International Journal of Research Publication and Reviews, Vol 4, no 7, pp 2440-2447 July 2023

International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Critical Examination of China-Nigeria Bilateral Relations: A Perspective on Infrastructural Development Beyond Interests in the Oil and Gas Industry

[1]Nwala Paul, PhD.; [2]Independence Chinonye Enyindah, PhD.

[1]Department of History and International Diplomacy, Rivers State University, Nkpolu-Orowurokwu, Port Harcourt, Rivers State, Nigeria
[2]Department of History and International Diplomacy, Rivers State University, Nkpolu-Orowurokwu, Port Harcourt, Rivers State, Nigeria

ABSTRACT

China-Nigeria bilateral relations began way back during Nigeria's military regimes, barely a decade after independence. Nigeria's relations with China is one that is initially characterized by China's desire to profit from Nigeria's petroleum resources, typical of China-Africa partnership. China since her shift of interest from petroleum to infrastructural development, has been playing significant role in Nigeria's economy, especially through the provision of services and infrastructural assistance than any other country in the world today. The shift in her interest from exploitation of crude oil to infrastructural development has also resulted to huge achievement in the area of human capital development, thereby boosting economic development in Nigeria, despite trade imbalance with China, and the excessive and continuous borrowing that has not properly been justified by coherent utilisation of such loans and aids. These are the major characteristics that describes this relationship, hence the need for adjustment, striking of trade balance, strict monitoring of Chinese aids and loans objective implementation of the purposes. The paper adopts the Marxian Political Economy theory with dialectical materialism as its defining method to analyse the subject matter. China growing industry needs energy resources from Nigeria while Nigeria needs more of infrastructural development supports from China hence the partnership. In 2006, a concessional agreement for 'oil-for-infrastructure' was initiated. China's relationship has however extended beyond oil as Chinese state-owned banks boost Nigeria's drive beyond oil and also provide loans for infrastructural development, leaving Nigeria in debts. The paper therefore, recommends a more balanced and strictly monitoring of infrastructural development aids from China, while commending the roles China is playing in the Nigeria's infrastructural development.

Key words: Bilateral, Relations, Infrastructure, oil, Development, china and Africa

Introduction

Generally, China's partnership with Africa has shifted from the isolated cold war era ideology to a more aggressive pursuit of economic interest in the form of access to raw materials, markets and spheres of influence through infrastructural development investments, trade and military assistance. The Nigeria-China bilateral relationship thus highlights a fast-growing Afro-Sino partnership at large, which is a gradual shift from the focus on bilateral relations with the West to a better proposition from China mainly on reducing the conditions attached to economic assistance.

China's growing involvement, particularly in Nigeria and the entire Africa, has drawn intense scrutiny and questions, whether the collaboration is beneficial to African countries and their development goals (Onuba & Ndubuisi, 2019). Nigeria's relations with China have continuously grown in the last decade from a limited structured contact which characterized the period before Nigeria's independence to an increasing bilateral engagements propelled by economic interests. Onuba & Ndubuisi (2019) quoting Utomi (2008, p.39) states thus:

China has been resilient and focused in her relations with Nigeria over the decades. Across the years, the Chinese have continued to be Nigeria's major trading partner and a major player in the socio-economic development of the nation since the country is reconsidering its originally pro-west economic stand. It is observable that the Chinese have entered into major agreements with Nigeria in critical areas, like power, mining, railway projects, oil supply among others, thus highlighting the central role China is playing to pivot Nigeria's economic future.

The multinational corporations remain an economic front of China in Nigeria, and solely represents the economic interests of China, even when Nigeria is window-dressing the argument that this is a bad engagement. This has not been healthy in aiding of Nigeria's local content development policy in the oil and gas sector (Onuba and Ndubuisi, 2019). The only deviation here is that the Nigeria-China oil bilateral relations have not really developed the human resource in the Nigeria oil sector, since it is aimed at promoting and securing patronage to its expatriates. Not only is Nigeria's crude oil exploited, also the Chinese and its multinational corporations have refused to show commitment in the area of human resource development in the Nigeria oil and gas sector. Nigeria is still dependent on contractual agreement to support its crude oil exploitation engagements with China and the engagement of expatriates for services in the oil and gas sector (Oyeranti et.al, 2010; Onuba & Ndubuisi, 2019). This has gross economic implications for Nigeria's economic development considering Nigeria's trade imbalance with China, and also the continuous borrowing from China to fix Nigeria's infrastructure deficit.

It is really notable that countries such as Norway, Venezuela, and Malaysia have greatly benefited from their oil and gas wealth and the ensuing bilateral relations entered thereto by harnessing the opportunities provided by development of local content in their oil sectors. These resources both mineral and human resources have been used to transform their economies, particularly in terms of ensuring local firms' increased participation, infrastructure development, job creation, and backward linkage development with local value creation in these countries ranges from 45% to 75% (Sala-i-Martin and Subramanian, 2003, African Development Bank Report (AFDB), 2007, Ariweriokuma, 2009, Tordo et al., 2013; Onuba & Ndubuisi, 2019).

Akin to its increased dominance in trade and Foreign Direct Investment (FDI), Chinese aid and other official economic assistance to Africa is rapidly overshadowing several traditional donors, due to its loan policy of no conditionality. The unconditionality policy to critics encourages debt defaults and hinders good governance and reforms (Broich and Szirmai, 2014; Kragelund, 2008). Furthermore, Chinese assistance and other engagements with Africa is termed "ambiguous" (Kobayashi, 2013; Mawdsley, 2008), because of its divergence from the traditional bilateral and multilateral agencies' and donors' standardised pattern, channels, disbursement modalities, institutions, rules, and norms (Bräutigam, 2009). Thus, China's approach is classified as changing forever the landscape in aid-donor relationship involving resource-endowed and aid-recipient countries in Africa (Nissanke, 2013; Nissanke and Shimomura, 2013; Zafar, 2007).

However, speculations abound mostly from Western commentators who perceive China as a competitor in the acquisition of Africa's natural resources (Alden, 2005; Bing and Ceccoli, 2013; Hanson, 2008). The Chinese government has rebuked some of these contentions by pointing out that its developmental assistance is meant to improve the welfare of the poor, transfer technology, create employment, improve overall bilateral balance, and categorising its engagement with Africa as a win-win, mutual-benefit relationship. In sync with this view, African leaders welcome the upsurge in China's economic cooperation with traditional donors losing grips owing to not satisfactory arrangements. Also, China's assistance in Africa is conspicuous in infrastructure projects in exchange for natural resources as witnessed in Angola and Nigeria. While the China-Angola relations (termed "Angolan mode") is successful, in the case of Nigeria, "oil for infrastructure concession" is unsuccessful.

Although Kobayashi (2013) and Renard (2011) argue that assessing China's economic impact on Africa is premature, our study differs because China's aid effectiveness is not only best evaluated with individual recipient countries, but also to be carried out against dealings with traditional donors. Against this backdrop, the paper explicitly analyses Chinese aid-funded infrastructure projects in Nigeria from the year 2001 to 2012. It is crucial because infrastructure deficiency is a significant development challenge in Nigeria (Alabi, *et al.* 2011; Egbula and Zheng, 2011). Complementarily, China has one of the world's largest and most competitive construction industries, and at the same time enjoys the capacity to provide the required financial assistance (Ogunkola, Bankole and Adewuyi, 2008)

Conceptual Framework

Bilateral Relations

A bilateral relation is the conduct of political, economic, or cultural relations between two sovereign states with the objective of actualizing different though at times common interests. This cannot be so in the isolation of the recognition of sovereign status of states by each other in the international system. Thus, bilateral relations ensue when states recognize one another as sovereign states, and agree to enter into diplomatic relations, thereby creating a bilateral relationship (Onuba & Ndubuisi, 2019). Bilateral relations explain the aspect of relations involving two independent countries aspiring to maximize gains through cooperation in certain areas they are deficient of. States with bilateral ties will exchange diplomatic agents such as ambassadors, high commissioners as the case may be to facilitate dialogues and cooperation in areas of interest. Sino-Nigeria bilateral relations represent bilateral relationship between an Asian economic global giant, China, and Nigeria, an economic giant in West Africa sub region (Alli, 2007; Utomi, 2008).

The relationship between Nigeria and China, which cut across political, trade, investment, aid and military spheres, have grown so much in recent years. Alli (2007) explain that Nigeria-China bilateral relations exhibit an economic relation in which China's involvement is largely driven by an unending resolve for Nigeria's crude oil and market for its surplus manufactured goods. However, this bilateral relations have continuously grown in the last decade from a limited structured contact to an increasing bilateral engagement, with oil and gas playing significant role as a driving force for the unequal partnership (Utomi, 2008).

Theoretical Framework

The paper adopts the Marxian Political Economy theory with dialectical materialism as its defining method of analysis to analyse the subject matter. The Marxian political economy theory is drawn from the works of Karl Marx (1818-1883) and Frederic Engels (1820-1895). Marx and Engels viewed Political economy as a comprehensive social science of change from the profit and exploitative capitalist system to a humane, social and public property system (Akpuru-Aja, 1998). The terms for measuring bilateral relations between countries becomes dependent on the genuine efforts by countries entering into such partnership towards seeking mutual strategies for accomplishing common goals that will encourage economic development between them. Considering this, it has made most studies on bilateral relations between unequal countries (in this case Nigeria and China) to still be viewed as such more beneficial to the stronger of such partnership (in this case China) as it still portrays the reaching arms of international capitalism even within the auspices of South-South cooperation. It considers ultimately how such industrialised and developed countries (China) strengthen their hold on the global economy through their stronghold unto and appropriations of global resources, thus enhancing dependency.

Dependency is a situation in which a certain group of countries have their economy conditioned by the development and expansion of another in which the former is subject. This at various times has been as a result of the economic unequal relationship that exists between the industrialized countries of the centre and the unindustrialized developing countries of the periphery (Santos, 1970).

Within the focus of our study, we shall adopt dialectical materialism as our defining method of analysis within the political economy theory. This is because the Marxian political economy theory operates within a social process which is holistic and thus employing the dialectical materialism method of analysis will help the adequate understanding of phenomena in terms of contradictions, struggles, conflict or even cooperation between opposites that produce new effects. Onyia (2012) reveals that the main idea of dialectical materialism is the significance of economic factors as the major drive that sustains social life. Dialectical materialism is seen as an analytical framework that investigates production and distribution relations, observes the process as an objective reality, highlight the contradictions of development inherent in the production and distribution process. The material conditions of life are in constant process of change due to ensuing tension between conflicting or interacting forces, elements or ideas. Our use of dialectical materialism as an analytical approach will enable us to observe the nature and character of economic and political forces, interlinks and defines the character of the state. It discloses the actual reasons for the poverty and backwardness observed in developing countries (Nikitin, 1983).

The Marxian political economy theory explains the relationship between the inconsistent pattern highlighted in Nigeria-China oil relations and the problem of developing Nigeria's human resource in the oil sector within the local content policy provision. The Nigeria-China relations and Memorandum of Understanding (MOU) in oil are trade agreements that seek to ensure the maintenance of the mutual strategies for accomplishing Chinese goal of uninterrupted flow of oil from Nigeria, and are characterized by the domination of the economically weak economies by the dominant economies. It has been observed that such newly industrialized countries like China constitute a force in the increasing complexity of the world system, as they do not only relate directly on a sub-imperialist basis to the rest of the countries within the same South-South framework, but carefully provides for well-disguised vehicle for manipulation and exploitation of such weak economies like Nigeria (Utomi, 2008; Egbula & Zheng, 2011; Onuba & Ndubuisi, 2019).

Historical Background of China-Nigeria Bilateral Relations

The bilateral relations between the Federal Republic of Nigeria and People's Republic of China were formally established on February 10, 1971 - a decade after Nigeria gained its independence from Britain. Relations between Nigeria and China have expanded on growing bilateral trade and strategic cooperation. China is considered one of Nigeria's closest allies and partners. China is also one of Nigeria's important trading and export partners. According to a 2014 BBC World Service Poll, 80% of Nigerians view China's influence positively, with only 10% expressing a negative view, making Nigeria the most pro-Chinese nation in the world.

Although Nigeria maintains trade relations with Taiwan, and has a representative office in Taipei, it issued a joint communiqué with China in 2005, reaffirming that Beijing was "the only legitimate government representing the whole of China and Taiwan is an unalienable part of its territory" (Shinn and Eisenman, 2012).

Since the establishment of formal diplomatic relations between Nigeria and the People's Republic of China in 1971, relations between the two nations grew closer as a result of the international isolation and Western condemnation of Nigeria's military dictatorships (1970s-1998). Nigeria has since become an important source of oil and petroleum for China's rapidly growing economy and Nigeria is looking to China for help in achieving high economic growth; China has provided extensive economic, military and political support (BBC, 2006).

In 1996, as the Clinton administration lobbied in favor of sanctions against Nigeria, China, along with West-European countries, were unfavorable to a global freeze of Nigerian assets (Lewis, 1996).

In 2004 and again in 2006, Chinese President Hu Jintao made state visits to Nigeria and addressed a joint session of the National Assembly of Nigeria. Both nations signed a memorandum of understanding on establishing a strategic partnership (Taylor, 2007). China has supported Nigeria's bid for a seat in the U.N. Security Council.

In response to the hesitation of the United States and other Western countries to aid Nigeria in their efforts to combat insurgents in the oil-rich Niger Delta region, the Nigerian government has developed close military cooperation with China, which has supplied arms, equipment, training and technology to the Nigerian armed forces. Both nations also signed a US$311 million agreement to develop cooperation in communications and space programs; China helped develop and launch the Nigerian communications satellite (NigComSat-1) by 2007 to expand cellular and internet networks in Central Africa (Cody, 2007).

In signifying the importance of Nigeria, the first official Chinese newspaper in West Africa issued in August 2005 was in Nigeria. In January 2006, China signed the first Strategic Partnership MOU in Africa with Nigeria for the formation of China Investment Development and Trade Promotion Centre in Nigeria, and established a Nigeria Trade Office in China after the intergovernmental Nigeria-China Investment Forum. In December 2006, China's Southern Airlines Company (CSAC) scheduled its first Beijing-Lagos flight en route Dubai (Alabi *et al.*, 2011; Taylor, 2007, 2014). In the same year, Nigeria-China "oil-for infrastructure" development plan blossomed, with oil blocks awarded to China in exchange for infrastructure that is grossly inadequate (Alabi *et al.*, 2011; Bing and Ceccoli, 201 3; Taylor, 2006). However, President Umaru Yar'Adua (2007-201 0) achieved little progress in Sino-Nigeria relations till his death in May 201 0 (Egbula and Zheng, 2011). President Jonathan Goodluck rekindled China-Nigeria relations on his assumption of office as president in 2010. The revived relationship prompted China at the end of 2010 to declare renewed strategic partnership on political, economic and social-cultural cooperation, which made China a close ally of Nigeria particularly in the pursuit of Nigeria's Vision 2020 (Egbula and Zheng, 2011; Ogunkola *et al.*, 2008; Oyeranti *et al.*, 201 0). The Sino-Nigeria relationship developed to the extent that Beijing produced Nigeria's 2011 general election materials (Kafilah and Devadason, 2015).

President Jonathan involved China in infrastructural improvements, industrialisation program implementation, and in all-around economic development till the end of his tenure on 29 May 2015. In consonance with the practice of paying a courtesy visit to a new leader, the Chinese ambassador, Gu Xiaojie visited the president-elect Muhammadu Buhari in Abuja. Likewise, Chinese Civil Engineering Construction Corporation (CCECC) presented a prototype of high-speed rail project intended for Nigeria during the visit (*The Nation*, 2015). In return, President Buhari paid a diplomatic visit to China in April 2016, to consolidate on Sino Nigeria relations, with the readiness to uphold *One China Principle* of no any official dealing with Taiwan and identification of the intended projects as the two most important conditions (*The Nation*, 2016). During the visit, China granted Nigeria loans of $6 billion for infrastructure development, $2 billion for two cement plants in Beijing and a $15 million agricultural assistance to establish 50 demonstration farms across Nigeria.

In January 2017, the Nigerian government ordered Taiwan to move its unofficial embassy out of Abuja, arguing that the African country was a defender of the One-China vision. This order came after Nigeria obtained a $40 billion investment pledge from China.

Chinese Interest in the Development of Nigeria Petroleum Industry

CNOOC started doing business in Nigeria in 2005 and is the largest Chinese entity investor in Nigeria. With a focus on overseas investment, it's also China's largest offshore oil and natural gas developer. The CNOOC is producing 800,000 barrels per day, but it wants to reach 1.2 million. Hence, the CNOOC considers Nigeria as one of the company's largest investment destinations. China's domestic oil production has been on a steady decline because of natural depletion and other geological challenges, so experts predict that up to 80 percent of China's crude oil supply will be imported by 2030.

The Chinese needs mineral and energy resources for its growing industry, hence China has re-oriented and deepened its cooperation with Africa to become a partner in development through the Forum on China Africa Cooperation (FOCAC) in response to providing Nigeria with several infrastructural development, which most times involve the use of Chinese expatriates. In the bid to realize its economic foreign policy outside its borders, China's oil multinational corporations have continuously increased investment in Nigeria's oil and gas sector. Chinese major oil multinational companies can be seen holding tight to critical aspects of the Nigeria oil sector. The China National Off-shore Oil Company (CNOOC) focusing on offshore upstream exploration and production, the China National Petroleum Corporation (CNPC) embarking on onshore upstream exploration and production, while the Sino Petrochemical Corporation Group (SINOPEC) focuses on refining and marketing (Ndubuisi,2018; Onuba & Ndubuisi, 2019).

Nigeria has had a hard time reaching its production targets. There's sporadic militancy in the oil-producing region, as young people often take violent action to demand more access to the country's oil wealth. There's theft happening right at the pipelines. Fires often burn at rusted pipes, and oil operations in Nigeria are disrupted by several reoccurrences of

The story of the Chinese interest in the oil and gas sector began in November 2007, when a Chinese consortium, led by CNOOC Africa Ltd, made a proposal to the president, expressing its desire to acquire a large number of oil and gas assets estimated to contain six billion barrels of oil reserves. With a proposed offer of $50 billion in what they described as "alternative funding for infrastructural development in Nigeria", it was very difficult to resist.

While Nigeria's oil industry welcomes China's interest, lack of transparency in the sector continue to persist, resulting in slow development of the country's renewable energy market.

Chinese Investments in the Nigerian Petroleum Industry

Crude oil is Nigeria's most lucrative export, and the NNPC has not been able to account for billions of dollars in revenue earned from oil. Corruption is also the reason some Nigerians aren't applauding China for pouring money into Nigeria's murky oil industry.

China National Offshore Oil Corporation's (CNOOC) investment and involvement in Nigeria dates back to 2005, and the company is now the largest Chinese entity investor in Nigeria. In 2006, CNOOC spent US$2.3 billion to acquire a 45% stake in Nigeria's OML 130 deep water license which is located in one of the world's most prolific oil and gas basins and contains the Akpo and Egina fields.

The NNPC has spoken of its support for Chinese investment in Nigeria, despite the fact the region has had its fair share of problems. These include sporadic violent outbreaks, when younger people have taken actions including theft as a way to demand access to the country's oil wealth.

The NNPC has reported that Chinese investments in the sector have reached $16 billion. This has buttressed the continuous dependence of Nigeria on Chinese assistance in this sector. The two countries need each other to reach their oil production targets. Africa's largest oil producing nation pumps 2 million barrels a day and has a goal of producing 3 million barrels a day by 2023.

Chinese Interest from Petroleum Industry to Infrastructural Development in Nigeria

In 2006, there was a concessional agreement to exchange four oil drilling blocks licenses for a commitment of $4.5 billion in "oil-for-infrastructure" plan under President Olusegun Obasanjo with China National Petroleum Corp (CNPC). The three projects attached to this initial agreement were: Lagos-Kano railway ($2.5 billion), Kaduna oil refinery rehabilitation ($2 billion), and Mambilla power station. However, all the three projects were on hold due to change in government in 2007. After the unsuccessful concession in 2007, China bid for both controlling interest and to reconstruct the 11 0,000 barrel per day Kaduna oil refinery facilities failed (Bräutigam, 2010).

China's CGC signed $1 million MOU with Federal Capital Territory Administration (FCTA) for construction of houses and water distribution in FCT, Abuja. The projects are to be financed through two $500 million commercial loans obtained by CGC and backed by FCT land collateral. About 1,212 hectares of land near Gwarinpa Estate is provided for the mass housing, while the FCT water project will cover Lugbe and Kuje regions. Discussions between FCTA and CGC commenced in 2010 over the water supply project, but were not yet concluded until 2012. In 2012, CGC offered to execute the project at the cost of $575 million with Exim-Bank loan facility and counterpart funding from the Nigerian government. When completed, more than 60% of FCTA 8,000 square km will get potable water. Also, the FCTA announced that it would embark on the Greater Abuja Water Project through a Public-Private Partnership with a Chinese company and the World Bank

Major Chinese Infrastructural Development in Nigeria

From 2000 to 2011, there are approximately 40 Chinese official development financed projects identified in Nigeria through various media reports. These projects range from a $2.5 billion loan for Nigerian rail, power, or telecommunications projects in 2008, to an MOU for $1 billion construction of houses and water supply in Abuja in 2009, and several rail networks.

Since 2000, trade relations have risen exponentially. There has been an increase in total trade between the two nations from 2000 to 2016 (LeVan *et al.*, 2018). However, the structure of the China-Nigerian trade relationship has become a major political issue, because Chinese exports accounted for around 80 percent of total bilateral trade volumes. This has resulted in a serious trade imbalance with Nigeria importing ten times more than it exports to China. Nigeria's economy is becoming over-reliant on cheap foreign imports to sustain itself resulting in a clear decline in Nigerian Industry under such arrangements**.** In September 2018, Nigeria signed a $328 million loan with China to heavily boost the development of telecommunication infrastructures in Nigeria.

Guangdong Xinguang International and CCECC invest in light rail transit from Nnamdi Azikiwe International Airport to the Abuja city centre and Murtala Muhammed International Airport in Lagos. The Nigerian government made $2 billion available to commence the projects. The Exim-Bank funded $1 billion for this project and another rail project from Lagos to Kano.

China provided the financing for the following projects in Nigeria:

1. Abuja-Kaduna Railway, Abuja Metro Light Rail, Abuja and Port Harcourt Airport terminals
2. Lekki Free Trade Zones, Ogun-Guangdong
3. Zungeru Hydro Power Dam
4. University of Transportation, Daura

In exchange, Nigeria often/systematically hired a Chinese firm to oversee its development projects, such as the 3,050 MW Mambilla hydroelectric Power Station.

Challenges of Chinese Infrastructural Development in Nigeria

In Nigeria, the oil sector represents the primary engine of all its economic activities (Frynas and Paulo, 2007). Hitherto, the Western MNCs from Europe and America are Nigeria's traditional partners in trade, investment and aid, until the emergence of China (Ogunkola et al., 2008). However, just as the case of the China's engagement in Nigeria, the relationship between the West and Nigeria is also tagged as exploitative, based on the structure and patterns of trade and investment in natural resources (Alabi et al., 2011).

More specifically, China came into the Nigeria oil sector through powerful diplomacy and deal of launching the Nigerian satellite in 2006 (Taylor, 2007, 201 4). By bilateral relations, Nigeria granted three majors.

China's SOEs oil fields permit. The first Chinese oil company to enter Nigeria was China Petroleum and Chemical Corporation (SINOPEC) in late 2004. China National Offshore Oil Corporation (CNOOC), and China National Petroleum Corporation (CNPC) arrived in 2006 (Pegg, 2012). The other Chinese SOEs seeks investment opportunities in construction and services. It is worth mentioning that although China's imports from Nigeria in this sector constitute only 2 percent of their total imports from Africa (Egbula and Zheng, 2011), they represent the primary determinant of FDI, aid, (Feng and Mu 201 0) and nearly the total exports to China (Anyu and Ifedi, 2008; Taylor, 201 4).

Subsequently, the concession on resources blossoms as Nigerian government allocates oil blocks to China in 2006. In exchange, China will assist to relieve infrastructure bottlenecks hindering development, forgive debts, and give loans and grants. This plan according to China will produce "win-win" result. However, the plan was short-lived due to change of government in 2007, when late President Ya'radua revoked almost all the deals citing lack of transparency as the basis (Egbula and Zheng, 2011). The main reasons for the dissolution of the oil-for-infrastructure deal are that the rentier state (Nigeria) prefers cash for oil blocks, and the elites will delay development projects for their benefits (Mthembu-Salter, 2009). Downs (2007) cited an instance of jeopardised China's CNPC planned investment in the Kaduna refinery, when the Nigerian government traded 51 percent shares of Kaduna refinery to Bluestar Oil Company owned by former President Obasanjo ally against China's interest. To cover up the Nigerian government's cancellation decision, Irene Chigbue, Director General of Nigeria Bureau of Public Enterprises, claimed that China was not meeting up to expectations and had run into hitches as CNOOC have not been forthcoming with the takeover plans of the Kaduna refinery. By and large, the Sino-Nigeria oil-for-infrastructure failed majorly because some political elite prefers cash benefit to the idea. Secondly, the non-transparency nature of the deal on Nigerian government's part, especially deliberate inflation of the expected project costs, and that the implicit arrangement on the oil-for-infrastructure plan is unknown (Taylor, 2007, 2014). Thirdly, the gross inconsistency in Nigerian government policies, particularly as it relates to reviewing, renegotiating, reversing and nullifying an already signed contract agreement due to change in government. Indeed, this is disastrous as foreign investors lost confidence in the viability of investing in Nigeria seeing these signals and much more on the part of the Nigerian government.

Consequently, the oil-for-infrastructure agreements' suspension affected China's exposure to the Nigerian oil sector and signalled China to be wary of the "oil for concession" agreement for infrastructure development to gain access to Nigerian crude oil – instead, to purchase oil reserves, invest in buying equity shares in oil blocks, and rely on their major international oil companies (IOCs) partners to carry out production and relieve them from the technological demands that come with offshore drilling (Anyu and Ifedi, 2008; Mthembu-Salter, 2009; Quigley, 2014). Thus, to analyse the arguments developed on Chinese oil-for-infrastructure in Nigeria, such relevance would, however, be minimal. Similarly, the impact of China's aid to Nigeria is conflicting as it is often re-negotiated without competitive bidding, coupled with not too transparent nature of China foreign aid dealings. Usually, China's ODA is vastly exaggerated particularly in the case of Nigeria, where from 2000 to 2009 (Bräutigam, 2010), the total amount is $589 million given in five separate loans, against $5 billion total financial commitments as at 2008 (Ogunkola et al., 2008). Nonetheless, we consider the fact that Nigeria a recipient of China's aid is aware of the flows and stocks of assistance received. Hence, foreign assistance is transparent to the individual recipient country. So, it is the responsibility of the government to be accountable and to provide information about the given economic cooperation from China to her citizens as this will help to evaluate the impacts.

Nigeria is among the ten resource-rich countries that account for 70 percent of China infrastructure financing which indicates the importance of Nigeria's future to China (Nissanke, 2013). Although the amount over the years remained low when compared to the economic size, in this framework, we argue that the extent of the overall foreign aid is enveloped by budget constraints laid out annually by the Chinese government. With the required resources to provide infrastructure, technically, China's infrastructure contribution with the aperture to be filled will only be visible, if the government offers counterpart funding on time. On the other hand, so long as economic development projects are private sector-financed due to the host country's liberalisation and privatisation policies, then the assertion of a public goods characteristic of infrastructure is eroded. Therefore, increasing aid through concessional loans rather than grants allows the augmentation of overall aid resources envelope that requires a lesser genuine cost for donors to manage their resources, alleviate constraints and critical development bottlenecks (Nissanke, 2013). The lessons are clear: there is the need for a careful study of the reforms and other measures that have supported the development of the modern-day China for it to serve as useful inputs into Nigeria's development process.

Considering the continued imbalance observed within the context of relations existing between developing countries and the West and its institutions, South-South cooperation has been encouraged as a better partnership between countries aspiring for economic development. One of this is the Nigeria-China bilateral relations which have remained a powerful South-South partnership motivated by economic interests. The Nigeria-China bilateral relationship thus highlights a fast-growing Sino-African bilateral partnership, which is a gradual shift from the focus on bilateral relations with the West to a better proposition from China bothering mainly on reducing the conditions attached to economic help. This bilateral relationship has continuously grown in the last decade from a limited structured contact which characterized the period before Nigeria's independence to an increasing bilateral engagement propelled by economic interests. China's presence in Africa is energized by the search for vital resources and new markets to fuel its economy coupled with a commitment to multilateralism resulting to trade and diplomatic offensive drive (Egbula & Zheng, 2011; Ndubuisi, 2018).

Nigeria-China bilateral relations represent bilateral relationship between an Asian economic global giant China and Nigeria an economic giant in West Africa sub region. The relations between Nigeria and China which cut across political, trade, investment, aid and military spheres have grown so much in recent years. The ever-increasing oil relations between China is driven by China's need for mineral and energy resources for its growing industry and Nigeria desperate search for foreign earnings to finance its budget since Nigeria operates a mono-cultural oil economy. Considering Nigeria's huge population with its market prospects and the oil and gas potential, China embarked on a deliberate strategy to make a friend of Nigeria, and Nigeria reciprocated. Ndubuisi (2018) throw more light on Chinese grasp on Nigeria's oil sector and not just trade highlighting the words of Adeniyi (2011):

The Chinese have structured their economy to ensure intensive and aggressive expansion through state support through policies to the Chinese oil multinational corporations. As many writers and discussants point at the lopsided nature of Nigeria-China bilateral relations due to trade imbalances and the continuous economic dependence on China even to support its budget deficit. China's oil multinational corporations have continuously increased investment in Nigeria's oil sector and stands to reap bountifully even when Nigeria's economy continuously nose dive to a comatose economy depending on China for a breath. Chinese major oil multinational companies have a tight grasp on critical aspects of the Nigeria oil sector (Ndubuisi, 2018; Onuba & Ndubuisi, 2019).

Conclusion and Recommendations

The Nigeria-China Bilateral Relations despite some imbalances in the area of foreign trades of goods and utilisation of loans, could be said to have benefited both countries, especially in filling up the gaps on mutual needs for economic growth, capacity building, human capital development and manpower, energy sources and infrastructural projects. Therefore, as Chinese goods are finding its ways into Nigerian market, that of Nigerian locally made goods outside Petroleum resources should also finds its ways into Chinese market.

Loans should be strictly monitored to achieve its purposes and not be an avenue of indirectly promoting or aiding corruptible practices thereby getting Nigeria highly indebted to China.

More foreign aids from China on self-sufficiency agricultural productivity should also be focused on, seeing how through agriculture China advanced it's raw materials that feeds its industrial products which could be said that contributed much in Chinese industrialisation.

For comprehensive understanding through effective communication in carrying the citizens along in the bilateral relations between China and Nigeria, both English and Chinese languages should be encouraged in tertiary institutions since China is playing more needful key role in the Nigeria economy without much exploitation like those of Western Economic Powers.

It is also observable that within the local content development policy, that Nigeria bilateral relations should enhance both human resource development and mineral resources exploitation beneficial to Nigeria's earnest yearning for economic growth. The local content is a policy initiative supervised by the Nigerian National Petroleum Corporation (NNPC), whose aim is to encourage joint Venture partners to award jobs to Nigerians, so as to increase the expenditure profile in the upstream sector over a specified time frame, hence adding value to the Nigeria economy. Since the policy is targeted at transforming the oil industry through the development of indigenous capacity and capabilities in the areas of manpower, infrastructure/facilities development, promotion of higher small and medium enterprises (SMEs) participation, job creation to enable industrial growth, as well as curtailing capital flight flow from Nigeria, it highlights how this can turnaround Nigeria's dependence on expatriates, especially in the oil and gas sector (Fayebode, and Enahoro, 2009; Ihua, et.al, 2009). Therefore, Chinese involvement in the infrastructural investments and provision of facilities in Nigeria economic key sectors (petroleum resources and infrastructures) could be said to have added strength to local content, and should be encouraged; while Nigerians employed in Chinese firms should be well paid with good working conditions.

There should be more exchange programmes in terms of manpower training and technology transfer from China to Nigeria in order to effectively enhance human capital development and capacity building so that locally, Nigerians can be providing its infrastructural facilities.

References

Alabi, O. G., M. Adetunji Babatunde and E. Olawale Ogunkola (2011). An analysis of China

Nigeria investment relations. *Journal of Chinese Economic and Foreign Trade Studies*, Vol. 4, No. 3, pp. 183-199.

Alli, W. O. (2007). *The prospect and challenges of engaging China*. Lagos: NIIA.

Alden, C. (2005). China in Africa. *Survival*, Vol. 47, No. 3, pp. 147-164.

Anyu, J.N. and J.P.A. Ifedi (2008). China's ventures in Africa: Patterns, prospects, and implications for Africa's development. *Mediterranean Quarterly*, Vol. 19, No. 4, pp. 91-110.

Bing, J.H. and S.J. Ceccoli (2013). Contending narratives in China's African development. *Journal of Third World Studies*, Vol. 30, No. 2, pp. 107-136.

Bräutigam, D. (2009). *The dragon's gift: The real story of China in Africa*. New York: Oxford University Press.

Bräutigam, D. (2010). China, Africa and the international aid architecture. *Working Paper* No. 107. Tunis: African development bank.

Broich, T. and A. Szirmai (2014). China's economic embrace of Africa: An international comparative perspective. *UNU-MERIT Working Paper Series* No. 2014-049. Maastricht, The Netherlands: Maastricht Graduate School of Governance/UNU-MERIT,

Downs, E. S. (2007). The fact and fiction of Sino-African energy relations. *China Security*, Vol. 3, No. 3, pp. 42-68.

Egbula, M. and Q. Zheng (2011). China and Nigeria: A powerful South-South alliance. *West African Challenges*, Vol. 5, pp. 1-20.

Kafilah, G.L. and E.S. Devadason (2015). Chinese engagement in Nigeria's oil and mining: Positive transformation?

Hanson, S. (2008, June 6). China, Africa, and oil. *Foreign Affairs*. Council on Foreign Relations.

Mawdsley, E. (2008). Fu Manchu versus Dr Livingstone in the Dark Continent? Representing China, Africa and the West in British broadsheet newspapers. *Political Geography*, Vol. 27, No. 5, pp. 509-529

Mthembu-Salter, G. (2009). China's engagement with the Nigerian oil sector. *SAIIA Policy Briefing*, 11. Cape Town: South African Institute of International Affairs (SAIIA).

Ndubuisi, U.O (2018). Nigeria-China bilateral relations and development of local content inthe Nigeria oil industry, 2008-2018. Unpublished Dissertation, ABSU, Nigeria.

Nissanke, M. (2013). Shifting grounds in aid relationships and effectiveness debate:Implications for economic development in Sub-Saharan Africa. In: Machiko Nissanke and Yasutami Shimomura (eds), *Aid as handmaiden for the development of institutions: A new comparative perspective*. Basingstoke: Palgrave Macmillan, pp. 48-80.

Nissanke, M. and Y. Shimomura (2013). Institutional evolution through development cooperation: An overview. In: Machiko Nissanke and Yasutami Shimomura (eds), *Aid as handmaiden for the development of institutions: A new comparative perspective*. Basingstoke: Palgrave Macmillan, pp. 1-47

Onuba, C.O & Ndubuisi, U. (2019). An analysis of the structure and character of Nigeria-China oil bilateral relations, 2008-2018. *Renaissance University Journal of Management and Social Sciences*. Vol.5(1), 195-206.

Onyia, S. C. O. (2012). *Nigeria India economic relations, 1999-2007*. Unpublished Dissertation. Political Science Department University of Nigeria, Nsukka.

Ogunkola, E.O., A.S. Bankole and A. Adewuyi (2008). China-Nigeria economic relations: AERC scoping studies on China-Africa Relations. Nairobi: AERC (mimeo).

Oyeranti, O.A., A. Babatunde, E. Ogunkola and A. Bankole (2010). China Africa investment relations: A case study of Nigeria. (Final Report Submitted to the African Economic Research Consortiu (AERC), Nairobi, Kenya.)

Pegg, S. (2012). Social responsibility and resource extraction: Are Chinese oil companies different? *Resources Policy*, Vol. 37, No. 2, pp. 160-167.

Quigley, S. (2014). Chinese oil acquisitions in Nigeria and Angola. *Khamasin: The Journal of the American University in Cairo's Department of Political Science* (Spring 2014).

Renard, M.-F. (2011). China's trade and FDI in Africa. *African Development Bank Group Working Paper Series*, 126.

Sala-I-Martin, X & Subramanian, A. (2003).*Addressing the national resources curse: An illustration from Nigeria*. International Monetary Fund (IMF) working paper.

Santos, T. (1970). The structure of dependence. *American Economic Review* 60 (2),231-236.

Taylor, I. (2007). China's relations with Nigeria. *The Round Table: The Commonwealth Journal of International Affairs*, Vol. 96, Issue 392, pp.

Taylor, I. (2014). Chinese interest in Nigeria's oil and the American context. *Canadian Journal of African Studies / Revue canadienne des études africaines*, Vol. 48, No. 3,

Tordo, S.; Warner, M.; Manzano, O. E. & Anouti, Y. (2013). *Local content policies in the Oil and Gas sector.* Washington: The World Bank.

Utomi, P. (1998). *Managing uncertainty: Competition and strategy in emerging economies*. Ibadan: Spectrum Books.

Zafar, A. (2007). The growing relationship between China and Sub-Saharan Africa: Macroeconomic, trade, investment, and aid links. *World Bank Research Observer*, Vol. 22, No. 1, pp. 103-130.