

SINO-NIGERIA RELATIONS SINCE 1945: WHAT DOES IT HOLD FOR NIGERIA'S QUEST FOR DEVELOPMENT?

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Abstract

China's recent emergence as one of the global powers did not just come by accident, but as a function of well articulated policies that sparked off development and progress over the years. Since the end of the Second World War, the world has become more complex as a result of the emergence of new states (through self determination) and developments in science and technology. Coupled with these are the forces of globalization which have led to an increased interaction among states in the international system. In recognition of the increasing interdependent nature and character of the present international system, China which once had a closed economy, adapted to the ever increasing need for trade and transactions across boundaries as demanded by the reality of the time. Drawing our analysis from historical perspective, the paper examines the dynamics of Chinese Foreign Policy, taking into cognizance how it has shaped its behaviour and attitude since 1945. As such, the paper finds it cogent to predicate its central argument and conclusion by relying on the Marxist and liberal theory of development. The research reveals that the end of the Second World War necessitated China to pursue a foreign policy of domestic growth, economic expansion and global recognition which lends credence to the fact that national interest is paramount in the making and execution of any foreign policy. Such a foreign policy posture is what Nigeria requires to enable her address her developmental challenges.

Keywords: China, Foreign Policy, Globalization, Marxism, Second World War.

Introduction

The effect(s) of the Second World War destabilized the economies of virtually all European nations. Hence, Europe became a continent in need of redemption and the United States emerged as the strongest country in the globe. At the same time, there was a rapid increase in the number of states as most Asian, African and Latin American countries pursued policies of self determination. In other words, post-world war international system became complex and extremely competitive.

Again, developments in science and technology as well as communication and transportation diminished the borders of states. Sovereignty as defined by Jean Bodin became infinitesimal as the forces of globalization overlooked state boundaries. It is therefore not surprising that after the Second World War, many countries began to see the need to balance their attempts at protecting and developing local economies with the growing need of internationalization. In recognition of this, China came up with a foreign policy that was not only pre-occupied with protecting the country's independence, sovereignty, and territorial integrity, but one which also embraced the creation of an enabling environment that will facilitate domestic economic growth and development, and the maintenance of world peace.

It is important to note that the Chinese communist revolution started in 1946 and by 1950, the People's Republic of China had emerged as a communist state. By then, the Cold War between capitalism and communism was at its peak. This state of affairs necessitated China to pursue a closed door economic policy. Thus, then communist China did not permit relations with Western capitalist nations. It is not the intention of the research to highlight the (negative) effects of such a policy, but the dismantling of the Berlin Wall and the collapse of communism in the Soviet Union, which marked the end of the Cold War, exposed the pitfalls of economic isolation.

Consequently, China's foreign policy turned its attention to improving relations with European countries in order to contain the effects of America's dominance in international politics. China felt that alliances and treaties with other countries will checkmate the growing influence of the United States in the world. As such, China was of the view that the post-Cold War era demands that nations should aspire towards economic and diplomatic cooperation. In its quest for global presence, some policy outlines were undertaken by China. These were but not limited to the fact that:

China sought economic self-sufficiency, especially in the energy sector and semi conductor industry;

China decided not to engage in diplomatic relations with any country that accords recognition to Taiwan;

China became a member of several international organizations, and is a permanent member of the United Nations Security Council;

China tried to maintain solid relations with its Asian neighbours, for instance, she is at the forefront of maintaining stability on the Korean peninsula;

China improved its relations with India as both countries have engaged in economic and trading partnership;

China financed many infrastructure projects around Eurasia and Africa which includes the Eurasian land Bridge, Sino-Myanmar pipelines and railway, a port in Pakistan, and a port in Sri Lanka (Wikipedia.org).

In 2007, the spokesman of the Chinese foreign ministry, Qin Gang outlined the foreign policy thrust of China. He stated thus:

- China will not pursue hegemonic domination even if it becomes a world power;
- China will not interfere in the internal affairs of other countries;
- China will have equal respect for other countries, whether weak or strong, developed or underdeveloped;
- China will always abide by the United Nations Charter and norms that governs inter-state relations;
- China will use peaceful means and negotiation to resolve international disputes and will not resort to war;
- China will not abdicate from its international treaties and obligations, and will not support any form of terrorism; and that
- China will not get involved in international power politics and will not meddle in other countries domestic issues. Therefore, it will not force its ideology on other countries (Ho, 2011).

Whether these policies have shaped the attitude and behaviour of China is another academic endeavour, but the ensuing actions of the country points to the fact that China has a subtle intent of becoming a global hegemonic power (Feng, 2014).

Generally, the core of China's foreign policy has centred on economic self-sufficiency and expansion as contemporary China is engaging in multiple trade treaties with different countries. For instance, in March 2019, China concluded a trade treaty with France that covers several economic sectors and the apex was the signing of a 30billion Euro deal for the buying of airplanes from Airbus (Rym, 2019). In the same light, China signed an infrastructure deal with Italy for infrastructural development, despite the criticism from Europe and America (Giovanni, 2019). All these reflect China's global penetration. This work examines Sino-Nigeria relations since the end of the Second World War and its significance for Nigeria's economic development.

Theoretical Framework

The Marxist and liberal theory of development were adopted in this work. Marxism is anchored on dialectical materialism which centres on the evolution of humans and the society at large. Proponents of the study, such as Karl Marx and Friedrich Engels, argued that development can be obtained at three different levels- the individual level, the social group level, and the mode of production level.

At the level of the individual, everything about development revolves around human beings. Thus, there can be no real development without human development. It is their belief that the

presence of human development will propel societal growth and enhance economic transformation. In other words, human capital development will lead to positive transformation of the society. Accordingly, Kay argued that since development is the product of human labour, as can be shown when a natural resource is transformed (through labour) to satisfy human needs, development itself should therefore centre on humans (Bala, as cited in Kay, 1996, p.22).

At the social group level, development has to do with the ability to control both internal and external relationships. It involves the ability and capacity of the society to secure the independence of the social group. This entails that individuals should be able to organize themselves as a group in order to harness the abundance of nature (Bala, 1996). Historically, the social group has evolved in various ways. First and foremost was the use of crude implements for hunting and gathering of food. This was followed by the domestication of animals and cultivation of crops. The third was the deviation from individualism to collectivism vis-a-vis man's relationship with nature (Bala, 1996).

Proponents of Marxism believe that the third level of development centres on the socialist mode of production. It is instructive to emphasize that scholars of Marxism argue that the inherent contradictions in the capitalist mode of production accounted for the two World Wars as well as the existing inequality in the society. To them, capitalism is evil and an antithesis to development. They proffered socialism as the only panacea which will lead to a just and equitable society; a society that will cater for the welfare of the people, according to their needs (Bala, 1996).

As illustrated by one researcher, the socialist mode of production involves public ownership and control of the means of production, distribution and exchange (Graham, 1996). This mode of production leads to the free development of individuals which will then result to the overall development of the collective (Graham, 1996). Proponents of Marxism believe that development as a concept is synonymous with the socialist mode of production and every other mode of production (such as capitalism) will eventually pave way as a result of the socialist revolution.

Meanwhile, the liberal concept of development is quite different from their radical counterparts of Marxism. Liberal scholars argue that development is inextricably tied to economic development- which could be measured in terms of growth in the Gross National Product (GNP) of a country. In other words, development is the unending maximization of the growth of a country's GNP through the accumulation of capital as well as industrialization (Dada, 2001). Hence, it is the tendency of a national economy that has largely remained stagnant to embrace growth in its GNP at an annual rate of above 5% through industrialization (Dada, 2001).

Unfortunately, for most Third World countries, Nigeria inclusive, liberal concept of development has not led to economic emancipation. As Meier highlighted, "development is not just about the establishment of industries, but involves modernization, rise in productivity level, social and economic equilibrium, advanced technical know-how, improved social institutions, and an effective policy mechanism"(Dada, as cited in Meier, 2001, p. 16).

Therefore, economic growth through industrialization does not ultimately lead to development.

Equally important is the fact that development involves overcoming abject poverty, providing employment and reducing inequality (Bala, 1996). Indeed, another researcher commented that “development is the emergence from poverty” (Robin, as cited in Morris, 1995, p.54) or as described by Todaro “the elimination of poverty, inequality and unemployment in a developing economy” (Robin, as cited in Todaro, 1995, p.56). Schultz is of the opinion that “it is rural development which will alleviate poverty in rural areas” (Robin, as cited in Schultz, 1995, p. 56).

One of the liberal scholars, M.D. Little, postulated three conditions for development to thrive in a society. One, a closed economy must be replaced with trade liberalization and export promotion. Two, inflation should be controlled with economic stabilization programmes, and finally, the private sector should be the architect of the developmental process while the government act as a regulatory mechanism (Robin, as cited in Little, 1995, p. 56).

Drawing from both the Marxist and liberal perspectives of development, it is evident that development is multi-dimensional in nature which involves structures, institutions, humans, the enhancement of economic growth and poverty eradication (Graham, 1996). But one can argue that a mixture of both Marxist and liberal concept of development (mixed economy) would actually propel development to an unprecedented level. These theories are relevant to the research as China, after the communist revolution and as a result of Cold War politics, operated a closed economy. This condition limited the growth and economic development of the country. It was not until 1978 that China adopted the liberal version of development and opened up its economy to the world. This enabled the country to become a major power in global affairs with an economic strength that is rivaled only by the United States.

Emergence of Sino-Nigeria Diplomatic Relations

As mentioned earlier, following the communist revolution, China became a communist state in 1949. Hence, the country embraced the communist policies of the then Soviet Union. During this period, China maintained strong ties with the Soviet Union and other communist states. However, when Sino-Soviet relations suffered a setback in the late 1960s, China immediately established relations with the United States. During this period, although the country limited its relations to great powers, building relations with other countries had become a major component of China’s economic diplomacy which explains the country’s new global outreach and role in the international system.

Therefore, at the dawn of the 21st century, China had expanded its tentacles abroad and developed relations with member countries of the European Union. This was necessitated by the changing nature of the international system which shifted from Cold War bipolarism to multipolarism and Europe’s resurrection from the ashes of the Second World War. Thus, China stopped concentrating relations with major powers but expanded its scope of partnership with a wider range of countries as this was dubbed “multidimensional diplomacy” (Zhang, 2009).

Furthermore, the first contact between Nigeria and China was in 1958 when China established a trading post in Lagos. It then means that even though Nigeria was still under colonial rule, the country started economic and commercial relations with China. However, the domestic economy of China was very weak which was exposed at the end of the Cultural Revolution in the 1970s. During this period, China retreated backwards in order to address domestic challenges and overseas investment was put to a halt. In the same vein, as a result of the Cold War, though non-aligned, Nigeria leaned towards capitalism and depended on Britain and America for economic development. This state of affairs also hindered Sino-Nigeria relations as Nigeria avoided dealings with communist countries.

It was the negative effect(s) of the Cultural Revolution and closed-door policy that forced China to embark on an economic reform and to pursue a policy of economic liberalization. Not only that, the collapse of communist Soviet Union coupled with China's renewed economic strength instigated the country to establish relations with several countries. According to Hutchinson (1975), the struggle waged by African nations and China against a common enemy which is western imperialism, inspired relations between them. Emboldened by a shared historical tradition, China decided to help African countries in their quest for liberalization from colonialism and imperial domination.

The Chinese interest in Nigeria was aided further by China's competition with the Soviet Union. As noted earlier, under the rule of Mao Tse Tung, China severed relations with the Soviet Union. This owed to the fact that Stalin viewed China as nurturing a subtle intent of becoming the leader of the communist world. As a result, Stalin decided to cancel the Sino-Soviet treaty for nuclear technology which was intended to develop nuclear technology in China, with the help of Soviet experts. Angered by the decision, China started to pursue a policy of attracting more allies than the Soviet Union. For example, China provided arms for Biafra (though not openly) during the Nigerian Civil War in response to the Soviet Union support for Nigeria (Bukarambe, 2005).

Full diplomatic relations between Nigeria and China commenced following the lessons garnered from the Nigerian Civil War. During the war, Nigeria's western allies were not forthcoming with the much needed support and the Soviet Union capitalized on the lacuna and became a major supplier of arms to the Gowon-led administration. There was no other way for Nigeria to appreciate the negative impact of limiting external relations based on ideological and sentimental considerations.

Sino-Nigeria diplomatic relations became formal on February 10, 1971 (NEWSGD.com). This relation was enhanced by Western disapprobation of military dictatorships in Nigeria between 1970-98. In 2004 and 2006, then Chinese president, Hu Jintao paid official visits to Nigeria and addressed a joint session of the National Assembly of Nigeria as China backed Nigeria's bid for a seat in the United Nations Security Council. In reciprocation, despite maintaining trade relations with Taiwan, Nigeria and China issued a joint declaration in 2005, reasserting that Beijing was the only lawful government representing the entire Chinese jurisdiction and that Taiwan is a non-negotiable part of its territory (David & Joshua, 2012).

Sino-Nigeria Relations and the Development of Nigeria

In 1978, when the law restricting foreign investments was relaxed, China experienced domestic economic growth and opened up its economy to the world (Hale, 2006). Since then, the Chinese economy has grown astronomically making it the second largest exporting country behind only the United States. This has posed an onerous need for crude oil and energy demand in China. As a major manufacturing country, the Chinese economy is sustained by energy as the country imports about 3.7 million b/d of crude oil (China Economic and Security Review Commission, 2007). Not only that, vehicle ownership in China is expected to exceed 140 million by the end of 2020, which will also increase the demand for energy (Butts & Bankus, 2009). Thus, China has moved from a net-exporter of oil to a net-importer of oil.

Moreover, Nigeria's large population is viewed by China as an attractive market for its goods and products. As observed by Corkin (2006), China is a victim of overproduction in many sectors such as textiles, electronics, light machinery, phones, etc which has necessitated the country's search for overseas markets. Coupled with these is the fact that the cost of production in China is the cheapest in the world. Hence, their products are very affordable vis-a-vis the products of industrialized western nations and America. In 2001, China became a member of the World Trade Organization (WTO) and this paved way for her to have unfettered access to the Nigerian market. Overall, Africa's imports of goods from China account for about 50% of the continent's external trade and Nigeria is at the forefront of these imports (Wang, 2010).

In 2004, the Chinese Petro-Chemical Corporation (SINOPEC) and the Nigeria National Petroleum Corporation (NNPC) signed a deal to harness two oil blocs- Oil Mining Lease (OML) 64 and 66 in Nigeria's Niger Delta region (Hurst, 2005). Similarly, in 2005, the Chinese National Offshore Corporation (CNOOC) and NNPC signed an \$800million deal for Nigeria to supply China with 30,000bpd of crude oil for five years (Taylor, 2007). Also, during President Hu Jintao's visit to Nigeria in 2006, the Beijing government acquired four oil drilling licenses and also accepted to invest \$4billion in oil and infrastructure development projects in Nigeria (BBC News, 2006). Again, China agreed to purchase a substantial stake in the Kaduna Oil Refinery that produces 110,000 barrels per day and Nigeria also pledged to accord preference to Chinese Oil firms for contracts for oil exploration in the Niger Delta (BBC News, 2006).

In 2006, China agreed to grant a loan of \$1billion to help Nigeria in the rehabilitation and modernization of its railway infrastructure (BBC News, 2006). Currently, China is constructing new railways in Nigeria (Wenping, 2003) and part of the clause involved in the contract is the building of a transportation university in Katsina and the training of Nigerians in Chinese universities on railway transportation and engineering. The cost of the training will be undertaken by the Chinese Civil Engineering Construction Company (CCECC). Without mincing words, Sino-Nigeria relations have led to the execution of developmental projects in Nigeria at a cheap rate.

Both countries also established a four-point plan to promote bilateral relations- a fundamental component being to expand trade and investments in agriculture, telecommunications,

infrastructure development and energy (NEWSGD.com). In the area of foreign direct investment (FDI) as well as aid, China has maintained an active presence in Nigeria and has provided a lot of aid for infrastructural development. In 2006 alone, China provided the sum of \$2billion for the construction of railways, a billion dollars for the development of hydro power energy, half a billion dollars for the development of rural telephone and communication system, a billion dollars for infrastructural development, and half a billion dollars as support for the development of Nigeria's satellite programme (Frynas, 2007). Nigeria and China also signed a US\$311 million agreement to enhance cooperation in communication and space programmes (MSNBC, 2007). Thus, in 2007, China developed and launched Nigeria's first satellite (NIG-SAT-1) in space and when the equipment malfunctioned, China delivered another satellite, with no additional cost, which was launched in 2011. The satellite is aiding the Nigerian armed forces to overcome security challenges in the North East, as the movement of terrorists can be tracked.

Besides, China is also aiding Nigeria in the development of its agricultural sector. In 2003, with the help of the Food and Agricultural Organization (FAO), China and Nigeria signed a deal that will ensure that China assists Nigeria in the development of mechanized system of farming which will lead to self-sufficiency in food production (Isichei, 2003). Also in 2004, China gave Nigeria a \$3.5billion loan to develop its water resources and in 2006, China signed a Memorandum of Understanding with Nigeria for the building of a strategic partnership (Taylor, 2007). This was significant as Nigeria became the first African country to have a strategic partnership with China. As such, bilateral trade between both countries stood at \$3 billion in 2006 up from \$384 million in 1998 (Taylor, 2015). In fact, in 2010, trade between both countries was about \$7.8 billion (BBC News, 2012), and as of 2011, Nigeria was the 4th biggest trading partner of China in Africa (allafrica.com, 2012).

However, the hallmark of Sino-Nigeria relations was on April 27, 2018 when China and Nigeria executed the currency swap deal. According to the terms of the deal, the People's Bank of China agreed to provide an annual 15 billion Yuan for 720 billion naira for three years. This is equivalent to \$2.5 billion at an exchange rate of 305 Naira per dollar (Bella & Oguntase, 2018). This deal came at a period when the demand for foreign exchange by Nigerians was higher than supply which affected many businesses as importers were starved of dollars. The currency swap deal was meant to:

- Enhance trade and investment between China and Nigeria;
- Maintain financial equilibrium; and accelerate other connected projects as may be adopted by both countries (Bella & Oguntase, 2018).

The currency swap deal will ensure the availability of cash that will be utilized by both Chinese and Nigerian investors. At a time that the Naira has seriously depreciated against the United States dollars, the swap deal is a welcome development - as Nigeria is already reaping its dividends.

In terms of defence cooperation and in its effort to help Nigeria combat insurgents, the Chinese government has enlarged its military cooperation with Nigeria and has supplied

arms, equipment, training and technology to the Nigerian armed forces (Financial Times, 2006).

Conclusion

Sino-Nigeria relations are still unfolding. While a framework of cooperative relationship at the present is that between an industrial power and a developing country, its full scope is yet to be completely explored. Empirically, Nigeria's bilateral deficits and debts cannot be easily resolved without China's cooperation. And equally important is the fact that, a population of about 200 million cannot be neglected by the Chinese and a country that is endowed with natural crude reserves is an investment destination. Nigeria has the industrial market that could be of significance to China as well. The Nigerian people should use every opportunity to acquire the technical know-how of the Chinese through the transfer of technology. In that regard, the foundations and processes that transformed China from a rural to an industrial economy should be adopted and implemented by the Nigerian government and policy makers, as it suits our internal idiosyncrasy. More effective partnerships should be built in Nigeria's quest for development as it is only through this that the much needed economic transformation can be achieved.

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