Even though these laws are in place, Chinese companies are not complying. They are not to be blamed completely as Nigeria lacks an organised institutional framework to control the hazards of dumping of smuggled products in Nigeria. Nigeria, therefore, needs not only to promulgate laws but also needs to establish active and competent legal framework, ensure its enforcement and also empower such institutions to file cases against erring countries. Furthermore, the WTO should clearly define the level at which dumping occurs and when such cases could be filed.

CHAPTER FOUR

HISTORICAL EVOLUTION OF SOUTH-SOUTH COOPERATION: NIGERIA-CHINA RELATIONS IN VIEW

4.1 INTRODUCTION

The origin of cooperation among developing countries can be linked to the existence of such cooperation in developed countries. Such cooperation has grown tremendously over the years. Going by the recent pressures on the international economic system, which include the quest to develop the South concurrently with the North amidst war, hunger and other economic problems such as inflation, unemployment and continual decrease in the real economic growth which are major economic problems that must be tackled before any meaningful cooperation can be achieved (Brown, 2004:5). Before any meaningful cooperation can be achieved, these elements should be considered a priority.

In order to attain this change by developing countries, several moves have been made but these have constantly failed to enhance the economic interests of these countries which is a pointer to the fact that the chance of emergence of a new international system becomes narrow by the day. As earlier indicated, the SSC dimension is largely shaped by North-South relations but the major difference is that the affairs of SSC are controlled by fellow developing countries to achieve the targeted development among member countries. However, this fact does not imply that the North has been at the helm of affairs of South-South relations (Brown, 2001:18). The North can therefore not be seen as monolith in its relations with the South.

The concept of South-South Cooperation has, therefore, been defined as the coalition of developing countries for the purpose of achieving a common goal. The concept has been identified as a tool, which if employed appropriately, has the prospect of developing countries of the South and ultimately achieving a globally balanced economy. This concept has been strengthened by Africa's political and economic background and has characterised alliances among developing countries. It has also heightened the criticism of the Northern aid, characterised by political hegemony (Checkel, 1999:98). It has continuously reiterated this by differentiating itself from the North-South Cooperation through its reflection and emphasis on mutual benefits and the provision of assistance to member countries through enhancing their economic interests (Checkel, 1999:98). Unlike North-South relations, the

focus of SSC goes beyond the provision of financial aid. Its activities are extended to exchange of technical expertise among member countries as national interests and commercial consideration of member countries remain a priority. As a fallout of past failed Southern cooperation, SSC has been somewhat weak in the past but this has changed in recent times (Chimobi, 2010). The evolution of this concept and its applicability in the contemporary world is examined in this section. The relationship between Nigeria and China has focused on a prototype of South-South relation as explained within the concept. Also, the role of China in the successful implementation of the concept is discussed.

4.2 HISTORICAL EVOLUTION OF SOUTH-SOUTH COOPERATION

Several studies have been conducted on how and when the concept of South-South Cooperation came into existence. Some authors (Bhargwati, 2004; Johnson, 2001; Neil, 2006) trace it to 1961 when some Southern institutions, developing countries and economies contributed development assistance to one another. They maintain that South-South Cooperation began when the Kuwait Fund for Arab Economic Development (KFAED) was established.

Ubaka (2008), states that South-South Cooperation could be traced to the 1955 Conference in Bandung (Indonesia). According to Ubaka, this marked a turning point in North-South relations. Even though these opinions are backed by facts, the concept of South-South Cooperation could be traced to an earlier period as Southern countries have had relationships in the past (which can also be regarded as a form of South-South Cooperation).

According to Bilal, Sidiropoulos and Rampa (2012:14), the origin of South-South Cooperation could be traced to the Buenos Aires Action of 1978 and to earlier initiatives from the 1940s onwards to characterise cooperation between developing countries.

Brown (2001) provides the most comprehensive history of the origin of the concept. He maintains that South-South Cooperation can be traced to pre-1939 period when the Customs Union Agreement was established. He considers this body as the oldest customs union and believes this was the first cooperation among developing countries. He classifies the history from the pre-1939 period till date. .

According to Brown, the establishment of the Customs Union Agreement (CUA) in 1939 marked the first attempt at South-South Cooperation (which he referred to as the oldest Custom Union in the World). After independence of Basutoland, Bechuanaland and

Swaziland, there was a need to re-launch the agreement to involve these countries who as at the period have not gained independence. It was then re-launched and renamed in 1969 as the South Africa Customs Union (SACU) with its secretariat in Windhoek, Namibia. Brown considers this stage as the first stage of South-South Cooperation.

The second stage (referred to as the most progressive stage of Arab politics), which covered the post-World War II period, was proposed in 1943 and later founded in March 1945. It was called *El wateri el Arab (the quest for Arab nation)* which means Arab Unity (Bentsil-Enchill, 1998:12). The founding members were Yemen, Iraq, Egypt, Lebanon, Syria and Saudi Arabia. The Union presently has about 22 member countries across all regions of the World. This implies that although it was initially established to foster unity among Arab nations, global development has widened its coverage to allow other countries of the world. It has, therefore, ceased to be a union limited to a particular region or geographical location but one that reflects unity in order to maintain the union's identity nationally, historically and culturally (Brown, 2000:18). Brown also maintains the Arab League preceded the Bandung Conference held in 1955 with the main aim of fostering Afro-Asian relations and facilitates social and economic cooperation. The Conference witnessed the participation of 29 countries and the major focus was the condemnation of colonialism and all its manifestations with special focus on the Soviet Union and Western form of colonisation.

The year 1960 also falls within the second period that experienced the formation of two associations (which could be referred to as SSC). These are LAFTA, founded in February 1960 by a Montevideo Treaty of 1960-1980 and OPEC which was set up in September 1960. It was made up of 13 of the world's largest oil producing countries with the major aim of stabilising and regulating the level of oil production processes, investment and pricing in the international market. This was closely followed by the establishment of NAM, which was set up based on the decision taken at the Belgrade Summit in Yugoslavia and also the OAU in 1963. This was later renamed the African Union in 2002 (Brown, 2001:18).

February 1964 witnessed the establishment of UNCTAD. At the end of this Conference, a joint declaration was signed by 77 developing countries, thereby creating the G77 (which is the largest collaboration of LDCs in the UN system). It presently has a membership of 131 developing countries (Brown, 2001:23). This group adopted the Algiers Charter in October 1967 during the ministerial meeting of G77 with its basic tenets as NIEO package (Brown, 2001:44)

The establishment of G77 was followed by ASEAN in 1967 with five founding members (Thailand, Singapore, Philippines, Malaysia and Indonesia). Another form of association which could be regarded as SSC is the OIC (formed during the Islamic countries conference held in September 1969 with 57 member states in attendance). After this Conference, the Andean community was established based on the Cartagena Treaty. Its members are from Bolivia, Venezuela, Peru and Chile but Chile and Venezuela withdrew their membership in 1976 and 2006 respectively (Brown, 2001:28).

In July 1973, under the Chaguaramas Treaty, CARICOM was formed with 4 members namely; Trinidad and Tobago, Barbados, Guyana and Jamaica. This was closely followed in 1974 by the formation of ECOWAS as fallout of the adoption of the declaration supporting its establishment during the UNGA by the NIEO request and NAM summit of Algiers in 1973 and 1975. Its membership includes all West African countries (Palvic, 2012:2). Going by the definition of South-South Cooperation as spelt out in Chapter 2, all the unions listed above can be referred to as South-South Cooperation.

The period between 1980 to 1999 witnessed the establishment of the Latin America Integration Association (ALADI) as a replacement to the ALALC (February 1980). Cuba joined this group in 1999 (Brown, 2001:54). In April 1980, there was the Lusaka declaration by the Southern African Development Coordination Conference; while the establishment of the Gulf Cooperation Council took place in May 1981. Also, during this period, there was a high level G77 conference in Caracas, Venezuela during which the Caracas Programme Action on Economic Cooperation among Developing Countries was adopted (Ojo, 2004).

In November 1983, the TWAS was formed in Trieste, Italy by a group of scientists from countries of the South led by Abdulsalam of Pakistan who was a former Nobel laureate. It was subsequently launched in 1985 by Jarez Perez de Cuellar (who was then the UN Secretary General). He later formed the PGTF (Perez Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries) in compliance with UNGA resolution 38/21. This group could also be referred to as SSC even though it is an autonomous international organisation.

Later, seven countries, namely; Sri-Lanka, India, Maldives, Pakistan, Bhutan, Nepal and Bangladesh came together to form the South Asian Association for Regional Cooperation (SAARC) in 1985. Two years after the establishment SAARC, a non-governmental body known as the South Commission was established. This was closely followed by the

Ministerial Meetings of the Group of 77 in 1989. During this meeting, the GSTP (Global System of Trade Preferences among Developing Countries) agreement was reached and ratified by 41 countries. Shortly after, in September of the same year, the G-15 was formed based on the 9th NAM LDCs summit held in Belgrade (Ojo, 2004:22).

In the 1990s, various developments took place which could also be regarded as South-South Cooperation. The most prominent one was the formation of a Common Market of the South Zone agreed upon as a result of the Asuncion Treaty (led by Argentina, Brazil, Uruguay and Paraguay). Venezuela later became a member in 2006. Also formed in the 1990s is the AEC, which was established following the signing of the Abuja Treaty by the OAU Heads of states at the Assembly's 27th Ordinary session (Obadan, 2004:33).

The year 1994 witnessed the creation of two major groups which could also be regarded as SSC. The first one is the Treaty for the formation of UEMOA, established in January by the following members: Guinea Bissau, Côte d'Ivoire, Burkina Faso, Mali, Senegal, Togo, Benin and Niger. The second one is the formation of COMESA in December based on an agreement among 20 African countries (Nayyar, 2006:33)

This was closely followed by the establishment of the South Centre in July 1995. It was formed in Geneva as a non-governmental organisation with 49 member countries. The establishment of this body was backed by the South Commission of 1987. This was followed in June 1997 by the formation of Developing 8(D8). It comprises eight developing countries namely; Turkey, Pakistan, Nigeria, Malaysia, Iran, Indonesia, Egypt and Bangladesh. The group is based on an agreement made public through the Istanbul Declaration with the aim of enhancing development and cooperation among member states. In 1995, NAM was created in Jakarta by the South-South Technical Cooperation (CSSTC) (Nayyar, 2006:44).

The year 2000 marked the latest and the most advanced stage of South-South Cooperation. During this period, the Havana first South summit among its 132 member states of G77 was held in Cuba. It was unanimously agreed during this summit that there was a need for improved cooperation among countries of the South. It was also in 2000 that the UNGA held the millennium summit where the Millennium Development Goals were set to promote sustainable development in LDCs, increase per capita income and reduce poverty level in member states. In October of same year (2000), the FOCAC ministerial conference which holds every three years with special focus on cooperation mechanism and collective bargaining among Developing Countries was held in Beijing.

In June 2001, the Shanghai Cooperation Organisation (a non-governmental international organisation) was set up to replace the defunct Shanghai Five (formed in 1996). There are two categories of membership in this group as follows: main membership; and observer membership. Its main members are China, Russia, Uzbekistan, Kazakhstan and Tajikistan while observer members include Mongolia, India, Iran and Pakistan (Wenping, 2012:18).

In 2001, NEPAD was formally adopted at the 37th OAU summit as well as the strategic document that confirmed the establishment of the AU as a replacement of the OAU. This was followed by the setting up of the IBSA Forum (the Brasilia Declaration) by India, Brazil and South Africa. This forum created the IBSA fund for poverty alleviation and hunger in the South in 2004 (Vieira & Alden, 2011:3).

Other recently formed associations which could be regarded as South-South Cooperation include BRIC (Brazil, Russia, India and China) which recently became BRICS with the inclusion of South Africa. This group recently held its fifth summit in Durban (South Africa) which was the first to be held in Africa, with the theme 'Partnership for Development, Integration and Industrialisation'. The decision to establish the New Development Bank and CRA (Credit Reserve Arrangement) of \$100 billion was reached with the aim of strengthening financial stability of member countries as well as the reduction of short-term liquidity pressure on member countries (Alden & Davies, 2012:46).

South-South Cooperation has, thus, yielded a positive result which is being achieved through the enormous consideration given to the concept lately even though the goals of developing the South as much as the North have not been fully achieved. In recent times, the global economic share and growth have been on the increase even though this can be improved upon to further improve the economic development of these countries. The formation of BRICS (which can also be referred to as SSC), has enhanced the global economic share of DCs as it presently accounts for 40 percent of the world's population and 25 percent of global economic share. Going by this trend, Goldman (2014:8) maintained that by 2032, the GDP of these economies could jointly surpass that of the G7 and China becoming the largest economy in the world by 2030. In terms of official development assistance (ODA), LDCs belong to the Organisation for Economic Cooperation and Development (OECD). Development Assistance Committee (DAC) has constantly offered international development assistance and this has been on the increase over the years (as high as US\$121.5 billion in 2008). This contribution has also been supplemented by the share of non DAC contributors,

especially from middle-income developing countries such as China and India (Thomson, 2010:77).

Other South-South Cooperation contributions from the UN and ECOSOC have also been on the increase. It was estimated to be between US\$9.5 billion and US\$12.1 billion in 2006, or 7.8% to 9.8% of total ODA flows in that year which is an increase over what it was in the 1990s. Even though the global financial and economic crisis has altered the global economy (since 2008), SSC has continued to expand. Also, global challenges have stimulated the countries of the South into enhanced corporation through regional and sub-regional methods. Other factors which have stimulated LDCs to seek support among them include the volatility of financial markets, food and energy insecurity, and also a way out of seeking emergency support from the alternatives to seeking emergency financial support from the IMF which has continuously placed LDCs at the mercy of DCs (Johnson, 2001:42). This has often been employed by DCs as a tool, coupled with discouraging and harsh conditions on such aid on DCs but the conditions of SSC are less stringent and based on commonality. The AAA of the Third High Level Forum on Aid Effectiveness affirms that 'South-South Cooperation on development aims to observe the principle of non-interference in internal affairs, equality among developing partners and respect for their independence, national sovereignty, cultural diversity and identity and local content. It plays an important role in international development cooperation and is a valuable complement to North-South Cooperation'. The overall effect of these collaborations among DCs has distorted the drive of international development cooperation (Kaplinsky, 2007:55). It can, therefore, be concluded that available financial resources or the volume of ODA does not determine the importance of SSC among developing countries but are determined by the disposition exhibited by these member countries when appraised with North-South Development Cooperation.

From the definition of South-South Cooperation as explained in Chapter One, the relationships explained above could be regarded as forms as South-South Cooperation as they entail the involvement of two or more developing countries, although with different levels of development targeted at achieving a common goal. As earlier indicated, the relationship between Nigeria and China is the main focus of this study, therefore, South-South Cooperation is explained within this context.

4.3 SOUTH-SOUTH COOPERATION FROM THE PERSPECTIVE OF CHINA-NIGERIA RELATIONS

Looking at this concept in terms of Nigeria and China, the relations formally started in 1971 when diplomatic relation was established and envoys subsequently exchanged. However, the activities were minimal between 1971 and the early part of 1999 characterised by a near zero FDI. This was due to the fact that Nigeria's major trade relation was pro-western with America and European countries as trade partners based on various regional and bilateral agreements. During this period, the West was responsible for FDI, technical aid, foreign aid and grants. Nigeria reciprocated by exporting almost 90 percent of its total export, mostly crude oil to these countries. These groups dominated the flow of trade and investments, technical aids, financial aids and grants to Nigeria (Chibundu, 2000:10).

Various scholars and public analysts (Adewuyi, Bankole and Ogunkola, 2008; Onimode, 2009) have criticised these relationships based on the fact that they are exploitative and have not assisted in the development of the country in any significant way. The conclusion drawn by these scholars is based on the trend in the structure and pattern of Foreign Direct Investment which is below 40% compared to the export of oil and gas which accounts for 98%. This lop-sidedness has been a major reason why some scholars have embraced the relationship between Nigeria and China considering the fact that the two are developing countries (though with different levels of development). They maintain that based on the fact that they are both developing countries, the level of exploitation would be drastically reduced.

To refute this assertion, the Chinese President, Xi Jinping has continually emphasized China's commitment to the successful implementation of South-South Cooperation. He believes 'a great pioneering measure uniting the developing nations together for self-improvement featured as equality, mutual trust, mutual benefit, win-win result, solidarity and mutual assistance can help developing nations pave a new path for development and prosperity'. These initiatives have made him a great contributor in international relations (Kaplinsky, 2007).

This spurred the pledge of USD\$2 billion for SSC on 27 September 2015, announced by the president as a channel of increasing investment in LDCs (targeted to be raised to \$21 billion in 2030). On October 8 of the same year, he pledged another \$51 billion to assist developing countries solve climate change and development problems. The UNDP has also set up

innovative programmes targeted at promoting South-South Cooperation between China and other developing countries. At the UNDP summit, the president also expressed the intention of China to set another fund with initial spending of \$2 billion for the development of South-South and to support the implementation of post-2015 Development agenda and also set up SSC climate cooperation fund as much as \$3.1 billion to tackle climate change problems.

Before China's involvement in Africa, developed countries had committed 0.7 percent of their GNP as development aid (but this was not without attached conditions). China, therefore, reiterated that SSC is based on solidarity and mutual benefit between developing countries as equals and without obligation as there is no colonial history among them. This is evident in the establishment of various institutions such as the BRICS Bank, the Asian Infrastructure Investment Bank and the Chinese One Belt Programme which all contain elements of SSC.

Over time, several activities have taken place between the two and it has been somewhat difficult to establish whether the desired result is being achieved. Some analysts have argued that the relationship has been mutually beneficial as Chinese products have made life more affordable with improved standards of living attained through the use of these products. Other group of analysts has expressed the fact that even though the availability of these products has helped individuals on a short-term basis, the negative impact in the long-run cannot be over emphasised due to the sub-standard nature of the products. Various fire incidents have been linked to Chinese sub-standard wires imported from China and the textiles are often characterised with rough stitches that wear out within a very short period of time.

Contrary to the above views, other scholars have attributed the growing relationship to the economic complementarities between the two countries. These scholars maintain that Nigeria is saddled with the problem of infrastructural deficiency and a dire need of developmental investments. They further maintain that China is sufficiently endowed to resolve its high economic development with developed construction and infrastructural development with expertise in civil works required to meet these needs. On the other hand, China requires oil and mineral input which is readily and abundantly available in Nigeria (Kaplinsky, 2007:22). This point was reaffirmed by Menacheum (2015) that Chinese investment in Nigeria is not out of generosity but geared towards the improvement of the Chinese economy. Bradsher and Nossiter (2013) describe the relationship as 'a complex web of dependency, one replicated in dozens of developing countries around the world, such as Chile, Ethiopia and Indonesia'.

Despite all these reservations about the relationship, the new millennium has witnessed an increased and positive trend in China-Nigeria relations and indeed Africa as a whole. This has been due to renewed cooperation agreements after China became a major trading partner contrary to what obtained before the new millennium when North America and European countries were the major partners.

To establish this fact, the first FOCAC was hosted by China in Beijing in 2000 which was believed to be the pacesetter for a new order which called for improved economic and diplomatic relations between China and Africa. From this period, China took the place of North America and Europe to become the major trading partner (Wenping, 2012:25). This fact has been revealed by various agreements signed by the two countries which have caused China to increase its involvement with Nigeria and the rest of Africa. The increase has reflected in increased FDI, aid/grants and increased cooperation in the area of education, culture, science and in economic cooperation to the concern of the West (Ogwu, 2005:231; Aremu, 2011:5).

Between 2001 and the time of this study, the two countries have signed various bilateral agreements such as the one that facilitated the establishment of the Nigeria Trade Office in China and its counterpart, the China Investment and Trade Promotion Centre in Nigeria in order to enhance the relationship. This major agreements set precedence to other several bilateral agreements covering all sectors of the economy, spanning from science and technology to the military. China also simplified its visa processes to facilitate enhanced consular issues. Various projects at state and federal levels have been embarked upon in Nigeria by public and private Chinese companies which has led to the establishment of companies and institutions such as the Free Trade Zone, Skyrun International which specialises in the manufacturing of air conditioners, CCECC, a construction company which has handled various construction projects for states and the federal government of Nigeria. A major landmark achievement was the signing of the special cooperation agreement which led to the launching of NIGCOMSAT to the orbit in 2007 (Agbu, Oche and Omoweh, 2007:22). Other agreements are in the area of services such as training and development of Military and medical personnel for effective malaria prevention and control (Ogwu, 2005:245).

The above analysis reveals a deepening relationship between Nigeria and China. This has attracted the attention of economic scholars and political analysts who have been raising questions about the real motive of China in Nigeria and Africa as a whole. Other issues of

concern are how Chinese involvement will be different from the previous trading partners considered as lop-sided and exploitative based on the structure of FDI inflow and trade patterns in Nigeria. However, the focus of this study is to establish China's motive in Nigeria and also to establish the fact that the relationship between Nigeria and China could be regarded as a form of South-South Cooperation.

4.4 KEY ISSUES OF SOUTH-SOUTH COOPERATION

At the end of the Cold War, countries of the South agreed to re-define and re-position their purpose in the current World System through the concept of South-South Cooperation. This period coincided with the end of colonisation and a new beginning for countries of the South. As indicated in the previous chapters, it has been emphasised that the major aim is to foster unity and cooperation among member states (Echezona, 1998:236). The concept is also committed to the advancement of countries of the South. In order to achieve this, much emphasis has been laid on equality among member states and adherence to the principle of multilateralism. Other areas of emphasis are unity and cooperation among member states, but this has been difficult to achieve due to the size and number of organisations involved, varying agenda and potential for fragmentation (Wilson, 2005:44) which the concept is seeking to proffer solutions to as it affects the South. As indicated in Chapter One, the major focus of this study is to examine how this concept can be used to achieve a globally balanced economy and reduce the dependence of the South on countries of the North. In order to address this situation, some key issues need to be considered. These include: the quest for economic development; global/regional integration; poverty eradication among participating countries; technology transfer; and regional security. Other issues to consider are: promotion of debt relief; environmental tourism and sustainability; elimination of barriers among participating countries; and eradication of hunger and HIV/AIDS among member countries (Thalif, 2005:20).

Quest for economic development – This is a major issue in the concept of South-South Cooperation as most of the countries of the South are beguiled with a high level of underdevelopment. Most, if not all countries of the South are poor and under-developed relative to their Northern counterparts. Most of these South-South countries depend on the industrialised North, therefore, causing them to look up to the North for most issues affecting them (Ubaka, 2008:109-115). Most conferences held by countries of the South have centered

on how to improve the level of development among countries of the South in order to achieve technological advancement within the region (Wenping, 2012:18).

Technological transfer –This has been a major concern for countries of the South. It has been a major bane on the ability to participate actively in the global economy and indeed in the New World Economic System. This, therefore, hinders the ability to meet the basic needs of member countries. (Morphet, 2004:517).

The concept of South-South Cooperation, therefore, deals with this issue by creating an opportunity for developing countries to proffer solutions to their problems rather than looking up North. A recent example of this effort is the provision of irrigation channels for African farmers using imported technology from India. This simply implies that the solution to a problem of a member country exists in the other (Brown, 2004:14).

It is therefore one of the concerns of South-South Cooperation to help the South grow in the area of Science and Technology and to assist members in meeting the Millennium Development Goals by sharing best experiences and practices. This was done recently through the launching of the UN Millennium Project Task Force on Science, Technology and Innovation (UNMTS) (Martin, 2008:6).

In order to achieve these goals and enhance the South technologically, two major declarations were launched in 2000 and 2002. The first one was the ‘Seoul Accord on South-South Cooperation in Science and Technology’. It was launched in 2000 for the purpose of setting up of mechanisms for effective networks among countries of the South. The second one was launched in 2002 for the enhancement and expansion of science and technological innovation within and among countries of the South. It was termed the ‘Dubai Declaration for the Promotion of Science and Technology in the South’.

The main aim of establishing these declarations was achievement of enhanced knowledge of Science and Technology targeted to be attained through linking of research and development institutions in order to create wider opportunities that will lead to economic and technological development.

This will therefore, enhance initiatives of the South to develop and sort out basic problems by allowing LDCs to seek sustainable and appropriate solutions to their problems. However, one issue that cannot be over emphasised is the fact that globalisation cannot be totally attained without a well-developed science and technology sector (Onimode, 2009:21).

Regional security- Regional security is another major issue that South-South Cooperation focuses on. This became an issue during the Cold War when several states were created due to decolonization. In fact three dozen new states in Asia and Africa achieved autonomy or outright independence from their European colonial rulers. The structure of states was weak during this period. This was caused by the weak links between government and civil society, thereby posing a threat to regional security (Jiboku & Omitola, 2009:34). The regional in security is inevitable because government and civil society are operating on a parallel line.

During the Cold War period, the affairs of developing countries, including domestic matters were mostly controlled by the then World Powers, especially the USA and the Soviet Union. These countries fought the proxy war through countries in Latin America, Asia and Africa. The other states then realised their own regional capacity and orientation and preferred it to the former alignment.

This, undoubtedly, led to weak unipolar systems as states were allowed to provide their own security and device their own international system, thereby creating the impression that the World System had changed to a regional system (Jiboku & Omitola, 2009:34). This led to the collapse of the Soviet Union and world power was subsequently redistributed. The United States then became the world power, leading to the emergence of a uni-polar world in which the old principles and ideologies became less significant.

This situation redefined the issue of security and posed a new challenge through the concept of globalisation, which made the world to seem as if it had shrunk in space and time. This consequently increased the threat to security due to improved technology which could be employed to cause mass destruction through unconventional weapons and possible transfer of threats across borders due to the free transfer of resources (Obadan, 2004:34). This has also posed challenges to the global South as it experiences the problem of increased marginalisation from international trade, global economic and political power. This situation has caused increased poverty, economic crisis, mass migration of skilled labour to developed countries and regional wars due to the proliferation of regional states (which has remained a very key issue in the concept of South-South Cooperation).

4.5 PROBLEMS/CHALLENGES ASSOCIATED WITH SOUTH-SOUTH COOPERATION

The major characteristic of South-South Cooperation is the coming together of countries of the South which were at one time or the other, faced with different challenges which have a direct impact on the economic and political development of member countries). These countries were at one time or the other, colonised by a more developed country. The major issue is the economic inequality challenge between regions and between people within countries, uneven development, poverty and inequality (which resulted mainly from colonisation) (Morphet, 2004:511). This section examines these challenges, various efforts employed to overcome them and the way forward.

As an idea, South-South Cooperation can hardly be faulted as the problems confronting developing countries can be effectively tackled if South-South countries present a common front on issues affecting them. In the course of analysing the challenges of South-South Cooperation, coalition building seems more likely when restricted to some fundamental values and a few guiding principles that allow for a gradual building up of interdependence and mutual trust. The adoption of far-reaching plans at the outset can be counter-productive (Alden & Large, 2011:65).

Geographical distances and physical obstacles have not yet been overcome by efficient transport and communication facilities. It is important to note that horizontal cooperation is a political phenomenon but it also implies high level of economic and social interaction (Bhagirath, 2004:40). A sense of identity among political leaders and a commitment to act within established frameworks are important components of any coalition of countries pursuing common objectives. However, this process must be based on a certain density of interactions, and basic economic and political coincidences among states that are members of a regional group.

Even though few countries have formulated country and issue-specific policies, a large number of countries are yet to have a comprehensive policy on the concept of South-South Cooperation. If this concept is put in place, it will provide an overall coherence among various strategies. It will also provide a clearer vision, direction and strategy of a country for SSC among various stakeholders (Ajakaiye, 2006:23). The availability of such policy indicates political leadership and support, the capacity of the coordinating organisations to take the lead and collaboration among broader stakeholders concerned through participating

process. This plays an important role in formulating such national policy which will enhance transparency and public support to mobilise domestic funds as well as formulate policy coordination with other countries when partnering.

Another major challenge facing the concept of South-South Cooperation is lack of finance. Over the years, many studies have revealed that even though budget allocation to the concept has increased in many pivotal countries, and which has resulted in increased number of activities, the economic and political situations of various participating countries have been a bane to allocation of substantial budget to the concept, thereby constituting a major challenge (Echezona, 1998:54).

In most pivotal countries, coordinating organisations manage the overall budget allocation and supervise projects implemented by various organisations. However, this level of coordination is absent among other countries. The concept of SSC has, therefore, been faced with this challenge due to lack of establishment of a coordination mechanism such as coordination meetings (Olusanya, 1998: 5). Collection of data and information has also been a major challenge facing this concept as systematic collection and compilation of data and information is still limited or absent in many countries. This problem also poses a challenge in the process of formulating national policy due to the fact that reporting and data collation of results of Cooperation is important in order to enhance transparency and ensure accountability which will in turn enhance public support to the cooperation (Ojo, 2004:55).

In most Southern countries, the concept is faced with the unstable political system which results in frequent changes of public officials. This is a major challenge for continuity of decisions that affect the affairs of the country as different governments show different levels of commitment. In many developing countries, electoral cycles imply total change of government workers, including its ministries and agencies. Political instability, economic crises and civil conflicts will, therefore, affect their internal organisation. This can affect the continuity of projects as many initiatives are based on trust and strong loyalty from individuals involved (Ojo, 2004:106). Some analysts-(Olusanya, 1998; Ubaka, 2008) maintain that there is a nexus between democracy and development, hence the reason why most developing countries are poor.

Another major challenge of South-South Cooperation is the issue of indebtedness which deepens dependency. Most countries of the South are heavily indebted to government and private creditors in the industrialised North. Some of these creditors include the Breton

Woods twins (the IMF and the World Bank). Needless to say the massive debts hanging over most countries of the South are negatively affecting their development efforts and consequently, undermining their ability to effectively compete in the global arena. This, consequently, gives rise to a situation where they are tied down to the apron strings of these northern economic super powers (Ubaka, 2008:109). The magnitude of the debt problem is quite staggering. In the 1970s, the total debt of DCs stood at \$70 billion and rose to hundreds of billions of dollars in the 2000s. This has detrimental implications for South-South Cooperation as it weakens development, independence and solidarity. For instance, the neo-liberal economic policies often imposed on indebted countries of the South, as conditions for debt relief, often undermine their sovereignty (Ferraro & Melisa, 2004:80-81).

South-South solidarity has further been challenged by the ploys of the industrialised to weaken their cooperation. For instance, during the 2001 summit of the WTO in Mexico, the G23 countries held a meeting to adopt a common ground on North-South trade issues and admonished some of the countries such as South Africa, Thailand, Pakistan, India and other countries to quit the G23 group with the promise that the US will further improve their involvement with the US. This effort was seen as a step towards sabotaging the motive behind the formation of SSC. It is, therefore, an obvious fact that Northern conspiracy is a hindrance to the growth of SSC (Madely, 2003:20).

The poverty level of countries of the South is another force hindering the growth of the cooperation. Even though most countries of the South are poor, and generally categorised as developing countries, they are not equally endowed. This implies that the level of their riches is not the same. For instance, Malaysia and Mali are both developing countries, but the former is far ahead of the latter in all areas of development, interests and priorities. Therefore, the divergent interests between the relatively developed and the most under developed are likely to affect the solidarity negatively (Madely, 2003:20).

For most South-South countries, backwardness in Science and Technology is aggravated by the brain-drain syndrome. This leads to migration of highly skilled professionals from the South to the North in pursuit of greener pastures. Countries in the South spend a lot of money to train these professionals, thereby leading to the continuous dwindling of resources of the countries of the South. These countries lack the requisite structural and capacities to engage these professionals. This contrasts with developed countries that have well-funded institutions and mechanisms to coordinate their interests (Ubaka, 2008:113).

4.6 CHINA-AFRICA RELATIONS AS AN UNEQUAL EXCHANGE

The relationship between China and Africa informally dates back to centuries and formally to 1949. The formal relationship has been characterised by different levels of changes which have also passed through different phases over time (Aning & Lecoutre, 2008:2). The most important phases are relations during the Cold War and the recent increased relations due to China's quest for energy security.

According to Professor Zeng (2006), the relationship could be divided into three stages. The first stage is from 1949 to 1979 which centred on the independence struggle, support for liberation, consolidation of independence, economic reconstruction and the establishment of diplomatic missions.

The second stage spanned from 1979 to 1999. This period was characterised by profound changes in China and African countries. During this period, the IMF and World Bank sponsored SAP and poverty alleviation programmes were prevalent. It is also a period when China was recovering from the economic crisis borne out of the Great Cultural Revolution. In order to overcome this crisis, China changed policy which mainly focused on China's economic development by looking outward. In 1991, the 'Going out' policy of China placed Africa as the target continent. During this period, the relationship became more diversified as China offered more aids and FDIs and Africa became more supportive to China.

The third stage is from 1999 to date and focuses on wealth creation and poverty reduction, economic development and achievement of MDGs. To this end, various development bodies such as NEPAD and the AU were created by the African countries with the purpose of consolidating their economic development strategy and to relate with China as one body. By this, they were able to relate with China in a more consolidated manner. Through this consolidation, China has attained more international responsibilities in Africa and sought to supplant efforts of the West in Africa. This led to the formation of FOCAC in 2000.

The movement for African liberation and independence was supported by China, especially during the Cold War. This was exhibited in the frequent visit of the Chinese premier to ten African countries between 14 December 1963 and 4th February 1964. During this period, there was an increase in activities between China and Africa as a whole. This was revealed in the movement for anti-Portuguese nationalist support and a rhetoric policy of Anti-Soviet Union prevalent in Mozambique and Angola (Tull, 2006).

Despite the increase in activities as indicated above, the relation experienced a downturn in the 1980s and remained so for twenty eight years (1971-1999).It was later revived due to China's new agenda which centres on the quest for energy and natural resources (Tull, 2006:56).

The new agenda spurred the then Chinese president, Jian Zeming (2011) to write an open letter to the African Union proposing the China-Africa Cooperation Forum. According to him, the Forum was to promote bilateral relations between China and Africa from one with individual countries to the level of relating with the continent as a single market and partner. He also sought for increased activity by the signing of the Pretoria Declaration in October 2000 in South Africa (as witnessed by the erstwhile president, Thabo Mbeki where it was agreed that a new economic and political order be established).

The various meetings held with Jian Zeming resulted in the first China-Africa Cooperation Forum in Beijing from 11-12 October 2000 with the attendance of 80 ministers from 44 African countries (Alden, 2005:67). During this Forum, the Chinese president sought for improved relationship which will lead to development in the entire continent and establish a new economic and political order. The Conference covered issues ranging from investment, financial cooperation, bilateral and multilateral cooperation to natural resources. This marked a re-entry of China into Africa and the beginning of the second phase of China-Africa relations after the dormancy period of twenty eight years. This renewed activity is as a result of recent developments in international relations.

During the FOCAC summit held in Beijing in 2006 and the subsequent Fourth Ministerial Conference in 2009, eight practical cooperation measures were announced in order to advance the level of African development. As at 2013, these measures were effectively and fully implemented.

The increase in activities was achieved as revealed in the volume of trade as it recorded an improvement (as collated by the World Bank) in the volume of Chinese investment in Africa (\$7 billion dollars in 2006 and soaring to \$198.5 billion in 2012 reflecting a 19.8percent on \$166.3 billion of 2011) (MOFCOM, 2012) with a projection by Standard Chartered Bank of Investment of \$325 billion at the end of 2015 (World Bank, 2012). This reflects an increasing volume of trade between China and African Countries as shown in the continuous positive difference in the volume of trade. By the end of 2012, Chinese FDI in Africa had increased to \$15.3 billion (which is over 3000 percent of the FDI inflow recorded in 1992). Various

Chinese business enterprises have been established in Africa within this period and an improvement in the quality and quantity of trade recorded (World Bank, 2012).

The African continent, therefore, expected a win-win scenario as portrayed by the Chinese president and also an integration of mutual interests (Ampiah, 2013). More than 2,000 Chinese enterprises have their investments or businesses in 50 African countries.

This development aroused the attention of scholars and political analysts and different explanations advanced to explain the motive of China's involvement in Africa. It has, therefore, attracted a lot of criticisms as the major reason for China's renewed relation and proliferation of activities with Africa is being viewed from different perspectives. Some scholars are of the opinion that the relationship is only beneficial to China while some are of the opinion that it is a win-win situation.

Chan (2007:1) analysed the relationship as post-colonial political economy. He describes China's involvement as a 'scramble', 'a mad dash' 'a resource grab' and even 'a rape'. This is rather depressing as Africa submits herself easily for external manipulation to the so-called advanced countries.

Mercer, Mohan and Power (2003) also analysed the relationship within the context of political economy and concluded that Chinese activities in Africa largely depend on the dynamics of state-capital, especially the extent to which Chinese capital is employed to shape the political blocs of Africa. Brautigam (2008) raises concerns regarding the influx of private Chinese firms in Africa and the nature of business carried out by these ventures (as their company policies do not depend on China's foreign policy). These firms operate in Africa independent of the principles of sovereignty, non-interference and other principles guiding the relationship as agreed by Chinese and African leaders.

Tull (2006) also examined this relationship from the perspective of political economy and asserts that China's relation with African countries depends on the capacity, economic structure and history of each African state (China prefers to deal with African countries individually). Although various summits are being organised collectively, with the establishment of FOCAC, the situation has not changed). This is reflected in the fact that China is relating with the selected few considered to be richly endowed with raw materials required for its development.

Alden (2007:44) also explains the relationship between China and Africa within the context of political economy and maintains that class dynamics is a major tool of political economy. He asserts that even though China's involvement in Africa has led to economic growth of some countries, the distribution and type of business ventures established is a call for concern. This is in agreement with the concerns raised by Brautigam. He also raises concerns regarding the pattern of ownership of such ventures, capital flight and the direction of profit which is not in the best interest of African countries (Broadman, 2007:15).

According to Kaplinsky (2008:2), the relationship between China and Africa goes beyond economic issues when viewed from the area of economic development, aid and geo-political matters. He also analyses the relationship from the perspective of political economy and maintains that the relationship could be viewed from two perspectives as follows: the difference between the Chinese perception of Africa and that of Western countries; and the Chinese vision which considers Africa as a business opportunity. Politically, China is involved in Africa because of its quest and insatiable need for raw materials which are abundantly available in Africa.

Even though some scholars consider the relations as a channel of development in Africa, its policy of non-interference has not been in the best interest of the continent. Some scholars (Thomson, 1995:21, Naim, 2007:106) opine that the policy of non-interference is pleasing to most African leaders as this policy, coupled with the hunger for African resources, is making China to walk in the path of imperialists (Mark, 2006:18). The relationship is not different from that of imperialist Europe. The major difference between these relationships is in the area of balance of trade and competition for imported goods with locally manufactured ones. He also argues that Chinese engagement in Africa is an attempt to create a globalisation model that will benefit China (marketing of its products and influencing the world to be interested in such products). Wilson (2005) opines that Chinese target is oil due to increased demand necessitated by its rapidly growing economy (which requires this product in very high quantities). Alden (2005: 2) affirms that 'one issue that cannot be over-emphasised is the fact that China's economy is the fastest growing though limited resources. This is responsible for its ever-increasing need for energy and strategic minerals'.

Contrary to the position of scholars who consider China as imperialist in Africa, others maintain that Chinese involvement enhances Africa's bargaining power. When viewed objectively, there are no or very few reasons why China should be in a relationship with

Africa as the two are neither geographically nor culturally related. However, history has confirmed that various forms of relations have been inexistence for ages.

For most scholars (Alden, 2005:18; Carmody & Taylor, 2013:43; Carlson, 2011:77), the renewed relationship can mostly be ascribed to the drive to secure energy resources by the Asian Tiger. Even though this study supports the assertion that this might be a major reason as it captions an important dimension of Chinese investment in the continent, it cannot be concluded that this is the sole reason for such engagement.

Ampiah (2013) explains the relationship within the context of globalisation and as a result of the Cold War. He opines that the relationship is based on mutual economic development with its major focus on technological and economic cooperation which will be more beneficial to the African continent. This view contradicts the militancy of the 1970s which affirmed that the main aim of the relationship was economic development which could be achieved through the implementation of technological and economic cooperation. However, Ampiah's view was one-sided as he did not consider the fact the Africa's natural resources and energy would also be beneficial to China.

According to Brautigam, (2008:8), the renewed relationship can be explained based on classical foundations within the context of historical links to liberation movement, ideological legitimacy which covers a Third World ideological heritage dating back to the Cold War and political legitimacy characterised by evolving partnership based on the principles of non-interference and neutrality (Alden & Large, 2011:23).

Khamsi (2004:155) ascribed four major reasons for China's presence in Africa as follows: resource security; new markets and investment opportunities; symbolic diplomacy and development assistance; and foreign strategic partnership.

Khamsi concurs with the view expressed by Cooper (2009:44) on the motive behind Chinese engagement in Africa. According to him, Chinese interest in Africa is premised on both political and economic interests. He further classifies the economic interests as follows: the quest for natural resources; and increasing Chinese commercial influence in Africa. In the area of politics, Cooper (2009:18) identified four political areas of interests behind Chinese interaction with Africa. These include; the isolation of Taiwan, ensuring political and economic stability of trade partners for its own economic gain, opposition of challenging international customs and norms and strengthening Chinese image and influence

internationally. This is in line with the political economy theory used to explain the relationship.

Different schools of thought have explained this relationship. Their major point of agreement is that Chinese re-entry into Africa is to meet the quest for resource needs. However, this study explains the relationship within the context of political economy theory, thereby implying that there are both economic and political motives behind the relationship, and that the economic motive supersedes the political intention.

The recent boom in the Chinese economy, reflected in 9% or more annual economic growth rate, scarcity of natural resources and the inability to meet the resource requirement locally, there is a need for external/international sourcing of materials which can only be achieved through importation to meet local needs (Naim, 2007:5). In order to motivate African countries in this regard, China has adopted an aggressive strategy promising Africa a more robust and flexible bilateral trade, easy access to loans with less stringent conditions, increased FDI with no political interference.

After 50 years of Sino-Africa relationship, China has become involved in almost all areas of Africa's development, especially after the renewed engagement. China has strategically positioned itself as a partner in search of raw materials, abundant in Africa in order to meet its own production and technological advancement needs (Diakonia & Eurodad, 2007:41–42). Some political analysts have maintained that this aggression is temporary and that China is in no way different from its previous entry and that of colonial masters (Martin, 2008:5).

China has always advocated that its relationship with African countries is a win-win one, thereby negating the unequal exchange which most political, social and economic analysts have maintained is to secure raw materials and energy resources in Africa. Even though it may not be the only reason, it captures an important dimension of Chinese interest in Africa.

Some scholars have confirmed that China tends to have comparative advantage over the West in Africa, especially in its relationship with the principle of 'no strings attached' which seems quite appealing to most African leaders. In line with its 'five principles', China often reiterates its adherence to the doctrine of allowing for partnership on equal footing which is contrary to the Western approach of listing conditionality for engagement, thereby causing African leaders to find it easier dealing with Chinese than the West.

Various political economy scholars maintain that investment, aid and China's contribution to Africa have always been to enrich its economy. This has translated into little or no development in Africa's economy. The volume of trade is increasing but the balance of trade has always been a deficit in favour of China.

Statistics indicate that raw materials top the list of the first ten numbers of exports from Africa to China while the leading goods imported from China are finished products and from simple economics, an import dependent economy kills domestic industries and gradually sends it to extinction.

Another important factor which shows that the relationship is one of unequal exchange and negates the concept of win-win proclamation by the Chinese leaders is the balance of trade between China and Africa which reveals a consistent trade deficit in favour of China. Studies have revealed that this trend has been persistent ever since the start of the relationship (Olurode, 2004:15).

China's relationship and its investment in Africa have been viewed by some scholars within the context of China's need for natural resources (which is abundantly available in Africa). The quest for these resources is driven by the desire to meet the needs of external markets (Mukaelia, 2004:18).

Data from the World Bank (2008:3) has revealed that the volume of imports from Africa has been on the increase with China having the largest percentage compared to other trade partners from the North such as the United States and Europe (since China renewed its engagement with Africa). The development and survival of China's industrial sector required the availability of these natural resources which in turn, made China to depend on Africa for a huge percentage of resource requirements. For instance, 30 percent of oil, 80 percent of cobalt and 40 percent of manganese are imported from Africa. From all indications, China's trade with Africa has been on a progressive scale, growing from 10 percent total exports in 2000 to 19 percent in 2006, even though it was lower than other trade partners (the US and EU which accounted for approximately 43 percent in 2000 and 40 percent in 2006 within this period but as at 2014, China has become Africa's largest trading partner) (World Bank, 2008:55).

There are two major points of concern in the analysis of the relationship between China and Africa. The first source of concern is the balance of payment which has consistently been in

favour of China with Africa having a negative balance. Also, the nature of products currently being traded is another source of concern. Africa exports natural resources required to meet its industrial needs while China exports finished products which have a negative impact on Africa's industrial sector (thus killing the domestic industry). A former South African deputy minister of Trade and Industry once raised an alarm on the content of trade and the nature of products being traded. According to him, the relationship is in no way different from the colonial relationship as cheap and sub-standard products, light machinery and transport equipment (which is almost one third of imports from China) are exported to Africa, thereby killing domestic industries and ruining employment opportunities which in turn, creates other economic problems (Davies, 2008:1).

Recently, Angola signed a pact with the Republic of China agreeing to trade all oil that would be produced in Angola for the next ten years for road infrastructure. Another area that depicts unequal exchange is the Airport that is currently being built in Nigeria by China. The airport will be operated by the Chinese for five years in order for China to re-coup the cost of building the airport but the most amazing thing is that the cost quoted by the Chinese government is sufficient to build two airports. This is a form of exploitation and can be termed unequal exchange. Burgman (2015:28) posits that even though the relationship between China and Africa has improved country-to-country relations with China (trading an estimated \$18.47 billion in 2014); Africa's ecological and long-term interest is being sacrificed. Although Chinese involvement in financing infrastructural development, debt forgiveness and scholarship for African students to Chinese Universities has given China a net positive image among African countries, there remains room for improvement as testimonies from Africans in China have not been positive. There have been complaints about barriers and racial stereotypes that many mainland Chinese harbours against people of African descent. This can be likened to what was prevalent in the American South during the post-enslavement period.

Even though Ampiah (2013:90) was of the opinion that the relationship is a win-win one, a general and quick analysis of the relationship reveals an impressive growth as most of the analyses are derived from aggregate data by which Africa is treated as a whole, thereby losing the sight of parts (Anaebonam, 2014:3). This implies that the relationship and its benefits are being exaggerated to a certain extent. In order to establish this, a country-to-country analysis would be appropriate.

While it cannot be ruled out that the volume of trade is constantly growing, it should be noted that only few African countries have been beneficiaries of this situation (Aremu, 2011:58). Secondly, the average ratio of imports and ratio of exports which measures the degree of trade dependence on China by African countries, is still generally low (Moghalu, 2015:2). On average, only Sudan and Angola have trade dependence that has been positive over time (see Table 1 below).

4.7 COUNTRY-TO-COUNTRY ANALYSIS OF CHINA-AFRICA RELATIONS

This section gives a clearer picture of the relationship between China and Africa examining the disaggregated picture of the relationship. A close look of China-Africa trade figure as shown below in Table 1 shows that the relationship is being exaggerated as the surging trade is not all beneficial. The trade is concentrated in few countries referred to as key countries pattern (this means that only a few countries have been beneficiaries of the surging trade). Also, the average export-import ratio is still generally low.

Table 4.1: China-Africa relations: country-to-country analysis (1999-2014)

SERIAL NUMBER	COUNTRY	1999	2002	2005	2008	2011	2014
1	SUDAN						
	IMPORT	1553	10889	4824	9352	9231	7734
	EXPORT	1807	3998	6757	11671	9694	2542
	BALANCE	254	-6892	1933	2319	463	-5192
2	ANGOLA						
	IMPORT	3040	8130	8353	14544	20228	22670
	EXPORT	7703	2159	23670	72179	65745	67144
	BALANCE	254	-5972	15317	57634	45516	44474
3	SOUTH AFRICA						
	IMPORT	26795	67644	54848	94901	99726	101264
	EXPORT	29987	58197	51640	84488	96922	83528
	BALANCE	3192	-9447	-3208	-10413	-2804	-17735
4	NIGERIA						

	IMPORT	8721	26760	21314	42378	376134	1116744
	EXPORT	20975	57444	55145	80615	355954	1107780
	BALANCE	12254	30684	33831	38237	-20181	-8964
5	TANZANIA						
	IMPORT	1523	4246	7081	6296	7708	11266
	EXPORT	663	1736	2674	2367	3522	5075
	BALANCE	-860	-257	-4407	-3929	-4186	-6191
6	ZIMBABWE						
	IMPORT	1861	2350	2300	2950	4400	4400
	EXPORT	1923	1850	2000	2200	3512	3800
	BALANCE	62	-500	-300	-750	-888	-600
7	UGANDA						
	IMPORT	1511	2049	2555	3497	4265	6416
	EXPORT	469	1017	1188	2003	3004	3155
	BALANCE	-1063	-1033	-1367	-1494	-1261	-3261
8	ZAMBIA						
	IMPORT	997	2564	3086	5017	3827	4280
	EXPORT	681	1791	3828	5187	4389	4466
	BALANCE	-316	-773	742	170	562	-186
9	KENYA						
	IMPORT	3105	7311	8989	10207	12076	14799
	EXPORT	1734	3437	4080	4463	5150	5763
	BALANCE	-1372	-3874	-4910	-5763	-6925	-9037
10	MORROCO						
	IMPORT	11534	20790	23980	32010	32881	44294
	EXPORT	7175	11790	12744	15340	14054	21524
	BALANCE	-4359	-9601	-11236	-16670	-18827	-22770

Source: China Statistical Year book (2014) (China Customs Data)

The above Table shows the structure of country-to-country trade relations between Africa and China. A quick analysis of the above Table shows that as at 2014, virtually all the countries represented above revealed a lopsided trade relation in China's favour.

To fully explore this fact, a brief analysis of China's relation with each country is necessary as explained below.

Relations between China and South Africa

Upon transition from Apartheid to black majority government, South Africa shifted its diplomatic relation to China in 1988. It has been the largest trading partner and strategic partner in Africa and the relationship has been growing ever since. China's Foreign Affairs Ministry reported that the trade volume between the two countries accounted for over 20% of the total trade volume between China and Africa (Bown & Crowley, 2005:34). This makes South Africa the key gateway in diplomacy between China and Africa. However, because of South Africa's relatively developed industrial sector and manufacturing capacity, it is also the country with the highest overlap with China, making the relationship a grumpy one. Over the years, it has sustained a string of deficits in its bilateral trade with China. A South African analyst described this relationship as 'a replay of the old story of South Africa's trade with Europe' as follows: "we sell them raw materials and they sell us manufactured goods with predictable results" (Brautigam, 2011:21). This implies 'an unfavourable trade balance against South Africa' which has generated a deficit crisis and rendered trade relations between China and South Africa to be lose-lose rather than a win-win situation.

Meanwhile, there is a wide difference between South Africa and other African countries in the sense that, unlike others, South Africa has the capacity to extract concession from China. An example is textile trade between China and South Africa which led to the adoption of the MOU on Bilateral Trade and Economic Cooperation that placed a quota on Chinese textile imports to South Africa. Before the adoption of this MOU, importation of Chinese textile products had almost wiped off South Africa's textile industry and contributed to the massive deficit and huge level of unemployment in South Africa. For example, between 2005 and 2006, the trade balance statistics revealed that South Africa imported goods worth 36.5 billion Rand (\$4.86 billion) while the country exported goods worth 9.6 billion Rand (\$1.86 billion) to China within the same period (SAIIA, 2013:55). Out of the total imports, textile accounted for 20%. It is against this background that South Africa's Department of Trade and Industry entered into a quota agreement with China's Ministry of Commerce. This top level

bilateral exchange led to cooperation in other spheres of the economy, ranging from science and technology, military to international affairs and culture (SAIIA, 2013:55).

This scenario has raised concerns among scholars and political analysts in other African countries, who have eventually raised questions about the quota signed with South Africa. Since it is not the only country whose local textile is being threatened by Chinese textile imports, these scholars felt that a region-wide quota should have been signed by China in order to protect the industrial sector of the whole continent in order to achieve a win-win situation for all on the basis of equality, friendship and mutual benefit. They also raised concerns on why South Africa was treated singly (Wenping, 2012:65). Despite the fact that there was a trade union conference in Cape Town involving representatives from Kenya, Malawi, Madagascar, Namibia, Nigeria, Lesotho and South Africa drawing the attention of Chinese officials to the plight of workers in the textile industry and the need for government to institute comprehensive trade and industrial policies to protect the industry, the request was rejected. China then responded to this by arguing that ‘the gains being made in textile industry worldwide by China is the result of years of investment in the sector to sharpen its competitive edge and gain comparative advantage’. He further maintained that any restriction aimed at China will be a distortion to the WTO free trade principle which will definitely hurt the confidence of Chinese people in WTO and their enthusiasm for new rounds. These unfair and discriminatory doings will never be accepted by China’. Given that this coincided with the period when the quota was signed, it raised the question about consistency and fairness to other African countries that have the same industrial problem as South Africa. This implies that South Africa enjoys a privileged position in the diplomacy between China and Africa which surpasses that of other African Countries while the principle of win-win for all being expressed by China only amounts to empty rhetoric.

China and Sudan

The relationship between China and Sudan can be traced back to 1949 when the United Nations Security Council Resolution was passed and the AU mission for Darfur authorised. The support offered by China for the resolution was warmly welcomed by the Sudanese government which ultimately changed the perspective of an average Sudanese (Bello, 2005:18). China was placed at a vantage position in the activities of Sudan. Since this period, the two economies have been complementing each other. On 4th February 1959, the relation

was formalised and Sudan became the fourth country in Africa to form diplomatic relationship with PRC. China has been involved in Sudan's economy and its government since then. Hence, the relation has been viewed by Ali (a Sudanese scholar) from different sides of the same coin. According to him, economically, China could be seen as an asset to Sudan but a political liability (Egom, 2007:26).

The formalisation was followed by exchange of visits by envoys of the two countries and also Sudan's vote was in favour of China's entry into the UN in 1961. The relationship improved remarkably from 1969 to 1985 during the tenure of president Nimeiri but reached its peak in the 1970s when the country's relation was severed during the Cold War. This period coincided with the time when China offered an unmatched support for repression of communists and support for government worked in favour of China. China also offered to supply military equipment and promised to train the Sudanese army. This was warmly accepted and China went further than this to offer them soft loans, economic grants and technical expertise. At the peak of the relationship in 1972, a friendship hall was built by China in Khartoum to symbolise a growing and flourishing relationship. This period was marked with increased trade activities and foreign aid.

Looking at the relationship in terms of trade, in 1973, Sudan's export to China increased to 26 percent (13.6 percent of the country's total export). The Table above shows that Sudan is one of China's trade partners while China is Sudan's top export partner. Out of all Sudan's export, oil constitutes about 50 to 60 percent, in addition to sesame and cotton (Erica, 2004:88).

The China National Petroleum Company (CNPC) owns 40 percent stake in the Greater Nile Petroleum Operating Company (GNPOC) (Blocks 1, 2 and 4 in Heglig and unity fields in Muglag). CNPC also owns 41 percent stake in the Petrodat consortium 3 and 7 with an estimated annual output of 10 million metric tonnes of crude (Large, 2006:77). In addition to being one of the operators of partly deep waters Block 15 in Sudan, CNPC also acquired 40 percent stake in a 20 year old concession in Block 13 together with Pertamina. This shows the extent of Sudan-China relations since the discovery of oil. According to Ali Abdallar (2006), China-Sudan relations could be classified into two as follows: 'before and after oil' (which also explains before the 1990s and after).

In the 1980s, activities decreased and trade relation was not as significant as in 1973 and efforts were not fully geared towards expanding trade activities but the dwindling relationship was ignited due to the discovery of oil.

The role of the Chinese in Sudan changed due to discovery of oil in the 1990s and China's disposition towards Sudan became more challenging during this period. Three factors have been identified by Large (2008:2) as catalyst for the expansion of China in Sudan. Firstly, the Southern Sudan War. According to him, Sudan's foreign policy in the 1990s and its investment strategy has encouraged the proliferation of Chinese activities in Sudan. Before the destructive war, China related with only Khartoum as the capital and seat of government in Sudan but its position became shaky when a new government headed by Al Bashir led to the emergence of South Sudan. The war distorted Sudan's relation with America and Europe due to the support of NIF for South Sudan (NIF is associated with support for terrorism). This led to the isolation of Sudan in the Middle East forcing the country to turn to China.

Secondly, as a result of the war in South Sudan, Northern Sudan faced a crisis of political isolation and financial problems and had no option than to turn to China for help. This implies that the relation with China was born out of a pressing need. Even though various analysts have debated and questioned this situation, they have all come to the conclusion that events of this period facilitated the relationship between the two parties. In 1994, Chinese assistance was sought in the area of oil development which led to the CNPC survey in Sudan to determine the quality and quantity of oil in Sudan (Jacobson & Zha, 2006:2). This deal was finalised in December 1995 when president Al-Bashir visited China. Chinese relation with Northern Sudan showed a high level of mutually beneficial relationship as the President's request for assistance in the area of oil development was granted and China became interested in enhanced relationship with Sudan, especially in the area of energy cooperation (which was formerly under the control of the West).

The third and final reason advanced by Large is the fact that the entry of China into Sudan came at the time Sudan was making efforts to establish an oil export industry. This period coincided with the time when CNPC and PETRONAS increased their operations in Sudan. Over time, oil has been a primary tool in controlling the political environment in Sudan, especially during the collapse of the 1972 peace accord.

China is currently the largest trading partner of Sudan in terms of oil imports. It is not therefore surprising that Sudan recorded the highest growth rate in the volume of trade with

China as shown in Table 1 above, thereby, making Sudan to post the highest average import-export ratio. The above Table also reveal that more than half of the total exports by Sudan are destined for the Chinese market. The degree of dependence on China is extremely higher than that of any other African country.

From the above analysis, it has been revealed that China is a major foreign economic partner of Sudan. Its export to China has been as high as 65.7 percent. On the contrary, the share of China's export to Sudan is very minimal and has oscillated between 0.2 and 0.3 percent since its inception.

The structure of investment policies and political framework binding the trade agreement between the two countries has supported the expansion of trade activities. Even though there is a high preference for Chinese investment in the country (as it took 46 percent share of non-financial FDI to Africa), Sudan's import from China have been mostly finished goods, machinery and equipment, textiles and chemicals.

Another area where China is involved in Sudan is the transportation sector. This is evident in the construction of bridges, railways and highways. In 2007, a Chinese company (China Railway Engineering Corporation (CREC) and Transtech Engineering) won a contract worth one billion dollars (\$1b) to construct a 700 kilometres road linking the capital city (Khartoum) and the Sudan Port (China Statistical Year book, 2014:165)

Even though Sudan can be seen as a vital case in China's international politics, owing to its role in the Darfur conflict, China has defended itself that it is being guided by the policy of non-interference even though this fact is facing a lot of strain (Large, 2008:3) as many scholars are disputing it.

China has played an active role in the re-orientation of Sudan's foreign economic relations towards Sudan's leading regional block for trade and investment. According to the Bank of Sudan, Chinese share of Sudan's total imports and exports have increased substantially since oil exports started in 1999. In 2006, China accounted for 20.8 per cent (\$1,679.4m) of the Asian share of 43.6 per cent (US\$3,522.5m) of Sudan's total imports, and 75 per cent (\$4,243.9m) of the total Asian share of 86.1 per cent (US\$4,872.8m) of total exports. A decade ago, China accounted for 4.3 per cent of Asia's 20.6 per cent proportion of Sudan's imports and 6.8 per cent of Asia's total of 17.9 per cent of Sudan's exports (China Statistical Year book 2014:165).

From the above analysis, even though the volume of trade activities is very high compared to other countries, it is characterised by unequal exchange.

China and Zimbabwe

This relationship dates back to the period of Ming and Qing dynasty (about 600 years ago when an agreement was reached with the Munhumutapa Empire around cultural exchange and trade). However, the contemporary relationship started when China offered support to Zimbabwe during its liberation struggle against racial oppression and colonialism through ZANU in the 1960s. This served as a foundation for the renewed relationship during the reign of President Mugabe.

Different analysts and scholars have had different opinions regarding this relationship. While some see it as a miniature of China-Africa relations, especially in the area of seeking for resources, others see it as a form of support to 'pariah regime' with little consideration for good governance and human rights.

Since the renewed engagement in the 1960s, the relationship has gone through three significant developmental stages as follows: 1960-1980; 1980-2000; and 2000-2014 (Wenping, 2102:76).

The first stage was stimulated by the cessation of World War II in 1945, the establishment of PRC and the subsequent rise of liberation struggle in Latin America, Asia and Africa. This situation accorded China the chance to overcome the siege of Soviet Union and capitalism in the 1960s, thus enhancing the relationship between China and Zimbabwe which consequently came together in the spirit of 'solidarity'. In the early 1960s, military support was offered by China against colonialism and the Rhodesian Bush War of 1965 when the three groups of Zimbabwe namely, the Rhodesian government (headed by Ian smith), ZAPU (headed by John Nkomo) and ZANU (controlled by Mugabe) rose against themselves leading to an intense crisis. China offered support to ZANU while ZAPU was supported by the Soviet Union. The strategic assistance offered by China accorded ZANU and ZANLA the opportunity and strength to develop into a liberation movement with access to military training also provided by China. The war ended in 1978 and the three groups reached an agreement, followed by the signing of a peace agreement between the Rhodesian government and ZANU. This ultimately led to Zimbabwe's independence in 1980 (Erinne, 2010:156).

As indicated above, the second stage spanned from 1980 to 2000. After its independence in 1980, the then president approached China to support the construction of a hospital and a

national stadium and also received a loan of \$55 million. This period coincided with the Chinese political crisis of the 1980s when China needed the support of other developing countries to defend its sovereignty. Zimbabwe provided support to China which further fortified the cooperation between the two countries. Another factor that strengthened the relationship is the quest to achieve economic development and also break the shackles of colonialism of the West in Zimbabwe even though the country is grossly indebted to these Western partners in terms of loans and foreign aid. The loans include the World Bank loan of \$417 million, the EEC loan of \$156 million and \$204 million from the United States. Zimbabwe became choked with conditions attached to these loans. In order to break loose from these conditions, Mugabe turned to China for support as its aid and concessionary loans came with less stringent conditions (Erinne, 2010:156).

In the 2000s, in line with the formation of FOCAC, the relationship became more cordial and economic ties were consolidated with other African countries, including Zimbabwe. During this period, Zimbabwe's relationship with the international community was threatened due to its adoption of land reforms. The West reacted to this situation on grounds that the law amounted to violation of the rights of its citizen and withdrew financial assistance. In order to cushion the effect of these sanctions, the 'Looking East' policy was adopted in 2003, which led to Zimbabwe's shift towards countries of the East, especially China, India, Malaysia, Iran and Singapore. Since then, China has played a critical role in Zimbabwe (preferred due to the policy of non-interference and sovereignty) (Wenping, 2012:66).

The coverage of the relationship includes socio-cultural, economic, strategic and diplomatic relations but for the purpose of this study, the economic relationship is examined. In the area of trade, the relationship has been strengthened in all sectors of their economy. China then became Zimbabwe's third largest trade partner after the European Union and South Africa. As a result of Chinese scramble for mineral resources, the relationship deepened despite the economic crisis and continuous devaluation of its currency. In 2004, an economic and technical agreement was signed and China offered to enhance the country's tobacco production which has led to increase in the volume of trade between the two countries over time. In 1996, the volume of trade stood at \$52.2 million and increased to \$874.37 million in 2011. The trend continued under 2013 under the Government of National Unity with the figure going as high as \$1.1 billion.

Like other African countries, the trading pattern has been exchange of raw materials for finished products. This has always given China an edge over its trade partners as more needs to be given up to get very little in return.

China and Kenya

Like every other African country that was once colonised by Great Britain, Kenya gained independence on 12 December 1963 and started a diplomatic relationship with China immediately (14 December 1963). Kenya's traditional partners were mostly the EU but this has been on the decline in the past decade. Relations have increased with countries in the East, especially China and India. However, China has become a major partner in the period under consideration. In the early days of the relationship, both countries looked forward to a fair and win-win relationship but this was not experienced immediately. The relationship dwindled two years later and continued until the 1970s when it started to strengthen again. It later grew stronger in 1978 when Daniel Arap Moi became the president. The period was characterised by exchange of diplomatic visits between the two countries (Erinne, 2010:156).

This trend continued when a new government was inaugurated in 2002 (when China began the implementation of externally-oriented programmes and trade reforms). Kenya then became one of China's strategic players in East Africa in terms of economic performance and regional integration.

In the last decade, Kenya has been a major focus of the Chinese government in terms of development assistance for Africa. To this end, financial aid worth several millions of dollars has been offered by China for infrastructural expansion and trade promotion in order to enhance Kenya's dwindling infrastructure. The aim is also to support Kenya in its quest for economic development. Over time, China's relation with Kenya covers specific areas of development and cooperation in socio-cultural, political and economic spheres. China has become the top bilateral donor to Kenya. This is evident in the exchange of frequent diplomatic visits among officials of both countries. Although Kenya enjoyed frequent exchange of official visits with China, economic relations remain relatively modest (Erica, 2010:7).

The formation of FOCAC further enhanced the relationship (Kenya is an active member). The furtherance of the relationship became evident in various agreements signed by both parties. Some of such agreements include the 'Agreement on Economic and Technological

Cooperation between the People's Republic of China and the Republic of Kenya', the 'Agreement on Trade between the People's Republic of China and the Republic of Kenya' (1978) and the 'agreement on the promotion and protection of investments' (2001). Within this period, a total number of twelve agreements were signed within three years by the two countries covering almost all sectors of Kenya's economy.

In the area of economic cooperation, the trade agreement signed in 1964 was further reviewed in 1978 for the purpose of achieving a win-win scenario. Through this agreement, China allowed the importation of Kenyan food and expanded its investment in Kenya in the area of infrastructural development. To further enhance this relationship, an annual economic and trade committee was inaugurated with emphasis on issues to enhance the economic development of both countries (Wenping, 2012:6).

Another area of cooperation is the inflow of FDI. At the inception of the relationship, the inflow of FDI was very high but started fluctuating in the last decade. Investment in Kenya has reduced due to the negative insight about crime, corruption, poor governance, political and policy instability. This is revealed in the private investment which had its growth reduced from 10 per cent growth between 1985 and 1995 to 0.4 per cent between 1997 and 2001.

From Table 4.1, the ratio of export to import is still very small even though it is increasing. However, the balance of payment has been negative over the period under consideration. Kenya's imports from China include vehicles, electrical and electronic equipment, iron and steel, ceramic products and textiles which are in direct competition with domestic manufacturing companies. Kenya's export to China consists of tea, leather, sisal fibre, scrap metal and oil. More of these raw materials are required to balance the trade in exchange of the finished products imported by Chinese companies (Goldfrank, 2000:34).

Just like its relationship with every other African country, China has maintained that its relationship with Kenya is guided by the non-interference and 'no string attached' policy. This has, however, raised some questions by economic and political analysts. They conclude that there are both losses and gains in the relationship. Some citizens maintain that the cheap products from China have made some products affordable for the common man regardless of the quality of such products (Goncleves, 2014:18). On the other hand, domestic manufacturers and their employees have also felt the negative impact of this due to the loss of

regional markets and the opportunity to advance technologically in order to meet international demands.

The proliferation of Chinese aid and investment has been viewed as a remedy to the failed aid from the West and has been welcome by most citizens, especially government officials. Some of the scholars such as Onjala (2014:65) have continued to analyse the consequences and the negative impacts of the relationship. His major concern has been the perpetual trade deficit with China and the employment pattern of Chinese companies which has been in conflict with local labour laws and domestic workers. This fact points to the weak trade relations between the two countries. This further reiterates the fact that the relationship is not mutually beneficial and can, therefore, be referred to as an unequal exchange.

4.8 CHALLENGES FACED BY CHINA-AFRICA RELATIONS

From the above country-country analysis, one cannot but conclude that the attainment of a mutually beneficial relationship is a far cry. Some scholars have identified factors responsible for this scenario. These factors, hitherto referred to as challenges, can be classified under two major categories namely; economic and infrastructural challenges. These challenges are further reclassified as indicated below.

Economic interests and trade friction - Various scholars have continuously emphasised the inherent threats to economic development of Africa due to its involvement with China. The conflict in the textile sector is a good example of such situation. Most African countries have been grounded due to the importation of textile by Chinese companies (Kaplinsky, 2007:87). This argument has caused some analysts to conclude that China-Africa relation is an 'unequal mode of north-south economic relations'. Even though China has increased its export to these African countries, the structure of trade remains relatively the same.

Fear of sustainability

In the area of infrastructure, China has contributed immensely to infrastructural development of some African countries, even though the infrastructure is ultimately working in favour of China. These countries cannot create skilled employment for the local populace and, therefore, add little or no value to the local economy (often referred to as 'white elephant projects' which do not have a direct impact on the improvement of the standard of living of citizens). The major challenge in this area is the maintenance of this infrastructure which has

been a source of concern for African partners (Messeling, 2004:4). It is a fact that Chinese projects have been running at a deficit. This can be justified by a number of factors such as brain drain of expertise, deteriorating and outdated equipment and poor management.

In Chapter Two of this study, it was emphasised that these companies are managed by Chinese expertise, thus making the management of such projects difficult due to unavailability of experts, especially after such projects are completely handed over to local partners. This usually causes the partners to continue to be at the mercy of Chinese expertise for sustenance of such projects due to the fact that technology is not transferred to the labour of African countries (Moghalu, 2015:2).

Technical transfer

It is a widely known fact that Chinese investment has not, in most cases, improved localisation of such investment as the local content is very minimal and employment of local labour is still at its lowest ebb. Chinese experts confine themselves to their own circle mostly due to the language barrier and, therefore, find it difficult to transfer technology to host countries (Mukaelia, 2004:6). Even though technology can be transferred through training, very little has been done by the Chinese in this regard.

Sustainability of debts

The policy of 'no string attached' preached by China has been the bedrock of financial assistance and aid to African countries. However, the financial constraint faced by these countries constitutes a barrier to repayment of such financial aid and loans. China, therefore, decided to improve the situation by introducing the 'resource-infrastructure swap' in which the raw materials of African countries are exchanged for financial aids and infrastructure provided by China. Angola, Sudan, DRC and most African countries have benefitted from such swap. Based on this agreement, the China EXIM Bank resolved to finance more infrastructures in Africa. Crude oil in Angola has been swapped in Angola while cobalt and copper have been swapped in DRC for infrastructure (Spark, 2008:76).

This has channelled a new course of challenge as it is winding up Africa in another economic development crisis and creating 'a new wave of Africa debt'. It has also raised dust on the sustainability of these debts. This mode of loan repayment hinders development in other sectors of the economy as resources that would have been used to develop these sectors are

being traded for infrastructure. This does not impact directly on the life the common man. On the whole, there has been an increase in the volume of trade between China and African countries. Unfortunately, this has not led to economic competitiveness.

4.9 REGIONAL DEVELOPMENT INITIATIVES IN AFRICA

In the introductory part of this study, it was clearly indicated that the political process in recent times has been characterised by regional initiatives. This, which is a form of SSC, has been employed in proffering solutions to national and regional issues. From the history of SSC, the concept of regionalism was shaped in the 1930s and later enhanced in the 1960s and the earlier part of the 1970s. The major focus and goal of regionalism during this period was to attain a welfare state by employing decentralisation as a tool. Later, regionalism was targeted at decentralising the centre from the periphery with the ultimate goal of achieving regional unity. This was jeopardised and could not be achieved, rather, it turned to a regional division and fragmentation which led to competition and division among member states. The division was attributed to the emergence of new liberalism and globalisation.

This later developed into a stage in the 1980s where regionalism became a defensive tool and weapon against nation-states transformed to a periphery. This period coincided with the end of the Cold War when each nation-state tended to defend its national interest. This period transcended into the New Regionalism in the 1990s characterised by advanced initiatives of regionalism (Hettne & Soderbaum, 1998:52). Various nations aligned during this period to form regional cooperation in order to advance regional development. Some of such alliances are explained in the next section of this study with special focus on Africa.

The idea of SSC has, therefore, given rise to numerous regional and sub-regional blocs committed to economic cooperation and development among countries of the South. In the 1960s, the ECA advocated regional integration in Africa with the aim of achieving economic development in the continent. Efforts were made to achieve this feat and several integration arrangements were made (Obadan, 2004:65). These arrangements can be categorised under two major groups, namely; the LPA and those outside the LPA. The group outside the LPA was categorised as such either due to its existence before the LPA or outside the LPA.

The LPA was a special initiative launched by the OAU and promoted by the ECA with the aim of creating a separate but convergent arrangement in different regions of Africa which if combined, will regionalise the entire continent. Four major arrangements were made for West Africa. These are ECOWAS, the PTA, the AMU and ECCAS (Ndubuisi & Nsuoli, 2003:12).

The arrangement was that ECOWAS will cover West African countries; PTA will cover the East and Southern Africa while the aim of ECCAs was to integrate Central African states. The aim of AMU was to integrate North Africa. By so doing, the all African Common Market would be achieved by 2025. To further re-affirm this commitment of regionalising Africa, the Abuja Treaty was formed by AU heads of states in 1991 (Ndubuisi & Nsuoli, 2003:12).

The other groups outside the LPA were the WAEMU, CEMAC, SADC and the EAC. These groups are monetary unions that intend regionalise the African currencies.

As a result of this economic cooperation, some of these countries have witnessed incredible progress in their economy in the past two decades (Wenping, 2012:7).

4.10 CONCLUSION

This chapter has extensively examined the concept of South-South Cooperation, its origin and challenges undermining its effectiveness. It has also discussed regional integration which clearly shows that an emerging regional economic arrangement is one of the most promising forms of South-South Cooperation that can enable developing countries to develop and strengthen ties within and among themselves. The problems and challenges have been examined and it can be concluded that despite all these challenges and difficulties, the concept of SSC played a prominent role in the attainment of political independence. This chapter has also emphasised that SSC should be a complement and not a replacement to North-South Cooperation in order to energise the partnership between the North and the South. By so doing, the much desired globally balanced economy could be achieved. This implies that the prospect of SSC is enormous and the problems encountered could be overcome when countries involved are ready to proffer solutions to such problems.

In the area of political instability, although military rule is no longer the order of the day in the global world, these countries need to imbibe democracy and its attributes (respect for fundamental human rights, freedom of speech, independent judiciary, transparency and accountability in the management of public resources which will in turn impact on the economic and political development of these countries). The several regional arrangements highlighted in this Chapter could also be a source of strength to these countries if the activities of these organisations are harmonised. Also, continental initiatives such as NEPAD, ASEAN and other Southern cooperation should further cooperate with the European Union and its agencies to ensure optimum results.

Within the context of relations between China and Africa, it can also be concluded that the relationship has been established as a variant of South-South Cooperation. A brief analysis of this relationship on a country-to-country basis revealed that a lot needs to be done in order to achieve the win-win objective which is the major desire of most African countries. This is because the relationship is currently tilting in favour of China and the balance of payment is continuously negative against countries of the South. In recent times, most of these countries are heavily indebted to China and developed countries so much that some of these countries spend as much as sixty per cent of their export earnings on debt servicing. As a developing country, China should find a way to alleviate the impact of such debt and warn African countries of the effects of such debts which play a very active role in inhibiting growth and development of countries of the South.

It can, therefore, be concluded that for South-South countries, the road to meaningful cooperation is hindered by different challenges, which are made more depressing by the advent of globalisation. Despite these challenges, developing countries still need to cooperate among themselves as this is a sure way of tackling the side-effects of globalisation and other contemporary challenges peculiar to developing countries.

Such cooperation should also be extended to the multilateral arena, where the consolidation of rules based on the trading system should be shaped in order to facilitate the effective participation of developing countries in the globalising world economy.

CHAPTER FIVE

CHINA-NIGERIA RELATIONS

5.1 INTRODUCTION

We live in an increasingly interdependent economic world in which no country, no matter how highly endowed it is in terms of resources, can self-sufficiently pursue a policy of autarky for a long time. Globally, the impact of international relations and the achievement of economic development of any country cannot be over-emphasised. Indeed, for many countries, including Nigeria, international trade has always been the engine of growth and development (Akindele, 2005:54).

This fact that the world is interdependent and that every nation is, in varying degrees, dependent on the external world to satisfy at least some of its material needs obviously carries with it, the implication that every state must have an external economic policy of national self-adjustment and adaptation to the external world. It is through such a policy that the country communicates its terms and conditions to the external world, seeks to augment its resource deficiencies, defines and articulates its conception of an equitable international economic order and participates generally in the continuous expanding cobweb of international economic transactions (Olurode, 2004:5).

Developments in economic relations between any two countries largely depends on the structure of and changes in their national economies as well as on the influence of international economies.

The relationship between Nigeria and China is not shielded from the analysis in the above paragraph as benefits are embedded if well pursued. This relationship has expanded over the years as it has increased from exchange of goods between the two countries to bilateral cooperation in the area of infrastructural development, diplomatic and bilateral exchanges, political cooperation and even cultural exchanges. By the time the relation was formally launched, Nigeria was just a decade into its independence and was eager to experience a new outlook about statehood and international relations. In the realm of statehood, the bloody crisis and the end of the civil war (6 July 1967 – 15 January 1970) posed hard lessons about the challenges and tasks of building a modern state with different languages, cultures and traditions out of a large ex-colony. This, coupled with the increasing share of national

revenues which provided a larger capital base than agricultural exports, afforded the country a new level of confidence and material strength (Akindele, 2005:44).

On the other hand, 1971 indicated a historical paradigm since the beginning of communism rule in 1949 as it attained international recognition by becoming a full member of the UN in replacement of Taiwan which occupied a seat as the official Republic of China.

The return to normalcy (as it affects both countries) afforded both countries an opportunity to eliminate the abnormality of having trade ties without mutual diplomatic recognition.

Therefore, the establishment of this relationship was opportune and for practical purposes for both countries. However, the structure of commerce and trade between the two countries revealed China's strength and net advantages even from the inception. Chinese export of textile for the year was as high as four million British pounds (Akindele, 2005:54). This marked the beginning of the establishment of the fact that the relationship was China-driven from its inception. This imbalance has attracted the attention of economic and political analysts in various ways, including promulgations of Acts and Decrees to enable the country experience a win-win situation in the relations.

In this chapter, the relationship between Nigeria and China is extensively examined with special focus on the economic and legal environment in which the relationship operates.

To fully explain this situation, the economic structure of Nigeria and its performance are examined as they complement the Chinese economy and vice-versa. Also, the extent to which China has contributed positively or otherwise to Nigeria's economic development over time is also analysed.

5.2 NIGERIA'S ECONOMIC STRUCTURE AND PERFORMANCE

An analysis of Nigeria's economic structure is a multi-faceted one and has been viewed by various scholars from different perspectives due to its unique and complex structure. It also has its embedded contradictions. However, this analysis examines specific areas relevant to this study. The analysis is divided into events before and after independence. Before Nigeria attained independence, it was mainly an agrarian economy with Agriculture as the mainstay of the economy. However, this situation changed after oil was discovered and all attention shifted towards exportation of crude oil.

Nigeria was colonised by the British and gained independence on 1st October 1960. She subsequently assumed the state of a republic on the 1st of October 1963. During British rule, Nigeria was a mono-product economy with agriculture as the mainstay. After the assumption of a republic, the major challenge of the then national government was diversification of the economy through a set of economic reforms (Oyejide, 1987:5).

At the time of independence, the economy of Nigeria was import-dependent with a weak productive base. A large percentage of its activities focused on primary production with Agriculture, mining and quarrying contributing over 65% of GDP and 80% of national revenue. It also accounted for more than 90% of foreign exchange earnings and generated 75% of total employment in the country (NBS, 2012:5).

On the other hand, the manufacturing, building and construction sector (which is capable of building the productive base) only accounted for 4.14% and 2% of the GDP respectively. The services sector (which is dependent on the performance of other sectors of the economy) accounted for about 35% of the GDP and contributed about 30% of real gross output. This sector has been expanding over time and the contribution has increased to about 35% in the last decade and currently stands at 39% (NBS, 2012:13).

From the above analysis, Nigeria's economy can be described as an open, mixed and developing market with growing sectors such as financial, communication, entertainment, service and technology. In global economic rankings, the Nigerian economy was ranked 52nd in 2000, 40th in 2005 and 30th in 2013 based on the rate of Nominal GDP growth. In 2014, the economy was rebased and moved up the rankings to become the 26th in the world with the goal of being among the 20 largest economies by 2020 (NBS, 2012:16).

Even though the sectors of the economy are currently under-performing, the manufacturing sector accounts for a large percentage of goods consumed in West Africa. Over the last decade, Nigeria's GDP has almost doubled with about 89% increase in GDP, thus making it the largest economy in Africa.

In terms of natural resources, Nigeria's oil reserve is the 10th largest in the world. Using the 2011 estimates, the reserve was estimated at 37.2 billion barrels and a crude oil production capacity of over 2 million barrels per day, thus placing Nigeria as the 6th largest producer of oil in the world and the largest in Africa (NBS, 2012:8).

However, production exceeds this level when output is not disrupted. Nigerian crude output is of very high quality, with low sulphur content. Nigeria's 'Bonny Light' regularly sells at a premium to other oil designations. The country's reserves rest along the coast and in the Niger Delta. Despite being the fourth largest OPEC crude oil producer, Nigeria does not have enough operational refinery capacity to meet domestic needs. It is currently a net importer of refined petroleum products; however, this is seriously being looked into by the new administration (NBS, 2013:12).

Nigeria also benefits from large gas reserves. Proven gas reserves amount to 185 trillion cubic feet, additional reserves, reportedly, could amount to as much as 882 trillion cubic feet. Nigeria averages production of 4,944 billion cubic metres per day of gas, around 40% of which is flared. Flaring results in billions of dollars of lost potential revenues and creates many environmental complications. As a result, Nigeria is participating in a number of projects intended to curtail flaring, including the West Africa Gas Pipeline Project and the Nigeria LNG Project in Bonny Island. Once these projects become fully operational, gas exports will boost Nigeria's revenue and foreign exchange earnings.

The contribution of the oil and gas sector to Nigeria's Gross Domestic Product (GDP) dropped by 1.48 per cent in the fourth quarter of 2014 to 8.97 per cent from its 10.45 per cent contribution in the third quarter of 2014(NBS, 2015:45).

Nigeria's economy has largely been driven by resource extraction, particularly petroleum and natural gas. However, before the discovery of energy, Nigeria was largely a pastoral economy and the largest contributor to GDP is still the agricultural sector. However, in recent decades, the economy has greatly diversified. The Nigerian economy thrives on industrial output, a busy commercial sector and vibrant services that cater not only for Nigerians but also the rest of West Africa and Africa in general (NBS, 2012:22).

According to the Economist Intelligence Unit (EIU), GDP growth in Nigeria was expected to average 6.5% between 2010 and 2015. This projection was based on increasing the current production capacity, largely supplied by offshore production wells and a commitment by the Federal Government's emphasis on improving the much needed infrastructure in the coming

years. The NBS has aggregated the present GDP growth rate to 7% in the past few years (NBS, 2014:7).

In the last decade, the boom in the telecommunication sector has altered the structure of the economy with its share and GDP contribution, increasing from 1% and 3% in 2005 to 3% and 14% in 2010. The contribution stood at 8% and 18% in 2013 (NBS, 2013:12). This implies a growth rate of 34% in the last decade. The trade sector also witnessed growth with about 10% and contributed 32% of GDP, which is an improvement on the 16% contribution between 2006 and 2010 (NBS, 2012:12).

Contrary to the above, the contribution of oil and gas between 2006 and 2010 reduced drastically. This sector contributed 16% in 2010 compared to 25% in 2005, indicating a negative growth of -3% between 2009 and 2010 due to militancy in the Niger Delta during this period. However, this situation improved in 2010 as the contribution increased positively to 5% in 2010 due to a return to normalcy in the Niger Delta region (NBS, 2015:33).

During the period under consideration, the contribution of the manufacturing sector to GDP reduced from 5.3% to 3.96% in 2009, but slightly improved to 4.14% in 2010 reflecting the dwindling and declining state of infrastructural facilities and other growing factors (NBS, 2015:10).

The performance of the agricultural sector (cropping, fishery, forestry and livestock farming) witnessed an annual growth of 5.74% between 2006 and 2010 and contributed 41% to GDP. Recently, there have been slight improvements in the application of technology in this sector as some farmers now make use of simple technologies. The improvement in this sector is not unconnected with the influx of farmers from Zimbabwe and the commitment of the Federal Government to improve the sector and productivity (Oyejide, 2011:5).

In spite of the above-mentioned potential growth opportunities, Nigeria has continuously been faced with different challenges which have inhibited its economic transformation and the achievement of the much needed structural changes required to achieve sustainable growth and development. The two major challenges are weak sectoral linkages in the economy, coupled with its narrow and uncoordinated productive base. This is reflected in the domination of the economy by primary production activities with minimal contribution of the

manufacturing sector, which has impacted negatively on the generation of employment in the country (Etsako, 2012:7).

Another challenge of the economy is the decaying and dilapidated infrastructure which reflects a weak technological base and a consequent low linkage between the manufacturing sector and the Research and Development (R&D) industry. The development in the private sector is also low as it is faced with its own challenges of poor response record to industrial incentives (Hilton, 2010:55).

The agricultural sector is dominated by almost 70% of the rural population (who depend on it as a means of livelihood and a source of income). As a fertile ground, Nigeria is suitable for production of different crops and livestock farming. However, these are largely practised on subsistence level which is not sufficient to sustain the growing population (Fajana, Ojo &Olowe, 1998:44).

Between 2006 and 2010, the economy witnessed a growth rate of about 6.5% per annum but this did not impact on its development (as the period was also characterised by increased unemployment and poverty). This was due to the uneven growth in the economy. The contribution of the non-oil sector to growth is minimal and of little effect, thereby narrowing its economic base and making the economy a less competitive one. The major export is crude oil which also reflects a narrow export base (CBN, 2014:7).

Another problem faced by the economy is in the area of government revenue, which has led to reduced income in the economy. This was further aggravated by the global financial crisis of 2008, which had a negative impact on macroeconomic factors and posed a challenge of effectively managing the economy (CBN, 2014:7). Due to the inability to surmount these challenges, availability of resources has not been able to solve the country's problem of lack of basic amenities. The country is still ravaged by basic problems such as lack of infrastructure, inadequate power supply, wasteful registration system, inconsistent regulatory environment, ineffective judicial system, erratic dispute resolution mechanisms, insecurity, and persistent corruption. The economic diversification policy has only translated into increase in GDP and not a meaningful development. The country is plagued by declining poverty levels with over 62% of Nigeria's population living below the poverty level (NBS, 2012:18).

The country's economy is presently faced with a challenge of declining price of crude oil (the country's major export). The decline in prices of crude oil is a drawback to the economy in the short and medium terms. In addition, the importation of refined oil from the international market is also a lot of putting pressure on the Foreign Exchange Market (affecting the stability of the Naira and general price level. Considering the fact that reserves are also down relative level accumulated over the previous years as of November 2014, Official Adjusted Reserves were down roughly by 23.1 per cent relative to January 2013 to 35.2 billion. The fact that Nigeria is also an importer of refined petroleum products means that it could do away with subsidy payments on such items. This will augur well for government coffers (CBN, 2015:8).

The Federal Government, through its Economic Management Implementation Team, had expected, discussed, and formulated policies with the view of a negative price shock on crude oil prices while the risks to growth poses its own challenges. Some of such challenges had been rolled out by the Coordinating Minister of the Economy during her 2015 budget presentation; shoring up non-oil revenues by increasing the tax base, while cutting back on government expenditures (NBS, 2014:45).

The capacity of the government to effectively tackle these challenges will determine in large measure, the progress that will be achieved in the Nigerian economy in the course of the years.

The financial sector of the country has been effective over time. The activities of this sector have been monitored solely by the CBN, which has employed different fiscal and monetary policies to ensure stability. The financial sector has been recapitalised and has been stable over the years.

In the area of trade and development, Nigeria established and maintained bilateral ties with other countries which had beneficial and detrimental effects on the economy (Oyejide, 1987:7).

5.3 THE ROLE OF TRADE WITH CHINA

The technological development of the domestic market of Nigeria is low and cannot match the current state at the global level, hence the need to relate with the international market in order to fully explore the benefits of the external market (Oyejide, 2011:18).

Upon assuming the state of a republic, Nigeria's external relations and political leadership was pro-west. This is not unconnected with its colonial history and is also seemingly anti-communist. The relationship with China then only reflected Nigeria's disposition towards anti-communist countries (which was more of diplomatic isolation, coupled with occasional revolutionary attacks by communist countries) (Owoeye, 1986:295). Even with the apparent anti-communist leadership, Nigeria and China have been in relationship since 1953 (long before the formal establishment of diplomatic relations with Nigeria after independence). The economic delegation from the two countries signed a communiqué in 1961 (Pluto, 2013:6). This implied that the formalisation that took place in 1971 was appropriate in order to fully explore the benefits of the relationship by both countries. From the above, it could be deduced that although the relationship has been existing for more than four decades, there has been recent overturn of China's interest in Nigeria, which calls for deep and careful consideration. In the last fifteen years, there have been renewed agreements between the two countries in terms of trade, economic, technical and investment cooperation (NIPC Report, 2012:59).

Before the renewal of agreements between Nigeria and China, both countries had common trade partners such as Japan, as America and European countries, thereby compressing Nigeria and China to the mid-level position. This position implied that they both had opportunities to import advanced technology from the West and export to other developing countries (Bukarambe, 2005:248). However, China is placed at a more advantaged level because it has a higher level of development (which has given her hedge over Nigeria since 1979). China has also established a strong industrial base by developing its export processing zones (Ogunkola, 2006:4).

Upon the establishment of bilateral relations, the two countries agreed to abide by five principles which the two parties must strictly adhere to. These principles were as follows: the agreement to maintain peaceful co-existence without interference in either party's internal affairs; to exercise mutual respect for sovereignty and assumed equality; and that territorial

aggression should not be exercised in the course of the relationship (Ogwu, 2005:77). These principles have been the guiding light of the relationship.

In line with the definition of SSC, Nigeria's diplomatic ties with China can be regarded as a variant of SSC which has the ultimate aim of advancing economic and political cooperation among countries of the South (Eze, 1986:165).

Before the China-Africa Cooperation Conference of 2000, several efforts, which were mainly in the form of exchange of diplomatic visits by heads of governments, were made but these visits yielded little or no results. Most of the visits were carried out during the crackdown of the Tiananmen Square which necessitated China's international isolation during this period (Etsako, 2012:2). The relationship was renewed after the Conference in Beijing. This Conference set the pace for a new order in which China became the major trade and development partner of Nigeria and Africa (Ogunkola, 2006:66). There has been a significant increase in Chinese exports, necessitated by the needs of a growing and rapidly expanding economy and the need to achieve desirable economic growth.

Nigeria and China have been forced to play major roles in the politics and security of their regions. They have also become a common ground for nurturing their bilateral relations, while nurturing their collaboration in bilateral negotiation issues of international focus (Akinterinwa, 2012:136). As an advanced and developing country, China has been expanding rapidly in terms of technology. In order to meet up with the demands of the expanding economy, China required increased export to match its economic growth. This spurred China to formulate the policy to penetrate Nigeria and other African countries such as Angola and Sudan. Over time, the relationship has developed slowly, but the volume has increased geometrically and this has overwhelmed the relationship with the West.

In order to enhance the relationship, different agreements as listed below were signed by the two countries between 2000 and 2012 (Etsako, 2012:3).

Table 5.1: Different agreements signed between China and Nigeria

Agreements	Year of agreement
Agreement against Fake Products Exported to Nigeria from China	2009
Agreement for the Avoidance of Double Taxation and Prevention of Fiscal evasion	2002
Agreement for South-South Co-operation among China, Nigeria and FAO	2003
Agreement on Consular Affairs	2002
Agreement on Co-operation on Strengthening Management of Narcotic Drugs,	2002
Agreement on Tourism Co-operation	2002
Agreement on Trade, Investment Promotion and Protection	2001
Evasion with respect to Tax on Income	2002
Memorandum of Understanding on Strategic Partnership	2006
Memorandum of Understanding on peace co-operation	2010
Memorandum of Understanding on promotion of bicameral economic co-operation and partnership between Ogun State of Nigeria and Zhejiang Province of China	2009
Psychotropic Substances and Diversion of Precursor Chemical	

Source: World Trade Organisation report (2010)

Following the signing of the above-mentioned agreements, the volume of trade continued to increase with Nigeria becoming the second largest trading partner after South Africa. In 2006, the volume of trade between Nigeria and China reached over USD\$3 billion and increased to USD\$6.8 billion in 2012 (Ministry of Trade and Commerce of Nigeria, 2013). There has been an exponential increase between the two countries considering the fact that the volume of trade stood at \$384 million in 1998 (CBN, 2000). By 2001, it has reached \$1 billion and by 2004, it increased to \$1.2 billion. By March 2015, the volume of trade was about \$18 billion (CBN, 2015).

Looking at the diplomatic relations between the two republics, various exchanges of visits and agreements signed by both countries as well as many MOUs as shown above are indicative of the cordial relationship. Apart from the above-mentioned agreements, China has offered technical assistance in terms of military education, health and technology to Nigeria. For instance, an aid of Y46 million flowed from China to Nigeria for the purchase of anti-malarial medicines and for the training of Nigerian health personnel on malarial control and prevention (Oyejide, 2007:55). The most recent example is the War ship built by China for the Nigerian Navy. The Chinese are also currently carrying out routine maintenance on the Murtala Mohammed International Airport.

In the area of science, the relationship between the two countries witnessed the launching of NIGCOM SAT1, Nigeria's first communication satellite in early 2007. Another satellite was launched in 2010. A MOU on the provision of National Information Communication Technology Infrastructure Backbone between the Federal Ministry of Science and Technology and Hauwei Technologies was signed. Increase in economic cooperation is noticed both in terms of trade and investment at public and private levels. Renewed cultural cooperation also manifests in various areas such as academic and culture where Chinese cultural innovations are exchanged (Oyejide, 2011:198).

The relationship between the two countries has been viewed as complementary by some scholars while others have asserted that though these needs ought to be complementary, the benefits have been lopsided over time. The manufacturing sector of China is rapidly growing due to massive inflow of FDI into the economy, coupled with its industrialisation drive.

These developmental factors, therefore, require the need for raw materials which cannot be met locally, hence the need to source where they are sufficiently available. This has caused Nigeria to become the potential largest market for Chinese industrial products in Africa (Erica, 2004:5). Imports to Nigeria from China, account for more than a third of Chinese total trade with West Africa. Inflows of FDI into Nigeria are primarily from multinational oil companies operating in the country.

This sector is attractive to these companies due to low production costs and high-quality of its crude oil. In addition, international companies have access to Africa’s largest market, where growth potential is considered significant. While it is assumed that historically, FDI in Nigeria originated from private companies, recent years have witnessed a spike in foreign investment from state-owned entities, notably from China, India and Russia (Hilton, 2010:5). Although Nigeria is still a major exporter of crude oil to the US, the Federal Government is enthusiastic to improve its relations with Asian nations and Russia, and hopes to encourage greater investment in Nigeria’s hydrocarbon resources (Aluko, 2002:18). Table 5.2 summarises the flow of FDI from China in the last decade.

Table 5.2: SUMMARY OF NIGERIA FDI FROM CHINA

Year	Value (\$) (000)
2005	4,967,899
2006	4,534,794
2007	5,167,441
2008	7,145,016
2009	7,029,701
2010	5,133,466
2011	8,025,111
2012	7,000,000
2013	9,212,000

Source: National Bureau of Statistics (2015)

Table 5.2 shows the volume of FDI inflows into the country for the stated period. This clearly shows that the inflow dropped from 4,967,899 to 4,534,794 in 2006. From this period, it kept

increasing until 2010 when it witnessed a decline and has been fluctuating until 2013 when it increased sporadically to 9,212,000. The major concern of this study is the fact that despite this volume of FDI, the country is still beleaguered with abject poverty, dwindling infrastructure and high rate of unemployment.

In the area of investment, there has been a positive trend in the volume of FDI directed into Nigeria by the Chinese government. Even though there has been an increase in the volume of FDI, the expected investment gap is still to be filled in the economy ((NBS, 2014:8).

Table 5.3: Trend of Chinese investments in Nigeria

YEAR	VOLUME (\$) Millions
1992	83.5
1996	185.1
2000	252.7
2005	2300.8
2010	8400.3
2011	10075.7
2013	12382.4

Source: Nigeria Investment Promotion Council (2012)

The NIPC report (2012) maintains that Chinese private FDI was mostly channelled to the agro-allied industry, manufacturing, communication and social sectors. In 2005, the official FDI inflow received by Nigeria stood at \$1.88 million but between 2006 and 2008, there was an upsurge in the inflow of FDI into Nigeria. See Table 5.4.

Table 5.4: Composition of FDI in Nigeria (Sectors)

YEAR	MINING	AGRICULTURE	TRANSPORT & COMMERCE	BUILDING_& CONSTRUCTION	TRADING & BUSINESSES	MISC. SERVICES
1980-1984	38.3	2.6	1.4	7.9	29.2	6.5
1985-1989	35.3	1.4	1.4	5.1	32.6	5.2
1990-1994	43.7	2.3	1.1	5.7	8.3	15.4
1995-1999	23.6	0.9	1.7	1.8	4.5	25.3
2000-2004	18.9	0.6	0.4	2.0	25.8	21.3

Source: NIPC Report (2014)

The above report shows that although Chinese investments are in vital areas of the economy, they tend to have high social contents. However, it has been ascertained that the major focus of investments has been in the area of oil and gas. China has invested hugely in this sector since the commencement of the renewed relation and agreement. However, the relation is susceptible to the vices in the economy such as the attacks by Boko Haram in the Northern part of the country (kidnapping and oil pipeline vandalism in the Southern part, especially in the Niger Delta which is the hub of large expense of crude oil in Nigeria). Chinese expatriates have been kidnapped several times in this region. It can also be established that the trend of the relationship is positively increasing and that Chinese investments mostly cover the commercial sector of the economy.

Considering all the positive agreements mentioned Table 5.1, one would expect a smooth sailing and mutually benefitting relationship between the two countries. However, a simple analysis of the trend revealed that the importation of finished goods which is the major focus of China is harmful to Nigeria's economy as it weakens the home grown economy and kills domestic industries.

Analysis of the volume of trade over time has shown that the volume of import exceeds that of export, thereby making Nigeria to be at the negative end of the trade deficit, which in overall terms, is detrimental to the economy (Plato, 2013:5).

Table 5.5: Top ten export commodities from Nigeria to China

PRODUCT NAME	VOLUME(\$) (Million)	SHARE %	RANKING
Total trade	518.3	100.00	-
Mineral fields oil	503.9	97.22	1
Ore slogs and Ash	7.4	1.40	2
Copper and articles thereof	1.9	0.37	3
Cocoa and cocoa preparation	1.6	0.32	4
Cotton	1.5	0.29	5
Oil seeds, oleagi fruits	1.1	0.21	6
Lac gums and misc grains	0.4	0.07	7
Prep feathers and down, art flowers	0.2	0.04	8
Articles human	0.2	0.04	9
Cellulosic mat	0.1	0.04	10

Source: CBN, Statistical Bulletin, various issues

Table 5.6: Top ten import commodities from China to Nigeria

PRODUCT NAME	VALUE (\$) Millions	SHARE	RANKING
TOTAL TRADE	1543	100	
ELECTRICAL AND MACHINE EQUIPMENT	551	35.7	1
Vehicle parts, railway parts	437	28.3	2
Nuclear reactors, boilers, mainly mechanical appliance	257	16.6	3
Articles of iron steel	76	4.9	4
Plastics and articles thereof	51	3.3	5
Organic chemicals	40	2.6	7
Art of apparel and clothing Access	39	2.5	7
Feathers and flower	31	2.1	8
Ceramic products	31	2.1	9
Inorganic chemical radio-active	30	1.9	10

Source: CBN Statistical Bulletin, various issues

From Tables 5.4 and 5.5, Nigeria's structure of export consists of raw materials while China's structure of import is dominated by manufactured and finished products. This does not work in favour of domestic companies. These products are mostly cheap and sub-standard, which therefore, does not enable domestic industries to favourably compete with their Chinese counterparts. On the other hand, the common man on the street sees the relationship from the point of view of availability of cheap and affordable products to all and sundry with little or no consideration to the quality of such products (Umoh, 2007:66).

In an interview with a local newspaper (the Vanguard) conducted on 19 March 2013, Lamido Sanusi, the former governor of the Central Bank of Nigeria, declared at "these finished products can as well be produced by domestic industries". He also pointed out the rate at which domestic industries shut down production despite the population of over 170 million people due to huge spending on importing consumer goods from China that ought to be produced locally. Oguntola (2015:65) maintains that Nigeria-China relations have been more beneficial to the Chinese economy. He believes the benefit has been in the ratio of 75 to 25, an indication that the benefit accrued to China exceeds that of Nigeria by more than half as every Chinese developmental initiative always works ultimately in favour of China.

In 2005, China demanded for an increased volume of agricultural imports from Nigeria and promised to invest heavily in the power sector (Etsako, 2012:6). From the state of power in Nigeria today, the only investment China has made in Nigeria's power sector is importation of generators of all types and grades, which further worsen the situation in the sector. There are over 500 Chinese companies in Nigeria (Corporate Affairs Commission, 2014). Each of these companies generates its own power by investing heavily on generators, thus caring less about the energy sector of the economy. These companies are run by Chinese experts and a few Nigerians are employed as casual workers, thereby jeopardising the policy of employment generation which is expected of these companies (Mukaelia, 2004:33).

Presently, the Nigerian government is investing so much in developing a solid relationship with less consideration of the negative effects of such economic ties. The norm with the Nigerian government has been lack of planning or judgement. This is not peculiar to Sino-Nigerian relationship alone but to all foreign relations (Taylor 2008:2).

Between 2006 and 2014, various deals were sealed with Chinese companies in order to enhance infrastructural development in Nigeria. However, these deals have yielded little and insignificant results and are also far from completion. The USD\$267 million deal for the establishment of LFTZ (which is the first of such to be built abroad by Chinese government),

was sealed as announced in 2006 with the target of completing the power plant and road networks by 2009. The major project is set to be completed by December 2016 but as at April 2015, the road network and the power plant are yet to be completed. Despite this situation, the Nigerian government signed another deal (25 years railway plan worth USD\$25 billion in 2006 as a form of loan facility from China for the development of the railway). This project was to cover the redesigning of existing railway lines and the creation of new lines to areas not covered by rail services. In order to hasten the construction and completion of the deal, a rail contract was awarded to the Chinese Civil Engineering Company (CCEC) to construct a modernised railway from Kano to Lagos (which is still far from completion) (Akinterinwa, 2012:55). These and many more cases have established the lop-sidedness of the relationship and debunked the win-win slogan chanted by the Chinese government and investors.

To further establish the lop-sidedness of the relationship, various labour laws are being violated by the Chinese despite the deal signed by the 80-man delegation from China where Nigeria was assured of quality products as production and distribution to be regulated by ISO rules and regulations. China also promised 300,000 jobs for Nigerians in the FTZ but the menace of factory/casual workers by Chinese companies is an area of concern. On 26 March 2013, an employee of a Chinese company in Ikorodu, Lagos, was electrocuted while trying to defecate (as toilets are only provided for Chinese nationals and not the casual workers) (*Vanguard*, 27 March 2013:9). Safety standards within their industries constitute another area of concern as these workers work in very risky environments with little or no provision for safety.

After examining the situation around Sino-Nigeria relations, one may conclude that despite the boasting of it being a win-win situation, the presence of China in Nigeria has not translated into infrastructural development in any form.

Over time, the country's GDP has been increasing nominally, which signifies economic growth due to increased activities in the economy (Fashola, 2005:4). It has not, in any way, amounted to economic development. The country is still characterised by high levels of poverty, high inflation and unemployment. By 2013, about 80% of Nigeria's oil revenue was only available to 1% of its population, thus causing Nigeria to have the second lowest per capita export earnings in the world (which stands at \$180) (NBS, 2014:16). Chinese finished and substandard products have found a safe haven in Nigeria (which has killed and is still killing the infant industry).

5.4 THE EFFECT OF LEGAL FRAMEWORK IN NIGERIA ON ITS RELATIONS WITH CHINA

Nigeria occupies a key place in the exponential growth of Africa and has been the major target of foreign investments mostly because of the abundance of mineral and oil reserves in the country. As a result of this, the country has been predicted as one of the 'next eleven' economies with the possibility of becoming the largest economy in the 21st century along with other emerging economies such as Brazil, Russia, India, China and South Africa (Plato, 2013:4).

Nigeria has witnessed increased activities in the foreign sector and this has geared the Nigerian government to put in place a robust legal framework for business operations in Nigeria (both local and foreign companies). Institutions have also been set up to monitor activities of investors. Nigeria, though a mixed economy, is gradually becoming a free market with most of its sectors becoming regulated.

The legal frameworks of operating business in Nigeria involve various issues such as local incorporation and registration, permits and licences, capital importation and other foreign exchange rules on local transactions in foreign currency and offshore account. Other issues include foreign participation and foreign ownership of businesses in Nigeria, expropriation and nationalisation, taxation and income tax relief on foreign loans, bilateral investment treaties, security and perfection, international arbitration, submission of jurisdiction and enforcement of judgement (Aniete:2014:22)

The authority and the law of the land (Nigeria) require that all foreign investors must register with the Corporate Affairs Commission (CAC). Established by the Company and Allied Matters Act of 1990, the Commission is empowered with the role of regulating and supervising companies operating within Nigeria. According to this act, a company will not be able to exercise the power of a registered company until it is registered with CAC (CIT, 1990). The focus of CAC does not exceed the shores of Nigeria.

Another body set up to endorse foreign investment in Nigeria is the Nigerian Investment Promotion Council (NIPC). This was established by the NIPC Act of 1995 which allows a 100 percent investment shareholding by foreigners in all sectors of the economy, except in the Maritime and petroleum sectors where only joint ventures investments or new production sharing contracts are allowed. The major provision of this Act is as follows: "no foreigner

can establish any business or trade either singly or in partnership with any other person, be it a Nigerian or foreigner without been duly authorised by the Ministry of Internal Affairs” (Law of the Federation of Nigeria, 2004, Immigration Act, 2004:122-132). This Act also provides that before any company can engage the services of a foreigner to work in Nigeria, such company is required to get the Expatriate Quota positions which is the formal permit issued to an organisation or a company to enable it recruit expatriates to specified and approved job designations. This Act also provides that for this to be granted, the company must be able to establish that the foreigner is not taking the position of a Nigerian and that no Nigerian is qualified to take up such appointment. The foreigner will then require a residence permit to legally allow him work in the country. This permit is known as CERPAC (Combined Expatriate Residence Permit and Alien’s Card) which enables card permit foreigners to work and have free movement within the country.

There are other institutions which a foreign company is expected to register with depending on the nature of business the company intends to operate. These include the Securities and Exchange Commission (SEC), CBN (if it is a financial institution), among other regulatory bodies.

Another legal requirement for business operation in Nigeria relates to the need to be involved in a contributory pension fund on behalf of employees. This was established and backed by the Pension Reform Act of 2004. It stipulates that a contributory pension must be set up for the remittance of retirement benefit of staff. This was further modified in April 2015 to accommodate the provision of mortgage services by the Pension Fund Administrator to contributors. The Act stipulates that the 25% lump sum due to an employee on retirement can be used to acquire a mortgage for the staff who intends to forfeit such lump sum on retirement but be entitled to monthly stipends (Law of the Federation of Nigeria, 2004:5).

In order to monitor the activities of companies and generate income for the government, companies are expected to pay taxes and government levies. This is a legal requirement for business to operate in Nigeria. The tax provision maintains that all tiers of government are entitled to levy taxes and businesses, and companies operating in the country are mandated to pay such taxes to enable the government to generate income. This is a compulsory levy and is usually calculated within a specified period of time, usually a year. The common forms of taxes in Nigeria are as follows: the Company Income Tax (CIT); Education Tax; Value Added Tax (VAT); Withholding Tax; Pay as You Earn (PAYE); Customs Duties; and the

Petroleum Income Tax (Law of the Federation of Nigeria, 2004:5). These forms of taxes are charged under specified terms and conditions (Appendix 2).

Even though the above laws are in place and operational, there is also an Act of the Federal Government enacted in 1995 (the Nigerian Enterprise Promotion (Repeal) Act) to guide the Ministry of Internal Affairs regarding the registration of foreign businesses in Nigeria (provided that all the operational requirements are met). The Act was enacted to encourage foreign investments and request them to freely operate through a Nigerian bank. It was also to enable transfer of payment in case the company is running on a foreign loan as well as in matters relating to the liquidation of such companies (KPMG, 2002:10).

Apart from the legal requirements for business operation, there is legal provision for business incentives, especially in the mining sector and all export-oriented companies. This is to encourage investment in this sector and enhance the country's foreign exchange earnings.

For a company or business to engage in foreign exchange, the legal requirement is provided by the Foreign Exchange (Monitoring and Miscellaneous Provision) Act of 1995. This Act provides that any company or business shall be eligible to carry out foreign exchange provided that all the required documents are in place. This is to ensure that repatriation of capital and payment of foreign loans are less stringent and to also ensure unhindered operation of domiciliary accounts.

In the area of dispute resolution, the Nigerian Government has put in place the Arbitration and Conciliation Act (Law of Federation of Nigeria, 2004). This Act guides international commercial contracts and other arbitration rules. The Act also provides for resolution of disputes emanating from foreign investment in Nigeria. It also provides that such be resolved in accordance with the rules and regulations of international investment resolution or within an agreeable platform by the parties involved.

The government is not ignorant of the level of corruption in the country; it has, therefore, put in place two major statutory bodies apart from existing law enforcement agencies. These are the Economic and Financial Crimes Commission and ICPC (responsible for prosecuting cases of corruption in Nigeria). These bodies over time have partnered with existing regulatory bodies, especially the customs in the area of curbing smuggling and prosecution of defaulters. These collaborative efforts have helped to reduce smuggling and enhance collation

of data (as it relates to imported goods even though a lot of improvement is still expected in this area).

The above legal frameworks are binding for all investments in Nigeria, including Chinese investments. However, in practice, most Chinese investments in Nigeria tend to violate these laws in order to increase the profit line of their companies. This implies that most of these companies are not operating within the legal frameworks of the country.

A review of the activities of Asian companies, especially those owned by Chinese revealed that Chinese companies recruit their professionals abroad while only casual workers are hired locally. This is against the local content policy which stipulates that a company can only hire a foreigner provided there is no Nigerian qualified to take up such position. The contravention of local content policy is largely responsible for the low impact of Chinese companies in terms of employment in the country. Casual workers are further exposed to all forms of intimidation and humiliation in the course of carrying out their daily assignments as safety standard a call for concern. One of such degrading exposure is the practice of locking employees inside the premises while on duty. This resulted in the death of some casual workers in Ikorodu, Lagos (where workers could not escape during a fire incident) (Taylor, 2006:44). This was overlooked by the corrupt officials who are charged with regulatory and control responsibilities. Officials are usually bribed, thus ignoring genuine cases that are of high importance.

Another area of violation of legal requirements is the importation of cheap and sub-standard goods by Chinese companies. This has killed so many domestic industries and sent people out to the labour market. Chinese imports have concentrated on textiles and garments which accounts for more than 20% of its export to Nigeria. This situation is constantly increasing while indigenous companies are shutting down (Chibundu, 2000:4). These textiles are readily made available at cheap prices. Chinese have been able to produce large quantities at relatively low cost and Nigerians are compelled to buy without being sentimental due the level of poverty in the country (Institute of Development and Education for Africa, 2008).

5.5 THE ROLE OF NAFDAC, ISO AND SON

National Agency for Food and Drugs Administration and Control (NAFDAC)

As earlier indicated in this study, Nigeria is an import dependent country. The inability of the country to meet its local demand for drugs and food supply has necessitated the need to

import such products. Some importers have capitalised on this macroeconomic problem to encourage dumping of fake versions of the products into the country.

To curb this menace, the government has embarked on various programmes and policies targeted at improving food and agricultural production in the country. In the course of resolving the problem of shortage, quality and safety of imported goods is another challenge. Several issues have been raised considering the fact that Nigeria is currently plagued by food-borne diseases which have health, economic and social implications. This has necessitated the federal government to launch a national health policy (Omotayo, 2002:18) and the establishment of NAFDAC to replace the Directorate of Food and Drug Administration as a fall out of the World Health Assembly of 1988 (which encouraged each member country to have an independent institution for effective control of fake foods and drugs). It was then established as an arm of the Federal Ministry of Health with the major responsibility of initiating policies for prevention and detection of fake drugs.

In December 1992, NAFDAC was established and granted autonomy by Decree No. 15 of 1993. This was done to ensure high maintenance of high level hygiene and safety practices relating to drugs and food.

The institution has been saddled with the responsibilities as enumerated in the Decree. These functions include, control and regulation of importation, exportation, distribution, advertisement, manufacturing, sales and use of drugs, bottled water, cosmetics, chemicals, medical devices and related products. It is also mandated to establish a standard specifications and guidelines for these roles and when such standards are met by respective applicants, the body is also authorised to issue a certificate of standard and a number to the qualified product.

Before a certificate or a number is be issued to any product, the body must have conducted appropriate laboratory tests in order to establish its compliance with the set standard. Such product is said to be registered with NAFDAC. Even after such number or certificate is issued to a particular product, the institution is also mandated to carry out regular and appropriate inspection and investigation of the premises where such products are being produced.

To effectively perform these roles, the institution has undertaken the registration of these products and maintained a set standard of quality. Laboratories have been established in all state capitals and strategic areas of the country to effectively carry out its functions. This has in no small measure, reduced the dumping of fake goods and drugs as various success stories have been recorded (NAFDAC Handbook, 2004:5).

International Organisation for Standardisation ISO

As the name implies, it is an international, non-governmental organisation that was set up to ensure that international production standards are maintained. It is an independent body and membership is voluntary. The body has 163 member countries, including Nigeria. These countries came together to ensure common international standards in order to maintain standards in products traded among nations.

It was established in 1926 and was then referred to as ISA (International Federation of the National Standardising Association) but was later suspended in 1942 due to the outbreak of World War II. At the end of the War, the United Nations Standard Coordinating Committee aligned with ISA in 1946 to form another global standard organisation which resulted in the formation of ISO. It started its operations in February 1947.

Its membership can be categorised into three, namely; member bodies, correspondent bodies and subscriber members.

Member bodies are countries with individual standard organisation but also chose to be members of ISO. Nigeria belongs to this group. This group is empowered to vote in executive members of ISO while correspondent members do not have independent standard organisations. Being a subscriber member has to do with the size of the economy. It is made up solely of countries with smaller economies irrespective of whether they have an independent standard body or not.

The organisation which has its main output of international standard maintenance has positively protected Nigeria to maintain the international standard. The delivery of such service has to some extent, reduced the issue of dumping in Nigeria, even though it has not been fully eradicated.

Like NAFDAC, the body carries out inspection and guides companies on standard specifications. Organisations that meet the set standards are issued the ISO certification number.

Standard Organisation of Nigeria (SON)

As earlier indicated, Nigeria is a member of the ISO because it has an independent standard organisation (SON). SON was established by Act 56 of 1971 and amended by Act 20 of 1976. The major responsibility of the organisation is quality assurance of goods, manufactured imported products and services and standard elaborations. The amendment Act 20 of 1976 further authorised the organisation to declare mandatory industrial standards for product and processes certified by the Nigeria Standard Council.

The organisation was initially known as Nigeria Standard Organisation but was later renamed by Act 32 of 1984 to SON in order to clear the grounds on issues of identity with the National Security Organisation. It was further granted autonomy by Act 18 of 1990.

The major functions are to: carry out investigations into the quality of products and materials; establish a quality assurance system; and certify products and standard calibration. It is also saddled with the responsibility of compiling and publishing data, especially relating to the quality and maintenance of standard (SON Handbook, 2000:6).

5.6 CONCLUSION

A nation's international economic policy is grounded on the decision-makers understanding of specific problems and the changing structural characteristics of domestic economy over which they preside and make the most of it. It is common knowledge that bilateral relations between two unequal partners such as Nigeria and China often end up to the disadvantage of the less developed partner, which in this case, is Nigeria. This has resulted in trade imbalance between the two countries. The instability of export prices and earnings on primary products has affected Nigeria's economic development. Secular deterioration in terms of trade has steadily squeezed to the purchase of imports, thus leading to foreign exchange constraints which in turn, lead to persistent trade deficits in favour of the more technological advanced country (China).

Analysis of the relationship between Nigeria and China has revealed the lopsided nature of the relationship irrespective of the perspective from which it is viewed. However, the

relationship is viewed in this study in terms of Trade relations and infrastructural development (which are more beneficial to China even though there is still more to explore). What has actually come to force in China's trade relation with other developing countries is the 'interest' shown under the guise that it is out to 'assist' in resolving their economic and developmental challenges.

It has also been revealed that the 'assistance' has been working to the advantage of China and to the detriment of the 'assisted'. This, thus, becomes a dumping ground for cheap and sub-standard goods. Even though Nigeria has levied no legal accusation against China, it has been a source of concern for economic analysts. China, on its part, has continuously emphasised that goods dumped in Nigeria are only those with special specifications from Nigerian businessmen, with the aim of maximising profit. These facts have spurred both countries to formulate policies against dumping in order to protect the economy and citizens.

There is no gain saying that both countries have formulated and initiated sound policies to tackle the issue of trade imbalance. Nevertheless, there is lack of political will to implement such policies. The policies and laws must be fully adhered to by the parties, especially the labour laws, local content law and the law on social responsibility. This will control the level of violation of these laws by Chinese investors and improve work-related welfare of employees. Some institutions charged with the responsibility of enforcing such laws should be adequately empowered in order to effectively implement these laws.

This can only be resolved by applying cooperative mechanism which will in turn enable Nigeria to reduce the volume of raw materials exported. It will also increase the export of finished and semi-finished goods and enhance benefits through value-added. There is also a need to enhance the investment climate by investing in the inflow of resources, development of human resources and the provision of support required for enhancement of the performance of the private sector. In order to achieve this, developmental initiatives must be implemented with good and transparent governance as this is a sure requirement to the achievement of the desired goal. This will in turn create an atmosphere for FDI to have effective backward and forward linkages in the economy.

CHAPTER SIX

DATA PRESENTATION, INTERPRETATION AND PRESENTATION OF FINDINGS

6.1 INTRODUCTION

This section focuses on data collection, analysis, interpretation and presentation of findings. As earlier indicated in Chapter One, this study uses both primary and secondary sources of data. Primary data were obtained through interviews (structured and un-structured) with key informants. The first section analyses the primary data collected based on the items questions in the questionnaire (Appendix 3). About 200 questionnaires were administered, while a total of 180 were retrieved in China and Nigeria through on-line questionnaire administration and key informants' technique-use of focused group. Only fifteen (15) respondents, made up of 4 custom officers and 3 each from SON and NAFDAC, 2 importers and 2 exporters took part in the oral interview. Even though it was an UNSTRUCTURED INTERVIEWS, the questions that were asked by the researcher were guided by the questionnaire.

Apart from the quantitative interpretation of the results, a statistical application known as Chi Square test was further employed to fully establish the results of the retrieved questionnaires. This compares the result of the questionnaires when analysed statistically with what obtains in the society.

Level of education of participants

Table 6.1: Level of education of participants

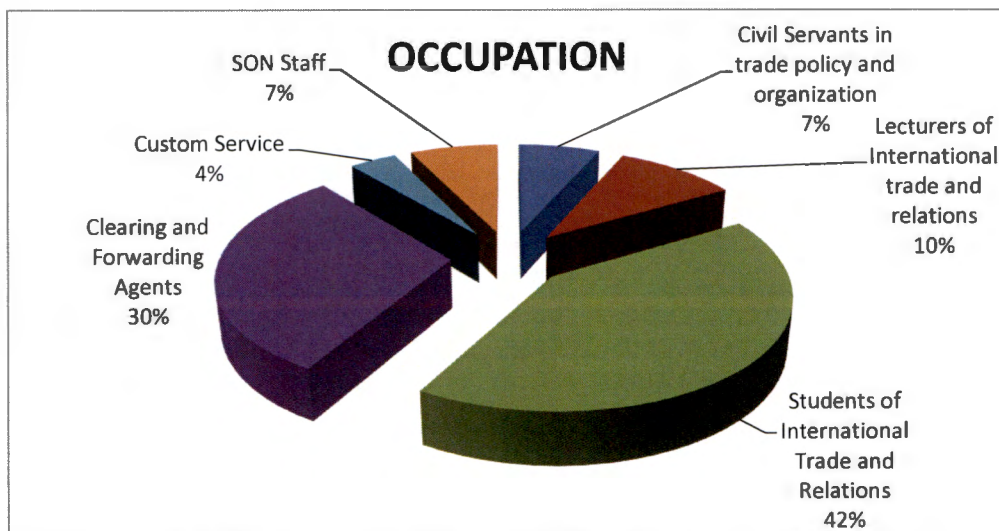
Respondents	OND	HND	B.SC	M.SC	PhD	Total
Nigeria Custom Service	0	7	0	0	0	7
Shangai university	0	0	0	7	6	13
Standard Organisation of Nigeria	0	0	13	0	0	13
Triple Kay Ltd	0	6	0	0	0	6
University of Ilorin	0	0	0	0	7	7
University of Ibadan	0	0	0	0	58	58
University of Lagos	0	0	0		12	12

Wadoye Express ltd	10	0	16	0	0	26
Wuhan University	0	0	0	10	5	15
Zenith Carex Int.	5	12	6	0	0	23
Total	15	25	47	69	24	180

Source: Primary data from respondents (Compiled by author)

Table 6.1 shows the crosstab of participants and their level of education. About 15 participants hold an OND, while 25 have an HND. However, respondents with a B.Sc, an M.Sc and a PhD who participated in this study represent 21.1%, 26.1%, 35.3 and 13.3% respectively. This indicates that the respondents have obtained a level of education and are well equipped to respond to such questions as asked by the researcher.

Figure 2: Occupation of respondents



Source: Primary data from respondents (Compiled by author)

Civil servants involved in trade policy and organisation represent 7% of the total number of respondents, while the Nigeria Custom Service and the Standard Organisation of Nigeria

accounted for 4% and 7% of respondents respectively. Clearing and Forwarding agents accounted for 30% of the total number of respondents from both Nigeria and China. Students of international trade and international relations constituted 42% of the respondents. High percentage of students was majorly consulted in China due to language barrier as the researcher speaks only English and therefore could not communicate in Chinese.

6.2 DISCUSSION OF RESULTS/DATA ANALYSIS

Table 6.2: Statistical analysis of factors responsible for cheap and sub-standard products available in the market

Count		Factors responsible for cheap and sub-standard products available in the market					Total
		CORRUPTION	LOW SOCIO-ECONOMIC STATUS	POOR TECHNIQUES OF TRACKING QUALITY PRODUCTS	PRODUCER'S DESIRE TO MAKE PROFIT	HIGH RATE OF INFORMAL SECTOR IN NIGERIA ECONOMY	
Name of institution or establishment	Nigeria Custom Service	6	0	1	0	0	7
	Shanghai University	7	0	0	6	0	13
	Standard Organisa	0	13	0	0	0	13

	tion of Nigeria						
	Triple Kay ltd	6	0	0	0	0	6
	Universit y of Ilorin	0	0	7	0	0	7
	Universit y of Ibadan	51	7	0	0	0	58
	Universit y of Lagos	7	0	5	0	0	12
	Wadoye Express ltd	11	0	5	5	5	26
	Wuhan Universit y	5	10	0	0	0	15
	Zenith Carex Int.	12	0	0	5	6	23
Total		106 (58.9%)	30 (16.7%)	17 (9.4%)	16 (8.9%)	11 (6.1%)	180

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	277.899 ^a	36	.000
Likelihood Ratio	227.491	36	.000

N of Valid Cases	180		
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a - 40 cells (80.0%) have expected counts less than 5. The minimum expected count is .37.

The results on the factors responsible for cheap and sub-standard products in the Nigerian market took different dimensions because the responses were strictly based on how each respondent was affected by the questionnaire item. Respondents from the Nigeria Custom Service and the Standard Organisation of Nigeria represented about 3% and 7.2% respectively, neglected corruption as the factor responsible for sub-standard products in Nigeria. This is because they were aware that Custom and SON contributed to illegal imports in the country. However, the $\chi^2 = 277.899$ ($p < 0.05$) shows a significant difference between the observed and expected frequency of those who accepted corruption as the determinant of sub-standard products entering Nigeria.

The interpretation of the table above is that since the value of the likelihood ratio is sufficiently high, the reasons adduced for cheap and sub-standard products and goods from China have a very high degree of acceptance. This has actually confirmed the researcher's position that Sino-Nigeria's relation in SSC is skewed more to the economic benefit to China than to the political benefit to China. This is in agreement with the initial hypothesis that the reason for China's involvement in Nigerian economy is purely economic.

Table 6.3: Efforts of SON in addressing dumping

		Frequency	Percentage
Valid	Report of confiscated items	106	58.9
	Inspection at the ports	19	10.6
	Field tracking of sub-standard goods	27	15.0
	No idea about their (SON) strategies	28	15.6
	Total	180	100.0

Source: Primary data from respondents (Compiled by author)

The report presented in Table 6.4 shows that, about 58.9% of respondents recognise SON's effort in terms of reporting confiscated items, while 10.6% and 15% of them identify inspection at the port and field tracking of sub-standard goods respectively. The 15.6% of

respondents, who do not have idea about SON, are mainly from China because SON is a Nigerian based organisation.

Table 6.4: Suggestions to Nigerian government in promoting innovation and encouraging quality of products.

Count		Suggestions to the Nigerian government in promoting original product design, innovation and use of copyright				Total
		Enabling environment for production through provision of infrastructure	Punishment of those who violate (without immunity on government officials)	Trade barriers	Subsidising domestically produced goods	
Name of institutions or establishments	Nigeria Custom Service	0	0	7	0	7
	Shangai University	13	0	0	0	13
	Standard Organisation of Nigeria	13	0	0	0	13
	Triple Kay Ltd	6	0	0	0	6
	University of Ilorin	0	7	0	0	7
	University of Ibadan	35	12	11	0	58

	University of Lagos	0	12	0	0	12
	Wadoye Express Ltd	0	5	0	21	26
	Wuhan University	15	0	0	0	15
	Zenith Carex Int.	6	0	0	17	23
Total		88 (48.9%)	36 (20%)	18(10 %)	38 (21.1%)	180

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	305.486 ^a	27	.000
Likelihood Ratio	281.325	27	.000
N of Valid Cases	180		

a - 28 cells (70.0%) have expected counts less than 5. The minimum expected count is .60.

Table 6.4 shows that 88 (48.9%) of respondents suggested that government should provide a business friendly environment for investors through improvement in infrastructure; 36 (20%) of them want punishment for those who violate (without immunity on government officials); 18 (10%) of them proposed Trade barriers to government; while 38 (21.1%) of them want government to subsidise domestically produced goods in view of making them competitive in terms of quality and prices. However, the $\chi^2=305.486$ ($p<0.05$) shows a significant difference between the observed and expected frequency of those that accepted corruption as the determinant of sub-standard products entering Nigeria.

This is a strong suggestion for the Nigerian government to locally promote product design, innovation and creativity, including copyright so that product quality could be improved for competitive exports, translating into improved economic development for Nigeria. Another

strategy this suggests to the government is export promotion alongside import substitution as this will enhance the activities of local industries.

Despite the strategies adopted by the Standard Organisation of Nigeria (SON), the public and some stakeholders are not fully informed.

Table 6.5: Government's full support for SON

Count		Will you say government is in full support of operations of SON				Total
		Yes, because government established the organisation	No, because costly registration of products is not a good policy	No, because government policies do not encourage high employment of manpower, despite shortage.	Yes, because SON can legitimately and independently curb dumping	
Name of institutions or establishments	Nigeria Custom Service	7	0	0	0	7
	Shangai University	7	6	0	0	13
	Standard Organisation of Nigeria	0	0	0	13	13
	Triple Kay ltd	0	6	0	0	6
	University of Ilorin	0	7	0	0	7
	University of Ibadan	12	19	21	6	58
	University	0	12	0	0	12

	of Lagos					
	Wadoye Express Ltd	0	26	0	0	26
	Wuhan University	0	0	0	15	15
	Zenith Carex Int.	0	23	0	0	23
Total		26 (14.4%)	99 (55%)	21 (11.7%)	34 (18.9%)	180

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	279.335 ^a	27	.000
Likelihood Ratio	254.489	27	.000
N of Valid Cases	180		

a. 30 cells (75.0%) have expected counts less than 5. The minimum expected count is .70

The results presented in Table 6.6 shows that 7 Custom Officers, representing 4% and 13 members of staff of SON, representing 7.2%, fully support the assertion that ‘government policies support the operation of SON’. On the other hand, respondents from clearing and forwarding agents disagree with this claim and fault government on the basis of high cost of registrations. However, 26 (14.4%) of the total number of respondents agreed that government policy supports SON operation, while 99 (55%) of them disagreed that registration cost is high. Similarly, 21 (11.7%) of respondents disagreed due to government policies not encouraging high employment; while 34 (18.9%) believe that government will always support any institutions established.

However, the $\chi^2 = 279.335$ ($p < 0.05$) shows a significant difference between the observed and expected frequency of those that agree that government policy that supports SON operations. This result established the fact that even the SON registration fee needs to be reduced to make it affordable for individuals and small and medium scaled enterprises. This will reduce

the actions of such companies in circumventing the verification of qualities of goods being imported into the country. This tallies with the observed frequency that the government needs to do more in this area and also conforms with the research hypothesis.

Table 6.6: Source of obtaining data on international trade

		Does the Central Bank have the figures for the volume of transaction between the two countries? If no, how does the Bank measure the trade volume?			Total
		Yes, CBN gets data on the volume of trade indirectly from customs	Yes, because CBN publishes data on the annual volume of trade every year	No, since monetary transaction on trade is not the same with the volume of trade	
Name of institution or establishments	Nigeria Custom Service	0	7	0	7
	Shangai University	6	7	0	13
	Standard Organisation of Nigeria	13	0	0	13
	Triple Kay Ltd	6	0	0	6
	University of Ilorin	0	7	0	7
	University of Ibadan	37	21	0	58
	University of Lagos	5	7	0	12

	Wadoye Express ltd	16	0	10	26
	Wuhan University	15	0	0	15
	Zenith Carex Int.	23	0	0	23
Total		121 (67.2%)	49(27.2%)	10(5.6%)	180

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	139.208 ^a	18	.000
Likelihood Ratio	136.608	18	.000
N of Valid Cases	180		
a. 20 cells (66.7%) have expected counts less than 5. The minimum expected count is .33.			

Table 6.7 shows the view of respondent on the method used in collecting trade-related data by the Central Bank of Nigeria. It is established from the data that 67.2% of respondents agree that CBN gets data on the volume of trade indirectly from customs; 27.2% affirm that CBN gets trade transaction data since they are able to publish annual figures about trade; while 5.6% disagree, because they believe that CBN only gets data on monetary transactions. However, the $\chi^2 = 139.208$ ($p < 0.05$) shows a significant difference between the observed and expected frequency of those that accepted CBN has the figures for the volume of transaction between the two countries

Table 6.7 Reasons for Chinese favourable balance of payment

Count					
	Major reasons for favourable balance of payment for China				Total
	Producti	Artisans	Lower	Governme	

		on of finished goods	are encourag ed	internation al prices	nt should subsidise locally produced goods	
Name of institution or establishme nts	Nigeria Custom Service	7	0	0	0	7
	Southwest University for Na	7	0	0	6	13
	Standard Organisati on of Nigeria	0	0	7	6	13
	Triple Kay Ltd	0	0	6	0	6
	University of Ilorin	7	0	0	0	7
	University of Ibadan	28	11	19	0	58
	University of Lagos	0	0	12	0	12
	Wadoye Express ltd	0	0	15	11	26
	Walden University	0	10	0	5	15
	Zenith Carex Int.	0	0	5	18	23
	Total	49 (27.2%)	21 (11.6%)	64 (35.6%)	46 (25.6%)	180

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	217.609 ^a	27	.000
Likelihood ratio	241.363	27	.000
N of valid cases	180		

a. 29 cells (72.5%) have expected counts less than 5. The minimum expected count is .70

Considering the information in Table 6.8, 49 (27.2%) of respondents attributed the accrued favourable balance of payment of China to production of finished goods and 21 (11.6%) established that encouragement of Artisans is one of the factors responsible for China's favourable balance of trade. Meanwhile, 64 (35.6%) of respondents attribute China's favourable balance of trade to lower prices and 46 (25.6%) of them acknowledge the role of subsidy for export; which consequently, leads to a fall in price. However, the $\chi^2 = 217.609$ ($p < 0.05$) shows a significant difference between the observed and expected frequency on reasons for China's favourable balance of payment.

The result from the statistical analysis corresponds with that of the questionnaire as both have established that the balance of payment tilts towards China due to the reasons already enumerated in the thesis. It also conforms to the research hypothesis. This has therefore established that even though there are other economic problems in Nigerian economy, a small percentage would have been solved if these companies are established in Nigeria as importation of finished products reduces foreign exchange earnings. Chinese investors are encouraged to export due to the Chinese export policy which subsidises the duty on exported products. Nigeria on her own part should develop local industries and local production of capital goods and importation of finished goods should be discouraged.

Table 6.8: How Nigeria can improve its balance of trade with China

Count		Suggestion to the Nigerian government to ensure that trade imbalance between Nigeria and China is not only mitigated but tilted in favour of Nigeria				Total
		Specialisation	Partial ban until Nigeria becomes sufficiently independent	Effective import substitution industrialisation strategy	Production of finished goods	
Name of institutions or establishments	Nigeria Custom Service	7	0	0	0	7
	Southwest University for Na	7	0	6	0	13
	Standard Organisation of Nigeria	0	13	0	0	13
	Triple Kay Ltd	0	6	0	0	6
	University of Ilorin	7	0	0	0	7
	University	21	21	0	16	58

	of Ibadan					
	University of Lagos	7	0	0	5	12
	Wadoye Express Ltd	0	0	16	10	26
	Walden University	0	0	5	10	15
	Zenith Carex Int.	0	0	23	0	23
Total		49 (27.2%)	40 (22.2%)	50 (27.8%)	41(22.3 %)	18 0

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	256.814 ^a	27	.000
Likelihood ratio	282.704	27	.000
Number of valid cases	180		
a. 28 cells (70.0%) have expected counts less than 5. The minimum expected count is 1.33.			

Respondents in the study suggested the following ways as a method of improving the trade balance of Nigeria, while trading with China: The results in Table 6.9 show that 49 (27.2%) and 40 (22.2%) of respondents suggested specialisation and the partial ban of imported goods until Nigeria becomes sufficiently independent; Effective import substitution industrialization strategy and production of finished goods were suggested by 50 (27.8%) and 41(22.3%) of respondents respectively. However, the $\chi^2 = 256.814$ ($p < 0.05$) shows a significant difference between the observed and expected frequency on how the Nigerian government can improve its balance of trade; while trading with China. This will go a long way in reducing the negative balance of payment which will in turn improve the economy. The suggestion that exportation of raw materials by Nigeria should be reduced to its barest minimum as

exportation of semi-finished goods earn the economy more foreign exchange is hereby supported by this study.

Table 6.9: Factors responsible for smuggling

Count		Factors responsible for smuggling despite the existence of customs					Total
		Corruption	Crude method of monitoring borders	Inadequate equipment to tackle smugglers	Low salary may lead to compromise	Ex-custom officers becoming underground supporters for smugglers	
Name of institutions or establishments	Nigeria Custom Service	7	0	0	0	0	7
	Shanghai University	7	0	0	0	6	13
	Standard Organisation of Nigeria	13	0	0	0	0	13
	Triple Kay Ltd	0	0	0	0	6	6
	University of Ilorin	7	0	0	0	0	7

	University of Ibadan	42	16	0	0	0	58
	University of Lagos	12	0	0	0	0	12
	Wadoye Express Ltd	0	0	0	10	16	26
	Wahun University	0	0	15	0	0	15
	Zenith Carex Int.	0	0	0	0	23	23
Total		88(48.9%)	16(8.9%)	15(8.3%)	10(5.6%)	51(28.3%)	180

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	415.456 ^a	36	.000
Likelihood ratio	343.475	36	.000
No of valid cases	180		

- a. About 39 cells (78.0%) have expected counts less than 5. The minimum expected count is .33.

Table 6.9 shows the response of respondents towards smuggling activities, despite the existence of custom officials. The study revealed that out of all the respondents, 88(48.9%) and 51(28.3%) of them attribute smuggling to corruption among custom and ex-custom officials becoming underground supporters for smugglers. Crude methods of monitoring, inadequate equipment to tackle smugglers and low salary may lead to compromise as

identified by 16 (8.9%), 15 (8.3%) and 10 (5.6%) of respondents respectively. However, the $\chi^2 = 415.456$ ($p < 0.05$) shows a significant difference between the observed and expected frequency on how the Nigerian government can improve its balance of trade; while trading with China. The summary of the result here indicates that smuggling is a clog in the wheel of international trade in Nigeria as this has created a loophole in the area of economic development as some banned and illegal finished products are imported into Nigeria with the aid of these corrupt custom officials. The government needs to re-sensitise the men of the custom and other law enforcement agents saddled with this responsibility. A review of their remuneration will also go a long way in encouraging them as it is not common for an hungry man to fight against corruption effectively.

Table 6.10: The law empowering the Nigerian customs service to stop this menace (dumping)?

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	There are laws, but weak because of corruption	107	59.4	59.4	59.4
	There are laws, but custom officials are partial in implementing the law	53	29.4	29.4	88.9
	Inadequate equipment to discharge their duties	20	11.1	11.1	100.0
	Total	180	100.0	100.0	

Source: Primary data from respondents (Compiled by author)

Table 11 shows that 107 (59.4%) of respondents agree that there are laws, but weak because of corruption; while 53 (29.4%) and 20 (11.1%) of respondents affirm that there are laws, but custom officials are partial in implementing the law. There is also inadequate equipment to discharge their duties. Custom officials and SON advocate that the state of equipment should be improved, however, others subscribe to the flaws in the law as a result of corruption. This supports the conclusion in table 6.11 results. The laws are in place but the implementation

has not been encouraging. Corruption has affected the effectiveness of these laws as this has become the order of the day. While the general populace agrees that corruption is the major problem, the NCS and SON officials maintained that the organisations are not well equipped to curb this menace due to the sophistication of the technology being employed by these smugglers. The support of the government in this area is also very key as the officials need tools to operate efficiently.

Table 6.11: Suggestions on how smuggling can be brought under control if allowed to work with other organisations

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	System of operation that encourages transparency	68	37.8	37.8	37.8
	Changing from crude to modern techniques of monitoring	31	17.2	17.2	55.0
	Dual-Monitoring team	81	45.0	45.0	100.0
	Total	180	100.0	100.0	

Source: Primary data from respondents (Compiled by author)

Table 6.11 shows smuggling can be brought under control. A system of operation that encourages transparency was proposed by 68 (37.8%) of respondents, changing from crude to modern techniques of monitoring was proposed by 31(17.2) of respondents and 81 (45%) of them proposed that a Dual-Monitoring team be introduced in order to checkmate any irregularities associated with inspection at the ports.

Table 6.12: Who benefits more from Sino-Nigeria trade?

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Nigeria	74	41.1	41.1	41.1
	China	106	58.9	58.9	100.0
	Total	180	100.0	100.0	
Has the relationship impacted positively on the level of economic development?					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Yes	69	38.3	38.3	38.3
	No	111	61.7	61.7	100.0
	Total	180	100.0	100.0	
No, because Nigeria is still developing and has not attained greater height of development					
		Frequency	Percentage		
Valid	Nigeria should change to exporting capital goods	80	44.4		
	The manufacturing sector should be improved significantly	16	8.9		
	Government should subsidise until the industrial sector can favourably compete in terms of price and quality	84	46.7		
	Total	180	100.0		

Source: Primary data from respondents (Compiled by author)

In terms of who benefits from trade, 74 (41%) of respondents agreed that Nigeria benefits from trade; while 106 (58.9%) concluded that China benefits more than Nigeria. Since the number of those that are in favour of China is greater than that of Nigeria, it also implies that respondents who supported the assertion that Nigeria-China relation has impacted positively will be less than those who are against it. Hence, 69 (38.3%) of respondents agreed that the relationship impacted positively on the level of economic development of Nigeria; while 111 (61.7%) disagreed with this assertion. About 80 (44.4%) of respondents disagreed because Nigeria is still developing and has not attained a greater height of development; they

suggested that Nigeria should change to exporter of capital goods; 16 (8.9%) of them want the manufacturing sector to improve significantly and 84 (46.7%) of respondents requested government to subsidise until the industrial sector can favourably compete with foreign counterparts. This conforms to the research hypothesis that the trade benefits China more. It is a known fact that Nigeria is beguiled with myriads of economic problems which are not explained in this study, the exportation of raw materials and importation of raw materials impact negatively on foreign exchange earnings and affect the economic growth and development.

Table 6.13: What Nigeria is not doing right

Count		Balance of trade is always in favour of China, what Nigeria is not doing right				Total
		Low consumer confidence on made in Nigeria products	Nigeria is not industrialised and there are no plans to achieve it in the short-term	Corruption has eaten deep	Export of raw goods	
Name of institution or establishments	Nigeria Custom Service	7	0	0	0	7
	Shangai University	0	0	6	7	13
	Standard Organisation of Nigeria	13	0	0	0	13

	Triple Kay ltd	0	6	0	0	6
	University of Ilorin	7	0	0	0	7
	University of Ibadan	14	5	11	28	58
	University of Lagos	7	5	0	0	12
	Wadoye Express Ltd	0	5	21	0	26
	Wuhan University	0	0	15	0	15
	Zenith Carex Int.	0	6	17	0	23
Total		48 (26.7%)	27 (15%)	70(38.9 %)	35(19.4 %)	180

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	238.727 ^a	27	.000
Likelihood ratio	248.419	27	.000
Number of valid cases	180		

a. 28 cells (70.0%) have expected counts less than 5. The minimum expected count is .90

Table 6.13 presents the view of respondents on what Nigerians have done wrongly; which consequently leads to continuous trade deficit between Nigeria and China. The Custom and

Standard Organisation of Nigeria is silent about corruption because some of its members are perpetrators. About 48 respondents representing 26% indicated low consumer confidence on made in Nigeria products as the major response of these organizations; However, other respondents maintained that factors such as corruption, export of raw goods -35(19.4%) and less industrialised-27(15%) economy account for the low consumer confidence. However, the $\chi^2 = 238.727$ ($p < 0.05$) shows a significant difference between the observed and expected frequency on what Nigeria is doing wrongly in terms of trade between China and Nigeria. One key point that 28 percent of the respondents here stated is the low confidence in made in Nigeria goods as the large percentage of the citizen are mentally colonised due to their dependence on foreign goods. The National Orientation Agency needs to do more in this area by enlightening the populace of the effect of preferring imported products to locally made products on economic development. This is still in line with the research hypothesis that the trade relation benefits China more.

Table 6.14: Role of China in ensuring that Nigeria develops technologically

Count		The role of China in ensuring that Nigeria develops technologically				Total
Name of institution or establishments		China should increase investment in the real sector	Training Nigerian engineers	China should focus on the production of capital goods rather than consumable goods	Remove trade barriers	
			Nigeria Custom Service	0	0	7
	Shanghai University	6	0	7	0	13

	Standard Organisation of Nigeria	13	0	0	0	13
	Triple Kay Ltd	6	0	0	0	6
	University of Ilorin	0	0	7	0	7
	University of Ibadan	14	16	28	0	58
	University of Lagos	0	5	7	0	12
	Wadoye Express Ltd	6	5	15	0	26
	Wuhan University	0	0	10	5	15
	Zenith Carex Int.	17	0	6	0	23
Total		62 (34.4%)	26(14.4%))	87(48.3%)	5(3%)	180

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	153.263 ^a	27	.000
Likelihood ratio	142.998	27	.000
Number of valid cases	180		

a. 28 cells (70.0%) have expected counts less than 5. The minimum expected count is .17.

The study also sampled the opinion of respondents on the potential role of China in ensuring that Nigeria develops technologically. About 62 (34.4%) of respondents indicated that China should increase investment in the real sector; 26(14.4%) of them want China to train Nigerian engineers; while 87(48.3%) of respondents indicated that China should focus on production of capital goods rather than consumable goods. Other respondents 5 (3%) want trade barriers removed. However, the $\chi^2 = 153.263$ ($p < 0.05$) shows a significant difference between the observed and expected frequency on what Nigeria is doing wrongly in terms of trade between China and Nigeria. The interpretation of the table above is that since the value of the likelihood ratio is sufficiently high, then the reasons that China needs to establish the companies in Nigeria and that Nigeria needs to export capital goods and semi-finished products have a very high degree of acceptance. This implies that Nigeria is presently not doing this right. China on her own part will help the economy more if the production is done in Nigeria.

Table 6.15: How to ensure that products and goods shipped to Nigeria comply with ISO standards

Count						
	How to ensure that products and goods shipped to Nigeria comply with ISO standards					Total
	Domestic producers should be oriented on ISO standards	Efficiency wages should be paid to law enforcement agencies in order to prevent compromise	Domestic consumers should be encouraged on patronizing quality goods	Investment incentive policies should be implemented	Trade barriers	

Name of institution or establishments	Nigeria Custom Service	0	0	7	0	0	7
	Southwest University for Na	0	6	7	0	0	13
	Standard Organization of Nigeria	13	0	0	0	0	13
	Triple Kay Ltd	6	0	0	0	0	6
	University of Ilorin	0	0	0	0	7	7
	University of Ibadan	21	0	24	6	7	58
	University of Lagos	0	0	5	0	7	12
	Wadoye Express Ltd	0	11	15	0	0	26
	Walden University	0	0	0	15	0	15
	Zenith Carex Int.	6	6	11	0	0	23
	Total	46(25.6)	23(12.8%)	69(38.3%)	21(11.7%)	21(11.7%)	180

Source: Primary data from respondents (Compiled by author)

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	332.436 ^a	36	.000
Likelihood ratio	272.951	36	.000
Number of valid cases	180		

a. About 40 cells (80.0%) have expected counts less than 5. The minimum expected count is .70.

Table 16 shows that 46(25.6%) of respondents suggested that orientation of domestic producer will promote production of goods with ISO standard; 23(12.8%) suggested efficiency wage to law enforcement agencies in order to prevent them from compromising; 69(38.3%) want domestic consumers to be encouraged on patronizing quality goods. However, the $\chi^2 = 332.436$ ($p < 0.05$) shows a significant difference between the observed and expected frequency on what Nigeria is doing wrongly in terms of trade between China and Nigeria. The interpretation of the table above is that since the value of the likelihood ratio is sufficiently high, then the reasons adduced for the need to ensure that only quality products are imported into the country have a very high degree of acceptance. The suggestion that corruption should be reduced to the barest minimum conforms to the position of the researcher. Local contents should be encouraged and officials should be supported with working tools while the populace are encouraged to patronise locally made goods.

Table 6.16: Role of the IMF, WBI and UNDP in reducing dumping in Nigeria

Count				
	IMF, WBI and UNDP in reducing dumping			Total
	Increase anti-dumping	Enlightening Nigerians on the	Ensuring that anti-dumping	

		campaigns in Nigeria	disadvantages of dumping	law enforcement agencies do not compromise standards	
Name of institutions or establishments	Nigeria Custom Service	7	0	0	7
	Shangai University	7	6	0	13
	Standard Organisation of Nigeria	0	13	0	13
	Triple Kay Ltd	0	6	0	6
	University of Ilorin	7	0	0	7
	University of Ibadan	28	25	5	58
	University of Lagos	7	0	5	12
	Wadoye Express ltd	10	0	16	26
	Wuhan University	5	5	5	15
	Zenith Carex Int.	0	12	11	23
Total		71(39.4%)	67 (37.2%)	42(23.3%)	180

Source: Primary data from respondents (Compiled by author)

Table 6.17b: Chi-Square Tests

	Value	Df	Asymp. Sig. (2- sided)
Pearson Chi-Square	115.042 ^a	18	.000

Likelihood ratio	145.710	18	.000
Number of valid cases	180		

a. 17 cells (56.7%) have expected counts less than 5. The minimum expected count is 1.40.

Table 17 shows the expectations of respondents towards the IMF, WBI and UNDP in reducing dumping. Increasing anti-dumping campaigns in Nigeria was suggested by 71(39.4%) of respondents; while 67(37.2%) and 42(23.3%) of respondents proposed that enlightening Nigerians on the disadvantages of dumping and ensuring that anti-dumping law enforcement agencies do not compromise standards respectively, will go a long way in reducing dumping in Nigeria. However, the $\chi^2 = 115.042$ ($p < 0.05$) shows a significant difference between the observed and expected frequency on the role of the IMF, WBI and UNDP in reducing dumping in Nigeria. The interpretation of the table above is that since the value of the likelihood ratio is sufficiently high, it conforms to the research hypothesis and also agrees with the researcher's position that there are anti dumping laws in place but more needs to be done in the area of implementation.

6.3 STATISTICAL ANALYSIS OF BILATERAL TRADE BETWEEN NIGERIA AND CHINA

Dependent variable: BILATERALTRADE

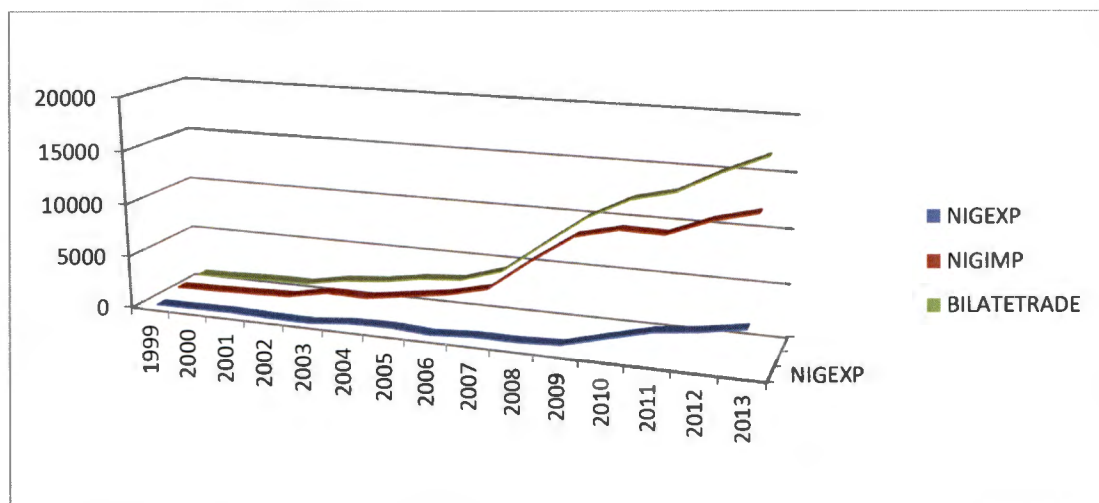
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.639583	0.734508	-0.870763	0.4025
NIGEXP	0.999319	0.000586	1703.900	0.0000
NIGGDP	2.193007	1.040207	2.107659	0.0588
CHIEXP	1.999484	0.000291	3436.607	0.0000
R-squared	0.887716	Mean dependent var		6193.647
Adjusted R-squared	0.869751	S.D. dependent var		5693.534
S.E. of regression	60335.99	Akaike info criterion		3.445885
Sum squared resid	9.10E+10	Schwarz criterion		3.634699
Log likelihood	-370.0639	Hannan-Quinn criter.		3.443874
F-statistic	49.41267	Durbin-Watson stat		2.184747

Prob(F-statistic) 0.000000

Sweeping out the influence of Nigeria Gross Domestic Products (NIGGDP) and China Export (CHIEXP) on the bilateral trade between the two countries, an increase in Nigeria Export (NIGEXP) by \$1 million will increase bilateral trade on average by \$0.999 million; while an increase in China Export by \$1 million if the influence of (NIGGDP) and (NIGEXP) are held constant, will increase bilateral trade on average by \$1.999 million. However, increase in Nigeria's GDP will increase bilateral trade between both countries on average by about \$2.2 million. The coefficient of determination is 0.887, and thus, indicates that 88.7% of variation in bilateral trade is explained by its explanatory variables. The overall regression result is significant F-stat =49.4126 ($p < 0.05$) and free from autocorrelation (that is, DW=2.185).

Moreover, the graph below confirms the upward trend of trade between Nigeria and China over the period under review.

FIGURE 3: TREND OF TRADE BETWEEN NIGERIA AND CHINA OVER THE PERIOD UNDER REVIEW



Source: National Bureau of Statistics, 2015

In order to further corroborate the result of the primary data analysis, the secondary data is also being analysed statistically using the regression analysis. This analyses the relationship between the dependent and independent variables and employs statistical technique to test hypothesis. In the case of this study, the dependent variable is the bilateral trade that exists between China and Nigeria while the independent variables are Nigerian export and Chinese exports.

The interpretation of the statistical result above indicates that there is a positive relationship between the dependent and the independent variables. This confirms that the variables have interconnectivity and one way or the other affect each other. The coefficient for the NIGEXP both positive and less than 1 this implies that if this is increased, the economy will grow. On the other hand, if CHIEXP is high especially to Nigeria, it will be beneficial to China and negatively impact the Nigerian economy. The R-squared which is equal to 88.77 indicates that only 88.77percent of Nigeria economy is affected by this menace. This agrees with the researcher position that recognises other economic problems of the country but a lot would have been resolved if Nigeria is developed technologically and importation of finished products into the country is reduced.

6.4 ANALYSIS OF UNSTRUCTURED INTERVIEWSS

As indicated in chapter one of this study, the researcher could not retrieve some information from some of the highly placed staff of organisations such as NAFDAC, NCS due to its confidentiality but was able to do so among the low cadre staff due to the personal relationship that exist between the researcher and members of the staff.

Question 1

What are the major factors responsible for avalanche of cheap and substandard products now available in the Nigerian market?

Various answers were given by the respondents. While 4 attributed it to failure on the side of the government, the NCS officials blamed it on the highly placed staffs who are involved in illegal dealings by encouraging the smugglers and taking bribe from them. The NAFDAC staff blamed it on the importers and the exporters who always specify that substandard products be produced in order to enhance profit. From the above responses, it is obvious that to an extent, there is awareness that there is influx of sub-standard products in the economy.

This is in agreement with the researcher's position that, the populace is aware of availability of cheap and sub-standard products in the market.

Question 2

Dumping has become a snare in Nigeria, what efforts do you think the Standard Organisation of Nigeria is making to address this snare?

Here, a unanimous answer was given by all except the SON officials. The respondents believe that SON is not doing anything to curb this menace. On the part of the SON staff, they responded that highly placed members of the society such as politicians and retired government officials are sabotaging their efforts in maintaining required standard. As a call or note from any of this set of people will cause them to release any seized substandard products. This also tallies with the researcher's position that bribery and corruption is a big clog in the wheel of curbing this menace.

Question 3

Do you think Nigerian government is assisting China in any way to dump goods in Nigeria?

Here, a unanimous answer was given by all as they could not phantom how the government can assist China in dumping goods in Nigeria as the laws against this are in place. This corroborates the result of the questionnaire and the researcher's position that the laws are in place but the major problem is its implementation. This is majorly due to the fact that those saddled with the role of implementation of these laws are engulfed in bribery and corruption.

Question 4

So many Chinese nationals have said Nigerians are encouraging them to produce fake and substandard goods based on the specification by the Nigerians in order to make more profit. Do you agree with this?

The Nigerian importers and exporters disagreed with this and claimed that no one among them would do such but the Chinese exporter that was interviewed said that they always produce according to specification given to them. He went further to explain that Nigerian businessmen and women always specify substandard products in order to increase profit. This agrees with the result of both the primary and secondary data and also the researcher's

position. This can therefore be curbed if the SON is fully empowered without government or individual interference as this is hindering effectiveness. The NCS staff feigned ignorance of this question.

Question 5

Do you know about any trade imbalance between Nigeria and China? If yes, how do you think this can be corrected?

The answer from all respondents here is yes. This confirms the fact that there is awareness of trade imbalance. 8 of the respondents suggested that Nigeria must increase her export to balance up the gap while 5 suggest that importation should be reduced to the barest minimum. The remaining 2 suggest that Nigerians should improve technology and produce locally as this will strengthen the economy. The responses to this question established the fact that there is imbalance which has negative impact on the economy. This confirms the researcher's position.

Question 6

Different organisations have been saddled with the responsibility of ensuring that only quality products are imported into Nigeria, do you think these organisations are carrying out their duties diligently? If no, what do you think needs to be done?

All the respondents agree that these organisations are not carrying out their duties diligently. 10 suggested that the members of staff should be well remunerated in order to discourage bribery; the remaining 5 suggested that the organisations need to be well equipped to be able to perform.

Question 7

What suggestions do you have in order to curb dumping and also for Nigerian economy to improve?

The NCS officials suggested that international borders should be well protected, the importers and exporters suggested that government should subsidise imported goods while the NAFDAC officials suggested that technology should be enhanced at all porous avenue where dumping has become the order of the day. The researcher's position is that local

contents should be improved and semi finished products should be exported as it has more value than raw materials.

Question 8

Does corruption and present economic problems have any effect on dumping? Please explain and what do you think can be done.

The unanimous answer is yes. This is a major problem in getting any issue resolved in Nigeria as efforts of government institutions are frustrated and sabotaged by this menace. The respondents suggested that the National orientation Agency needs to create awareness more on the ways corruption is killing the economy and offenders prosecuted. 2 respondents suggested capital punishment for offenders as this will serve as deterrent to others.

6.5 CONCLUSION

This chapter focused on the statistical analysis of the relationship between China and Nigeria. The nature of goods traded between the two countries was examined and how this has impacted the economic development of the country. In order to get a true picture of the relationship, two major statistical methods were employed as follows: statistical analysis of the questionnaire; and the trend analysis of the economic productivity of the trading partners. As indicated in Chapter One of this study, government actions against dumping have been ineffective due to the prevalence of smuggling which is being aided by customs officials and other authorities disregarding the Act that established and guide the institution.

The questionnaires were distributed in Nigeria and China among institutions and organisations as indicated in Chapter One. Respondents, who could not be reached physically, were interviewed via Skype while others received the questionnaire through their e-mails. Although the results of the analysis have been presented above, there is a need to collate the results for a clearer analysis and policy formulation.

The aim and objective of the questionnaire was to establish how the concept of South-South Cooperation (represented by Nigeria and China relation in the study) has brought about economic and political development to the trading partners and if South-South Cooperation can be a verifiable tool in achieving a globally balanced economy. It also aimed at establishing that this relationship is capable of developing countries of the South if such countries strive to be guided by the rules of the trade and avoid exploitation by all means.

Interviewees comprised mostly well-educated individuals in relevant organisations. This helped to reduce any error that could have resulted in the collation of the data to the barest minimum. An analysis of the questionnaire revealed that dumping is a clog in the wheel of fully realising the benefits inherent in the relationship between Nigeria and China. This has adversely affected the relationship with less developed countries such as Nigeria feeling the impact more in all sectors of the economy. This negative impact has adversely affected many industries that could have helped the foreign exchange of the country. For instance, so many textile industries have been closed down due to flooding of the market with Chinese sub-standard textiles. Also, it has been established that all primary products that could have been earning foreign exchange for the country have almost been phased out as the economy has become an oil-dependent nation.

Having realised the negative effect of this menace (called dumping), efforts have been made to reduce the effects on the economy. To successfully achieve this, the Nigerian government has put in place institutions and organisations that are saddled with the responsibility of shielding the country from the negative effects of the relationship, especially from the concept of dumping. It was revealed from the analysis of the questionnaire that little has been achieved in this area as the Nigerian Customs Service and Nigeria Immigration Service which are supposed to protect the borders of the country and block all loopholes are corrupt. This situation encourages smugglers who in turn, reward them financially or otherwise. Results from the interviews with officials of the Nigeria Customs Service revealed a defensive response as they defended the corrupt practice in their establishment. According to them, most smugglers are connected to 'the powers that be' somewhere or even in the government house who will 'order' them to release these smugglers when they are held. In most cases, the confiscated goods are released, which eventually find way into the Nigerian market, thus incapacitating their actions in curbing smuggling. Also, the smugglers are encouraged to bring in these imported goods and sell at very high prices compared to locally made goods due to the 'colonial mentality' among citizens. This implies that they prefer to use imported goods compared to locally manufactured goods.

In order to curb this trend, several efforts have been made by the government but the results of the questionnaire revealed the level of ignorance of citizens about these actions and its effects in terms of curbing dumping. This has created awareness within public institutions mandated to create and sustain standard in the country, to have little or no effect. Also, law enforcement agents do not have accurate data of goods confiscated, which eventually find

their way into the market. This further reiterates the fact that corruption is a major factor that encourages dumping in the country.

In Chapter Three of this study, it was established that Nigeria has not levied any dumping charges against China despite the fact that dumping from China is obvious and conspicuously prevalent. While some respondents support this situation based on the justification that the business environment should not be hostile for foreign investors, others emphasise the need to protect the local business environment and the economy. It has also been established that some government officials who ought to be custodians of the law in the country are found to be the major violators of the law. Due to their immunity, they cover government officials and, therefore, support that this immunity be lifted.

Most respondents are aware that the benefits of the relationship tilt in favour of China and, therefore, maintain that government should strive to diversify the economy in order to make it less dependent on imported goods and be self-sufficient. Some respondents also suggest partial ban on some goods that cannot be produced locally and import substitution should be encouraged. Some respondents also maintain that only goods that cannot be produced locally should be encouraged for some time, while a replacement is being sought locally. This will enhance the manufacturing sector which in turn, will result in economic growth and development in the country. This will reduce imported goods and diversify the economy by becoming less dependent on imports.

Within the context of China-Nigeria relations, eradicating dumping and becoming export-oriented are sure ways of making the most out of the relationship which will lead to development of the two trading partners. This will ultimately lead to the development of countries of the South when these are adhered to by other countries. When this is achieved concurrently with the development of countries of the North, a globally balanced economy could be achieved.

From the above analysis, it has been established by the researcher that all the above analysed tables have really justified the fact that the outcome of the study of regulatory frameworks of Nigeria-China relations under the concept of SSC and the prospects of global economic balancing is, by and large, reliable statistically. Issues proved and justified statistically centred around the following: unfavourable balance of payment between Nigeria and China; economic interest in her relation with Nigeria under the auspice of SSC; role of Nigerian government through NCS, SON and NAFDAC in confiscating contraband goods; unfortunate

permission of stakeholders in the Nigerian economy in allowing the influx of cheap and substandard products from China into Nigeria; suggestions to Nigerian government on how to correct the economic imbalance between the two countries.

CHAPTER SEVEN

SUMMARY, RECOMMENDATIONS AND CONCLUSION

7.1 INTRODUCTION

The classification of the world into North and South, based on the level of economic and technological advancement has continuously subjected the South to striving under the reign of the North. Even though the North has supported the South in terms of FDI, grants and aids, these have yielded little or no development. It is, therefore, not out of place when countries of the South decided to come together under the auspice of South-South Cooperation to facilitate economic development, which has been the focus and concern of African political leaders and scholars. Even though developing countries are categorised as the South, the level of development among these countries varies. Hence, it is not out of place for a more technologically advanced country of the South to exert its influence for less developed ones to advance.

The alliance of countries of the North has led to a technologically advanced North, which this study maintains, could be replicated among countries of the South. This will enable the achievement of a globally and technologically advanced world which will in turn lead to a globally balanced economy. Such is the reason for choosing Nigeria and China as prototypes of this relationship, which can further be generalised to Africa as a whole. It is a general notion that the Nigerian economy is mainly agrarian and mostly dependent on primary products. This has grossly affected development as these products are continuously subject of exploitation by technologically advanced economies. While some scholars as indicated in various chapters support the relationship as a channel of economic development for Africa, others maintain that it is a post-colonialism relationship which is not in any way different from that of the colonialists. Goods are dumped in Nigeria and Africa as a whole, and this has killed the domestic manufacturing sector and increased the continent's dependence on imported goods, thus making the continent a dumping ground for Chinese-made goods (which are mostly cheap and sub-standard).

This constitutes a major snag to the achievement of the motive behind the Africa-China collaboration as it has not in any way moved the continent to a technologically advanced destination. In recent times, various economists have realised this and maintained that the relationship should be enhanced to favour the economic, political and technological

advancement of the nation. In order to achieve this, various institutions have been set up to control all import trade-related activities in the country. Even with all these efforts, they have had little or no effect on the rate at which goods are dumped in the country. Corruption has also been a major stumbling block in the control of dumped products as most government officials are corrupt and ready to trade the economic development for their own gain. Although to the common man on the street, it is an opportunity to access basic needs at affordable prices, irrespective of the aggregate effect on the economy, an averagely rich Nigerian prefers imported products no matter how expensive, forgetting that foreign exchange is being depleted to import such goods. This Chapter summarises the entire study and provides a comparative analysis of the China-Africa relation as it relates to that of imperialists. It also examines the ways to further enhance the relationship for the benefit of both trading partners and looks at the way forward to achieving the objectives of the study.

7.2 SUMMARY

In the course of this study, it was explained that the world economy is politically, economically and technologically imbalanced as developed countries are continuously advancing in technology while the economy of the South is dwindling daily. This advancement has been employed by the North to exploit countries of the South whose economies rely on raw materials, thus creating a gulf in the level of development between the two countries. This imbalance has been the concern of political leaders, economic scholars and analysts. As a result of this concern, various measures and attempts have been made to improve the South but most of such attempts have, in one way or the other, required the input of developed countries to be implemented successfully. They have, therefore, failed to achieve the desired result of developing the South.

It was also explained that in order to come out of the economic and technological doldrums that LDCs find themselves, various efforts have been made, but have yielded little or no development. These also deepen the gulf between DCs and LDCs. Hence, this has become the major concern of this study and the need to examine the possibility of achieving this so much desired globally balanced economy through the concept of South-South Cooperation. In order to understand this concept, its meaning and the various forms of collaboration which could be regarded as South-South Cooperation were examined in this study. One fact that cannot be overemphasised is the notion that the concept is born out of globalisation.

The previous chapters examined the topic ‘South-South Cooperation and the Prospects of Global Economic Balancing: A study of Regulatory Frameworks of Nigeria-China Relations. South-South Cooperation was examined as a verifiable tool in terms of achieving economic development in the South, which may ultimately lead to a globally balanced economy. It was explained in this study that a country or an economy referred to as North or South does not imply that such is geographically located in either of the regions but an indication of the economy of the country. The South in this study refers to developing countries mostly made up of African countries while the North implies developed countries. The peculiarity of the African economy (which is mostly based on exploration of primary products) was explained in this study and this forms a larger percentage of the exports to developed countries which have been the major point of attraction of the North. These exports are in turn processed and imported back to the South as finished goods and sold at exorbitant prices with the South paying more for less relying on the technology of the North and impoverishing the South on a daily basis as more is needed to acquire less.

There have been various forms of collaboration between the North and the South over time, geared towards economic development of the South. This has yielded little or no development as these are mostly controlled by the North and countries of the South have continuously relied on countries of the North for FDI technological growth. Having realised that the collaboration between the North and the South has not achieved the desired result, the leaders, political analysts and economists have decided to look inward in order to achieve a developed economy like that of its Northern counterpart. This cause has been championed by China which has regarded itself as a developing country even though it is among the world power today. Although it has been explained that this concept has the possibility of achieving the desired result if well implemented, there are some hurdles which have prevented it from achieving this feat. The major one discussed in the study is dumping, which in this context, is said to have occurred when a product is sold in a foreign market at a price less than its normal value.

China has continuously emphasised that it is a LDC and a country of the South which is committed to the development of the South through the concept of South-South Cooperation. The other countries of the South, therefore, felt more comfortable trading and collaborating with China based on its claim that it is one of the developing countries. In order to establish its commitment, China has embarked on various infrastructural developments in most African countries.

This development has attracted the attention of scholars and political analysts who have examined the Chinese interest by explaining it within various international relations theories. This was fully explained in Chapter Two of this study. Having examined all the theories, the relationship viewed from the perspective of all the theories, the law of neo-colonialism and dependency theory partly explained the motive behind the relationship. However, theory that fully explained the relationship is political economy. In order to explain this, it was established that Chinese involvement in Africa and other countries of the South is purely economic with other motives being secondary.

It was reiterated that Nigeria-China relation is a South-South Cooperation and has the prospects of bringing about development to the economy of Nigeria and other countries of the South if contentiously pursued. It was established that China's interest is not different from that of the North, which the South is trying to break away from. This study has, therefore, established that the motive is primarily economic and that every other motive is secondary.

The study critically examined China's involvement in the economy of African countries under the guise that it is a developing country and, thus, has a freer access to African economies with African leaders turning away from the North in a bid not to feel at home with China (believing that it is also a developing country). This study has established that, in reality, China's involvement is not in any way different from that of colonial masters and some scholars who are against this relationship have affirmed that Africa is being re-colonised by China.

A close look into China-Africa relations has also established that not all countries are embraced by China but only those with natural resources required to build its economy such as Sudan, Angola, South Africa, Nigeria and other selected few where the required raw materials are in abundance. This, therefore, establishes the fact that the major motive is not to develop Africa but to get raw materials from Africa in order to assist the production processes and also build China economically. There have been various moves by political analysts and economists that for China's motive to be considered genuine, Africa should be built technologically by employing the concept of technology transfer which will in turn build the economy. Even production companies that are established in African countries and managed by Chinese, Africans are only employed as menial workers and not exposed to the technical know-how of the production process. This has been tagged as modern day slavery

in this study explained by the theory of colonialism. This was explained in Chapter Two of this study.

Chapter Three of this study established that Nigeria has an established framework against dumping. However, it was reiterated that it is not enough to set up a normative standard and establish institutions to secure the country against this and all vices that have inhibited the economic development of the country. These institutions must be equipped to perform these roles. One glaring factor why these institutions have failed to perform is corruption which is prevalent throughout the country.

Chapter Five of this study discussed China-Nigeria relations as a prototype of South-South Cooperation. The prospect of achieving a globally balanced economy was also examined in this Chapter. Nigeria, being one of China's leading partners in Africa, has had various agreements with China in order to establish a smooth-sailing relationship and achieve economic and technological development in both countries. It was explained that if the benefit of this relationship is mutual, it is capable of achieving both economic and technological development in both countries and if extended to other African countries may lead to a developed South which may further lead to a globally developed economy as stated in the hypothesis of this study. This study has established that China-Nigeria relation is not in any way different from that of other African countries. Raw materials are exported and processed materials which are cheap and sub-standard are imported back into Nigeria. This has killed so many local manufacturing companies, turned Nigeria to an import dependent economy. Nigeria has become a dumping ground for all these sub-standard products. This is a major concern of an average Nigerian who has wondered continuously if there is a law against dumping in Nigeria. As explained in this Chapter, Nigeria and China are members of the WTO, which is saddled with the responsibility of prohibiting predatory dumping among member countries.

Chapter Five also explained that one of the major banes of achieving the desired mutual development between the countries is the concept of dumping. Various countries have accused China of dumping which is killing local industries. This study has established that Nigeria has never taken any anti-dumping move against China despite its prevalence and this has caused many to wonder if there are anti-dumping laws in Nigeria. In the course of this study, it was established that these laws exist and there are institutions in place to implement these laws in Nigeria.

The data analysis in Chapter Six revealed that though the volume of trade and FDI between Nigeria and China has been growing, this has only impacted on the nominal value of the GDP and not economic development. This is revealed in the state of infrastructure and lack of basic amenities prevalent all over the country. The primary data revealed that the level of awareness of anti-dumping laws is very low hence, the need for more education.

7.3 RECOMMENDATIONS

The achievement of a globally balanced economy which has always been a mirage could be achieved when the South concurrently develops with the North. The concept of South-South Cooperation is a verifiable tool in achieving this. Having examined this concept extensively, using Nigeria-China relation as a prototype, it has been established that the issue of dumping is a clog in the wheel of this objective. This menace should, therefore, be minimised and possibly eradicated for successful implementation of these recommendations.

Efforts should be made to strengthen local industries by reducing importation and also by not implementing preferential treatment of imported goods after they have been imported. High duties should be imposed on imported goods in order to discourage their consumption which will encourage the consumption of local goods and ultimately enhance the operation of local industries. Policies should be geared towards protection of the economy from foreign domination. This study asserts that a globally balanced economy is achievable when all actors truly identify the problem and are determined to proffer solutions. South-South nations should shun 'individual leadership mentality' and brace up for the continent's sustainable socio-economic support.

In the area of Nigeria-China relations, efforts should be made to establish long-term objectives which must be achievable rather than the present short/medium term benefits that are being enjoyed. Technology transfer should be enforced and not just importation of finished goods. To achieve this, necessary machineries should be put in place to ensure that local production of goods is encouraged for internal consumption and for exports. This will enhance the balance of trade which has been negatively skewed and always in favour of China by increasing 'receipts' for the country.

Development of science and technology is an important source of productivity, modernisation and economic growth which have also defined historical eras of agricultural revolution, the

era of industrial revolution and the post-industrial, information era. It is also a strong link that ultimately facilitates economic development which is the focus this study.

Economic power cannot be achieved without scientific power. This implies that no nation can emerge as a great power without being an economic power and a nation cannot be an economic power without developing the science and technology sector. Vibrant economies are characterised by a good educational system, high levels of investment in research and development, a high number of inventions and innovations, an economic structure spear-headed by substantial share of manufacturing and export structure marked by a high share of technology products. This implies that Science and Technology should be improved upon and the economic power of the citizenry be improved to discourage the consumption of cheap and substandard products. Research and Development is still grossly underfunded. The government should focus on this as R&D is a major tool required in driving the science and technology sector of the economy.

The current trade imbalance between Nigeria and China should be closely monitored and reduced by ensuring that Chinese trading does not focus only on finished products but investments should be in the productive sectors of the economy which will ultimately increase the gains from exportation of such Nigerian-made goods. This will in turn bring about diversification of the economy and ultimately, generate employment. Nigerians should be allowed to be at the helm of affairs in Chinese companies in order to be conversant with production instead of the casual workers syndrome which is currently prevalent in the country.

China's permanent interest in Nigeria as one of its Special Economic Zones in Africa is born out of gains in international trade and advancement in technology. This can be made mutually beneficial if Nigeria places priority or satisfies its local need before exporting and, therefore, would require less import which will in turn strengthen the economy and save the country from becoming a dumping ground.

Nigeria should as a matter of modelling, take a cue from Japan and Singapore in addition to cushioning the work values of Chinese. This means that Nigeria should adapt and 'adopt' the Chinese model but redefine work values such as dedication, honesty, diligence, knack for quality deliverables, including time consciousness and management. All these will positively affect production and enhance total productivity continuously. Government agencies such as NOA, NEPC, NEXIM, NACIMMA and NCCI, among others, should agree on acceptable

business values of national and international best practices for international trade which the country will engage in. ON should ensure that goods produced in Nigeria for export are of international standards. Also, all goods imported into the country should be passed through the international quality test before its acceptance into the country. This will have a direct effect on the life expectancy of the citizens as trade value will be fully beneficial when it positively impacts on the wellbeing of the end users. The quality test of the 1970s and 1980s should be re-adopted by the International Organisation for Standardisation. China should live according to its bidding by ensuring that promises and proclamations made about its leadership role about South-South Cooperation are fulfilled and enduring. This will give credibility to China and provide fulcrum for countries of the South to develop economically. This can be achieved by making the relationship a truly win-win one.

China should also re-affirm its commitment to tackle and stop the menace of predatory dumping by transferring technical and managerial skills to ensure strengthened cooperation and accelerated development in Nigeria. Nigeria should also complement this by creating an enabling environment suitable for both local and foreign investors to operate within the country. Foreign policies should be geared towards boosting the economic and technological sectors of the country. Efforts should be made to address every hindrance to the spread of knowledge; efforts must also be geared towards improving basic needs of the society such as power, security and improved standard of living of the citizenry. Having established that there are institutions in place whose main responsibility is to curb dumping, it is, therefore, pertinent that these institutions cease to be a toothless bulldog and prosecute erring countries and companies. This will drastically reduce dumping of finished goods to the barest minimum.

The list of trade items between China and other Africa countries, including Nigeria, should not be limited to oil and gas and solid minerals alone, but should include food crops needed by both countries to enhance a mutually benefitting relationship that will ultimately lead to improved social and economic value of both countries. Scientific data on solid minerals, agricultural resources and food items available for exports should be kept. This will guide the government in policy formulation.

Lastly, there should be effective connection among the private sector of countries of the South for the numerous potentials to be fully explored. Both countries must continuously show commitment to develop their comparative advantage and complementarities in their

respective economies and adapting new and innovative approaches in achieving the set objectives.

7.4 CONCLUSION

Having examined the concept of South-South Cooperation as a verifiable tool in achieving the much desired globally balanced economy, the concept if well played out is a viable and verifiable tool in bridging the gap between the North and the South but in reality, it has achieved little or no development as various efforts that have been made to develop the South, especially African countries are mostly dominated by developed countries and have inhibited the intended achievement. Other efforts being made are thwarted by lack of good governance, characterised by corruption and other social vices such as accountability and lack of political will. This therefore implies that employing the concept of South-South Cooperation should ensure that the interference of DCs is minimised to the barest minimum and development of the South is spear-headed by members of the South in order to achieve the desired result.

There is no gainsaying that the Chinese have set up huge operations in Nigeria and Africa as a whole. Their operations include building of infrastructure but this has impacted very little on economic development as they carried out such activities using imported machinery and labour from their home country without transferring such technology and skills to local communities. This implies that China trades primary goods for manufactured ones, implying that the trade relationship enriches Chinese with more technological skills to the disadvantage of Nigeria's technological development. This could be termed colonialism as Nigeria now willingly opens itself up to a new form of imperialism from China.

It can also be concluded that the Non-Aligned Movement period that united countries of the South after colonialism, are no longer there as China is no longer a LDC. China is now among the world powers and capable of exploiting LDCs in the same light as DCs. A close examination of Chinese contribution to Nigeria and the trend between the two countries at present reveal that China has colonised Nigeria and Africa, both technologically and economically even though the countries still maintain their sovereignty. China can, therefore, be referred to as a contributor to Nigeria's deindustrialisation and underdevelopment as the effects of most of its investment has been more to China's advantage.

In the course of this study, it has been established that Chinese companies hardly employ local experts and abide by neither the local nor the international labour law. This singular act has a negative effect on capacity building of employees and also an act of Human Rights violation.

With the current trend in the relationship, Nigeria is indebted to China to the tune of USD18 billion (CBN, 2014) which is a pointer to the fact that Nigeria has mortgaged its present and future to Beijing. The relationship could have been a win-win one if properly pursued. For this to be achieved, Nigeria must bridge the technological capacity building gap and be technologically relevant. This will fully explore the gains with China. The Nigerian authority must also demonstrate political determination to ensure peace and sustainable development.

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