

Nigeria-China Relations under President Muhammadu Buhari with Particular Reference to “Financial Aids”

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ABSTRACT

Mutual benefits in forms of trade, technological and infrastructural developments, military cooperation and alliance, sustainable peace and security, financial aids and the likes have driven many nation states to engage one another in relationships. The same applies to Nigeria-China relations in which since the establishment of diplomatic relationship in 1971 both countries have strived to explore available avenues to benefit from each other. With this in mind, the study looked deeper into the Nigeria–China Relations under President Muhammadu Buahri with particular reference to “financial aids” to Nigeria. It utilized the secondary source of data collection from textbooks, research articles, journal publications and other online material relating to the subject matter. The dependency theory was adopted to analyze Nigeria’s dependence on China aids for infrastructural development. The research also used content analysis for data analysis. The findings revealed that Nigeria has leveraged on China’s financial aids such as interest free loans and concessional loans to finance her several infrastructural developments. These include the West Africa’s first Urban rail system valued at \$500million in Abuja; the 180km rail line connecting Abuja and Kaduna which was commissioned in 2016. While others like upgrading of airport terminals, the Lagos-Kano rail line, the Zungeru hydroelectric power project, and the Fibre Cable for the internet infrastructure are at various stages of completion. The study also found that the amount of debt accrued from the free interest loans and concessional loans to Nigeria has become a thing of great concerns to many Nigerians as it is estimated that every Nigerian is owing Chinese #15,000. Finally, recommendations were made based on the findings, and they include followings: Nigeria should review her policy stance regarding financial aids especially, from China to forestall the looming danger of debt trap; Except where necessary Nigerian government should avoid incessant borrowing so that the citizens’ future will not be mortgaged; Constant servicing of existing debt is another way of preventing debt accumulation. Nigeria should imbibe the practice; Any loan collected be it interest free loan or concessional loan from China should be utilized accordingly without diversion and; Nigerian government should avoid overdependence on China for all her developmental needs rather there should be a deliberate effort to start small by harnessing the local resources and potentials for national development.

Key Words: *Nigeria-China Relations, Financial Aids, Interest Free Loans Grants, Concessional Loans, Debt Trap*

1. INTRODUCTION

Inter-states relations have become the most common practice among nation states in international relations usually for political, economic, social and cultural reasons. Politically, such relations enable countries speak with one voice in international fora, form alliance to wade off aggression among others; the economic field helps states harness the available opportunities be it human and material resources within their borders, promote trade and investment as well as provide aids; culturally, they can promote their shared values. Whatever be the prominent reason such relationship must be beneficial to the parties involved otherwise it cannot last for too long. The fact that Nigeria-China relations have been sustained for over four decades now is a clear testament to this. Though China is seen as the second largest economy in the world (Griswold, 2009; Kanthan, 2018) with advanced technology, high standard of living, etcetera, it still needs a country like Nigeria to sustain the growth just as Nigeria needs China to better the lives of its citizen and improve her economic fortunes. Thus, since the official establishment of diplomatic relations between the two countries in the '70s (Zoaka, 2013:15; Dauda, 2013:116) efforts have been made to lubricate the relationship through the inflow of aids in forms of interest free loans, concessional loans and other financial deals from China in exchange for access to the oil and gas sector of the Nigerian economy and other international supports. The coming to power of President Buhari in 2015 has not changed the status quo rather more efforts have been intensified towards securing more financial aids from China to finance Nigerian infrastructural projects. In line with this drive, President Buhari in his first visit to China in 2016 sought and obtained aids from China for the development of some projects in Nigeria (Premium Times April, 2016).

Similarly, during his September, 2018 visit to China, the President sought China's financial aids for the construction of 3,050 megawatts Mambilla hydroelectric power project and signed a \$328 million deal on Information and Communication Technology Project (Olowolagba, 2018). Some of the financial aids have been used in the construction of railways, airport terminal and road rehabilitations. However, there are fears that over-reliance on China for financial aids could portend great dangers to Nigerian society as experience has shown with China's aids in form of loans in some African and Asian countries. For instance, countries like Cameroon, Ghana among others are said to be in "high risk of debt distress, as does Djibouti, whose main source of foreign loan is China" (Bavier and Shepherd, (2018). In Asia the burden of loan facilities from China particularly, on Pakistan and Sri Lanka have been widely reported. In these two countries the process of deepening debt has "advanced" and key port and military base have been ceded. Sri Lanka decided to give up it critical "port in a debt-for-equity-swap" following her inability to pay back the over \$8billion loans for the construction of major port in Hambantota and airport facilities (Davidson, 2018).

Furthermore, a report from the International Monetary Fund (IMF) listed eight countries of Djibouti, Maldives, Laos, Montenegro, Mongolia, Tajikistan, Kyrgyzstan and Pakistan who are under China's debt stress and could worsen with the proposed belt and road initiative (Hurley, Morris and Portelance, 2018:16). Interestingly, unlike the Western countries and their institutions, who also give loans or financial aids to developing countries, financial aids coming from China have no strings or special conditionalities like those of the West. For instance, to qualify for loan facilities from the International Monetary Fund (IMF), a country must accept reforms in open market, scrapping of government subsidies, deregulation of key sectors, privatization, debt management, retrenchment of workforce, devaluation of currencies among other (Ekott, 2017; Ibrahim, 2015:135-136). Ekott, who noted that in the past IMF prevented the

low-income countries from obtaining non-concessional, large-size commercial loans, argued that the reverse is the case with China as the country “allows low-income countries access to large-size loans for infrastructure if reimbursement can be guaranteed by lucrative commercial projects such as oil or mines or export revenues” and that “rather than stringent reforms, China allows recipients to choose and implement infrastructural project as they deem fit” (Ekott, 2017). These and other factors, including the eight Principles guiding the Chinese Aids to Africa as well as the desire to close their lingering infrastructural gaps, many countries, including Nigeria have moved towards China for more financial aids in form of loans.

The main thrust of this study, therefore, is the examination of the Nigeria-China relations under the President Buhari with focus on Chinese financial aids in form of interest free loans and concessional loans to Nigeria. It will also discuss how the aids have helped in the funding of some critical projects in Nigeria as well as the implications of such loans/aids on Nigerian society. Accordingly, the paper is structured as follows: Introduction, statement of the problem, objectives of the study, research methodology, theoretical frame work, conceptual clarification, the emergence of China as an economic powerhouse- a position she is leveraging on to provide loans to assist other countries, including Nigeria, Nigeria-China relations in historical Perspective, the President Buhari’s administration and China’s financial aids to Nigeria, Implications of China’s financial aids to Nigeria, conclusion and recommendations.

2. STATEMENT OF THE PROBLEM

Since the establishment of diplomatic intercourse between Nigerian and China in the ‘70s, the relationship has witnessed several phases each with its peculiar characteristics. The government of Abacha, for instance, brought life into the union by establishing the Nigerian-China Chamber of Commerce while that of Obasanjo saw the creation of Nigeria Trade Office in China and a China Investment Development and Trade Promotion Centre in Nigeria (Olasupo and Alokpa, 2017). Obasanjo also signed the oil-for-infrastructure deal with China, giving licenses for four oil blocks in return for the rehabilitation commitment in Kaduna refinery (Rindap, 2015:26). But during the administration of the late President Yar’Adua, the deal was cancelled owing to lack of due process. This, however, did not prevent the continuation of the relationship as the two countries reached an understanding to pursue a Strategic Partnership in power, energy and transport infrastructure (Rindap, 2015). The Jonathan era brought a renew commitment to Nigeria-China relations as China pronounced its new Strategic Partnership Plan with the country, anchoring on “political equality, mutual trust, economic win-win co-operation and cultural exchange” (Olasupo and Alokpa, 2017:117). The government, like its predecessors signed financial deals, including the loan for the Lagos-Ibadan railway construction (Somoye, 2018) among others with the Chinese. Nigeria-China relations under President Muhammadu Buhari have witnessed tremendous growth owing partly to the inflow of financial aids in forms of interest free loans, grants and concessional loans some of which have been deployed in financing infrastructural development like the first West African urban rail in Abuja, the 180km Abuja-Kaduna railway and other on-going projects in railways, road network, airport terminals etcetera across the country. While this is commendable, the continuous dependence on such “financial aids” for Nigeria’s development as exemplified in the recent signing of the \$328 million loan deal for the construction of Mambilla Hydropower Project in Taraba state, among others, by the administration has triggered a lot of reactions from analysts, who expressed concerns about the nature of the aids (loans) coming from China to Nigeria and their implications for the current and further generations, stressing that it could lead to Nigeria’s falling into what Tillerson in Tim

(2018) described as Chinese “debt trap”. Others, including Ezekwesili (2018) saw the deal as a “bad move”, noting that “Chinese attitude to indebtedness is the HARDEST in the world.” The reactions were anchored on the presumption that if Nigeria continues to depend on financial aids in form of interest free loans from China, it might get to a point where the country will not be able to repay thereby incurring the wrath of the Chinese as they did to Zambia recently when they planned to take over her airport due to Zambia’s loan repayment default (krah, 2018). Nonetheless, President Buhari has tried to douse tension regarding the loans, stressing that Nigeria has the capacity for repayment in line with the country’s “fiscal prudence” (Saban, 2018).

3. OBJECTIVES OF THE STUDY

Main thrust of this paper is on Nigeria–China relations under President Muhammadu Buhari with particular reference to financial aids. But in a more specific term the study shall consider the following objectives:

1. To provide an historical overview of Nigeria-China relations
2. To discuss China’s financial aids in form of interest free loans and concessional loans to Nigeria under President Buhari’s administration and;
3. To highlight the various implications of the financial aids, (loans) for the Nigerian society.

4. RESEARCH METHODOLOGY

The paper utilizes historical-descriptive research design. While the historical design helps to provide information regarding Nigeria-China relations over the years, including the President Buhari’s regime, the descriptive lens enables us to explain the various financial aids from China to Nigeria under the President Buhari clearly. Also the data for the study are obtained from the secondary sources, including textbooks, journals, articles in newspapers and other research materials both online and offline. And content analysis proves useful in the analysis of the data collected.

5. THEORETICAL FRAMEWORK

This work adopts dependency theory as a framework for the purpose of analysis. It has been considered fitting and suitable for the subject under investigation due, basically, to the fact that Nigeria in the past few years has depended completely on Chinese financial assistance to address her infrastructural challenges, among others. Dependency can be defined as an “explanation of the economic development of a state in terms of external influences (political, economic, social and cultural) on national development policies” (Sunkel, 1963:23). According to Dos Santos cited in Thomas, (2010:159) “dependency is a situation in which the economy of certain countries is conditioned by the development and expansion of another economic to which former is subject”. The dependency theory emerged in the 1950s as a reaction to the earlier theories that all societies have a similar pattern of development. Its proponents include scholars like Raul Prebisch, Osvaldo Sunkel, Dos Santos among others. Thomas (2010) outlined some of the premises which dependency theory operates to include the followings: “Wealthy nations actively perpetuate a state of dependence in various means. This influence may be multifaceted involving economics, medias control, politics, banking and finance, education, culture, sport as well as recruitment and training of workers; Wealthy nations actively counter every attempts developing nation to resist their influences through economic sanctions or through military means” (Thomas,

2010:158) Dependency also posits that international system is composed of two groups of states referred variously as centre vs. periphery, dominant vs. dependent, the haves vs. have not. While the dominant states are industrial countries the dependent are those of the African, Asia and Latin America (Ibrahim, 2015).

This theory appears germane in explaining the subject under consideration due to what some people considered as the over reliance on China by Nigerian government since the coming of President Buhari in 2015. As already noted, China's financial aids in form of loans to Africa have no strings or conditionalities attached, unlike those from the IMF, the World Bank, Paris Club and other western bloc. Also with the introduction of Forum on China Africa Cooperation (FOCAC) in 2000, China has come to represent "father Christmas" of sort to African nations. As a result many African countries, Nigeria inclusive, are depending so much on China for financial aids in order to address their economic and developmental challenges. While these monies have implications, the administration has continued to rely on them because they are cheaper to get, interest free and have enough time in which they can be used and repaid.

6. CONCEPTUAL CLARIFICATION

6.1 Financial aid

Financial aids as used in this current study, connotes a form of monetary assistance by China to finance some critical infrastructural projects in Nigeria. It is an aspect of foreign aids often given by China to developing nations for the improvement of their society. These aids from China come in three categories as follows: grants, interest free loans and concessional loans. According to Information Service of the Chinese State Council (State Council, 2011; 2014) these three types of aids are differentiated as follows: Grants "are mainly used to help recipient countries to build hospital, schools and low cost houses, and support well-digging or water supply projects and other medium and small projects for social welfare. In additions grants are used in the field of human resources development cooperation, technical cooperation, assistance in kind and emergency humanitarian aid". Interest free loans, on the other hand, refer to loans that are "mainly used to help recipient countries to construct public facilities and launch projects to improve people's livelihood." While Concessional loan are used to help recipient countries to undertake productive projects generating both economic and social benefits and large medium sized infrastructure projects or to provide complete plant, mechanical and electrical products technical services and other materials (State Council, 2011; 2014)

The payment period for the free interest loan is usually 20 years, of which five years is for its use, another five years of grace and ten years of repayment. For the concessional loans, is between 15 and 20 years while the grace period is five to seven years (State Council, 2011; 2014). Although Lancaster in Ibrahim (2015:96) has advanced several reasons nations give aids such as a signal of diplomatic approval; to strengthen a military ally; to reward a government for behaviour desired by the donor; to extend the donor's cultural influence; to provide infrastructure needed by the donor for resource extraction from the recipient country; to gain other kinds of commercial access or to access the economies of the receiving nations for their own economic gains and that; "humanitarian and altruistic purposes are at least partly responsible for the giving of aid", the Chinese aids to Africa, including Nigeria, however, are said to be based on the eight (8) principles laid down by Premier Zhou Enlai since 1963. These principles stated thus: Chinese government would provide aids to African based on reciprocity; China would not attach any strings to its aid to Africa and national sovereignty would be respected; the Chinese government

would provide favourable aid to African countries and would ensure that the aid would not add up to the burden of the recipients; Chinese aid was aimed not to create dependency but to improve African countries' ability to development; the Chinese government focuses on effective investment and intended to increase the income of the recipient countries; the Chinese government will provide good-quality equipment at prices common in the international market; the Chinese government will ensure that personnel in the recipient countries have the technical know-how of the projects build with Chinese aid and; Chinese experts sent to Africa would enjoy no privileges but the same treatment as the local experts (Hongwu, 2013:28). The principles are so fascinating that many African states, including Nigeria have decided to close their eyes and ears to warnings that obtaining loans always from a foreign country, no matter how juicy the conditions are, is tantamount to selling their sovereign rights and a way of killing the ingenuity in them to develop internally.

7. FINDINGS AND DISCUSSION

7.1 The Emergence of China as an Economic Powerhouse

This study will not make meaningful impact without bringing to the fore the history behind China's emergence as one of the great powers in the world. It is this position that she is leveraging on to provide financial aids to Nigeria and other countries today. Accordingly, China is a country located in the East of Asian continent with a total size of about 9,596,960 Square kilometers. It shares land borders with 14 countries: Afghanistan, Bhutan, Burma, India, Kazakhstan, North Korea, Kyrgyzstan, Laos, Mongolia, Nepal, Pakistan, Russia, Tajikistan and Vietnam (Library of Congress, 2016:1). The source above maintained that the country went through tough times- including the October 10, 1911 revolution that led to the collapse of Qing Dynasty (1644-1911) and brought in the Republican Government in 1912; the 1949 revolution that ushered in the People's Republic of China- to become a great nation. Its population is so huge that "If you added up all the people of North, Central, and South America, plus the Caribbean-in other words, all the 38 countries of the Western Hemisphere-you would still need to add 400 million people to reach the size of China" (Griswold, 2009). Though the average individual may not be rich, there is no doubt that China as a nation has transformed itself into a global powerhouse as its Gross Domestic Product (GDP) is now the 2nd largest in the world. And in terms of PPP- Purchasing Power Parity- China's Economy is actually bigger than the US. "This is because \$100 in China will get you lot more than \$100 in America" (Griswold, 2009). The most important question is how did China transform so much that it has not only become a global point of reference in terms of economic and industrial growths but has also been able to render financial assistance to many countries, including Nigeria? Opinion regarding this question varies; however, what is common in all is that China embarked on rigorous reforms internally (Acemoglu and Robinson, 2013; Kanthan, 2018; Wen, 2016 and Morrison, 2018).

For instance, Acemoglu and Robinson (2013: 63) have argued that "... current Chinese growth ... results from a process of economic transformation unleashed by the reforms implemented by Deng Xiaoping and his allies, who after Mao Zedong's death gradually abandoned the socialist economic policies and institutions first in agriculture and then in industries." In the agriculture, the duo, stated that in line with the ideas of Hu Qiaomu, China adopted the household responsibility to provide economic incentives to farmers; replaced the mandatory state purchasing of grains with more voluntary contract in 1985; relaxed administrative control of agricultural prices; granted more autonomy to states enterprises and; identified and granted fourteen open cities freedom to attract foreign investment (Acemoglu and Robinson, 2013:425).

Morrison (2018:1) also noted that “Prior to the initiation of economic reforms and trade liberalization nearly 40 years ago, China maintained policies that kept the economy very poor, stagnated and centrally controlled vastly inefficient and relatively isolated from the global economy. Since opening up to foreign trade and investment and implementation of free market reforms in 1979, China has been among the world’s fastest growing economies with real annual GDP growth averaging 9.5% through 2017, a pace described by the World Bank as the fastest sustained expansion by a major economy in history”.

Similarly, Kanthan (2018) who argued that “for 1800 years India and China were the dominant countries in the world” but “became poor only when the British colonized India and then brought China down using opium,” maintained that “to make China great again, Chinese leaders understood they had to start small. Thus, they first made a deal with the West to manufacture low-end products. Then they offered 50-50 partnership for Western collaboration to open manufacturing plants for cars and computers”. This made Chinese workers became engineers, accountants, managers rather than factory labourers in the chains of production. Secondly, China embarked on massive investment the outcome of which more goods were available for export and in the last 20 years China has export \$5 trillion worth of goods to America and imported 1\$ trillion only. Other measures that assisted China, according to the source, included the authoritarian power of the Chinese government; the strong link between the government and corporation in China; the interest in Trade rather than War and; the avoidance of military competition with the world powers (kanthan, 2018). Wen (2016) posited that the fourth China’s attempt to greatness began in 1978 under Deng Xiaoping when “China refused to take advice from Western Economists and instead took a very humble, gradualist, experimental approach with its economic reforms”. This was done, according to the author, in order to:

1. Maintain political stability at all costs;
2. Focus on the grass roots, bottom up reform (starting in the agriculture instead of in the financial sector);
3. Promote rural industries despite their primitive technologies;
4. Use manufactured goods (instead of only natural resources) to exchange for machinery;
5. Provide enormous government support for infrastructure buildup; follow a dual track system of government/ private ownership instead of wholesale privatization; and
6. Move up the industrial ladder from light to heavy industries, from labour- to capital intensive production, from manufacturing to financial capitalism- and from a high saving state to a consumeristic welfare state (Wen, 2016:11).

With these huge reforms China is now championing global governance, free trade and open global economy, contributing more than 30% of global economic growth, accounting for 70% of global poverty alleviation activities, being the largest source of peacekeeping personnel and second largest contributor to the UN peacekeeping budget” (Xiaoliang cited in Anyagafu, 2018). China has also been rated Number 1 in the production of solar power, number 1 in the production of electric cars, Number 1 in world trade, number 1 exporter, number 2 importer, number 1 manufacturer, number 1 in foreign exchange reserves- it has more than \$3trillion saved up which includes 1.2 trillion treasury bonds, number 1 in market capitalization of stock market (\$7 trillion), “China has the most supercomputers and the most powerful supercomputers on earth”, between 2011 and 2013 China used more cement than America did in the entire 20th century “there are now more than 140,000 Americans who are employed by China affiliated/owned

companies”(Kanthan, 2018). All these have favourably disposed China to contribute to Nigeria’s infrastructural development through interest free and concessional loans.

7.2 Nigeria -China Relations in Historical Perspective

The relationship that exists between the Federal Republic of Nigeria and the Peoples Republic of China has been on for over 4 decades. This followed the establishment of diplomatic relations between the two states on February 10, 1971(Zoaka, 2013:15; Dauda, 2013:116). While this action was significant in that it opened a wide gate for mutual assistance and benefits between the two great countries, local and international occurrences have helped to shape the course of the relationship over the years to their advantage. For instance, in 1995 when Nigeria was confronted with international sanctions on ground of human rights abuse as manifested in the brutal murder of Ken Saro Wiwa and other eight Ogonis by the General Abacha’s led Federal Military Government, Nigeria decided to turn her back on the West and its allied and embraced China, thus leading to the establishment of Nigeria-China Joint Commission in 1995 which has given specific economic direction to the relations (Alli, 2013:75). With the return to democracy in 1999, the relationship became more solidified as Presidential and Ministerial visits are often exchanged between the two countries during which a lot of financial aids are promised and often times delivered. For instance, in 2006 under the government of former President Olusegun Obasanjo, the Chinese government promised an investment worth 4 billion dollars in oil and infrastructure project in return for four oil-drilling licenses in Nigeria (Onyewuchi, 2016). That same year both countries signed a Memorandum of Understanding (MOU) on Strategic Partnership, which has fast-tracked bilateral trade between the two states to the tune of 17,7billion dollars in 2010 (Dauda, 2013:116). In 2003 China cancelled #325 million in debt owed her by Nigeria (Hurley, Morris and Portelance, 2018:30). Onyewuchi (2016) noted that between 2000 and 2011, approximately 40 Chinese official development finance projects were identified in Nigeria to include the \$2.5billion loan for a Nigerian rail, power or telecommunication projects in 2008; the agreements for the \$1bilion to construct houses and provide portable water in Abuja in 2009 and other rail networks. The governments of the late President Musa Yar’dua and Goodluck Jonathan sustained the engagement by not only exchanging normal diplomatic visits but also used such avenues to seek assistance from China for the development of some critical infrastructures in the country. In his visit in 2008 to China, President Yar’Adua in pursuit of his strategic partnership agreement discussed earlier, negotiated a number of agreements with his host, such as “the US\$500 million concessional loan for the projects to be identified by Nigeria, construction of hospital in Abuja to be facilitated by a US\$4.2 billion for the construction of China-Nigeria friendship cultural centre in Abuja” (Okeke 2008 cited in Rindap, 2015:23). Similarly, in 2013 during a visit to China; President Jonathan sought Chinese assistance for the financing of the renovation and expansion of four airports in Nigeria (Onyewuchi, 2016).

In the same vein, the government of President Muhammadu Buhari since assumption of office in May, 2015 has not relented in ensuring that Nigeria benefits from the Chinese largesse. Consequently, on his recent visit to China for the Forum on China African Cooperation (FOCAC) 2018, the President signed a deal of 328 million dollars with his Chinese counterpart. This latest action has, however, generated a lot of reactions from the media. But the President has maintained that Nigeria is on course as he believes Nigeria has the capacity to repay all the debt owing China. It must be stressed also the Nigeria-China relations have not been without challenges. These include the lopsided trade in favour of China, the suspension of the oil-for-

infrastructure deals by Yar'Adua, the issues surrounding the failed Nigerian Communication Satellite (NigComSat-1), kidnapping of Chinese in Nigeria etc.

7.3 The Buharis Administration and China's Financial Aids to Nigeria

Before considering the President Buharis's administration and China's financial aids to Nigeria, it is proper to emphasize that Nigeria has been a beneficiary of several grants and loans coming from different countries and financial institutions. These include the United States, the United Kingdom, Japan, the International Monetary Fund, the World Banks, the European Union, France (through the Agence Francaise de Development), Germany(KfW), Indian Development Bank, etcetera (Suleiman, 2016; Amaefule, 2018). Accordingly, between 2010 and 2015 Nigeria received \$3billion grant from the US government for military assistance, anti-terrorism and defence and security etc. the British gave Nigeria £140 million in aid supporting Nigeria energy privatization in 2015 and £2705 million supporting health, education and poverty reduction programmes; Spain helped to build photovoltaic electricity plant to generate 100 mw in the Nigeria's city of Kano. The World Bank has supported Nigeria with the tune of \$96.28 million from 2001 to 2010 to fight HIV infections (Suleiman, 2016) among others. However, a lot of factors usually made it difficult for such grants to achieve the desired results in Nigeria. One of which is the conditionalities attached to these loans by the lenders. The second is the low amount of grants given by the lending bodies or countries, which are quite insufficient for massive developmental projects. Third there is the issue of misappropriation of such monies by most handlers. Now back to Buhari's Administration. On 29th May, 2015 Nigeria sworn in a new President from the opposition party in person of President Muhammadu Buhari. The event was so spectacular not only because it was the first time such a thing had happened in the country but also because the government came with the blueprints to fight corruption, build the economy, among others, which it found a true partner in China to achieve. Thus, in his quest to fix the economy beginning with the closing of the infrastructural gaps, the President has been working intimately with China. On April 27, 2018 both countries signed a \$2.5 billion currency swap deal to boost local currency liquidity to Nigerian and Chinese industrialists (Udo, 2018). President Buharis has also sought and in most cases obtained loans from China. According to a Press Release by the Presidency dated 15, April 2016 after the Present's first visit to China since assumption of office in 2015, the President praised China for the additional investments worth over \$6 billion his visit was able to attract to Nigeria in different areas of the economy. Thus:

1. In the power sector, North-South Power Company Limited and Sinohydro Corporation Limited signed an agreement value at \$478,657,941.28 to construct 300 mega watts sola power in Shiroro, Niger state;
2. In solid minerals sector, granite and marble Limited signed the shanghai Shibang and an agreement valued at \$55 million for the construction and equipping of granite mining plant in Nigeria;
3. A total of \$1billion is to be invested in the development of the Greenfield expressway from Abuja-Ibadan-Lagos under an agreement reached by the infrastructure bank and Sinohydro Corporation Limited;
4. For the housing sector both companies mentioned above also signed a \$250 million deal to develop an ultra-modern 27storey high rise complex and a \$2.5billion agreement for the development of the Lagos metro rail transit red line project ;
5. \$1billion agreement for the establishment of a Hi-tech industrial park in Ogun-Guangdong trade one in Igbesa, Ogun state;

6. The agreement by Ogun Guangdong free Trade Zone and the CNG (Nigeria) for the construction of two 500MT/day float gas facilities valued at \$200million;
7. An agreement valued at \$363 million for the establishment of a comprehensive farm and downstream industrial park in kogi state;
8. Others under negotiation were the \$500million project for the provision of telephone broadcast equipment and a \$25 million facility for the production of prepaid smart meters between Mojec Investment limited and Microstar Company Limited (Premiumtimes April 15, 2016).

Similarly, in the recent concluded 2018 Forum on China African Cooperation (FOCAC), Nigeria signed more than \$10 billion agreements with others still under discussion by various parties. Among those that have been signed, in agreements or MOUs are as follows:

1. The agreement between the China National Petroleum Corporation, which has agreed to secure funding for the Nigeria National Petroleum Corporation, Ajaokuta- Kano (AKK) gas pipeline to cost \$2.8 billion;
2. The agreement entered by the Ministry of Industry, Trade and Investment with Shandong Ruyi Internation Fashion Industry for \$2 billion, for a first-ever cotton value chain; that is from cotton growing to ginning, spinning, textile manufacture and garment with Katsina, Kano, Abia and Lagos states as the chosen locations;
3. The MOU between the Chinese conglomerate, Capegate Integrated worth \$1.5 billion for energy and organic fertilizer that will cover Abuja, Niger, Nasarawa, Kaduna and Kano to generate: 30MW of electricity, 500,000 tonnes of organic fertilizer, 60,000,000 litres of oil from pyrolysis, create up to 10,000 jobs, 400 garbage collection trucks, various types of city sanitation equipment and one million (1,000,000) waste bins to be deployed;
4. An agreement between the NNPC, the Nanni Good Fortune Heavy Industries Group and Capegate Group for a \$400 million investments across six states to allow for: 90 litres of ethanol, 64 MW of power, 72 tonnes of sugar per annum, 10,000 tonnes of animal farm per annum, 5,5000 direct employment;
5. The Nanni Industries and Capegate Group submitted an MOU to the NNPC for an investment in 15,000 hectares of cassava ethanol in the South-West, and another project of the same value and scale in the South East;
6. Among other agreements that the NNPC signed was one with Obax-Complant Consortium and another with Capegate-Nanning Consortium that targets 10 bio-fuel complexes nationwide;
7. An MOU between the Edo state Government and China harbor for the construction of Benin River Port; the Benin Industrial Park and a 550 barrels per day modular refinery;
8. A funding MOU between Huawei Technologies and the Federal Government of Nigeria, represented by Galaxy Backbone for the training of 1,000 Nigerian government officials to acquire basic ICT knowledge and skills forwarded to the Ministry of Justice;
9. Huawei also plans the annual training of 10,000 Nigerians in ICT, with a wider and deeper training of 5,000 out of this number, who upon certification by Huawei will be employable anywhere in the world;
10. An MOU signed between Khromemonkey Nigeria Limited and Shezen Right Net Technology Limited to set up Amanbo Nigeria, a business-to-business-Consumer (B2B2C) platform and postal that would enable Nigeria exporters to trade with Chinese importers and vice-versa;

11. \$1 billion loan agreement for the rolling stock of the newly constructed rail lines as well as road rehabilitation and water supply project;
12. An agreement on sum of \$328 million for Information and Communication Technology infrastructure Backbone Phase II (NICTBII) project (Shaban, 2018; Olowolagba, 2018 and Vanguard, September 8, 2018)

So far, the financial aids from China have been able to execute some projects in Nigeria since the assumption of President Buhari in office in 2015. This as reported by Shaban (2018) include: the West Africa's first Urban rail system valued at \$500million in Abuja; the 180km rail line connecting Abuja and Kaduna which was commissioned in 2016. Others that are at their various stages of completion which Nigeria leveraging on the \$3.4billion Chinese funding to complete are the upgrading of airport terminals, the Lagos-Kano rail line, the Zungeru hydroelectric power project, and the Fibre Cable for the internet infrastructure. Also financed by the Chinese aids was the new Port Harcourt Airport International Terminal commissioned by President Buhari in October 2018 (Ogbonna, 2018). In recognition of these laudable achievements, President Buhari while commending his China counterpart noted that since "independence no country has helped our country on infrastructure development like the Chinese. In some projects, the Chinese help us with 85 percent payment and soft loans that span 20 years. No country done that for us as far as I can remember" (The Eagles Online, 2018).

7.4 Implication of China's financial aids to Nigeria

As earlier noted, there are growing concerns about the implications of the Chinese largesse being extended to Nigeria in form of foreign aids which come as interest free loans and concessional loans. While parts of the aids have proved helpful in the execution of some projects in the area of infrastructure, many are afraid that it could dent our global image as debtor nation; and that it is antithetical to genuine initiative for indigenous development. We shall examine these concerns briefly below:

7.5 Debt Burden/ Trap

Debt burden is one of the famous implications China's financial aids in form of loans have for the country. For instance, citing a political Analyst, Theophilus Abba, The Daily Trust (September, 2018) estimated that the current Nigeria's debt to China is very huge. This came from the \$3trillion the country has received from China in the last four years. Specifically "the debt comes from the two huge tranches of aid from China: \$3.1 billion in 2014 and \$6 billion for infrastructure in the last three years". Based on this, he came up with a conclusion that every Nigerian owes China \$15,000, having divided the amount by 198 million estimated population of Nigeria. This is not a cheerful report, and as such collection of further loans may put the country in serious debt.

7.6 Compromising Sovereignty

Debt has a unique way of taking away the sovereignty and independence of debtor nation. This is because if a country cannot repay the debt she owes her creditor; certainly, she will be under the mercy of that creditor. Examples are bound to buttress this, but the recent one between Zambia and the same China comes to mind. It has been widely reported that Zambia's inability to repay the loans collected from China led to Chinese taking over its airport (Krah, 2018) thereby undermining its sovereignty and independence. There is a tendency that if Nigeria fails to repay the loan, Chinese could do same to her.

7.7 Undermining Internal Ingenuity for Development

Foreign aids, many have argued, do not promote economic development (Bauer in Thamas, 2010:264) rather they help to kill the ability of a country to harness the potential within, that is, using those natural and local resources to develop itself. For instance, instead of Nigeria looking inward and finding some means of solving her infrastructural gaps she has gone to get free loans that are not entirely free thereby forgetting starting small locally and grow big just as the Chinese did before now.

7.8 Overdependence

Closely related to the above is the issue of overdependence on China for loans by the Nigerian government. The government wants China to build roads, rails, power, airport terminal, dams, and farms; give scholarship to her citizens, etcetera. Though the government has defended its action severely (Saban, 2018), it forgot that this does not speak well of us as a nation that wants to be taken serious among the comity of nations. If this trend is not checked everything that concerns development Nigeria may be waiting for China to respond financially before taking actions.

8. CONCLUSION AND RECOMMENDATIONS

The study noted that Nigeria-China relations started way back in 1971 when the official diplomatic intercourse was established between the two countries. Since then both countries have strived to assist each other through the inflow of financial aids in forms of interest free loans and concessional loans from China to Nigeria in exchange for free access to the oil and gas sector of the Nigerian economy and other supports internationally. Successive regimes in Nigeria have tried to sustain this relationship in one way or the other. The Buhari's administration which began on May 29, 2015 has toed the same line of action as his predecessors, and this has attracted some benefits in terms of financial aids which the government has deployed in addressing its infrastructural gaps in the country. Although this development is commendable, many are worried that overreliance on China for financial aids in form of loans has a lot of negative implications for our country's overall global image especially, now that every Nigerian is said to have owed China #15,000 from the loans so far collected. It is, therefore, imperative that Nigeria takes concrete measures as recommended below to avoid overdependence on Chinese loans thereby preventing the country from falling into another debt trap, having been forgiven by the Paris Club:

1. Nigeria should review her policy stance regarding financial aids especially, from China to forestall the looming danger of debt trap;
2. Except where necessary, Nigerian government should avoid incessant borrowing so that the citizens' future will not be mortgaged ;
3. Constant servicing of existing debt is another way of preventing debt accumulation; Nigeria should imbibe the practice;
4. Any loan collected be it interest free loan or concessional loan from China should be utilized accordingly without diversion;
5. Nigerian government should avoid overdependence on China for all her developmental needs rather there should be a deliberate effort to start small by harnessing the local resources and potentials for national development. In other words, Nigeria should look inward in order to address its numerous challenges as no financial aids from China or elsewhere will be enough to solve them;

6. Finally, Nigeria government should pursue grants from developed countries rather than relying on loans at market interest rates.

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