

AN ASSESSMENT OF NIGERIA-INDIA BILATERAL RELATIONS IN THE AGRICULTURAL SECTOR

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Abstract

The bilateral relationship between Nigeria and India is employed for the pursuit of both countries national interest. In order to achieve this national interest the structure to the relationship is to be careful reviewed. The study examines the bilateral relation between Nigeria and India in the agricultural sector, it looks at strategies to which Nigeria can employ to develop its agricultural sector from its relationship with India. To accomplish the set out objectives of the study secondary literatures where reviewed extensively. The results showed that there is little Indian agricultural investments in Nigeria. Findings from the reviewed studies also showed that Nigeria needs to learn from the structure of India's agricultural sector, it further showed that little researches have been carried out in the area of Nigeria and India's bilateral relations especially in the agricultural sector. Based on the findings, it is recommended that more researches should be done on this field. There is need for Nigeria to adopt India's agricultural practise to advance her development.

Keywords: *Agriculture, Bilateral relations, Nigeria, India, Economy, Growth and Development*

INTRODUCTION

The need for citizens of a country to access food drives the government of every country, this primary need for food is impendent thereby making agriculture sector in any country one of the most significant sectors in the economy of any country Nigeria included (Simpson, 2010). Agriculture is defined as provision to satisfy the human needs. Adegbuyi and Odularo (2013) stated agriculture to mean:

“The cultivation of the soil and rearing of animal's in order to satisfy human needs. It involves the production, processing and distribution of crops, livestock, fishery, wildlife and forestry as well as their derivatives (Adegbuyi and Odularo, 2013)”

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The agricultural sector of Nigeria like the agricultural sector of any country, is an important sector which is not to be over looked. The unique role the agricultural sector plays in the Nigerian economy has made it a focus, as well as a concern for the Nigerian government, in other to boost its growth and development. Nigeria though been a country blessed with several agricultural produce, yet is plague with a high level of agricultural importation. This challenge has placed a great level of concern on the government of Nigeria to provide adequate means to aid in solving this problem with agricultural infrastructures, in order to boost its growth.

In order for these goals to be accomplished by the Nigerian government, adequate agricultural infrastructures as well as skill are to be employed. These infrastructures as well as skills can be gotten from Nigeria's bilateral relations with the government of India.

Nigeria's relationship with India is being reviewed due to the fact that India has been recorded as one of the top four agriculturally advanced countries. The other three agriculturally developed countries include China, United States of America and Russia (Simpson, 2010). The economies of Nigeria and India have been highly linked and coordinated in various aspects one of which is that both countries were previously colonised. Although there is the problem of geographical distance and cultural diversity the two countries have a growing bilateral relation. There have been a number of literatures of Nigeria's relations with these countries advanced countries but little has been done towards Nigeria's relations with India especially in the agricultural relations between both countries. Specifically the objective of the study is to examine and identify ways to maximize this ongoing relation to benefit Nigeria's agricultural sector.

The independent nature of countries and the people situated in these countries demand the pursuit of favourable bilateral relation with other countries. Alongside, the uneven distribution of natural resources in the world makes the dependent nature of countries inevitable. The bilateral relation between Nigeria and India still stands strong and there seem to be no hindrance to the relationship between both countries. Therefore, the study cannot help but question why India been one of the agriculturally advanced countries and in a bilateral relationship with Nigeria since before Nigeria has gained her independence has not been able to influence the growth of Nigeria's agricultural sector.

Relationships between countries are most times assembled to benefit the national interest of both countries. Nigeria's national interest is for the provision of human security which include access to food. The need to have adequate access to good food and water underlines the importance of the Nigerian agricultural sector. The problem as to why the Nigeria's agricultural sector is not as advanced as the agricultural sector of India even though both countries have been in a long relationship. The relationship between Nigeria and India is meant to have helped develop Nigeria's economy especially in the agricultural sector. From the problem stated above the study therefore seeks to answer the following question. Are there any Indian agricultural investments



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in Nigeria from their bilateral relations? And further discover what strategies can Nigeria employ to develop the situation of the agricultural sector from its bilateral relation with and India?

The study focused on the bilateral relationship in agricultural, the justification of the scope of the study is due to the need of the Nigerian government to provide feeding opportunities for the people of Nigeria, also because Nigeria is blessed with agricultural growth opportunities. It also includes the need to reduce the poverty rate level in Nigeria as well as the incessant call for diversification of Nigeria's economy by the Nigerian government.

The study of the bilateral relation of Nigeria and India in the agricultural sector is significant because it identifies the Indian agricultural investments in Nigeria that has emanated from the Nigeria-India's bilateral relation. It is also significant as it ascertains strategies which Nigeria can employ to develop the situation of the agricultural sector from its ongoing bilateral relation with and India.

Every study must be guided by a theory, a theory has its origin back to the late 16th century, and a theory has the potential capacity to provide an explanation to a course of action. A theory, sets principles, its aids research, it test variable as well as helps to understand outcomes.

Theories attempt either to explain and predict behaviours or to understand the world inside the head of actors (Hollis and Smith, 1990). A theory by Doughety and Pfaltzgraff sets forth a systematic view of phenomena by presenting a series of proposition or hypothesis which specify relations among variables in other to present explanations and make predictions about the phenomena (cited in Kelly, 2016). One must note that a theory is a necessity as it acts as a guide bringing the past in play in understanding similar patterns in present or future occurrences. There are different theories which can be used to explain the Study but the study uses the exogenous growth theory.

The theory of exogenous growth emanated during the research for economic growth in 1980's. Proponents of this theory include Schumpeter in his theory of economic development (Gualerizi, 2000), Solow's model in his works also serves as a proponent of the theory (Freitas, 2016). The theory states that the economic growth can be assured through influence from external factors. This theory explains the transfer of technology, culture, infrastructure as well as investments among others from one country or region to another as an external factor that can influences growth. Exogenous growth theory explains that growth can take place in a country or company when external factors influence it and in the case of Nigeria and India's bilateral relations the external factors are the Indian agricultural investments. The exogenous growth theory is a neo-classical theory, it explains that sustained economic growth can occurs through exogenous factors of productions. That is external factors which here not situated in the growth from the onset (De Jager, 2004)

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This study chooses to employ the use of exogenous growth theory as it is relevant to understanding the relations between Nigerian and India. This theory shows that in relating with India Nigeria stands to get an improved economy which includes agricultural development. This transfer would be beneficial to Nigeria when adequate strategies are employed. Exogenous growth theory is also relevant in the study of Nigeria and India relations as a theoretical framework because it assumes sustainable economy for nations integrated in to the international system. This is important as the Nigerian economy can achieve sustainable economy from it agricultural sector by the constant influx of external investments into the Nigerian agricultural sector.

Another external factor is the Indian culture, the development of the Nigerian agricultural sector can be done through transfer of culture. The transfer of Indian culture to Nigeria would improve the agricultural sector of Nigeria to be like the agricultural sector of India.

Exogenous growth theory goes to show that if a developing country like India can grow its economy with relations in the international system. Nigerian agricultural sector can grow with its interaction in the international system as a result of her bilateral relation with India and the external factors that come with India's relationship with Nigeria.

RESEARCH METHODOLOGY

In other to carry out a critical examination of Nigeria and India's relation in agricultural sector and drive the weighty significance to the study, it employed the use of desktop research, secondary data which includes books, journals, newspapers, published and unpublished theses, research projects and the internet where relied on basically as data sources for this study. Descriptive and historical research design was also employed in the study.

Nigeria and India's bilateral relations

India's prominent activities in Nigeria where notable even before Nigeria gained her independence in 1960, in the year 1958, the government of India has already established a diplomatic mission house in Lagos (Vasudevan, 2010). This establishment fostered Nigeria and India's growing relations. The relationship between Nigeria and India has been described as a blossoming relationship and a relationship of like terms. This is because both countries are highly populated and both countries seek to boost their industries. The relationship between India and Nigeria was also based on like terms because both where colonised by Britain and share similar pursuit, both Nigeria and India also pursued the independence of Africa countries during the colonial periods India's activities in Nigeria from the onset were saturated in exports of textiles and trade in palm oil. This pattern of relationship came to experience an interruption and change in direction with the discovery of oil in Nigeria. India then became one of the primary importers of crude oil from Nigeria in the year 1973 -1974 (Vasudevan, 2010 Pp. 2- 16).

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Nigeria and India's trade as a result of the bilateral relations had increased by a large number; India had become Nigeria's largest trading partner in the year 2009 above the other top grossing trade partners with Nigeria (Vasudevan, 2010). He further stated that Nigeria supplies India with \$10 billion with amounts to 22% crude oil (Vasudevan, 2010 Pp. 2- 16). From the ongoing bilateral relation between Nigeria and Indian the trade from the year 2000-2013 was recorded to be \$88.036.96 million. The major exports to India include aluminium, mineral fuels, ore, raw hides, coffee and vegetable wood among other. On the other hand the imports to Nigeria from India include vehicles, iron and steel pharmaceutical among others (Ibrahim and Shehu, 2016). It has also been observed that the large population size of Nigeria has attracted the imports from India especially in pharmaceutical and vehicle among others from the bilateral relation. The discovery of crude oil in Nigeria further served as a catalyst to the bilateral relationship boost, India has recorded to be the highest crude oil exporter from Nigeria (Ibrahim and Shehu, 2016 Pp. 190-198).

The bilateral relation between Nigeria and India experienced a setback during the China and India border crises. This is because India expected the support from Nigeria as regards to the border but Nigeria rather supported China, this act damped the relations between Nigeria and India. It has been documented that Nigeria under the leadership of Sir Tafawa Balewa supported India in the border crises with China, this is said to be due to the Sir Tafawa Balewa's view in regards to the ideology of communism that was spread by the government of China. Although Nigeria gave support to the struggle of India during the border crises with China, the same support expected was not rendered by Nigeria to India during the conflict that took place with Pakistan, Nigeria choose to remain neutral during the conflict for some specific national interest (Kura, 2009). Even with several hitch experience in the bilateral relation between Nigeria and India the relations further grew and blossomed into several opportunities for both countries.

Nigeria's Agriculture Sector

Arokoyo (2012) states "Nigeria is a vast agricultural country "endowed with substantial natural resources" which include: 68 million hectares of arable land; fresh water resources covering about 12 million hectares, 960 kilometres of coastline and an ecological diversity which enables the country to produce a wide variety of crops and livestock, forestry and fisheries products" (cited in Oyakhilomen and Zibah, 2014).

At the early developments in Nigeria oil was not discovered and little was known of the commodity. The Nigerian government placed emphasis on the development of agricultural produce as her mainstay at that time. The Nigerian state made exports in textile cocoa groundnut cotton and rubber among others. The Gross Domestic Product (GDP) of Nigeria was made up of about 60% from agriculture produce; there was no need for the importation of food for the country. This privilege changed from the detection of oil in certain regions in Nigeria (Nchuchuwe and Adejuwon, 2012). Agriculture which made 60% of the Nigeria's GDP reduced to 40% in the 1970's and 27% in 1980's (Omorogiuwa, Zivkovic and Ademoh, 2014). Ofana,

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Efeiom and Omini (2016) explained that even though the decline of the GDP percentage increased to 40.10% in 2005 from 32.2% the increase did not show sustainability. They further stated that agricultural infrastructures experienced a slow and rather poor growth rate. The agricultural budget had a similar trend from an increase of 98.1 billion Nigeria to 367.9 billion in 2007 (Ofana, Efeiom and Omini 2016).

The noticeable drift from agriculture to oil dependency made the Nigerian government to become actively involved with commercial food production (Ogen 2007). The government established several agricultural projects that specialized in production. In order to find appropriate solution for this dilemma the Nigerian government established the Nigerian agricultural and Co-operative bank in 1973. Despite the proposed way out the Nigerian agricultural sector began importing agricultural products around the mid-70s. The Nigerian government also established several policies to aid the dilemma, policies such as Agricultural Credit Guarantee Scheme (ACGS) and the Calabar Export Processing Zone (EPZ) (Ogen, 2007). Although these healthy solutions that been made by the Nigerian government, the Nigerian government still experiences downfall in the agricultural sector. According to Lemuel and Afolabi (2015) the migration of the Nigerian labour force, the ecological constraints, the rudimentary farming equipment and poor technology, the under-capitalization and the poor performance of the agricultural sector below expectation are termed the cause of Nigeria's state of poor agricultural performance.

India's Investments in Nigeria

Agbato explains in his lecture that India's agriculture is inclusive based, inclusive in the sense that it is infused with the blend of technology, institutional, culture and economic factors. Due to this infusion India's agricultural sector is also a prominent exporter (Agbato, 2015). One would also recognise that agriculture is the primary practise of the government of India, just like Nigeria India is blessed with arable land and favourable rainfalls. The agricultural sector of India has been recognized to contribute immensely to the support of agricultural as well as water supply to the world at large. The agricultural sector of India also practises inclusive cultivation (Pandey, 2009).

The India investment into the Nigerian government began before Nigeria's independence, but in the year 1923 the Indian government established a trading company in Nigeria called K. Chellaram. This established trading company served as a significant and formal landmark in the addressing of Nigeria and India's bilateral relation in investments (Kura, 2009). The government of Nigeria and the government of India have also signed a memorandum of understanding (MOU) to facilitate trade and investments between both countries.

During the time frame of 1990 to 1990 the private agricultural investment in Nigeria was said to have elevated to 16% from the 12% while the public agricultural investments was said to have depreciated from 10% to 7.5% (Akpaeti, Bassey, Okoro, and

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Nkeme, 2014 Pp. 115-127). With the blossomed relationship Nigeria was said to be India's largest trading partner in Africa. In the year 2005 and 2006 the exports from Nigeria as said to have reach \$875 million this account was given by the deputy high commissioner of Lagos and India in Nigeria (ThisDay, 2007).

In 2016 the petroleum minister of Nigeria Dr. Ibe Kachikwu stated that an agreement between Nigeria and India was conclude, the agreement included India investing \$15 billion into the Nigerian agricultural sector. This investment was to include India's upfront payment of crude oil, the agreement was stated to have a span of over three years (Babarinsa, 2016). The constant influx of Indians into Nigeria and Nigeria into India also has also acted as a facilitator towards the growth of bilateral relations between Nigeria and India and investments in Nigeria. According to Kumar (2010), there are about 10,000 Indian living in Nigeria and are engaged in trading and manufacturing processes. The exports of agricultural and manufacturing industries worth \$28 million have been incorporated into Nigeria from the year 1999-2000 (Kumar, 2010). The inflow of India's agricultural investments into Nigeria has been patterned through growth programs such as Structural Adjustment Program SAP which was suggested by International Monetary Fund (IMF) and World Bank it was erupted to provide assistance in forms of load to developing counties in need of assistance. Indian agricultural investments has also been injected into Nigeria through Focus Africa Program which began on the March 31st 2002 which was established to aid smooth flow of trade in to seven African nations. India's agricultural investments into Nigeria has been also been patterned through imports of machineries, tractors and the purchase of farm lands suitable for the nature of the agricultural products. Technical aid in form of availability of professionals from Indian to go about land testing and training of Nigerian farmers have also been observed to be a pattern of India's agricultural investments in Nigeria (Kumar 2010).

Marjit (2004), opined that there was a fall in Indian investment in Nigeria in the public sector to 7.50% from 10% which the private sector rather had a significant boost to 16% from 12% (cited in Akpati, Basse, Okoro and Nkeme 2014). Furthermore works from different scholars has revealed that the relationship between foreign aid (which includes investments) and economic growth (agricultural sector in the case of this study), is very important. These studies shows that foreign aid can indeed boost the growth of the economy. This encourages the injections of these external factors to boost its growth (Ariyo 1999, Thirlwal 1976, Beck, Levine and Loaya 2000). These other literatures further encourages the long term injections of these financial aids works from Antonio and Agnes 1994, Mody 1981, Rao 1978, Harayan 1994 explained these benefits to economic growth (cited in Obansa and Maduekwe 2013).

Issues Affecting Foreign Direct Agricultural Investment in Nigeria

According to Liang, Gidado and Painting (2005) the hindrances to India's investments in Nigeria are grouped into five.

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- Administrative; there is little to no support emanating from the government as well as bureaucratic activities, slow registration and implementation procedures.
- Political; the wide spread of corruption, as well as government policies which are not well structured add to the obstacles of investment in Nigeria.
- Legal; poor legal regulating bodies and lack of adequate law and regulations.
- Inadequate financial framework.
- Cultural issues; this includes language barriers and cultural practice.

Other issues affecting FDI in Nigeria gotten from the study include:

- Nigerian's identifying investors as land grabbers.
- Modern infrastructure hindrances
- Lack ample incentives in the agricultural sector
- Security

CONCLUSION AND RECOMMENDATIONS

A blossoming relationship between both countries that they benefit immensely from each other has furthermore been encouraged by governments of both states as well as the international body. Notwithstanding the high praise, the Nigeria India bilateral relationship has been observed that the agricultural aspect of this relationship has been given little attention. There seem to be little investments in this region in comparison to the oil and gas sector. This would require some adequate attention and reconstruction so as to equalize the relationship between both nations so as not to have a more beneficial country than the other.

The Nigerian agricultural economy has being affected by the crude oil focus of Indian government thereby creating crude oil priority and further dependency. However despite these visible challenges of the relationship in the agricultural sector of Nigeria the agricultural sector between both counties would blossom like the other advantaged sectors when reviewed. The study findings confirmed that investment emanating from bilateral relations between Nigeria and India can influence the growth of Nigeria's agricultural sector. This implies that proper utilization of the Nigeria-China bilateral relations will result in increased agricultural development. The study therefore recommends the following.

Review of theoretical literature revealed that there can be transfer of technological advancement as well as culture from one nation or region to another. Therefore, the techniques employed in agricultural development in China can be employed in Nigeria and further develop the Nigerian agricultural sector.

Based on the findings of the study, appropriate policies should be made to push more Indian investments to the agricultural sector. The Nigerian Institute of International Affairs (NIIA) as well as other policy generating bodies should look closely into already postulated policies regulating Nigeria's relations with India. These policies should be amended to stop the uneven

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relations between India and Nigeria. Constrains to previous formulated policies and the further policies should be identified. These constrains should be prioritized in addition quick and permanent solutions should be provided and adopted. The agricultural sector of Nigeria should be looked at; the agricultural market should be explored and made to export finished goods as well as raw material. There should be more agricultural research in relations with other agriculturally developed countries should be encouraged.

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