

POLAC INTERNATIONAL JOURNAL OF ECONOMIC AND MANAGEMENT SCIENCE (PIJEMS)
DEPARTMENT OF ECONOMICS AND MANAGEMENT SCIENCE
NIGERIA POLICE ACADEMY, WUDIL-KANO**CHINA'S ECONOMIC DIPLOMACY AND ITS IMPLICATION FOR THE NIGERIAN ECONOMY: AN ASSESSMENT OF THE MINING SECTOR (2010-2020)****Bridget Auta Mathew**

No. 34 Egypt Road, Agric Quarters, Barnawa Kaduna

Ruth Usman Yusuf

Department of Economics, Kaduna State University, Kaduna

Dr Titus Wuyah Yunana

Department of Economics and Management Science, Nigeria Police Academy, Wudil-Kano

Abstract

This study examined China's Economic Diplomacy and its Implication for the Nigerian Economy: An Assessment of the Mining Sector (2010-2020). Despite the continuous opening of the Nigerian economy to developed nations like China whose economy is heavily diversified with the capacity building to export varieties of produce, especially in this era of globalization in which the country needs to utilize the opportunity in order to benefit more and develop, yet Nigeria is still underdeveloped. The World Systems Theory was adopted as a theoretical framework to guide the study. The choice of the theory is informed by the fact that, the boundaries of a world-system are formed by the extent and reach of a given social division of labour a world-system is a 'spatial/temporal zone which cuts across many political and cultural units, one that represents an integrated zone of activity and institutions which obey certain systemic rules. It also expanded to cover the entire globe absorbing in the process all existing mini-systems and world-empires; establishing market and production networks that eventually brought all people around the world into its logic, and into a single worldwide structure. In-depth Interview was used as an instrument to source for primary data. The study found out that, China's economic diplomacy in Nigeria in the mining sector is not mutually beneficial as it appears. Even though, the Chinese economic activities in the Nigerian mining sector increases the revenue base of the Nigerian government through the payment of tax and royalties, and the country has foreign exchange with regards to mineral export to China. Also, this economic relation is termed to be based on equal advantage when an MOU is signed between both countries, though on document, in reality mineral trading is usually to the disadvantage of Nigeria as a producer of raw material to China, and as a ready market for manufactured goods from China. More also, jobs have been created and will be so with the continued presence of the Chinese in the mining sector, but the jobs created are mostly menial or unskilled as the Chinese also brings in their nationals to take up such jobs, these are jobs that Nigerians can do, and with most of the skilled jobs being given to Chinese nationals. The Environment is an issue of concern, as a result of Chinese mining activities in Nigeria; this tends to have a negative effect on the environment, and the Chinese shows less concern in this regard. The Nigerian government should checkmate Chinese mining activities in order to safeguard the environment and jealously protect the economy, the Chinese investors are to keep the environment at heart while working, and abide by the rules and regulations of mining.

Keywords: China, Diplomacy, Economic, Economy, Mining

1. Introduction

With the emergence of China as a fast growing economy in the world, the need for natural resources and the search for a new market for Chinese goods saw Africa as a target to achieve this aim. This portrays similar intentions inherent in the quest of Europe in Africa, which was mainly to get natural resources and to open new markets for their manufactured goods as China is only a late starter in this quest and had to change tactics by using economic diplomacy. But on the other hand, the approach used by China in achieving this aim in Africa and Nigeria in particular is far different from that of Europe which had hostile approach. Africa is a continent that is endowed with diverse mineral resources, and this had made the continent to continually be an object of attraction to industrialized nations and to any growing global power like China.

According to D'Hooghe (2007:12), China's foreign policy and diplomacy have seen rapid changes; most of these developments have been conducive to its image in the world. China's foreign policy is largely based on its primary aims of economic development and modernization. As China needs a peaceful and stable international environment, energy, and raw materials for its economic growth, it is doing its best to avoid conflicts and dependency on one country or region and to expand and strengthen its foreign relationships. The official cornerstone of China's foreign policy is the theory of harmonious world (Hexie shijie) President Hu Jintao's contribution to party theory.

Daojing (2015) asserted that the notion of "Chinese dream" can also be understood as a new principle guiding China's own development and how the country relates to the rest of the world. It builds on the twin concepts; "harmonious society" and "harmonious world", which emerged at the 16th Party Congress in 2002 and marked the formal transition of an earlier generation of leadership. The concept of "harmony" was officially presented as a guiding principle for global politics at the summit held to mark the 60th anniversary of founding of the United Nations in September 2005. It thus replaced China's earlier concept of a "better world", which had been articulated by the then Chinese Head of State's speech at the 50th anniversary meeting of the United Nations in 1995.

Entry of the fifth generation of Chinese leadership came against the international context of uneven worldwide recoveries from the global financial crisis of 2008. However, what has not changed is China's need for a stable international environment to develop its economy. As the country economy is heavily dependent on the security of its supply chains, China must win the trust and support of the international community of States. On the other hand, what has changed is the size of the Chinese economy.

Nigeria is an African country endowed with diverse mineral resources and crude oil also caught the attention of China's fast growing economy. For instance, the trends of experience inherent in other African countries like; colonial exploitation by the West, the gift of natural resources and crude oil is also found in Nigeria. Thus, the use of economic diplomacy on the continent by China with most of its trading partners in order to achieve her aim was necessary for China because of Africa's experience with the West.

Given this background, Sino-African economic relations tend to reflect China's tremendous economic activities not only in the continent, but also in Nigeria. The continent is considered to be the target of industrialized nations like China that is seeking for resourced rich countries and a ready market for their manufactured goods, in which Nigeria in particular appears to be one even though foreign aids and assistance are usually substituted for such economic activities in the mining sector by China. And in this economic relationship, there tends to be a possible ongoing imbalance in which Nigeria is yet to match up with advanced industrialized nations like China economically, socially and politically. This economic relationship especially in the mining sector appears to present opportunities for Nigeria to utilize and benefit more in this era of globalization, and to trade with caution as Nigeria is yet to match up with China, even though the relationship between them is termed to be mutually beneficial, this therefore calls for further studies.

Africa as a continent and Nigeria in particular has a strong economic relation with China as a result of globalization which makes the world borderless. In this case, globalization in economic, political, cultural, and social dimensions has removed a lot of barriers in state

relations. China uses economic diplomacy in a world of globalization to achieve her purpose in Nigeria through the nature and volume of aid and investment in Nigeria.

This study analyzed the nature of China's economic diplomacy in the mining sector of Nigeria; assessed how China's economic diplomacy in Nigeria, in the mining sector contributes to Nigeria's socio-economic development or underdevelopment and explored the possible measures to be taken by Nigeria to benefit from this economic relationship. The study covers the period 2011-2020 Nigeria and China became strategic partners in 2006 and the intergovernmental Nigeria Investment Forum was then founded in the same year. This research work is organized or structured into five (5) interrelated sections. The first section is the general introduction of the paper while the second section reviews relevant literature and the theoretical framework while the third section explains the research design. The fourth section presents relevant data/materials on the subject under study in the light of which deductions or findings are drawn and related to the assumptions posed in chapter one. The fifth section presents the conclusion which provides a summary and recommendations in the light of the findings made on the subject of study.

2. Literature Review and Theoretical Framework

China's Economic Diplomacy in Nigeria

Ogunkola *et al* (2009) observed that in this era of economic globalization, it has become imperative for any country to engage in diplomatic relations, Nigeria has over the last few decades made this consciously or unconsciously a dominant part of her relations with China. This has seen the penetration and rapid proliferation of Nigerian markets by Chinese goods.

According to Agubamah (2014), both Nigeria and China seek to explore and discover how to strengthen not only diplomatic ties but also expand and deepen economic and technical fields of cooperation. Both want to create mutually beneficial deals by narrowing their differences in order to go beyond normal diplomatic relations. The two countries need to work hard and proactively too in creating mutually beneficial exporting and importing activities and tariffs. Comparatively, Nigeria is still a struggling economy while China is both the fastest growing and second

largest economy in the world. The present locale of China in the world economic system cannot be ignored by a struggling economy like Nigeria. Logically, too, in a fast changing world system, China cannot ignore Nigeria in both economic and overall strategic considerations in Africa. Nigeria remains a potential market in the world at any time. Strategically, China needs Nigeria to consolidate its new-found relations in Africa. For Nigeria, it is time to widen economic and strategic relations to include China as the leading economy in the 21st century. No doubt, the USA is the strongest nation on the world stage, but China is ruling the world economy in the 21st century.

Furthermore, Agubamah (2014) stressed that the relationship between Nigeria and China now is not a Win-Win situation as being claimed by China but rather Win-lose situation as the reality shows. While China's economy is heavily diversified with the capacity building to export varieties of produce, Nigeria is still over dependent on oil as the commanding height of its economy. Daring China includes the struggle to compete with the West within the Nigerian domestic market. On balance, what Nigeria makes out of its present relations with China will depend more on how stable the political system is made, the security climate and the capacity of the leadership to effect a major structural economic transformation of the economy. Evidently, China needs Nigeria for energy and a ready-made market for its cheap and colourful goods. In turn, Nigeria needs China for its rich industrial cluster models, technology transfer, strategic partnership and cheaper credit loans for infrastructural development. Also, Odeh (2011) asserted that China has a growing economy that is hinged on manufacturing activities. Thus, her primary concern with Nigeria from the late 1990's was in line with her desire to secure access to Nigeria's natural resources to fuel her expanding economy. At this point, Beijing makes very concerted efforts to outbid all other Western businessmen on infrastructural projects, providing soft loans and using political means to increase her competitive advantage in acquiring natural resources. In Nigeria, her newly found role as the world's factory of manufacturing goods has created a rapacious craving for a market not only for its cheap goods, but interestingly also for raw materials in Nigeria. One major raw material she needs most is crude oil which Nigeria has in abundance and

which has also placed Nigeria in a good stead in the global oil politics and diplomacy.

As a result of economic globalization, it has become imperative for Nigeria to engage in diplomatic and economic relations with China, and China on the other hand seeks to expand and deepen economic and technical fields of cooperation and seeks to create a mutually beneficial relation which appears difficult to attain as the economic relation between both countries had started long ago. Both countries are important to one another as China's desire is to secure access to Nigeria's mineral resources and a ready market for its goods to drive its fast growing economy and Nigeria again remains a potential market to another fast growing and leading economy in the world, and on the other hand Nigeria as a struggling economy cannot ignore the locale of China in the world economic system.

However, China's claim that its economic relation with Nigeria is a Win-Win situation is considered to be a Win-lose situation as the reality shows. China's economy is heavily diversified with the capacity building to export varieties of produce; Nigeria is still over dependent on oil as the commanding height of its economy. Thus, the political stability and the capacity of the leadership is significant for Nigeria to benefit more in this economic relation. Through the use of economic diplomacy, by providing soft loans, infrastructural projects and using political means China makes concerted efforts to outbid all other Western businessmen in order to increase her competitive advantage in acquiring natural resources.

Egbula and Zheng (2011) noted that Chinese investments are concentrated in the oil industry, manufacturing, construction and telecoms. A study from the African Economic Research Consortium reports that China has established more than 30 solely-owned or joint-venture companies in the construction, oil and gas, technology, services and education sectors of the Nigerian economy. The report also found that FDI from Chinese private investors is mainly in the agro-allied industries, manufacturing and communications. By contrast, Chinese public FDI targets natural resources and infrastructure, particularly in power and transport. Nigeria's investment incentives,

along with its massive reserves of oil and gas, appear to have succeeded in attracting the attention of Chinese investors. According to China's Bulletin of Overseas Investment, Nigeria occupied the second position (after South Africa) among the ranks of African host countries for Chinese Foreign Direct Investment (FDI) between 2003 and 2009.

Thus, while initially driven by its vast demand for energy resources, China's involvement in Nigeria has since expanded far beyond oil. China's public and private companies are making forays into Nigeria's manufacturing and information and communication technologies sectors. They are developing two special economic zones within Nigeria and are building new roads, railways and airports across the country. China is also known for its policy of offering unconditional aid – what it calls “co-operation” – to help in reaching development goals. In an effort to boost Nigeria's agricultural output, hundreds of Chinese specialists are bringing new techniques and technology to bear.

Chinese massive public FDI in Nigeria targets natural resources and infrastructure, Nigeria's investment incentives, along with its massive reserves of natural resources appear to have succeeded in attracting the attention of Chinese investors, particularly in the mining sector. China offers unconditional aid to Nigeria in what it calls “co-operation” to help in reaching development goals, but the lack of interference in internal politics, unlike the West, often result to corrupt practices by the political elites and the masses deprived of their economic benefit in this economic relations, and China on the other hand access the needed raw materials they desire in the country to fuel its burgeoning economy.

Theoretical Framework

In order to explain and understand the topic under investigation, this study employs the World System Theory; this is because the theory offers clearance on the nature and relationship of States in a modern world. Foundational thoughts on relationship among nation states across national boundaries in the era of economic globalization which led to the theorization of the World System Theory by Immanuel Wallerstein Immanuel (1974), Braudel Fernand, Marian Malowist, and Annales scholars among others, is used as a mechanism

to explain the nature of the interdependent and interconnected economic relationship among nation states in the world system, especially between China and Nigeria.

The founder of the "world" system theory, Immanuel Wallerstein (1976), believes that the contemporary discourse on globalization is a "gigantic misreading" of current trends or deception imposed on theory by the powerful groups. He believes that what is called "globalization" is actually the final phase in the development of the world capitalist system that started around the 1450s, and had a period of genesis, normal development and terminal crisis. At the end of the twentieth century the capitalist world-system extended to all regions of the world and reached its geographical limit. One of the main reasons of the crisis is the exhaustion of accumulation possibilities within the system.

The world system theory postulates that the boundaries of a world-system are formed by the extent and reach of a given social division of labour. For instance, the Roman Empire was a world-system, in that all of the lands and peoples encompassed within its realms participated in a single empire-wide division of labour, and were connected by specialized regional roles and economic contributions, and trading networks among them. In Wallerstein's view, a world-system is a 'spatial/temporal zone which cuts across many political and cultural units, one that represents an integrated zone of activity and institutions which obey certain systemic rules'.

3. Methodology

3.1 The Study Area

The study area of this research is Nigeria, and the collection of primary data was conducted in the Federal Ministry of Solid Minerals Development in Nigeria, Miners Association of Nigeria 2nd Floor NEXIM Bank Building Abuja, and CHINIGE Technology Services Nigeria Limited (XCMG) mining firm located at Plot C8 (Glass Building) Abuja Junction, Nnamdi Azikiwe Express Way, Kaduna Nigeria, with its mining site at Birnin Gwari Local Government Area, Kaduna State.

The Federal Ministry of Solid Minerals Development is an agency set up to unlock the economic potentials of the solid minerals sub-sector in Nigeria. The MSMD was established in 1985 as a bold attempt by the Nigerian government to spur the rapid and beneficial development of the country's solid mineral resources. It is an agency set up to unlock the economic potentials of the solid minerals sub-sector.

3.2 Types and Sources of Data

The sources of data for this study are both primary and secondary sources. The Primary Source of Data: Include mainly in-depth interview conducted. While, The Secondary Source of Data: Are materials from published and unpublished works such as; journals, text books, newspapers, internet sources, reports, available conference proceedings and papers, and other sources of aggregate data from Post-Graduate Library, Faculty of Social Sciences, ABU, Zaria, and other documents from Ministry of Solid Minerals Development and the Nigerian Investment Promotion Commission, Abuja.

3.3 Instrument for Data Collection

This research adopted qualitative data as this is based on the quality of the information gathered. Therefore, in-depth interview was used to elicit information so that a holistic understanding of the respondents' point of view is achieved.

3.3.1 In-Depth Interview

Here, open ended and probing questions were employed in order to obtain the relevant data that is related to this research. Therefore, the interview was guided by the interviewer using an interview guide and schedule questions, notebook and voice recorder were used during the in-depth interview, however, one (1) respondent opted to respond through writing. The interviewees are; a Mining expert, a representative of Miners in Nigeria, and a Chinese investor in the Nigerian Mining sub-sector.

The interviews were conducted with key officials/experts in the Nigerian mining sector and with a Chinese investor in the Nigerian Mining sector. It was carried out with a mining Inspector in the Ministry of Solid Minerals Development in Abuja, Nigeria, the President of Miners Association of Nigeria, and the Chairman (CEO) of CHINIGE Technology Service

Nigeria Limited (XCMG), a Chinese investor in the Nigerian Mining sub-sector.

More also, additional data were obtained from a review of official documents and publications relating to China's economic diplomacy in Africa and Nigeria. This was made possible based on the availability of various sources of data and diverse views on China's economic diplomacy in Africa and what it implies on the Nigerian economy in particular: A Focus on Extractive Industries (2010-2015). Data was collected in such a way that the researcher was able to synthesize the data in order to draw inference on the issues that concern this study.

3.4 Population and Sampling Technique

The data for this study was collected mainly from some officials/experts from the Federal Ministry of Solid Minerals Development in Nigeria, the other informant Technology is the President of Miners Association of Nigeria in Abuja, and also the CEO CHINIGE Services Nigeria Limited (XCMG) Kaduna, Nigeria for the purpose of complementing the information. Thus, for the interview, the informants were selected based on their roles, offices, and knowledge specifically to generate experts' ideas on the subject under investigation.

3.6 Data Transcription and Analysis Technique (DTAT)

The essence of DTAT is to transcribe the raw data generated into an instrument for analysis. For the in-depth direct interview, it is instructive to note that before the interviews were conducted, the participants were contacted and informed about the research with detailed overview. Meetings were scheduled by prior notice of the participants and each interview session lasted between 30 to 90 minutes, depending on the individual and response to issues under investigation. Responses from participants were recorded with a recorder on the permission of the participants and were later transcribed into notes.

The transcription process began with a careful reading of the transcribed notes in order to gain overall familiarity with the data from the interviews. The second reading was conducted in order to identify the

salient themes in the data in line with the research problems and objectives under investigation. The last reading was done to establish emerging themes and to place relevant quotes within the different identified themes.

A Triangulation Method was adopted for the analysis of the data generated. This is informed by the nature of the phenomenon under investigation in which interview; secondary sources of data and observation by the researcher were used. This method was adopted so that one source could complement the other to strengthen the research findings. In a nutshell, the data generated from in-depth interview was analyzed using Triangulation Method with all the relevant issues such as research objectives listed in form of themes and sub-themes. Inferences were later drawn from the documentary records and interviews to explain these issues under investigation for the purpose of validity and reliability.

In addition, the qualitative information generated from official documents was used to substantiate the themes and sub-themes of the interviews in order to add to the quality of responses that were derived from respondents. This was followed by the third part of the triangulation which is the observation of the researcher during in-depth interviews on the personality, office, stratum or category of respondents which was used to buttress the information obtained from the respondents and other available documents. In addition to participant observation, the reports or views of scholars regarding a particular theme or sub-theme have been used to strengthen inferences.

4. Data Presentation and Discussion of Results

4.1 The Nature of China's Economic Diplomacy in Nigeria Through their Presence in the Mining Sector

China-Nigeria economic relations in the Nigerian mining sector (even though still debatable) is termed to be mutually beneficial; it has been explained in the literature how China-Africa economic relation with particular reference to Nigeria appears to be mutually beneficial in nature, as Tailor (2009) argues that the posture of the re-affirmation of the principles of China's relations are five which includes: peaceful co-existence and mutual respect for territorial integrity; non-

aggression; reciprocal non-interference in internal affairs; equality and mutual benefit; and peaceful co-existence.

In line with the above in an interview, (15th February, 2017), a respondent noted that “the nature of China’s economic activities through their presence in the extractive industry is symbiotic; they come into Nigeria; establish extractive companies; there is a positive socio-economic impact of this relationship on the communities, for instance, when you have a mining project, there is basically going to be access road created because most of these minerals or mineral deposits are not found in the cities, they are in remote areas, and for you to get there, you have to create access and these are access that are used by the companies most times, then by the nature of their presence no matter how, they just have to employ members of the communities in the skilled and unskilled area. Sometimes the community might not have skilled personnel relevant to that operation, so they will have the unskilled, like the area of security men, drivers and employ them. So, generally, this relationship is symbiotic because it has some mutual benefits because they will invest, pay royalties and taxes and do a lot of things as the law stipulates them. The nature of this economic activities between China and Nigeria is symbiotic in the sense that there is no how you come to a place to invest; you must have subjected yourself to the rules of that country before you can invest and that rules encompass the area of taxation, no company will invest in Nigeria without paying the appropriate tax; no company will invest in Nigeria without employing Nigerians; no company will invest in Nigeria without adding value in the area of the communities and stuffs like that; and in the area of corporate social responsibilities like in the mining sector the law stipulates that there has to be adequate compensation to the owners of the land; there has to be environmental impact. These are things that directly impact on the host community; they usually sign Community Development Agreement (CDA)”.

Accordingly, Ayodele and Sotola (2014) stressed that Chinese investment in Africa is not a threat to African countries and they are full of gains. First of all, Chinese government imposes no political conditions on African governments before signing contracts either for

exploration or other economic activities. Secondly, Chinese firms are willing to invest where western companies are unwilling. Western investors and aid agencies are unwilling to invest in areas such as: physical infrastructure, industry and agriculture.

More Also, as contained in a Road Map document by the Federal Ministry of Solid Minerals Development (2016), Nigeria has developed a framework strategy to drive growth, through coordinated infrastructure investments in skills development programme, technology transfer agreements, and community development programmes.

According to Lang (2012), China insists that its interactions with Africa are “mutually beneficial”, yet this claim has sparked debate around the world. Enthusiasts of Sino-African relations argue that it is beneficial for three main reasons: first, that China’s growing aid to the region has allowed for the improvement of African infrastructure; second, that the trade between the two regions has increased African earnings; and finally, that China is willing to support the continent with “no strings attached”—unlike Africa’s typical ties with the United States and Europe. Yet, critics question if China’s recent economic activity in Africa is but in fact neocolonial and that China’s principle of ‘non-interference’ towards the continent allows Chinese enterprises to operate freely despite African state issues of respect of democracy, human rights, and environmental norms. Enthusiasts counter this claim by noting that unlike previous exploitations of Africa’s natural resources that were seized forcefully, China now deals with sovereign and independent African states. This argument can be true for certain countries on the continent, but it is not valid for countries such as Angola, Sudan, and the Republic of Congo—which are some of the most corrupt nations in the world.

Similarly, in an interview (16th August, 2017) another respondent noted that “Mining in Nigeria is a hopeful work because in China there are policies on environmental protection, so there is need for you to pass through the process to be sure to maintain the environment, in extracting materials from the soil”. The presence of China in Nigeria is a mutual benefit, as we bring in High Tech. develop the community, and we

also make profit and the government benefit also. Before now in Zamfara state and Birnin Gwari in Kaduna state, they use calabash to wash gold using the local method, but with the coming of the Chinese we now use Cyanide (NaHN) and Mercury (Hg) as all these has helped”.

More also, Rindap (2015) submits that attempts by Nigeria to participate in global economy has to a large extent been stifled by poor technology. As a result, China has become its best partner in terms of technological transfer. However, concern has been raised over the role of China in this regard (Akongbowa 2008), increasingly; the technology transferred from Chinese FDI is insignificant because most of the Chinese firms bring into the country complete equipment with Chinese technicians. This was the case with the Zamfara State Government.

The government signed a US\$250 million agreement for the construction of three new processing and smelting factories in the state. Under the joint venture projects, Chinese companies had 90 percent in each of the joint venture projects while the Zamfara government had 10 percent. The Chinese firms will design the projects, select appropriate technology, buy all the equipment, install and run them while Zamfara government will provide land, acquire both exploration and mining licenses, provide security for the Chinese investment and employ 5,000 local miners (*Thisday* July 7, 2010, p.70).

For another respondent in an interview, (6th July, 2017) “Chinese like other international business investors are in Nigeria for different reasons, some are here for manufacturing reasons, they have few manufacturing companies, others are here for the purpose of trading and they buy whatever they like of interest, but greater part of them came here for mining purposes, some of them are venturing into exploration, some have started mining, but a bulk of them are busy in trading of minerals resources, so basically these are the categories of Chinese who are here, of course some are here for diplomatic reasons, so but on the angle of business, most of them are here for mining related business”.

Thus, it should be noted that China’s economic diplomacy in Africa, with particular reference to Nigeria, hasn’t benefited as expected their presence in the Nigerian mining sector appears to be that of a fast

developing nation seeking for resources, but with an approach that appears to be mutually beneficial. They create jobs which are mostly classified as unskilled or menial to Nigerians and communities experience minimal development to an extent, through the construction of roads which mainly lead to the mining sites in the process of trying to gain access to the mineral deposits. And the roads are not constructed mainly for the communities but to access mineral resources. Although the government generates revenue through payment of royalties and tax by the Chinese investors in the Nigerian mining sector, and land owners are usually compensated by the investors through the signing of Community Development Agreement (CDA); and those they cannot employ, they train them and make them fit for employment in other organizations, even though the Chinese investors introduce High-Tech. equipment to make the mining process easy while extracting mineral deposits from the soil using Cyanide (NaHN) and Mercury (Hg), the technology transfer is inadequate and insignificant as they are injurious to human health in the process of its application by Nigerian miners. And on the other hand, as cited by one of the interviewees, the Chinese investors benefit from this relationship through access to mineral deposits in Nigeria which they need because of the rapid industrial demand in China, and they make profit in this economic relationship in the Nigerian mining sector, thus making the economic relationship an unequal one, as they access more mineral deposits and secure a large ready market for its finished goods in Nigeria.

4.2 The Basis of China’s Economic Diplomacy with Nigeria

China-Nigeria economic relations, particularly in the Nigerian mining sector, are an issue that is of interest to actors in the international system, as critics see it as nothing but another phase of imperialism termed. Thereby looking at this form of economic relationship as based on unequal advantage, as China is seen as a developed nation and Nigeria is in the category of the underdeveloped and struggling economy. Thus, Agubamah (2014) observes that both Nigeria and China seeks to explore and discover how to strengthen not only diplomatic ties but also expand and deepen economic and technical fields of cooperation. Both want to create mutually beneficial deals by narrowing

their differences in order to go beyond normal diplomatic relations. The two countries need to work hard and proactively too in creating mutually beneficial exporting and importing activities and tariffs. Comparatively, Nigeria is still a struggling economy while China is both the fastest growing and second largest economy in the world. The present locale of China in the world economic system cannot be ignored by a struggling economy like Nigeria. Logically, too, in a fast changing world system, China cannot ignore Nigeria in both economic and overall strategic considerations in Africa. Nigeria remains a potential market in the world at any time. Strategically, China needs Nigeria to consolidate its new-found relations in Africa. For Nigeria, it is time to widen economic and strategic relations to include China as the leading economy in the 21st century. No doubt, the USA is the strongest nation on the world stage, but China is ruling the world economy in the 21st century.

For a respondent in an interview (6th July, 2021) he noted that “am afraid it cannot be of equal advantage, because global mineral trading is usually to the disadvantage of the producer, because in most cases you don’t add value to the point of any use in the country of production, what we usually see is where these minerals are produced, we do not have the technology to process such minerals to end use, therefore what we usually see is that, the countries where these minerals are produced are sold to the advanced countries, China, Europe, US to process it and ironically send it back to such countries as finished products, now the double irony is, the buyers decide the price of the raw materials which comes in form of minerals, after being processed, they also decide the price of the finished products, when they buy it at their own price, they also sell it to us at their own price, so if you like, they have double advantage unfortunately. So it is not on equal advantage”.

In line with the above submission, Shelton and Kabemba (2012) posit that the central challenge for African governments is to ensure that interaction with China is both politically and economically mutually beneficial. The suggestion that the Sino- African relationship is a “win-win” formula regrettably often translates into a win for China and a win for African leaderships, but not necessarily for the African people.

Rather, the ideal interaction formula should be a “win-win-win” (triple-win) approach, through which China benefits, African elites benefit, and ordinary African citizens also share in the fruits of Sino-African relations. Developing the triple-win formula demands that Africa maximizes rewards from any relationship with China, ensuring a constructive and rewarding long-term partnership.

However, Agubamah (2014) stressed further that the relationship between Nigeria and China now is not a Win-Win situation as being claimed by China but rather Win-lose situation as the reality shows. While China’s economy is heavily diversified with the capacity building to export varieties of produce, Nigeria is still over dependent on oil as the commanding height of its economy. Daring China includes the struggle to compete with the West within the Nigerian domestic market. On balance, what Nigeria makes out of its present relations with China will depend more on how stable the political system is made, the security climate and the capacity of the leadership to effect a major structural economic transformation of the economy. Evidently, China needs Nigeria for energy and a ready-made market for its cheap and colourful goods. In turn, Nigeria needs China for its rich industrial cluster models, technology transfer, strategic partnership and cheaper credit loans for infrastructural development.

But on the other hand, the study has revealed that the terms of this economic relation in the Nigerian mining sector as contained in a Memorandum of Understanding between Nigeria and China and as stated by an interviewee is based on equal advantage. As China is now dealing with an independent sovereign state, then, the relationship that existed between Nigeria and her colonial masters (the West) who only exploited and left little or nothing for her colonies to benefit.

On the contrary, in an interview (15th February, 2021), the respondent noted that, “basically, for any Memorandum of Understanding (MOU) to thrive or be accepted, it has to be based on equal advantage, the contents will stipulate or select areas that Nigeria will benefit and will be advantageous to Nigeria, and China too will bring areas that they feel are advantageous to them so the two parties will now sit down, look at the whole thing and select areas that will not be beneficial to any of the parties and take it off, then the area that is

mutually beneficial is what will form the equal advantage. Those areas that will be seen that is non beneficial to any of the parties will be struck out, then what will be the terms will be those areas that are mutually beneficial, that is where the two parties will now give their signatures, so if there is any area that any party does not agree with, none will agree because before it goes to the process of formulation, concession and final signature, a lot of people will have examined it from all aspects. So, if there is any point in time it seems to be non beneficial to Nigeria, the item that is non beneficial will be taken off. A bilateral relationship generally is like a dialogue between two countries, we come up with our lists that we believe is of benefit to us and they will come up with their own; we now sit down and dialogue and come to a central position if it will not benefit us, Nigeria will not assent to their own. For instance, now you have a mining company, before you know, there will be ancillary operation around, there will be growth of settlement and towns and a lot of things which ordinarily wouldn't have been. So, if you want to look at it either it is basically unequal, it is the content of the MOU that will determine what is valuable, you would have made your priorities that this is valuable to me if this is done, in this case, you don't pick up an item and say you want to look at it in terms of comparative value based on what they bring and what we have. But, basically, what is usual in this case is that any person coming into our own country we give them the rules and regulations and you telling them to come in and do this, but you must do it within our own rules; we are not going to waive rules for you because we are telling you "come in", what applies to indigenous company will apply to any foreign company coming in. For instance, if you are investing, there are rules or a law that allows tax holiday, that is, you are going to produce for a particular number of years before you pay tax, we have tax waiver, or tax incentives to bring in equipment as it applies to other companies it equally applies to the company under the MOU, and then the procedure doesn't just apply directly like that, you will have to undergo a particular process, for instance you will have to apply, tender all necessary documents, we verify that it has comply with the laid down standard and requirements before it is being approved".

Also, as contained in an (MOU between The Ministry of Solid Minerals Development of the Federal Republic

of Nigeria and the Ministry of Land and Resources of the People's Republic of China) Article:1(a) states that "the purpose of this Memorandum of Understanding is to promote cooperation in the fields of mining and mineral resources between the parties on the basis of equality and mutual advantage, taking into account the experience of their specialists in the said fields".

Thus, the economic relationship between China and Nigeria is based on equal advantage on document, this is because, for any Memorandum of Understanding (MOU) to thrive or to be accepted, it has to be based on equal advantage, the contents stipulate or select areas that Nigeria will benefit and will be advantageous to Nigeria, and China too will bring areas that they feel are advantageous to them so the two parties will now sit down, look at the whole thing and select areas that will not be beneficial to any of the parties and take it off, then the area that is mutually beneficial is what will form the equal advantage. Yet, in reality, global mineral trading is usually to the disadvantage of Nigeria as a producer of mineral resources, minerals are produced in Nigeria and it doesn't have the adequate technological transfer from China to process it to end use. China imports solid minerals from Nigeria and exports or sends finished products to Nigeria. They decide the price of the raw materials and also decide the price of the finished products, but they buy solid minerals at their own price and sell whatever they produce at their own price also. By this, they have double advantage, and Nigeria a single advantage of exporting solid minerals.

4.3 China's Impact on Nigeria's mining Sector and the Nigerian Economy

Insights from the themes discussed so far has shown that China's economic relations with Nigeria in the mining sector is not mutually beneficial as it appears, however, it will be further assessed on the actual relationship between the variables before discussing how they impact on the Nigerian mining sector and the economy as a whole. From the information gathered and discussed thus far, it has been established that the link between the variables has shown that China-Nigerian economic relations in the Nigerian mining sector has been more of the negative than the positive.

China's spectacular economic growth offers new opportunities for Africa, but also major challenges. The World Bank has confirmed that China's growing trade

with Africa has already given the continent a ‘major boost’ and the prospect of increased trade promises to deliver additional benefits for both Africa and China over the longer term. Chinese investments in Africa clearly boost local economies and create new commercial opportunities in domestic markets. Specifically, China’s investments in hydrocarbons, mining, infrastructure and telecommunications are immensely beneficial for Africa’s development. Chinese investments will, over time, promote the establishment of small enterprises in Africa and concomitant employment opportunities. The International Monetary Fund (IMF) estimates that Africa’s growth overall is close to 6 percent – the highest in 30 years – due in large part to China’s growing investment.

Starting from the positive category, in an interview (15th February, 2021), a respondent emphasized that, “impact in mining generally, if we want to say impact, a particular country or activity may not have direct impact immediately, but we look at a long term process; what will be the benefit at the long run it might start immediately and may not be yielding, that is because mining has a long gestation period. For instance, there are certain minerals you don’t just go in and exploit; you must go through exploration, when you explore, then you generate some certain information after which you are now convinced that what you are looking for is there economically before you can get a license that can enable you to extract. So, that process equally helps the country to gather some data base on the mineral being exploited. So, that alone is equally an advantage to the country that the exploration is going on. After they settle down, they start the process of extraction. There are other processes that one has to follow; so, at the long run you will see that it is beneficial and has a positive impact on that sector of the economy because most times these products will be taken out and then it is documented at the destination, and it will be known that this product comes from Nigeria against what people might have believe”.

Another respondent in an interview (6th July, 2021) noted that “well, positive and negative impact. The positive impact is that they buy whatever that is being produced and the producers need market to sell their products; so, there is a boost in the market. The purpose of production is to sell; when you produce and you

don’t see somebody to buy, it affects the production zeal, but the positive impact is this; we have buyers of what is being produced. The negative impact is this; they do not limit themselves into production, sometimes they venture into serious excavation, not mining, they just bring out whatever is there and then leave, of course, in most cases, with active connivance of Nigerians. You know, sometimes they excavate on a licence that is purely exploration licence; they went into mining. So, all these negative impacts are there. And sometimes they don’t pay government required taxes and royalties, off course with the connivance of Nigerians. So, if you like, you can call this the negative impact”.

In an assessment of China’s engagement in Africa and Nigeria in particular, Shelton and Kabemba (2012:57), suggest a significant range of benefits and potential benefits, as increased African raw material exports to China clearly benefit national economies. The International Monetary Fund (IMF) has reported that Africa’s increasing growth rate is partly due to increased commodity demand from China. African analysts suggest that “the impact of trade and bilateral relations between China and Africa have been immensely beneficial.” Raphael Kaplinsky’s research on China-Africa trade suggests that China is driving up the demand for oil, gas and other primary products, which has “positive direct and indirect benefits on resource-exporting African economies.” As the Chinese economy grows and the Chinese middle class expands, the range of export opportunities to China will become enormous. Western commentators are quick to criticize China without objectively comparing China’s present African engagement with the legacy of Euro-American interaction.

Nevertheless, one of the respondents also view the impact as negative as the Chinese miners do not limit themselves to only mining, they venture into serious excavation, in most cases, with the active connivance of Nigerians. And sometimes they don’t pay the required royalties and taxes.

4.4 The Extent at which China’s Economic Diplomacy Through their Activities in the Mining Sector Contributes to the Economic Development or Underdevelopment of Nigeria from 2010-2020

China's economic diplomacy in Africa through their activities in the mining sector has seen the tremendous occupation of the Chinese in this sector in the Nigerian economy thereby boosting economic activities in this sector that has been almost dormant as a result of Chinese investment in the mining sector. Minerals are extracted and exported in large quantities instead of lying dormant, and this has also created employment opportunities (though mostly unskilled or menial) for Nigerians in this sector of the economy. However, it will be further assessed here to know whether their presence in the extractive industry, particularly in the Nigerian mining sector, contributes to the development or underdevelopment of the Nigerian economy.

In an interview, (15th February, 2021), a respondent observes that "The mining sector, though considered very small, is very big. If you take a look at the interests out of all the minerals we are having, the impact will be based on the number or area of minerals that the Chinese express interest in, if it is, may be out of the one hundred (100) we are having, and they express interest on may be one or two, the impact will be based on the interest. Basically, the minerals that most of the Chinese have shown interest in has been basically on quarry-able minerals, that is, the rocks we are seeing which is used as construction materials locally; the other area has been on non-ferrous metals like manganese; they mine it and export it to their country. Basically, there are some they buy from other people, and at the same time they stimulate the activities of those companies. For instance, a local company that is mining, for example lead or zinc, they might have interests from China, if they establish a particular quality that this people have, a quality that they require, they will now go into the quantity they want over a period of time when they get into an agreement; so, if they buy from these companies, for instance, if the company has been producing five tons a day, when they have request for higher quantity, they may increase their output and that may create more employment. So, that will positively impact; it will equally impact on the revenue base, the number of people employed is going to increase with scale of operation, it has a positive impact on the economy".

Accordingly, in an interview (6th July, 2021), one of the respondents noted that, "when people come with money and they spend such money in your country, no matter

how you look at it, it will have some positive economic impact. And as I said, some of them are into exploration; as they are exploring, they have to spend money, and some Nigerians will be employed and money in circulation will increase; so, I think their presence has impacted positively even if not much on the economic activities of the country, notwithstanding the other negative aspect of their presence which I highlighted".

In addition, Chinese investment provides additional source of investment capital at a time when aid alone is unable to address unemployment, poverty alleviation and generate a significant multiplier effect through the local economy by the way of sourcing and provision of local management expertise and technology transfer. To make this happens; China has taken up some measures. Cheap consumer goods still account for high proportion of Chinese export to Africa. It has indicated its readiness to support Africa's product value chain.

4.9The Implication of China's Economic Diplomacy in Nigeria Through their Presence in the Nigerian Mining Sector from 2010-2015

The economic relations between the two countries have witnessed a number of Chinese investments, and conclusion of a number of bilateral agreements. In an economic relationship between Nigeria and China, just like with any sovereign state, rules and regulations have to be met in order to benefit both countries, especially Nigeria. The implication of this economic relationship is being looked at in both the positive and negative aspect, thus, a Memorandum of Understanding stands as a reference point for both countries to play by the rule in order to achieve good results in the economic relationship.

In an interview (15th February, 2021), a respondent opined that "basically, the presence of any particular country in respect of a particular industry has already been cast and one can not deviate, it is like a marriage; it is law and it is a rule that I am coming to this country because these are the things that I want. If you are coming in, these are equally what I want from you; you put in the terms if you are taking this from here we want you to take this. So, it is all listed out and everyone is protecting his own interest. Nigeria is protecting her own interest; China too is protecting its own interest,

though there are times that some people are more advantageous than the other, but they don't negotiate or bring terms from disadvantaged position; they bring terms based on what you see will be the overall interest to the country. So, generally, in respect of these, it is that which protects the economic interest of Nigeria, otherwise it won't stand. Before any country goes into MOU and before it is even drafted, people will sit down from all the various sectors and look at what is relevant to it either from security of the experts, that of technocrats; they will look at it, will it be beneficial in any way? Which way? They look at the complete setting before it will be advised. That is why we have advisers. So, a lot of these people will look at it; if it is seen that it will be beneficial to the country in all aspects, they will be advised to go ahead, but if it is not, it will not see the light of the day. A lot of people involved would have looked at the document and advice that this will not be beneficial to the country. For instance, a company coming from China to invest in Nigeria in the mining sector, the mining firm must comply with all the rules and regulation of mining; that is mining act and then the policy. It has to be in line with the regulation, that is, mining regulation because everything is been spelt out. So, the person has to go by this law, because the laws are there to safeguard and protect the interest of Nigeria in that sector. Thus, with all these, the Chinese activities in the mining sector have a positive implication on the Nigerian economy".

On the contrary, in an interview (6th July, 2021), a respondent argued that "the implication can be viewed from different angle; their nature of mining today has a long term implication because if, as they do now, just excavate the place without specific programme that will graduate to mining rehabilitation, the implication is environmental destruction. You see, today's mining requires a number of things. First of all, after exploration, you have to plan in your mind; what do I need? How do I do it? What type of equipment do I need? How do I remove what I am looking for? After finishing what I have removed, how will I reclaim the land, and then leave the land better than I met it? That is modern mining; and that is why in modern countries if you see a mining field it will look as beautiful as Millennium Park, very beautiful, you wouldn't know that something was extracted, and this plan should be made right from the beginning. Before you will even

start the mining, you should have your entire plan in place. I am not sure if Chinese would do that; their own is just to remove whatever they see. So, the long term implication is going to have an environmental destruction, and that will obtain some danger to our environment. In the economic aspect of the implication, it can be looked at in two ways; government inability to properly police the revenue collection aspect because ordinarily nobody will like to pay, but if there are laws and people that will enforce and oversee if you don't pay, and there are sanctions and so on. People will be compelled to pay tax, but where nobody polices the Chinese, nobody looks after them to say "hey did you pay your royalties"? you know? It will also have a negative implication on the economy if they are allowed to continue what they are doing. The positive implication on the economy is that they create some employment and they bring money and money circulates in the economy; so, it affects normal day to day business in the country".

Furthermore, another respondent in an interview (16th August, 2021) submits on this point that "Nigerian revenue base increases due to the payment of royalties by the Chinese extractive industries to Nigeria. The presence of China helps in diversifying Nigeria's economy from reliance on oil to mining. The presence of China helps in bringing modern technologies for Nigerians to see and learn, and helps local miners to carryout modern mining instead of the local or traditional method of mining mineral deposits.

In view of the above clarification and given the fact that, the implication of China's economic diplomacy in Nigeria in the extractive sector and mining in particular is both positive and negative, Gold and Devadason (2015) note that the macro implications of China's engagement in the extractive sector of Nigeria suggests positive and negative transformations for the latter, the micro-level effects remain unclear. More importantly, 'beneficiation' or 'resource nationalism' has to be accounted for, to provide a nuanced understanding on whether China's involvement in Nigeria has been meaningful and transformative for the latter. The effects on the local economies and local communities, in terms of domestic linkages, spill-overs (technology and skills), job creation, labour standards/human rights and environmental concerns are core to understanding beneficiation from China's engagement in the extractive

sector of Nigeria. In terms of employment for the extractive sector, which is relatively less labour intensive, recent statistics indicate that more than 8,000 jobs have been created in Nigeria through cooperation with China (China Daily, 11 November). Notwithstanding that, the labour unions have complained about poor working conditions and the low wages paid to Nigerian workers in the Chinese companies. In the context of the oil and mining sectors in Nigeria, the employment generation following China's growing involvement and the adherence to labour laws by the Chinese companies remain unknown. Broadman (2007) is sceptical of employment creation in large numbers in the sector, given that it is capital intensive, and the sizable growth of imported Chinese labour. As contained in (Daily Times, 28 April 2015), the outlook on employment generation appears even more dismal with the recent news of unregistered Chinese companies, engaged in illegal mining in Nigeria, displacing the local of jobs as these companies' recruit Chinese workers. Following from such illegal and unregulated mining, rivers contiguous with the mining fields are being polluted with hazardous wastes. Further, China's poor environmental track record at home have also raised fears that environmental concerns in the extractive sector in Nigeria will not be given the due priority by the Chinese companies leading to further degradation.

The implication of China's economic diplomacy for the Nigerian economy in the mining sector reflects the continuous export of solid minerals to China and the import of finished or manufactured products by Nigeria. Though their economic activities in the extractive industry, particularly in the mining sector, pose to be more of the negative than the positive, to a certain degree, the presence of the Chinese in the Nigerian mining sector will keep creating jobs (though unskilled or menial unless if checked) for Nigerians in this sector, even though there are cases of the Chinese not keeping to the rules of employment quota of Nigerians and as well the expatriate quota and the violation of labour laws. The nature of mining has a long term implication; the Chinese excavate without specific programme to rehabilitate the environment, and the implication is environmental destruction and degradation, as the Chinese show less concern in the rehabilitation of the environment in Nigeria after mining because their main concern is to excavate and remove mineral deposits.

The long term implication is going to have an environmental destruction and it is dangerous to the environment. The positive implication for the economy is that some employment (though unskilled or menial) will be created, and money will circulate in the economy, and it will affect the day to day business in the country, so far as the Chinese keep operating in Nigeria. Also, their presence helps in making the Nigerian mining sector to be more active unlike the less active sector it used to be. And their inability to pay the required tax and royalties to the government in this sector will have a negative implication for the economy, but if paid duly, it will keep increasing the revenue base. Even with the introduction of High-Tech. to Nigeria, it will continue to be insignificant and inadequate for the development of the economy, as it lacks know-how to produce finished goods because of the secretive nature of the Chinese and the technology being transferred. And Nigeria will keep relying on China for it finished goods and then continue playing the role of exporting raw materials to China for processing.

4.13 Conflicts between the Locals of the Host Communities and the Chinese Investors Where they mine, and Hindrance that they Encounter in the Process of their Mining Activities in Nigeria

Chinese mining firms face a particular set of challenges in managing Environmental, Social and Governance (ESG) issues: Firstly, Zadek et al. (2009:37), asserts that all businesses face challenges in working cross-culturally and in places where governance is weak, and Chinese businesses as latecomers to global expansion are often pursuing opportunities in the riskiest business environments. Secondly, Chinese businesses are in the main, in their first generation of 'going out' whereas many western multinationals have been working globally for a century or more. Finally, China's reform and opening-up is a gradual process, therefore, Chinese businesses are lacking international experience in working with civil society organisations while their participation in voluntary standards and collaborative initiatives is just beginning.

In an interview (15th February, 2021), a respondent noted, "Well, you know these are things that we cannot rule out in mining just like in any other sector. Just like in any other sector there is bound to be conflict; so,

there are officers appointed to resolve the conflicts whenever it arise, provided they are being reported when they arise because some can happen and are not reported, and they can escalate and get to situations where they are not being conducive for investment. You know it happens everywhere, but what I will tell you in general terms is, in mining, generally, there is conflict just like any other industry. It could be between the community and the company; it could be between the workers and the company itself; it could be between a company and another company over the same area of operation. There are a lot of issues that come in, for instance, there may be overlap if two companies are within. This is company A's area, this is company B's area, but another company might mistakenly encroach into the area of "B" and work, company "B" will now come and report that this person has encroached into my own area. So, if it is reported, there is a standard procedure for handling these kinds of situation, we go to the field; establish that there has been an encroachment; we now establish whose area is it, we then write to the appropriate person and report that the person vacates the area. Is a similar thing with a company and the community; sometimes the conflict arises between the community and the operators mining in a particular area; the area of Community Development Agreement. Under the terms of Community Development Agreement, it is normally drafted and signed by both parties, and there is a timeline (timeframe) for implementing the content of the Community Development Agreement, but sometimes the community are not patient enough; they want everything in one day, and sometimes in a community there might be factions. So, a lot of things come into play. But what actually happens is that once a particular situation has been established, and then there are steps and procedures for resolving them. So, sometimes the company will say, "okay let's do this and this within this first time, then next year we will do this, but the community will say" no, we want everything done at once", forgetting the fact that the essence of investment is to make profit; if I am not making profit, it will be difficult for me to fulfill my obligations. But once the Community Development Agreement has been signed, there is a time frame being given for executing the project because in the Community Development Agreement, basically, the community will come with a long list of what they want

from the company; the company will equally go down; sit with the management and the board and say this is what we will be able to provide and they come back again and discuss, when they discuss, they come to a common ground, and once they come to a common ground that is what is being signed as law. So, once it is signed as law it means that each party must abide by the content of that agreement, but sometimes the community will want to get everything without recourse to the content of the agreement, for instance, if there is a provision for road construction, may be in the first tenure, they might want other things to be added to the road construction still in the first tenure, and the company will say no, this is what we agreed on; so it is left for whichever party, that is, any of the party to complain to the officer within the jurisdiction, and ways will be set up to look into it and resolve that issue. But sometimes the community do not understand; some of them will argue that companies are there to cheat and stuffs like that. Likewise, sometimes, too, companies might not want to comply with the content of the Community Development Agreement (CDA), or they will not want to do it exactly as it applies; it is the right of the community to raise objection that no, this is not what we agreed on; they should raise it to the relevant authority; they (the authority) will call the company and inform them that this is what is happening; that is how it is done. But at the onset of the conflict, generally, it may arise from employment quota; some communities will want only indigenes from the community to be employed, which is not usually the case; they are given certain concessions that may be unskilled can come from that community, but skilled and technically qualified persons will compete with others from everywhere because they are Nigerians, but the community might not want to agree in situations like that, and that can equally cause conflict. However, it is generally resolved, depending on who complains".

Also, in an interview (16th August, 2021), a respondent submitted that "challenges are numerous as some policies and laws are not clear; most of Nigerian laws and policies are on paper and not implementable. Nigerian mining law is similar to that of China that is, Exploration Licence (EL), and Mining Licence (ML), but in China, the government is responsible for survey. As soon as they get a place with high deposit of a particular mineral, they publish it in national newspaper for investors to bid on it and their report is accurate,

unlike that of Nigeria and it is reliable. Most report in Nigeria is not accurate and this is a challenge to the Chinese miners. And there is a serious revenue leakage in the mining sector because most of the mining officers negotiate directly with the foreign investors and collect money instead of going to the Federal Government and this is corruption. And there are conflicts between the Federal Mining Laws and the State Mining Laws because most of the states believe that the mining resides in their territory and that they have the right than the Federal Government. More also, the state officials tell us that the mineral belongs to the Federal Government and the land belongs to the State Government is an argument, and this pose to be a serious challenge to foreign investors. There is also the issue of insecurity as most of the investors are being kidnapped and killed, and the issue of the host community, as some community having fulfilled the community agreement, there are leaders and youths that come through the back looking for more incentives, but in most cases the relationship with the community is cordial as they welcome investors to develop the community. And the process of obtaining or processing Exploration Licence (EL), Small Scale Mining Lease (SSML) and Mining Licence (ML) is cumbersome and, therefore, involves spending more money, the process and politics involved is too much. Merit is not followed, but rather it is based on highest bidder and most of them don't have the capacity to undertake mining. Also, most Chinese mining firms fail and don't make enough profits due to policies or high cost of mining in Nigeria, as it is capital intensive and it is a risky business. Sometimes the government policy and host communities are a hindrance to mining in Nigeria; there is always friction between the host community and the mining company over control of the resources, even though there is Community Development Agreement (CDA) jointly signed".

Conflict cannot be ruled out in the Nigerian mining sub-sector just like in any other sector; there is bound to be conflict; officers are appointed to resolve the conflicts whenever it arise, provided they are being reported when it arise; some can happen and are not reported and then things escalate and get to situations where they are not being conducive for investment, it could be between the community and the company; it could be between the workers and the company itself; it could be between a company and another company over the same area of

operation. Conflict also arises between the community and the foreign operators, especially the Chinese, in mining in the area of Community Development Agreement, but there are steps and procedure for resolving them. The conflict may arise from employment quota; some communities will want only indigenes from the community to be employed, that can equally cause conflict. The communities most times want every agreement on the CDA to be accomplished immediately due to impatience. Sometimes the Chinese mining firms may not want to comply with the content of the CDA or do it exactly as it applies. Also, challenges are numerous as some policies and laws are not clear, most of Nigerian laws and policies are on paper and not implementable. Most report in the Nigerian mining sector is not accurate and this is a challenge to the Chinese investors. And there is a serious revenue leakage in the mining sector because most of the mining officers negotiate directly with the foreign investors and collect money instead of it going to the Federal Government, and this is corruption. There are conflicts between the Federal Mining Laws and the State Mining Laws because most of the states believe that the minerals reside in their territory and that they have the right than the Federal Government, and this pose to be a serious challenge to foreign investors, especially the Chinese. Insecurity is an issue, as most of the Chinese investors are being kidnapped and killed, and in the host community having fulfilled the community agreement, there are leaders and youths that come through the back looking for more incentives. The process of obtaining or processing Exploration Licence (EL), Small Scale Mining Lease (SSML) and Mining Licence (ML) is cumbersome; the process and politics involved is too much. Merit is not followed and most Chinese mining firms fail and do not make enough profits due to policies or high cost of mining in Nigeria. The government policy and host communities are a hindrance to mining in Nigeria; there is always friction between the host community and the mining company over control of the resources.

4.16 Summary of Findings

The discussion on this study has been on how China's economic diplomacy in Nigeria through their activities, particularly on the mining sector and its implication for the Nigerian economy (2010-2021). This study found out that China's economic diplomacy in Nigeria,

through their economic activities in the Nigerian mining sector, is not “mutually beneficial” as it appears; though, their presence in the mining sector generates revenue for the Nigerian government through the payment of royalties and tax. And they introduce High-Tech equipment like Cyanide (NaCN) and Mercury (Hg) which is insignificant, inadequate and harmful to the health of Nigerian miners in the process of its application. And there is socio-economic impact to some extent in the host communities, through the creation of roads to access mineral deposits mainly to the mining site once there is exploitation of minerals by the Chinese, because most of the minerals are not found in the city but are in remote areas. Also, they employ Nigerians but mainly for unskilled or menial jobs, and on the other hand, the Chinese investors benefit in this economic relationship more through access to mineral deposits in Nigeria and as well secure markets for their manufactured goods.

Another important finding of this research is that the economic relationship between China and Nigeria is based on equal advantage on document. This is because for any Memorandum of Understanding (MOU) to thrive or be accepted, it has to be based on equal advantage, the contents will stipulate or select areas that Nigeria will benefit and will be advantageous to Nigeria. And China too will bring areas that they feel are advantageous to them so the two parties sit down, look at the whole thing, and any area that will not be beneficial to any of the parties is struck out, then the area that is mutually beneficial is what will form the equal advantage. But, in reality, global mineral trading is usually to the disadvantage of Nigeria as a producer of mineral resources; minerals are produced in Nigeria and it doesn't have the adequate technological transfer from China to process it to end use, also, they do not promote appropriate technology transfer to Nigeria which is their nature for proper utilization to drive economic growth therein. China imports solid minerals from Nigeria and exports or sends finished products back to Nigeria. They decide the price of the raw materials and also decide the price of the finished products, but they buy solid minerals at their own price and sell whatever they produce at their own price also. By this, they have double advantage in reality and Nigeria a single advantage of exporting solid minerals.

5. Conclusion and Recommendations

This study examines “China’s Economic Diplomacy in Nigeria and its Implication for the Nigerian Economy: An Assessment of the Mining Sector” which spans the period 2010-2015. China’s economic diplomacy in Nigeria in the mining sector is not mutually beneficial as it appears, as Nigeria has not benefited as expected. Their presence in the Nigerian Mining Sector is that of a fast developing nation seeking for mineral resources and a ready market for their finished product, but with an approach that appears to be mutually beneficial. In the Nigerian Mining Sector, a Memorandum of understanding is signed based on equal advantage between China and Nigeria to ensure that both are at advantage, and whatever that will be of disadvantage to any party is removed. But yet, global mineral trading is usually to the disadvantage of Nigeria, in this case, as an exporter of primary product (raw materials), minerals are produced in Nigeria and it does not have the significant and adequate technological transfer from China to process it to end use, and in this scenario China processes the raw materials to end use and sends it back to Nigeria, and this pattern of economic relationship between both countries is not different from that of Nigeria and Europe that exploited the country’s resources, but with an approach that appears to be mutually beneficial. Also, the technology transfer by China to Nigeria is insignificant, inadequate and dangerous to human health on the process of its application. In this era of globalization that has made the world borderless, it is pertinent for any sovereign state to cooperate with other sovereign states like the case of Nigeria and China, especially in the area of economic relations. In this regard, China imports much needed mineral resources from Nigeria in order to fuel its fast growing economy, and Nigeria receives foreign exchange from the mining sector that has been less active, thereby making the sector more active through the economic activities of the Chinese investors in the sector, this economic relation with the Chinese in the Nigerian Mining Sector has stimulated other local mining activities.

Having taken time to investigate the implication of China’s Economic Diplomacy in Nigeria: An Assessment of the mining sector (2010-2015), the study has come up with the following recommendations according to the findings:

Nigeria needs to learn to have significant and adequate technology transfer in order to process the mineral resources exported to China which is refined to end use or finished products, and sent back to Nigeria. And for this economic relationship to be mutually beneficial in the real sense there is the need for China to transfer the right technological know-how of the Hi-Tech introduced to Nigeria to enable Nigeria to manufacture most of the products it imports from China and attain economic development like China. But due to the secretive nature of China, the transfer of technological know-how to Nigeria is a difficult task for China.

Nigeria should be cautious of the nature of its economic relations with China, thus, taking into cognizance of the intentions of China in the mining sector, as China's aim is to exploit the resources in the country and secure a ready market for its manufactured goods. And taking note of the fact that global mineral trading is always to the disadvantage of Nigeria as a primary producer of raw materials, Chinese investors should abide by the terms of the Memorandum of Understanding (MOU) in the mining sector not just on document, but also in its implementation.

References

- Alao, A. (2010). *Banking in Nigeria and Chinese Economic Diplomacy in Africa*. South African Institute of International Affairs.
- Agubamah, E. (2014). *Bilateral Relations: Periscoping Nigeria and China Relations*. European Scientific Journal, 10 (14): ISSN-7881
- Anyanwu, C. et al. (2016), *Nigeria Outlook*, GTI Research.
- Aronowitz, S. (1980). *A Meta-Theoretical Critique of Immanuel Wallerstein's, the Modern World System*. Theory and Society, X, 503-520.
- Asche, H. and Schuller, M. (2008). *China's Engagement in Africa-Opportunities and Risks for Development*. www.giga-hamburg.de
- Ayodele, T. and Sotola, O. (2014). *China in Africa: An Evaluation of Chinese Investment*. IPPA Working Paper Series.
- Ayoola, T.J. (2013). *Nigeria-China Economic Relations: Implication on the Nigerian Domestic Economy*. Research Journal on Finance and Accounting, (Online). 4 (17): ISSN 1697-2847.
- Ayatse, F.H. and Iorhen, A.I. (2013). *The Origin and Development of Ethnic Politics and its Impact on Post-Colonial Governance in Nigeria*. European Scientific Journal, Vol. 9.
- Baah, A.Y and Jauch, H. (2009). *Chinese Investment in Africa: A Labour Perspective*. African Labour Research Network, ISBN No: 99916-64-94-7
- Baranay, P. (2009). *Modern Economic Diplomacy*. Publications of Diplomatic Economic Club
- Brautigam, D. (2008). *Chinese Development Aid in Africa: What, Where, Why, and How Much?*
- Bukarambe, B. (2007). *Nigeria-China relations: The Unacknowledged Sino-dynamics*. Paper Presented at the Conference on Nigeria and the World after forty years: Policy Perspectives for a New Century, NIIA, Lagos.
- Chen, K. (2010). *Wallerstein's World Economic System Theory*. Industrial America Day.
- Chindo, M. (2011). *An Extensive Analysis of Mining in Nigeria Using a GIS*. Journal of Geography and Geology, 3(1).
- D'Hooghe, I. (2007). *The Rise of China's Public Diplomacy*. Netherlands, Desiree Davidse.
- Daojing, Z. (2015). *Chinese Economic Diplomacy: New Initiatives*. Nanyang Technology University, S. Rajaratnam School of International Studies.
- Donna, L. and Hocking, B. (2010). *Economic Diplomacy*. in Robert A. Denmark (ed.) *The International Studies of Encyclopedia*, 2, 1216-1227, Wiley Blackwell.
- Egbula, M. and Zheng, Q. (2011). *China and Nigeria: A Powerful South-South Alliance*. West African Challenges No.05, the Sahel and West Africa Club Secretariat (SWAC/OECD).
- Eneanya A. N. et al, (2012). *Research Methodology in Political Science*. National Open University of Nigeria, Lagos. www.nou.edu.ng
- Eze, R.C. (2016). *Nigeria as a Geo-Political Entity and Sovereign Actor in International Relations: Interrogating its Emergence*. Academic Journal of Interdisciplinary Studies, Vol.5 No.1, MCSER Publishing, Rome-Italy.
- Goldfrank, W.L. (2000). *Paradigm Regained? The Rules of Wallerstein's World-System Method*. Journal of World- System Research, 6 (2): 150-195.

- Gold, K. and Devadason, E.S. (2015). *Chinese Engagement in Nigeria's Oil and Mining: Positive Transformation?* Asia-Africa Development University Network (AADUN), University of Malaysia, Kuala Lumpur.
- Hannauer, L. and Morris, L. J. (2014). *Chinese Engagement in Africa: Drivers, Reactions, and Implications for U.S. Policy*. www.rand.org
- Iwuamadi, C.K. et al. (2012). *China-Nigeria Relations: Search for a New Beginning*. Abuja-Nigeria, Center for Democracy and Development.
- Kick, E. L. and Davis, B. L. (2001). World System Structure and Change: An Analysis of Global Networks and Economic Growth Across Two Time Periods. *American Behavioural Scientist*, 44 (10): 1561-1578.
- Larkin, B. D. (1971). *China and Africa, 1949-1970: The Foreign Policy of the Peoples Republic of China*. Los Angeles, California University Press.
- Melber, H. et al. (2007). *The (not so) New Kid on the Block: China and the Scramble for Africa's Resources*. www.nai.uu.se
- Michael, O.A. and Gbadebo, S. (2016). *Economic Gift Source of Diversifying Nigerian Economy for Economic Growth and Economic Development Sustainability*. *Journal for Economics and Sustainable Development*, 7(11).
- Mittleman, J. (2006). *Globalization and its Critics*. Richard and Geoffrey Underhill, Political Economy and the Changing Global Order, Oxford, Oxford University Press.
- Nabine, D. (2009). *The Impact of Chinese Investment and Trade on Nigeria Economic Growth*. African Trade Policy Centre, Working in Progress, No. 77, Economic Commission for Africa.
- Nweke, R. C. (2010). *The Role of Nigeria in Restoring Peace in West Africa*. Lagos-Nigeria.
- Odeh, L. E. (2011). Sino-Nigerian Economic Relations Under the Obasanjo Administration. *Illorin Journal of History and International Studies*, 2, (1).
- Ogunkola, E. O. et al. (2008). *China-Nigeria Economic Relations*. (Revised), Ibadan-Nigeria, Trade Policy Research and Training Programme (TPRTP).
- Ogunsanwo. A. (2008). *A tale of two giants: Nigeria and China*. In Kweku, A. & Sanusha, N. *Crouching tiger, hidden dragon? Africa and China*. (Eds.), Kwazulu Natal, Capetown South Africa: University Press.
- Osei-Hwedie, B. Z (2012). *The Dynamics of China-Africa Cooperation*. *Afro Asian Journal of Social Sciences*, 3 (3):1, Quarter 1, ISSN:2229-5313.
- Owoeye, J. (1986). *Nigeria and China*. In Olusanya G.O & Akindele R.A. (Eds.), *Nigeria's external relations: The first twenty-five years*. Ibadan: University Press.
- Renard, M.F. (2011). *China's Trade and FDI in Africa*. Series No. 126, African Development Bank, Tunis, Tunisia.
- Rindap, M. R. (2015). *An Assessment of Nigeria-China Economic Relations from 1999-2014*. *International Journal of Arts and Humanities*, 4 (1):18-30, January. <http://dx.doi.org/10.4314/ijah.v4i1.2>
- Robinson, W. I. (2011). *Globalization and the Sociology of Immanuel Wallerstein: A Critical Appraisal*. Santa Barbara-U.S. A, University of California.
- Shangquan, G. (2000). *Economic Globalization: Trends, Risks and Risk Preventio*. CDP Background Paper No.1, ST/ESA/2000/CDP/1.
- Shelton, G. and Kabemba, C. (2012). *Win-Win Partnership: China, Southern Africa and the Extractive Industries*. (Eds), Johannesburg-South Africa, Southern Africa Resource Watch.
- Stefanovic, Z. (2008). *Globalization: Theoretical Perspectives, Impacts and Institutional Response of the Economy*. *Economics and Organization* 5 (3): 263-272.
- Stevens, P. et al. (2013). *Conflict and Coexistence in the Extractive Industry*. A Chatham House Report, Latimer Trend and Co. Ltd. Britain.
- Strikwerda, C. (2000). *From World-Systems to Globalization: Theories of Transnational Change and the Place of the United States*. *American Studies*.
- Taylor, I. (2009). *China's New Role in Africa*. Boulder-U.S.A. Lynne Rienner.
- The Nigeria Fact Sheet. (2012). Economic Section. United States Embassy, Abuja, Nigeria.

- The Report Nigeria. (2016). Oxford Business Group.
www.oxford businessgroup.com
- Utomi, P. (2008). *China and Nigeria*. Washington Center for Strategic and International Studies.
- Wallerstein, I. (1974). *The Modern World System: Capitalist Agriculture and the Origins of the European World Economy in the Sixteenth Century*. New York, The New York Academic Press, pp.229-233.
- Wallerstein. I. (1974). *A Summary of the Modern World System: Capitalist Agriculture and the Origins of the European World Economy in the Sixteenth Century*. New York, Academic Press.
- Wang, Y. (2008). *Public Diplomacy and the Rise of Chinese Soft Power*. Annals of the American Academy of Political and Social Science, Vol.616, pp.257-273, <http://www.jstor.org/stable/25098003> Accessed;13-05-2015, 13:15 UTC.
- Watson, A. (1984). *Diplomacy: The dialogue between states*. Methuen, London, 1984, p. 223.