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# **China-Africa Relations: The Northern Nigerian Textile Industry**

A Thesis by

Afolabi Olaleye Toyé

**Chapman University**

**Orange, CA**

**Wilkinson College of Arts, Humanities, and Social Sciences**

**Submitted in partial fulfillment of the requirements for the degree of**

**Master of Arts in International Studies**

**January 2021**

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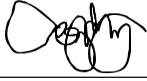


**CHAPMAN UNIVERSITY**

**WILKINSON COLLEGE OF ARTS, HUMANITIES, AND SOCIAL SCIENCES**

**International Studies**

**The thesis of Afolabi Olaleye Toyé is approved**



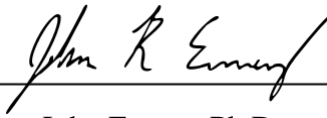
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John Emery, Ph.D.

August 2020

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## **ABSTRACT**

### **China-Africa Relations: The Northern Nigeria Textile Industry**

**by Toye Afolabi Olaleye**

This project takes a critical look into China's policy in Africa. The work assesses the significance and challenges of China-Africa cooperation focusing on Nigeria. The paper argued that analyzing the nexus between Beijing and Africa should not center on China's investments and financial aid. Instead, it should reflect on the competitive hedge China enjoys through these investments in terms of direct access to each market sector of the African economy, and its impacts on local businesses. The study examines the impacts of China's approach on the textile industry in Kano and Kaduna states in northern Nigeria, to provide an insight into China's endgame in Africa. The study used descriptive statistics and qualitative research methods to analyze the data. Analyses revealed that China's influence in Africa connects to its generous loans on infrastructures. Beijing's financial help and the China-Africa development cooperation forum open African markets to the Chinese to engage and explore, resulting in China becoming the primary source of manufacturing products in Africa, such as textiles, clothing, and footwear. Data shows that over ninety percent (90%) materials in Kano and Kaduna markets came from China. The study advanced that the Nigerian government trade policy contributed to the influx of Chinese fabrics into northern Nigeria. The decision to rescind the ban on importing textiles in 2010 maximized access for foreign materials to penetrate Kano and Kaduna markets when most home factories are barely functioning. This move plays well for the textile producers in China. With Nigeria being one of the China export destinations in Africa, less barrier provides direct retail transactions in places like Kano and Kaduna, where an informal market system synonymous with developing countries exists. However, this study was unable to access statistical data that shows

the direct implication of the influx of Chinese textiles on the level of unemployment in northern Nigeria, a limitation to this project. This study believes portraying China as help to Africa may not reflect China's interest in the continent. The work concluded that African leaders need to set their priorities through trade and economy policies that are well defined.

**Keywords:** China, Africa, Nigeria, Northern Nigeria, Textile Industry, Trade Policy

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## LIST OF ABBREVIATIONS

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
CARI	China Africa Research Initiative
CBN	Central Bank of Nigeria
CCECC	China Civil Engineering Construction Company
CGTN	China Global Television Network
CIA	Central Intelligence Agency
CSIS	Center for Strategic and International Studies
FBI	Federal Bureau of Investigation
FOCAC	Forum on China-Africa Cooperation
GATT	General Agreement on Tariffs and Trade
IMF	International Monetary Fund
IRI	International Republican Institute
NDI	National Democratic Institute
NTMA	Nigerian Textile Manufacturers Association
OECD	The Organization for Economic Cooperation and Development
SAP	Structural Adjustment Program
UN	United Nations
USAID	United States Agency for International Development
WITS	World Integrated Trade Solution
WTO	World Trade Organization

# Chapter One

## 1.1 Introduction

Since the launch of the Forum On China Africa Cooperation (FOCAC) in 2000, China-Africa relations have grown significantly, surpassing the United States as Africa's largest trading partner. Economic cooperation has deepened due to an increase in Chinese governmental development assistance funds, loans, and grants for infrastructural development. These increasing relations have not gone without controversy; they have generated a lot of interest and concern in academic communities, among political leaders, diplomats, and experts. Issues of concern include an unfavorable balance of trade to Africa and countries heavily relying on Chinese loans to finance infrastructure projects. In 2017, the China-Africa Research Institute (CARI) at John Hopkins University put the cumulative loans from China to Africa since 2000 at \$143 billion (CARI, 2019). China is the largest provider of "bilateral loans" to sub-Saharan Africa, putting countries who received these loans to high risk of "debt distress" (Grant, 2018). The risk is not in the borrowing, but managing the loan and putting in place plans to pay it back. Hence, concessional loans are viewed as a debt trap to strengthen China's influence and benefit Chinese businesses and personnel in Africa (Anzette, 2018:6). This assumption draws on the comprehensive report of how China used a loan deal to gain control of Port Hambantota in Sri Lanka after the government of Sri Lanka defaulted in loan repayments (Maria, 2019).

Meanwhile, some scholars view China-Africa relations as a positive development, citing how China's investment in infrastructures created a positive image of the Chinese government among the African population (Larry and Lyle, 2014; Afro barometer, 2016). Africa has a long history with world hegemonic powers: slave trade, colonialism, and neocolonialism. What makes

China's recent endeavors different from the previous powers who continue to exploit the continent?

It is imperative to recognize that China-Africa relations go beyond the provision of loans for infrastructural development. An analysis of such bilateral relationships' impact should provide sector by sector analysis of the Chinese government and personnel in Africa. Therefore, this research examines the effects of China-Nigeria relations on the Nigerian manufacturing industry, focusing on the textile industry and how the transformations over time have affected northern Nigeria. Specifically, this research explores factual analysis into development cooperation between China and Africa from the textile industry lens in northern Nigeria.

## **1.2 Problem Definition**

The textile industry used to be a booming industry in Nigeria, with remarkable export products and an annual growth rate of about 67 percent and 25 percent of the manufacturing sector's labor force between 1960 to the late 1980s. It had about 112 factories involving in various productions such as spinning, weaving, and garment production in 1980. The textile industry in Nigeria was the largest employer after the government in 1985, with over 250,000 direct workers and over a million cotton farmers. (Murtala M., et al., 2018: 42). The Nigerian textile industry was ranked the third-largest in Africa after Egypt and South Africa, with products from factories, almost all sold in Nigerian and West Africa markets (Kenneth et al., 2019:4). The United Nations Industrial Development Organization review report of 2003 valued the Nigerian textile manufacturing capacity at N420 billion and investment worth of US\$3 billion in 1999. The textile industry engaged close to thirty million people when functioning at full capacity because twenty-six out of thirty-six Nigeria states grow cotton. (Murtala M. et al., 2018: 42-43).

The first textile mill established in Nigeria was in Kaduna state in northern Nigeria, the Kaduna Textile Limited, in 1957 under the protection of “customs tariffs” to prevent the importation of textile products from Europe and Japan. The tariff system remained in place until 1977 when a ban on foreign textiles replaced it. The Kaduna factory-produced “approximately 8 million meters of belt materials woven with Nigeria-grown cotton”. Six more mills were created in the city in the 1960s, including the United Nigeria Textiles Limited, Arewa Textiles, and Nortex. By 1985, Kaduna state had nine large textile mills. (Maiwada and Penne, 2013: 172).

Another prominent textile city in northern Nigeria is Kano, the region's commercial hub, and arguably the second most productive city in Nigeria after Lagos. The textile production and trade are one of the state's inhabitants' major commercial activities, with many people engaged directly and indirectly. More importantly, the industry provides 30 to 35 percent of output and employment opportunities for the Kano state workforce (Murtala, 2018: 74). A. G. Hopkins, Professor of Emeritus of Commonwealth History, Cambridge University, once described Kano city as “the Manchester of West Africa,” home of the weaving industry (Sven, 2015:19). The first set of textile factories in the city opened in the 1960s, and by 1985 the city had nineteen small and medium-sized mills (Maiwada and Renne, 2020: 8). The exceptional beauty of textile products from Kano travel beyond northern Nigeria. In 1973, many Sudanese and people from other countries in the Sahara were buying clothing materials from the Kano market (Murtala et al., 2019:3). However, by 2010 only twenty-four mills are operating in Nigeria, with 175 factories closed.

The decline is attributed to many factors. First, the Multi-Fibre Arrangement under the General Agreement on Tariffs and Trade (GATT) on clothing and textile came to an end in 1994. The Multi-Fibre Arrangement was a set in 1974 that allowed both developing and developed

countries to control and restrict foreign textiles' importation to protect home industries. This new adjustment policy on foreign textiles importation was adopted by Nigeria, being a GATT member since November 1960 before it was replaced by the World Trade Organization (WTO) in 1995, in which Nigeria is also a member. Then, the introduction of the Structural Adjustment Program (SAP) in 1986 by the Nigerian government was designed under the guidance of the International Monetary Fund (IMF) to stimulate domestic production, correct the balance of payment deficit, relieve debt burden, control inflation, and attract foreign investors. By 1993, after seven years of the SAP implementation, high inflation and interest rate persisted with the high price of consumer goods such as cloth. The eliminated all trade barriers and embracing an open market policy further increase competition from abroad, especially from Asia, because the SAP crises coincided with the boom in China's textile industry in the 1990s, which necessitated the search for foreign markets. (Eneji et al., 2012; John, 1992: 7; Mohammadu et al., 2020:102-103; Obansa, 2005). Renne (2016) noted an increase in cooperation between the "Chinese-Nigerian textile trade" in the 1990s, with Chinese firms opening offices in Lagos and Kano, and the Nigerian personnel does the same in Guangzhou, China. The challenges with the SAP may not just be the IMF policy or the program; the prevailing political situation and leadership responsible for formulating the trade policy in Nigeria might as well contributed to it.

The textile industry in northern Nigeria was historically anchored in Kaduna and Kano mills, but much has changed over the past half-century. By 2014, Chinese textiles accounted for 90 percent of textiles sold in the Kaduna and Kano market (Maiwada and Renne, 2013:185; Murtala M. et al., 2019:5; Sola and Olukoya, 2008). Maiwada and Renne (2013:188) found that the Chinese personnel is "acting as suppliers, distributors, and retailers" of Chinese retail goods in Kano and Kaduna markets. In 2015, close to US\$3.5 billion worth of textiles was reportedly



smuggled illegally into the Kano market, mainly from China through Cotonou, Benin to Niger Republic (Murtala et al., 2019: 6).

The influx of Chinese companies and their textiles marks a shift in what led to establishing the first mill in Kaduna in 1957, to reduce the country depending on foreign textiles. The influx affects both domestic production and consumption of quality textiles. While some Nigerians may enjoy buying cheap textiles imported from China, the impacts on jobs lost from the moribund factories have been less explored.

To have Chinese firms dominating the textile industry in northern Nigeria may not necessarily be the wish of political leaders considering the poverty level ravaging the region. The World Bank's (2016) poverty index report of Nigeria shows that the north accounted for 87 percent of Nigeria's poverty level compared to the south with 12 percent for the same year. Although no available statistical data for this study measures the direct impact of Nigerian policy on lifting the ban of textile importation to the poverty level in northern Nigeria, the Nigerian government understands the gravity of foreign textiles' impact on local factories. In 2019, the government introduced a policy restricting foreign exchange to importers of textile and textile materials in Nigeria. Nigeria's apex bank gave a directive to banks, bureau de change, and operators at the foreign exchange markets to stop selling foreign exchange to importers of foreign textiles. To discourage importers from keeping importing cheap textiles from foreign countries, especially China. (Financial Nigeria, 2019). This shows the seriousness and concern among authority and attempts to address one of the textile industry's challenges. It is also an indication that the textile industry in northern Nigeria needs urgent attention.

Revitalization of the textile industry, focusing on northern Nigeria could help in addressing the economic hardship in the region and with a good economic development planning that

prioritize the protection of local business could create an opportunity for the northern youth and revive the cotton production in the region, especially the north-east where 80 percent of the population according to World Bank (2015) rely on farming. Therefore, the textile industry's potential may relieve suffering of the people in northern Nigeria. Given the many analyses which have linked economic insecurity with Boko Haram's leverage, revitalizing the textile sector in northern Nigeria could also be part of a security-minded economic strategy.

### **1.3 Research Purpose and Questions**

This study examines how China's economic expansion in Africa affects the textile industry in northern Nigeria. The research question focuses on the following underlying issues.

- The overview of significant of China-Africa relations and the challenges
  - China's level of influence in Africa, and challenges facing the relations
  - The importance of Chinese economic projects in the continent
- History and economic importance of the textile industry in Nigeria.
  - The size and character of the textile, and to what extent have the changes within the textile industry shaped the industrial opportunities of Nigerians?
  - The role of the textile industry in the economic reform of northern Nigeria
- How Chinese textiles impacted the local supply of Nigeria made products, specifically within the northern market.
  - The dominance of China cheap products, smuggling due to porous border, government policy and condition of local industry
- The effects of China-Nigeria relations in northern Nigeria since the establishment of FOCAC in 2000 until now. Then projections for the future, long-term.

## **1.4 Significance of the Study**

This thesis's significance is to fill the gap addresses in the research problem by measuring the effects of China's policy engagement in Africa in various sectors of the economy in countries where China has a strong presence. It is another way to evaluate China-Africa relations beyond the discussion of concessional loans, economic assistance, and investment in infrastructures. The reality of the relationships should focus on China's national interests and connection to its activities in Africa. Understanding this connection will help African leaders in their policy formulation and addressing people concerns Beijing's intention.

## **1.5 Structure of the Thesis**

This thesis is divided into five chapters. The first chapter provides a general foundation for the work. Define the problem that informed the project, research questions, and significance of the study. The second chapter discusses the literature review and theoretical framework. While Chapter three focuses on the research methodology, which looks at how data were collected and analyzed. Chapter four explains the research findings and answer the questions raised by the project. Chapter five is the concluding part with emphasis on summarizes the findings, its connection to the research questions, recommendations, and conclusion.

## **Chapter Two**

### **Literature Review**

#### **2.1 Introduction**

This chapter discusses the theoretical framework that informs this project. The concept of neocolonialism and the soft power approach is the main themes under the theoretical framework. The analysis of these two concepts will set a direction for the project. The study will build and establish a connection between the two theories and the fundamental questions to be addressed. Analyses under these themes are within the context of the political economy of international relations. Also, the research will look into other relevant concepts that support the China-Africa economic partnership. This chapter will explore these competing visions for African-Chinese relationships, whether the relations' character is a new scramble for resources and control or genuine partnership.

#### **2.2 Concept of Colonialism and Neocolonialism**

The rationale behind the focus on China-Africa relations is understanding and assessing factors driving the relationship, whether anchored by a mutual benefit to promote sustainable development or exploitative where one country takes advantage of another. To examine this is necessary considering Africa's history and the colonialists' power play in the continent. Walter Rodney's book, *How Europe Underdeveloped Africa*, points out that the current "underdeveloped" countries in the world faced exploitation in the past, linked the underdevelopment of many regions across the world to a "product of capitalist, imperialist and colonialist exploitation." He argues that exploitation leads to exportation, which deprived many "societies" the opportunity to enjoy their natural resources. (Rodney, 1973, p. 24-25). In essence,

the relationship between two parties is assessed mostly by comparing the benefit accrued to each party.

Rodney contextualized the subject of development and underdevelopment to compare and contrast the relationship between Africans and developed nations during the colonial era. Most agricultural produce and natural resources from Africa traded in exchange for manufactured products with Western powers. The terms of trade, that is, the price of produce from Africa and the freight rate for shipment are at the discretion of the colonial powers, making Africans an unequal partner. The relationship was considered an exploitative system that heavily favors the colonialists. It was a slave to a master relationship where the slaves work for peanuts at the master's pleasure. Africans did not just capitulate; the exploitation system was made possible, mainly due to the West's superior military power. (Rodney, 1973 :34,37&38). While evaluating Belgium-Congo relations in her book, *Empire of Capital*, Ellen Meiksins (2005:2) considers the system between the two countries as a transfer of wealth from Congo to Belgium, without the consent of the Congolese. Goncharov (1963:467) sums up the colonial system as "social relation based on the political and economic domination of backward people by imperialist powers," which went on for many years before the colonist's independence, especially after the Second World War.

Aside from the fact that Africans became subject to the imperial masters, the relationships encouraged Western entrepreneurs' movement to Africa to exploit its riches. Rodney (1973, p. 38) refers to this as the "most direct way of sucking the continent." Africa's resources are exploited and transferred to the benefit of Europe, North America, and Japan. Foreign ownership of fertile agricultural lands, mines, and service provider companies also participated in the exploitation system. For instance, Gum from Africa helped in the revitalization of the Textile industry in Europe. The ivory from Africa was a raw material source for industries in Europe and North America,

especially Mincing Lane in London (Rodney, 1973: 131). The more reason Rodney downplay the notion that Africans somehow benefited from colonialism in the area of infrastructural provision such as railroad, school, hospital, etc. These developments could be considered infinitesimal compared to the outward movement of materials from the continent. Describing colonialism as a “one-armed bandit” by (Rodney, 1973: 321) could be a fair assessment considering how the European decided the future of Africa in Berlin without their participation. What could be more critical to the colonialist than to have some facilities to ease the colonies’ administrative running?

There are debates among scholars about the effects of colonialism in Africa. Some believe it is not all that negative; for instance, prominent pioneers of Africa history in Britain, Roland Oliver and J. D. Fage, view the adventure of the colonialists in Africa as benevolent with desires to help the African societies maintain stability and sustainable growth (Sharkey, 2013: 1). Frankema and Waijenburg (2013: 5-6) argue that colonists in West Africa experienced a consistent rise in income level among unskilled laborers compare to colonists in East Africa and East Asia. In Gold Coast, Southern Nigeria, Gambia, and Sierra Leon, the authors revealed that real wages level between the 1880-1940 trend positively (Frankema and Waijenburg, 2013: 9-11). This assertion alluded to the idea that colonial masters adopted different policies that yielded different results. Therefore, they all could not be lumped together as a negative influence in Africa. Ocheni and Nwankwo (2012:51) opines against the impression that the Western education and civilization open African communities to modernity on the ground that colonial education is not rooted in “African culture” and is not “technology base,” which never lead to the industrial revolution in Africa. They argue that education only aided semi-skilled workers such as clerks, interpreters, and artisan, useful only to colonial administration. Adu Boahen, Ghanaian historian, cited in Sharkey

(2013:1), submit that colonialism's sole aim is systemic and "ruthless exploitation" of African resources to benefit colonialists.

Likewise, what was considered a transfer of development from the developed nations in foreign direct investments during the colonial era came mostly as loans and repayment plans. In the 1960s, when most of these underdeveloped countries were just out of the shackle of colonialism, the interest rate on most of the loans has grown significantly from \$400 million to \$700 million (Rodney, 1973, p. 39). Apparent, this was an issue for new and young independent nations to be still indebted to their formal colonial masters. For instance, Goncharov (1963:471) argues that France's loans for infrastructural development in Cameroon through the "Fund for Aid and Corporation" are mainly to ease its daily operation. For clarity purposes, it is only the Western capitalist deals with Africa. Some socialist countries, such as Russia and China, are parts of foreign nations in contact with the continent (Rodney, 1973:39).

The adventure of the colonialists did not end with the independence of Africa states. Goncharov (1963:467-468), as colonialists losing their grip on Africa due to the rise of nationalism and independence, new measures were developed to keep their influence and control. The strategy and tactics adopted include the principle of "friendship, co-operation, and free association" with African states, otherwise known as the neocolonialism system. An indication that the imperial powers hold sophisticated instruments to control most African countries' political future through indirect means. Looking at the idea of neocolonialism, its instruments, and uses, particularly by world powers, will provide insight into China's national interest in Africa.

### **2.2.1 Concept of Neocolonialism**

The concept of neocolonialism is a post-colonial period approach, designed and mostly applied to the countries that got their independence from European powers after World War II. Nkrumah (1965, p. ix), a top proponent of this concept, describes in detail the concept neocolonialism system in his book, *Africa Must Unite*, he revealed that it is power without responsibility. An orchestrated plan by former colonialists to continue holding significant influence and shape the developing countries' affairs. Adding that the system ensures decisions by the third world leaders on economic and political policies revolve around outside influence.

Neocolonialism has elements of flexibility. Its implementation is not entirely forceful, like colonialism, but it is more of an agreement between two parties, with one party having a better deal. Upon most African countries' independence, the former colonialists welcome the new nations into different existing world financial institutions. Many bilateral agreements were signed with the new world in the area of economic and defense cooperation. In France's case, a defense agreement was reached with the Republic of the Congo and Chad for the French armed forces to maintain their presence in both countries but operate under the French government's authority. (Goncharov, 1963:470).

The entanglement continues with the introduction of more flexible approaches that seems beneficial to African countries. Such strategies include loan package and promises of developmental assistance. Through loans provided by International Bank for Reconstruction and Development and the French government, after independence, Gabon's manganese mines remain under French corporations' control. (Goncharov, 1963:470). In 1962, the United States and French Senegalese company entered a partnership that allows the Americans to increase their phosphates



outputs in Senegal from “600,000 to 900,000 tons per year and future target of 1,500,000 tons,” the joint venture was funded by the United States (Goncharov, 1963:472). The establishment of the Commonwealth of Nations (former British colonists) by Britain enabled them to maintain their previous empire (Goncharov, 1963:472). These are plots set by colonialists and capitalists to perpetuate themselves into Africans’ economic and political affairs. We can get perceptions from these measures into China’s development assistance to Africa.

As indicated above, the concept of neocolonialism involves flexibility approaches in its implementation. There were many instances when capitalists and imperialists deployed their military power to meddle in developing countries’ internal politics. Nkrumah supported this logic by focusing on some mechanisms in the hands of colonizers and hegemonies. For instance, Nkrumah documented how the United States extended its economic, military, and political power across continents after attaining the status of a leading global power at the end of World War II. He cited the activities of the Pentagon and various established intelligence services such as the Central Intelligence Agency (CIA), Federal Bureau of Investigation (FBI), National Security Agency (NSA), and other intelligence agencies created to promote Washington’s order. These intelligence groups are called the “invisible government” who serves the United States foreign interest by keeping a close tab on political situation abroad, even intrude when necessary (Nkrumah, 1965, p. 240).

A good example is the CIA’s activities in the Democratic Republic of Congo a few months after its independence in 1960. Belin David (1975:5), the summary of facts about CIA involvement in the assassination of foreign leaders, revealed that evidence indicated before Lumumba’s death in 1961, there was a high discussion among some CIA personnel of “the possibility of undertaking a plan to assassinate Lumumba.” Of course, the CIA would not ruminate on such a plan without

Washington authorization. Apart from Congo, other cases were the shipment of arms from the United States to certain “persons” in the Dominican Republic for the assassination of Generalissimo Trujillo (Belin, 1975:3). These are actions that demonstrate the concept of neocolonialism alluded to as how the great powers tend to control political affairs using military strength in developing countries.

Other mechanisms described by Nkrumah involve using the world’s financial institutions such as the World Bank, International Monetary Funds, and International Finance Corporation to check on most developing countries’ economic affairs in Asia, Latin America, and Africa. These organizations are the creation of western powers to coordinate the international economic system. Nkrumah asserts that these institutions’ loans come with a high-interest rate that makes repayment more challenging to fulfill for most developing countries, resulting in loan servicing without paying the actual loan. The “multilateral aid” assistance from these establishments mentioned above also comes with Nkrumah’s specific conditions, referred to as “offensive condition.” Some of the conditions require the borrowers (developing nations) to reveal economic plan and policy to these financial bodies for review before aid can be granted and make the borrowers accept inputs and supervision of the Bretton Woods institutions on how to expend the loan and aid (Nkrumah, 1965, p. 242-243).

In retrospect, the inputs and supervision of the World Bank and IMF in the 1980s, when most developing nations who borrowed money from the organizations failed in their repayment plan, resulted into financial and political instability for these countries, which led to the introduction of another reform plan called the Structural Adjustment Plan (SAP). The plan also involves dictating certain conditions before new loans can be obtained or get a low-interest rate on the existing one. Some of these conditions include free market, privatization and deregulation, and

reduction in trade barriers. (Lensink, 1996). These open the struggling home industries to competition from advanced foreign firms. Aside from the fact that the SAP programs further plunged many countries in Africa and Latin America into a deeper economic downturn, it also failed to alleviate poverty and financial situation. One could argue that developing countries pressured to buy into the plan because they are already in massive debt to the few Western countries that control the international financial system; not accepting would mean more economic sanctions. This shows an attempt by the capitalists to continue perpetuating themselves into developing countries' economic affairs. These forms of interference are all embedded in the neocolonialism concept. Just like colonialism, understanding the concept of the neocolonialism system is essential to this project. The idea is not to create a negative image of Western countries or castigate them for most developing nations' challenges. The target is to evaluate the trajectory of African politics with world powers. To establish that as far as global politics is concerned, national interest matters. That is what drives countries to form alliances or relations.

This study's focus is China-Africa relations; in a matter of relevance, China is a global power with significant influence. The country's footprints are vivid across African countries. China, unlike most Western powers, has no history of colonialism in Africa. The existing narrative suggests China, like African countries, share a similar experience as a victim of imperialists, alluded to the annexation of some Chinese provinces by the Japanese armed forces in 1931 (Hotta, 2007:75). It created an impression that China's adventure in Africa is an extension of brotherly love. There could be some truth elements in this argument, but the neocolonialism system is not peculiar to Western powers or former colonialists. The United States, unlike Britain, France, and Portugal, control little to no territory in Africa during colonialization but exert its power and influence in the continent due to its status as a world power. For most countries, national interest

dictates their foreign policy. Achieving it could warrant applying instruments of neocolonialism, hard or soft approaches. The next section focuses on China's flexible approach in Africa from neocolonialism perspectives.

### **2.3 Understanding China in Africa**

Some observers view China's interest in Africans is not to colonize the continent but to pursue mutual trade relations and developmental assistance through economic support in the service and manufacturing sectors (Wenjie et al., 2015:16; Chien-Kai, 2016:101). Sun (2014) affirmed in his assessment that the victimization experience consolidated China-Africa relations since 1949. He argues that people misconstrued China's intention as exploitative. While Yan Xuetong (2006: 7) submit that the rise to political and economic prominence compels China to take more "responsibilities for the world economy and security" by sharing their positive domestic economic reform with developing countries.

Talking about domestic policy and reform, China is one of the few nations that did not collapse during the wave of globalization, like most developing countries in Africa and South America. China was very thoughtful in adopting and implementing a trading policy introduced by the International Monetary Fund (IMF). China carefully processes Washington's proposed global economic system, which called for an open market and trade liberalization (Stiglitz, 2002: 126). Beijing stalled in a protracted trade negotiation with the United States to hold-off the implementation of liberalization policies (Stiglitz, 2002:63-64). This action allows the Chinese government to reach its consensus on implementing the neoliberal economic agenda. China dropped "protective barriers" to its domestic market gradually, phasing them out only for every

new job created in the process (Stiglitz, 2002: 60). This reform helped China emerge as an alternative to the Western imperialists and project China Consensus as a new reality.

Although China may appear a new deal to Africans, its policy still lacks a comprehensive long-term strategic vision (Sun, 2014). Even with the absence of adequate knowledge of China's foreign policy in Africa, it is certainly not complicated like the power-play between Belgium and Congo, the France-Algeria war, which lasted for eight years from 1954-1962 or the involvement of America in the Somalia civil war in the 1990s. It is also not complicated to suggest how China portrays its relations with Africa. Beijing Africa Policy defines China as a friend and is interested in promoting a win-win situation through its foreign aid and investment in Africa. The Chinese government emphasized this in the first and second white papers reissued in 2006 and 2011 (Brookings, 2014). It is suggesting that China is taking soft and persuasive diplomacy to enhance its relationship with Africa. Perhaps, the element of this approach explains why African countries warmly embrace China's gesture. The next section focuses on the soft power policy and how it is shaping China-Africa relations.

### **2.3.1 Concept of Soft Power Diplomacy**

The concept was developed in 1990 by Joseph Nye. According to him, it is the power to create an attractive agenda that others can embrace and appeal and influence others' preferences in the world's politics (Nye, 2004:5). What is clear from Nye's delineation is that the underlying assumptions of soft power are "appeal and attraction," which represent factors that distinguish it from hard power. Threats and intimidation are characteristics of hard power. If applied, they can lead to influence and control. Without elements of force, colonialism may not succeed in Africa or Latin America. The United States war on terrorism in Iraq's in 2003, over the alleged weapons

of mass destruction (WMD). Also, sanctions on Iran for its nuclear program demonstrates the use of both military and economic measures to compel compliance. Soft power is an attractive power, oppose to the use of coercion, and its resources are the “assets that produce such attraction” (Nye, 2004: 6).

The soft power assets are categories into resources and behavior. The behavior comprises agenda-setting, attraction, and co-option, while its resources include culture, value, and foreign policies. It combines the two assets, particularly the resources that produce soft power, that guides the national interest in global politics. (King, 2013 and Nye, 2004:8).

**Table 2-1: Soft Power Asset**

<b>Behavior</b>	<b>Resources</b>
Agenda-Setting	Value
Attraction	Culture
Co-option	Policies

The culture, values, and foreign policy create perceptions about a country among nations' comity. Norway, for instance, is known for its peace initiative efforts to help countries in conflict. Popular among various ideas is the Oslo peace accord between Israel and Palestine in 1993, led by Terje Roed-Larsen. Norway’s foreign policy encourages cooperation with non-governmental organizations to promote peace across the globe. In the academic realm, Norwegians have contributed significantly to peace research. Norwegian Johan Galtung proposed the theory of positive and negative peace for conflict analysis in the 1960s and studied in universities worldwide. These activities create an image for Norway as a peacemaker (Nye, 2004:10).

The domestic and foreign policies promoted by a government could serve as a source of its soft power or any power; in essence, creating awareness for policies is an avenue to increase attraction. Nye (2004:13) identifies three primary sources countries use to promote soft power: “public diplomacy, bilateral and multilateral diplomacy.” Public diplomacy can enhance the positive image through information sharing on traditional media and various social media outlets. Likewise, a state could invoke media propaganda to promote a political agenda or cause of action. The Encyclopedia Britannica (2017) considers public diplomacy an attempt by a country to use “international media to portray its official policies favorably to targeted foreign audiences.” During the Cold War, the events that took place show how the United States and the Soviet Union used public diplomacy as both powers engage in the ideological supremacy of capitalism and socialism around the world. The U.S. built a “reading room” and uses “Voice of America” to eastern European countries. Similarly, the U.S. rally its allies to support or oppose a particular position (Encyclopedia Britannica, 2017).

Further, soft power may not be an instrument of state actors. Non-state actors such as transnational corporations, religious organizations, and intergovernmental organizations like World Trade Organizations and United Nations through advocacy and public relations activities can also bring attention to specific issues (Nye, 2004: 90-92). This understanding is critical because it helps explain how China strategically deploys its soft power to guide its relations with Africa.

### **2.3.2 China's Soft Power Approach in Africa**

The introduction of the soft power principle in China's foreign policy dated back to 1993, but its actual implementation began in 2007 when the country starts to play a more significant role in global politics. China's motive to adopt soft power instruments to guide its foreign policy goes deep into attempting to rival the United States influence across the world and create an alternative to Washington-led global leadership. China designed this diplomacy approach on the premises of Marxist values and the concept of Confucianism. China acts as a revolutionary leader in the emerging economy and developing countries challenging the United States' dominance with a Confucian attitude of friendliness and mutual concern. (Sayama, 2016:1&5). China demonstrated this during the global financial crisis in 2008, injected an economic stimulus plan of ¥4 trillion to support its market. The World Bank applauds China's move and recommends such expenditures in Western countries (Naughton, 2008: 2).

To further contextualize how China's soft power policy influences its foreign relations. Mikail and David (2018) pointed out that power is an integral part of the Chinese government strategy, playing a crucial role in economic diplomacy with the global South and, to a large extent, guiding the diplomatic relations with Southern Asian countries to gain leverage over the South China Sea. The approach, which often focuses on influencing the foreign people and their leaders, also allows China to "keep a low profile while accumulating power" and create an impression that portrays the country as a peaceful nation constituting no threat to any states (Sayama, 2016:7). Part of this approach includes using the Chinese diaspora entrepreneurs to lobby foreign government to sway decisions that support Beijing's agenda of dominant power and ensuring a favorable condition for Chinese businesses abroad (Sayama, 2016:12).



In Africa, China's approach is linked with the pursuit of trade and investment and using financial resources such as business funds, loans, grants, and relief package to build a relationship with countries. Primarily, Beijing's foreign policy with Africa revolves around "payment," which is mostly concessional and often portrayed as China's generosity. (Liang, 2012:669). Jennifer (2007: 27), in her study, posits that China's policy in Africa is rooted in economic engagement. While Lyman, cited in Pan (2006), summarizes China's soft policy in Africa as involving professing solidarity with African countries at an international forum and making a substantial investment in infrastructure, agriculture, and energy. Sall (2016: 134-137) argues that this event is a departure from what seems to be an overbearing relationship existing between the Western powers and African leaders full of constant lecturing on governance, human rights, and the rule of law.

Undoubtedly, Africa is a continent rich in natural resources attracting many great powers for exploration and exploitation, and due to its large population, it is also an attractive market base for manufactured goods in industrial countries. China understands these potentials in Africa and soft power through payments, and generosity is a smart way to attract and penetrate the continent to access the resources and markets. Liang (2012:673) emphasized that China has always regarded Africa as a destination for its manufacturing products, as stated in China's paper policy in 2006. Liang further opined that the three biggest economies in Africa in terms of gross domestic product (GDP), South Africa, Nigeria, and Egypt, receive much focus from Chinese businesses. The three countries account for thirty-nine percent of China's total exports to Africa. Another fact is that China also needs continuous resources from Africa to maintain its growing economy. From the African perspective, China's industrial needs create a market for Africa's raw materials

representing a new revenue source outside the traditional partners in America, Europe, and Japan. It is an understanding that seems to offer some mutual gain for both parties.

To many African leaders, unconditional aid from China removes the bottleneck in getting funds to facilitate projects and reduce over-reliance on the Western countries as the primary source of capital inflow. China's policy of nonintervention, strengthened by Confucius's belief of loyalty and respect for authority, depicts China as a non-aggressive power that has no interest in the domestic politics of the host country. (Sall, 2016: 135). Many rogue leaders in Africa welcome this assurance of political neutrality. To them, China is a new reality, not overly concerned by the country's corrupt index or human rights records to sign trade agreements or to attach strict conditions before issuing loans. This idea tends to suggest to us that even if a country is corrupt and lacks good leadership, it should not deprive its people of receiving vital international aid: China mainly secures loyalty and support for its global agenda through this approach. For instance, through the FOCAC, China has established diplomatic relations with fifty-three African countries, many of whom have a history of corruption and human rights violations. At the United Nations general assembly, most of the fifty-three countries would probably align and vote with Beijing on issues that concern its national interest. The next section will focus on this aspect under the FOCAC plan.

This review shows that China understands the essence of using soft power in Africa to obtain more favorable conditions to support its national priority interests. Nye (2004), soft power diplomacy allows countries to set policies to achieve national interest at home and abroad. China has strategically combined "constructive journalism and media strategy" to enhance its image and activities in Africa (Sall, 2016:138). The launching of the China Global Television Network (CGTN) in Nairobi, Kenya, in 2012 is part of broader efforts designed to create and promote new

narratives about Africa-China cooperation in the area of culture, trade, and investment. Nothing could be more important to the Chinese government than to see the international audience having positive perspectives on China's commitment to Africa's development. The CGTN is a propaganda machine meant to eulogize China's greatness and benevolence toward Africans and the rest of the world. And continue to project Africa as a prosperous continent compared with the most frustrating and pessimistic news in the Western media. Understanding the concept of soft power and how it works, in this case, with China, is vital in analyzing the policies and programs such as the road and belt initiative and the Forum on China-Africa Cooperation.

## **2.4 The Forum on China-Africa Cooperation (FOCAC)**

An effort to develop more flexible mechanisms to enhance the China-Africa relations led to the establishment of the Forum on China-Africa Cooperation in 2000. The forum promotes cooperation between China and African countries. The organization's formation rests on the existing relationship tracing back to the 1950s when China supported African states' decolonization. When China joined the World Trade Organization in 2001, the link between Beijing and Africa became very strong. Major events before the first summit are listed below:

### The Major Timeline

#### The 1960s-1970s

During this time, China-Africa relations centered on the “eight principles of foreign economic and technology.” drafted in 1964 during the official visit of China’s premier Enlai to Ghana. The draft specifies developmental and financial aid to other countries and concessional

loans with free or low interest. To seek equality and justice for developing nations and respect territorial integrity. (Li Anshan et al., 2012: 11).

### The 1970s-1980s

Steps toward FOAC started when thirty-three African leaders visited China in the 1970s and fifty-one in the 1980s. A lot comes with this visit, supports China's bid to re-enter the United Nations (U.N.) and the growing economic and diplomatic relations. Twenty-six African countries supported China to regain its status at the U.N. in 1971. Mao Zedong recognizes this, said the support from Africa guaranteed their re-entry into the U.N. The Chinese government responded to Zambia's needs in 1970 when they decided to take up the construction of the Tanzania-Zambia railway project abandoned by the West because of cost and logistics involves. This event was significant because it opens up the Zambia economy to Dar es Salaam and reduced reliance on Zimbabwe and South Africa. It was a huge diplomatic victory for China, who are battling their internal challenges over the Western countries who refuse to fund the project. This move also attracted more countries from Africa to China. (Liang, 2012 and Li Anshan et al., 2012: 11). Many Scholars regarded the mid-1980s when Africa changed its policy toward China as an alternative to the West since 1949. Between 1982 to 1985, twenty-nine African leaders visited Beijing. In 1986, Chairman Li Xiannian visited three African countries. Premier Zhao Ziyang, in 1983 during his visit to Africa, announced the four principles that would guide the China-Africa economic relations: sincerity, equality and mutual benefit, solidarity, and joint development. At a time when Africa is facing challenges, businesses folding up, huge debts owed to Western financial institutions, and the failed structural adjustment program. The Tiananmen Square incident in 1989 was another moment China received massive support from African countries when the West imposed an embargo due to forcible response to protesters at the square. Several African leaders

visited China during this time to show support and help China survive the Ban. (Li Anshan et al., 2011:8; Li Anshan et al., 2012: 11-12).

The 1990s-2000s

African leaders continue their support for China as they join leaders of other developing countries in 1997 to reject Western countries' attempts to impose an anti-China resolution on human rights (Li Anshan et al., 2012:13). In 1997, African heads of states proposed “one to multi partnership” with China to mirror the United States-Africa Business Forum, British Commonwealth Conference, Franco-Africa Summit, and Tokyo International Conference. China came to similar conclusions to design a long-term strategic plan with Africa after its leaders, Jiang Zemin, received a report on China’s future direction with Africa from selected Chinese scholars led by Zhao Changhui of Export and Import Bank. The report suggested establishing of an “inter-ministerial committee comprises of both Africa and China representatives to implement the proposed forum. Beijing holds the first summit in 2000 between 10-12 October. (Li Anshan et al., 2011:10-11). Currently, fifty-three African countries are a member of FOCAC except for Eswatini (formerly Swaziland), who sided with Taiwan. The action plans revolved around four major areas: political, economic, international affairs, and social development. See the table below:

**Table 2-2: FOCAC Four Action Plan Areas**

<b>Political</b>	<b>Economic</b>	<b>International Affair</b>	<b>Social Development</b>
High-level visit and dialogue	Agriculture	Peaceful coexistence, principle of constitutive act	Development assistance to Africa
Follow-up action design to aid the cooperation	Investment and business cooperation	Support Africa countries seeking WTO membership multilateral trade regime	China-Africa inter-governmental human resources development

Create a contact between legislatures and local government	China-Africa joint trade's chamber of commerce	Promote MDGs in China and Africa	Culture and Education: strength exchange between the Chinese and Africans. Civilizations and enhance bilateral cultural interaction.
Consular and judicial cooperation	Finance cooperation between Chinese financial institutions and African financial institutions	Counter-terrorism cooperation	Education: exchange program between institution and educational dialogue
Cooperation between China-African Union as well as sub-regional organizations in Africa	Infrastructures, transportation and telecommunication	Challenges of non-traditional security issues	Medical care and public health
	Cooperation in energy and resources: Joint exploration and rational exploitation of energy	Global push for attention on regional conflict in Africa	Environmental protection
	Cooperation on science and technology: Provide training courses in technologies to Africans		Tourism and news media

**Source:** [focac.org/eng/zywx\\_1/zywj/t280369.htm](http://focac.org/eng/zywx_1/zywj/t280369.htm)

#### **2.4.1 Investment and Trade Cooperation under FOCAC**

The Chinese financial institutions were a part of the mechanisms to promote China's interest in Africa. For instance, the People's Bank of China is responsible for small and medium businesses in Africa. The Export-Import Bank of China Bank is a government bank responsible for international cooperation, especially supporting foreign construction projects and investment abroad through mixed and buyer credit programs and preferential loans. Bank of China is a commercial and state-owned helping entrepreneurs from China in Africa. The bank also assists African banks in promoting development. The bank has branches in Zambia and South Africa. (Li Anshan et al., 2012:28)

To generate rapid industrialization, the Chinese built free trade zones across Africa. These zones include; the Suez Economic Zone in Egypt, Lekki Free Trade Zone in Nigeria, Ogun-Guangdong Free Trade Zone in Nigeria, the Eastern Industrial Zone in Ethiopia, the Zambia-China Economic and Trade Cooperation Zone, the Sunshine International Industrial Park in Chad, the Sino-Uganda Mbale Industrial Park, and the Ethiopia-China Light Industry City (Zeng and Shu, 2018:98). Li Anshan et al. (2012:34), China extends its outreach beyond the African leaders; they cooperate with sub-regional institutions by organizing seminars in Anglophone, Francophone, and Lusophone countries Africa to promote contemporary China. This forum allows China to prioritize Africa, using the FOCAC summit to reiterate support for African development and becoming the largest trading partner. Although the financial assistance from Beijing to Africa did not start with FOCAC, between 1956-1977, African leaders received \$2.5 billion in aid from the Chinese government. The fund fell from \$100.9 million to \$13.8 million between 1976 and 1982 (Liang, 2012:670).

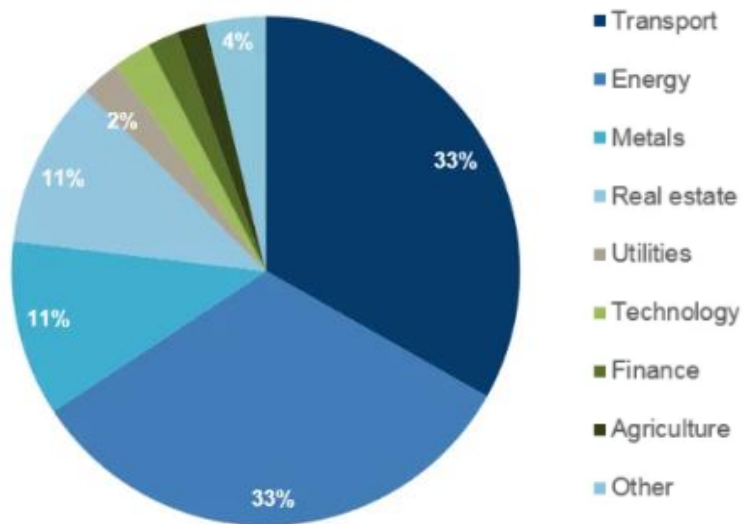
**Table 2-3: FOCAC Financial Aid to Africa 2006-2018**

<b>Year</b>	<b>Concessional Loan (US dollar)</b>
<b>2006</b>	\$5 billion
<b>2009</b>	\$10 billion
<b>2012</b>	\$20 billion
<b>2015</b>	\$35 billion
<b>2018</b>	\$60 billion

**Source:** Zeng and Shu (2018:97)

After the first FOCAC summit, China’s aid spread across almost all regions in Africa. The transportation and energy sectors account for sixty-six percent of Chinese investment in Africa. (Brookings Institute, 2018). Figure ii shows industries with the highest of China’s capital investment in Africa.

**Figure 2-1: Chinese Investment in Africa**



**Source:** Brookings Institute (2018)

#### **2.4.2 Understanding China-Africa Affairs through Development Cooperation**

In China-Africa affairs, such as the FOCAC forum, some of the challenges faced are the lack of collective dialogue in which policies are formulated by the Chinese political bureau, leaving African leaders with a limited choice in the decision-making process. African professionals from the academic and economic fields did not have equal participation in guiding African leaders before making a deal to prevent exploitation. (Li Anshan, 2012). It negates the FOCAC as an example of equality and mutual benefit in South-South cooperation.

The weak national and regional development plan has not made Africa an equal participant in the forum. China funds most development projects because Africa lacks the financial power to sustain its partner in the forum. Weak coordination among government agencies, political instability, corruption, and administrative inefficiency is far too common in African politics to



allow for national policies that drive development or support economic plans. (Zeng and Shu, 2018). Larry and Lyle (2014) argue that China may be taking advantage of African governments' weaknesses and corruption to negotiate an unfair deal.

These are real concerns that deserve proper attention. However, African leaders have continuing to show support for the Beijing agenda. The fact that China's idea of government to government contracts with few, if any, strings attached was a welcoming and positive development in Africa (Larry and Lyle, 2014). President Xi shared this sentiment in 2018 at the seventh FOCAC summit that China intends to help Africa with financial assistance is genuine with "no strings attached" to dispel the "debt trap" concern. The support for China's Belt and Road Initiative is increasing, with many African leaders committing to the initiative. (Center for Strategic and International Studies (CSIS), 2018). David (2016) admits that Chinese financing is enough to help develop growth in Africa. China has created economic enthusiasm and investment in countries with weak governance indicators such as Angola, Sudan, and the Democratic Republic of Congo. China has the one-sixth of the \$30 billion annual external funds for infrastructural purposes in Africa.

What is evident from the analysis provided above is that the need for infrastructure facilities such as transportation systems, communication systems, sewerage, and water system, and other public goods drives many African leaders towards Beijing. In 1965 when leaders of Western countries questioned the sudden cozy relations between Tanzania President, Julius Nyerere, and Chairman Mao over the Tanzania-Zambia railway project, the West had refused to fund. Nyerere reply to the Western concern by saying, "all the money in this world is either red or blue. I do not have my own green money, so where can I get some from? I am not taking a cold war position. All I want is money to build it" (George, 2014: 65). The former Liberian minister of public works,

Gyuda Moore, made a similar remark that after a protracted civil war, with no good credit record and \$5 billion in debt, Liberia has no option than to reach out to China who is willing to assist (Askary and Ross, 2018:5). China understands this need and the readiness of African leaders to take the bid to secure money for infrastructures. In 2019, Ghana used its bauxite rock as an “exchange” for a \$2 billion loan from China for the infrastructural project (CSIS, 2020). China-Djibouti partnership in the belt and road initiative has yielded a \$14.4 billion loan to finance infrastructural facilities for Djibouti, with China also establishing its military base in the country (Chaziza, 2018). It is not different in Angola; the concessional loans granted by China’s Export-Import Bank are mostly in exchange for crude oil (Oxford Institute for Energy Studies, 2016: 5). During this COVID-19 pandemic, China continues to reach out to Africa and the rest of the world with medical supplies to show support and control the narrative of the crisis that started in Wuhan, China.

The attractiveness and benefit that come with soft power resources may blind the beneficiaries to think about the future consequence or reality of any bilateral or multilateral deal. Even when you have the sense of the truth that it may lead to subversion, the urgency and desperation for assistance take preeminence over any concern. China successfully strengthened its grip on Africa because they understand the needs of the continent, which is financial aid for infrastructures and investment, at a time when the Western world scale-down their engagement.

## **2.5 Conclusion**

In this chapter, the study focused on the theoretical justification by looking at basic principles of colonialism and neocolonialism and how the Western powers use these principles to control the economy and political affairs of the African continent. Beyond that, the chapter also

examined how a soft power approach, a non-coercive tool adapted by great powers like China to shape its engagement with Africa. These concepts have helped to set up bases on how to other chapters. The next chapter discusses the research methodology used in data collection.

## **Chapter Three**

### **Research Methodology and Data**

#### **3.1 Data Collection and Interpretation**

This study is a qualitative research that relied mainly on various secondary sources. The secondary data sources include relevant textbooks, research journals, and professional papers on China-Africa relations, China-Nigeria. Relevant data from the government publications and projects from institutes on the textile industry in Africa, Nigeria, and Northern Nigeria. Also, from newspapers and an online library with materials that are critical to the study. The research analyzed data collected using descriptive statistical techniques and qualitative methods. This approach helps the research source for the appropriate data needed to address the topic and answer the questions raised. The qualitative approach provides more useful content in analyzing the policy guiding China's foreign relations in Africa, especially regarding Chinese roles and activities in the textile industry in Kaduna and Kano city in Nigeria. The information gathered through the qualitative research process enables the study to predict future China-Africa relations.

#### **3.2 Study Area**

The project focuses on Northern Nigeria in explaining China-Africa relations. Narrow, but it helps to understand the local people's concerns in various sub-sectors like the textile industry. At this level of activities, we can better evaluate China's long-term and strategic interests in Africa. Also, to know the impacts of the soft policy and FOCAC in various sectors of Africa's economy.

The study concentrated on two states, Kano and Kaduna, because the demographic statistics from the National Bureau of Statistics (2017) ranked Kano as the most populous state in

Nigeria, while Kaduna placed third. Kaduna city, the capital of Kaduna state, is the "largest textile-manufacturing center" in Nigeria (Encyclopedia Britannica, 2020). Kano city, the capital of Kano State, is the largest commercial center of the northern region with industries such as the textile, tanning, footwear, and home of local dye pits for making cloth and leather (Encyclopedia Britannica, 2020b).

This project focuses on Kano and Kaduna because they are relevant to Nigeria's textile industry and hope to understand Chinese activities and its impacts on the textile industry in northern Nigeria. This approach could serve as a way of explaining the nexus between China's foreign policy and national interest with Africa.

## **Chapter Four**

### **Research Findings**

#### **4.1 Introduction**

This chapter considers data from different sources, and its analysis is expected to provide the basis for interpreting the research findings, which would assist in drawing up a conclusion and necessary recommendations in the next chapter. The data collected are analyzed qualitatively and used in answering the research questions. This chapter is divided into three parts: China-Africa relations, China-Nigeria relations, and its impacts on the textile industry in northern Nigeria. Data from the Afrobarometer survey was adopted to provide content into the significance and challenges of China-Africa relations. The study also used the Afrobarometer to show China and Nigeria's economic cooperation and factors shaping China's positive and negative image in Nigeria and Africa. Data from the World Integrated Trade Solution (WITS) was vital in discussing Nigeria's textile industry and how it concerns China and the overall trade value between China and Nigeria. Figures from the WITS data explain exports and imports of textiles and clothing and footwear between China and Nigeria and other Sub-Saharan African countries from 2000 to 2018. Relevant statistical data would have been more useful to precisely analyze factors that linked China to the textile industry in northern Nigeria. Instead, the chapter provided narrative explanations to strengthen the argument from information obtained from journal articles, Central Bank of Nigeria, and official government statements on newspaper on how China relations with Nigeria impacted the textile industry in Kano and Kaduna states. Other sources of information that guide the chapter include Brookings Institute and China-Africa Research Institute at John Hopkins.

## 4.2 Data Analysis on External Influence in Africa

The Afrobarometer is an institute with a series of surveys in more than thirty countries in Africa on various issues such as democracy, economic, and governance since 1999. This chapter adopted the Afrobarometer survey conducted between 2014/2015, which focused explicitly on how China-Africa relations have evolved. A face-to-face interview was conducted in thirty-six countries in Africa in each country's official language. The survey interviewed 54,000 respondents with margin sampling errors at “+/- 2 percent for a sample of 2,400 or +/-3 for a sample of 1,200.” (Afrobarometer, 2016: 2). The survey did not state the number of respondents interviewed in each country and how it was determined.

The socio-demographic variables of the respondents include age, poverty level, education, age, and gender. The survey measures respondent's opinions and perceptions on the external influence of the United States, China, formal colonial power, India, South-Africa, and international organizations such as the United Nations and World Bank in Africa. Other issues addressed by the survey relevant to the studies are factors contributing to China's positive and negative image in Africa and the respondent's opinion on China's economic assistance to the continent. Table 4-1 below shows the percentage of influence of China, the United States, and the former colonial in Africa, and table 4-2 shows the respondents' socio-demographic.

**Table 4-1: External influence in Africa |by China, the U. S. and former Colonial Power |36 countries**

African Countries	External Influence in Percentage		
	Former Colonial Power	United States	China
Cote d' Ivoire	89%	5%	3%
Senegal	58%	14%	12%
Ghana	9%	33%	27%
<b>Nigeria</b>	<b>9%</b>	<b>39%</b>	<b>30%</b>
South-Africa	7%	28%	40%
Kenya	7%	39%	38%
Tanzania	5%	31%	40%
Egypt	5%	20%	47%
Sudan	4%	20%	47%
Mozambique	5%	8%	55%
Zimbabwe	5%	14%	55%
Zambia	5%	17%	47%
Mali	73%	8%	13%
Gabon	80%	3%	5%
Benin	54%	7%	15%
Cameroon	68%	8%	15%
Togo	62%	6%	7%
Guinea	62%	12%	13%
Burkina-Faso	61%	13%	10%
Niger	60%	11%	16%
Tunisia	47%	35%	2%
Madagascar	42%	12%	27%
Morocco	30%	35%	5%
Algeria	27%	26%	20%
Cape Verde	25%	31%	27%
Sierra Leone	24%	23%	22%
Sao Tome and Principe	17%	12%	24%
Malawi	13%	32%	12%
Mauritius	13%	10%	25%
Botswana	11%	27%	25%
Namibia	7%	14%	35%
Uganda	6%	40%	20%
Burundi	3%	35%	11%
Swaziland	3%	9%	35%
Lesotho	2%	9%	30%
Liberia	-	87%	8%
<b>Average</b>	<b>28%</b>	<b>22%</b>	<b>23%</b>

**Source:** Afrobarometer (2016:9)



**Table 4-2: External Influence in Africa | by Sociodemographic variables | 36 countries**

	Former colonial power	China	United States
<b>Average</b>	26%	23%	22%
<b>Lived poverty</b>			
No lived poverty	21%	25%	25%
Low lived poverty	26%	25%	23%
Moderate lived poverty	30%	23%	20%
High lived poverty	35%	19%	19%
<b>Place of residence</b>			
Urban	30%	24%	23%
Rural	26%	23%	21%
<b>Education</b>			
No formal education	35%	16%	18%
Primary	21%	24%	23%
Secondary	24%	26%	23%
Post-secondary	26%	26%	23%
<b>Age</b>			
18-35 years	35%	24%	23%
36-55 years	27%	24%	22%
56+ years	27%	20%	17%
<b>Gender</b>			
Men	28%	24%	23%
Women	24%	22%	21%

**Source:** Afrobarometer (2016: 11)

The perceptions of the socio-demographic variables show variations in response to external influence in Africa. For instance, urban and rural residents consider former colonial power to hold more substantial weight than China and the United States. Simultaneously, the educational level shows respondents with primary, secondary, and post-secondary education see China more influential. The difference between China and the United States is within the range of 3/1 across the countries. As early mentioned, this was an opinion-based survey. The survey did not specify

factors that dictated the respondent's choice on the external influence of former colonial power and the United States in 36 countries, unlike China, the survey's primary focus. The respondents pinpoint factors contributing to China's external influence and image in Africa, which help address the significance of China-Africa relations and challenges.

From Table 4-1, the survey suggests respondents from the former French colonies like Cote d'Ivoire, Senegal, Mali, Togo, Tunisia, Tunisia, Benin, Burkina-Faso, among others, likely to consider former colonial powers most influential. As revealed in the literature review, neocolonialism is an instrument of former colonialists to retain power and influence in their former colonies. In this regard, this applies to France, with its former colonies in West Africa still tie-up to French Treasury Department and using the CFA franc as legal tender. It was an arrangement made in 1954 and kept in place through the post-colonialism until recently. Efforts to cease using the CFA franc and separate from the French Treasury is on the table (Koddenbrock and Ndongo Sambia, 2019). By this, France has been able to retain some connection with its former colonies in West Africa. It might also be due to economic assistance from Paris.

In places where the United States takes top spot; Nigeria, Ghana, Uganda, Botswana, Malawi, Kenya, and Liberia. One can argue that the impact could be due to how the United States often portrays its foreign policy of promoting democracy across the world to achieve economic and political stability. The role of international institutions such as IMF, the World Bank, and the World Trade Organization, which have been an instrument of Washington to advance the free-market economic policies in most of these countries, could also have given the United States an edge in mentioned countries. These approaches once made the United States the biggest trading partner with Africa. For instance, Nigeria transitioned to the civil rule in 1999 and has always welcomed two of the United States' political institutes, the National Democratic Institute (NDI)

and International Republican Institute (IRI), to play a vital role in every election year in Nigeria. They work with various civil societies and political parties to foster and promote democratic institutions. The two institutes usually organize international groups to monitor Nigeria's election process and produce reports that make recommendations on enhancing election credibility in the country (NDI, 2019).

The United States is also in the top six of the most common export destinations for Nigerian goods with a US\$4 billion trade value representing 6.08 percent export share in 2018 compared to China with just 1.67 percent in the same year (WITS, 2018). The USAID has continued to reach out to Nigeria. In 2018, the organization released a US\$89 million assistance fund to support the health infrastructure, education, agriculture, and good governance in Nigeria (USAID, 2018). This form of assistance has helped fight Polio and malaria in Nigeria, especially in the country's northern region. More recently, despite its challenges confronting the coronavirus pandemic, the U.S., according to the Department of States, has donated US\$41.3 million to assist Nigeria to curb the spread of the disease (Punch, 2020). And Nigeria President, Muhammadu Buhari, is the First African Leader to visit Trump at the White House during his presidency in 2018 and one of the first two African leaders and South-Africa President that Trump called after taken office (Chicago Tribune, 2018). These might explain why respondents view the U.S. to likely hold more influence in Nigeria with 39 percent than China with 30 percent, which is still a significant number compares to former colonial powers at just nine percent. The next section will focus on China's activities in Nigeria.

In Egypt and South-Africa, respondents considered China likely to have the most external influence. Even though Washington has a long history with Egypt, the Congressional Research Service report in 2016 stated that between 1948 to 2016, the United States has provided US\$77.4

billion bilateral foreign aid to Egypt and US\$1.3 billion per annual for military assistance since 1987 till date (Council on Foreign Relations, 2017). China has not been slow down by this. The reality with South-Africa could not be far-fetched. In 2010, the country joined Brazil, Russia, India, and China's economic bloc called the BRICS (South-Africa Government, 2020). This alliance could allow for better political and economic coordination between China, a leading member of the bloc, and South-Africa. Other places where China holds strong influence are Southern Africa countries like Namibia, Lesotho, Mozambique, and Zimbabwe, and the Great Lakes region like Tanzania.

The survey shows that many countries admit that China’s economic assistance is good for Africa (See Table 4-3). Factors such as investment in infrastructures, affordable manufacturing products from China, business investment, support for African countries in the international arena, and policy of non-interference in domestic affairs contributed positively to China’s influence in Africa. The investment in infrastructures, Chinese entrepreneurs, and affordable products accounted for 71 percent of respondents’ complimentary China views in 35 countries surveyed (See Table 4-4). It pretty much explains China’s significance in Africa and why they have more substantial influence in many countries of Africa.

**Table 4-3: Response to China’s Economic Assistance in Africa | 35 countries**

Countries	China Economic Development Assistance rated in %			
	Very Good	Very Bad	Neither Bad or Good	Don’t Know
Mali	88%	9%	2%	-
Cote d’ Ivoire	81%	6%	3%	9%
Burkina Faso	78%	11%	2%	10%
Senegal	54%	23%	6%	16%
Zambia	69%	11%	8%	11%
Zimbabwe	46%	30%	14%	8%
South-Africa	40%	24%	18%	16%
Tanzania	52%	18%	14%	15%
Sudan	59%	18%	9%	7%

Cameroon	73%	14%	6%	6%
Gabon	76%	21%	-	-
Guinea	76%	10%	2%	-
<b>Nigeria</b>	<b>56%</b>	<b>13%</b>	<b>14%</b>	<b>16%</b>
Ghana	30%	41%	9%	19%
Kenya	67%	14%	8%	10%
Egypt	24%	18%	16%	37%
Algeria	32%	31%	19%	12%
Morocco	21%	10%	13%	43%
Tunisia	47%	19%	7%	24%
Niger	77%	11%	3%	9%
Togo	71%	12%	2%	15%
Mauritius	70%	11%	8%	11%
Liberia	68%	20%	7%	5%
Botswana	64%	18%	9%	10%
Cape Verde	63%	13%	12%	12%
Benin	59%	16%	5%	20%
Burundi	58%	12%	2%	27%
Namibia	52%	32%	14%	1%
Uganda	49%	16%	5%	30%
Lesotho	44%	32%	9%	14%
Sierra Leone	44%	12%	10%	34%
Sao Tome and Principe	44%	5%	6%	45%
Mozambique	43%	19%	12%	24%
Malawi	43%	39%	3%	15%
Madagascar	38%	53%	8%	1%
<b>Average</b>	<b>56%</b>	<b>19%</b>	<b>8%</b>	<b>16%</b>

Source: Afro-Barometer (2016: 17).

**Table 4-4: Factor contributing to the positive image of China in Africa**

<b>Factors</b>	<b>Percentage</b>
China's investment in infrastructure other developemt	32%
Cost of Chinese products	23%
China's business investment	16%
China's support for the country in international affairs	6%
Non-interference in the internal affairs of African countries	5%
Appreciation of the Chinese people culture and language	2%
None of these	2%
Some other factor	1%
Don't Know	14%

Source: Afro Barometer Survey (2016: 19).

This study compares the respondent’s view in seven different countries across Africa to further break this down into country by country. Nigeria, South-Africa, Egypt, Kenya, Sudan, Tanzania, and Gabon. These countries represent North Africa, West Africa, East Africa, Central Africa, Southern Africa, Horns, and Great Lake regions (see table 4-5).

**Table 4-5: Factor contributing to the positive image of China in Nigeria**

Factors	Countries						
	Nigeria	South-Africa	Egypt	Tanzania	Sudan	Kenya	Gabon
Investment in infrastructure and business	47%	40%	37%	47%	47%	69%	73%
Cost of products	22%	21%	22%	22%	9%	13%	14%
Support in international affairs	10%	7%	8%	6%	13%	1%	6%
Non-interference in internal affairs	6%	4%	5%	5%	14%	4%	5%

**Source:** Afro Barometer Survey (2016:21).

It is evident from Table 8 that investment in infrastructure has been a major defining factor promoting China’s influence in Africa. Zeng Aiping and Shu Zhan (2018: 97) said that as of 2017, China has successfully invested in 6,200 kilometers of railways and 6,500-kilometer road construction projects, 20 seaports, and bridges, 80 power plant projects, 200 schools, and 80 stadium construction across Africa. These projects include the new African Union building in Addis Ababa built by the Chinese in 2012 and presented as a gift to African leaders. China offered the same gesture in 2018 when Beijing promised \$31.6 million to West African leaders to build a new headquarter building in Abuja. These projects are all embedded in China’s Belt and Road Initiative (BRI) in Africa. To mention a few, the Djibouti multi-purpose port in Doraleh, the Mombasa-Nairobi standard gauge railway in Kenya, the Uganda Karuma hydropower project, the Djibouti-Ethiopia railway, Suez Canal economic zone, the Khartoum-port railway in Sudan, the Addis Ababa light rail, the Benguela railway in Angola among others (Belt and Road Initiative,

2020). China has also made a robust diplomatic move by extending personal gifts to many African leaders. Burundi, for instance, got a donation of US\$22 million presidential palace building from Beijing, Zimbabwe with a gift of US\$100 million from the Chinese government for its parliament building, and the Liberian leader with a US\$66 million donation from President Xi to renovate and extend its government complex (Joshua Meservey, 2020). This kind of personal diplomacy is a strategy that enables China to build strong ties with many African leaders. These activities speak to the principle of a soft power, which is about enticement and attraction.

However, as impressive as most of these gestures are, the concerning issues about China's practice in Africa should not be ignored. Framing the relations to portrays China, the giver, and African countries, the receiver would not speak to some realities or events. We should bear in mind that every nation operates with specific national interests; China is not different. The outpouring of Beijing's financial assistance to Africa cannot go without getting something in return, especially from the poor and politically unstable government in Africa. Larry and Lyle (2013) of Rand Corporation suggest that China's interest include gaining access to African markets. Respondents raised some of these concerns when asked in the Afrobarometer survey to specify which factors shaped China's negative image in Africa. Issues such as quality of China's products, competition for local business, extraction of resources and land grabbing, and Chinese behavior are some of the concerns identified. Table 4-6 highlighted these factors and revealed respondents' opinions on challenges confronting China's image in many countries. This further addresses the study's research question on the overview of China-Africa relations. Table 4-7 shows a comparison in seven countries on how respondents measure factors shaping China's negative image in their countries.

**Table 4-6: Factor contributing to the Negative Image of China-Africa Relations**

<b>Factors</b>	<b>Percentage</b>
Quality of China's products	35%
Taking jobs or business from locals	14%
China's extraction of resources from Africa	10%
Land grabbing by Chinese individuals or business	7%
Behaviour of Chinese citizens in the country	6%
China's willingness in cooperate with undemocratic rulers	4%
None of these	4%
Some other factor	1%
Don't Know	17%

**Source:** Afro Barometer Survey (2016: 21)

**Table 4-7: Factor contributing to the Negative image of China in Nigeria**

<b>Factors</b>	<b>Countries</b>						
	<b>Nigeria</b>	<b>South-Africa</b>	<b>Egypt</b>	<b>Tanzania</b>	<b>Sudan</b>	<b>Kenya</b>	<b>Gabon</b>
<b>Quality of Products</b>	38%	42%	26%	37%	22%	45%	36%
<b>Taking Job from the locals</b>	10%	14%	26%	19%	23%	10%	19%
<b>Extraction of Resources</b>	10%	4%	4%	7%	8%	6%	22%
<b>Land Grabbing</b>	5%	5%	9%	7%	11%	5%	10%

**Source:** Afro Barometer Survey (2016:21)

The challenges from the table above should form part of the narrative about China-Africa relations. The study believes scholars should focus more on the relations' challenges to provide broader and balanced perspectives. Beijing's lavishness on African leaders and the investment in infrastructure, and economic assistance should be measured against what China and the Chinese are getting out of Africa. This project believes most of these concerns are better to analyze at the country level by focusing on each sector and sub-sector of the economy. Nigeria, the case study of this project, from table 4-7, respondents recognize the quality of products as a factor creating negative for China. The same percentage for the rest of the countries apart from Sudan, who sees taking jobs away from the locals, is more problematic.



Concentrating on China’s generosity toward Africa could take away focus on the reality of China’s activities and national interest. Aside from the international cooperation, a robust relationship between Beijing and African leaders with all the gifts would give more leeway to access the untapped markets in Africa by the Chinese entrepreneurs and secure more businesses in various sectors. Therefore, the next section of the chapter will focus more on Nigeria’s aspect of the relations, particularly how the concerns raised in Table 4-7 impact the textile industry in northern Nigeria. Analysis at a country level that focuses on the quality of products, job loss, resource extraction, and land grabbing is essential to draw a correlation between what African countries are deriving or giving up as China expands its activities in the continent. Also, to know how China’s policy engagement impacts each sector of the economy, in this case, the textile industry and how the people of northern Nigeria is affected.

### 4.3 China-Nigeria Investment Cooperation

Nigeria is one of China’s trading partners and export destinations in Africa, as revealed in the literature review. Since the establishment of FOCAC, Nigeria-China relations have improved tremendously with the various trade agreements between them. Nigeria has become a destination for Chinese investors, and a lot of capital flow from Beijing through FOCAC and BRI project into Nigeria. Like many other African countries, Nigeria and China have signed several corporate agreements to promote cooperation and investment. Table 4-8 shows Nigeria-China bilateral agreements signed from 2001 to 2013.

**Table 4-8: Bilateral Trade Agreement between Nigeria and China 2001 to 2013**

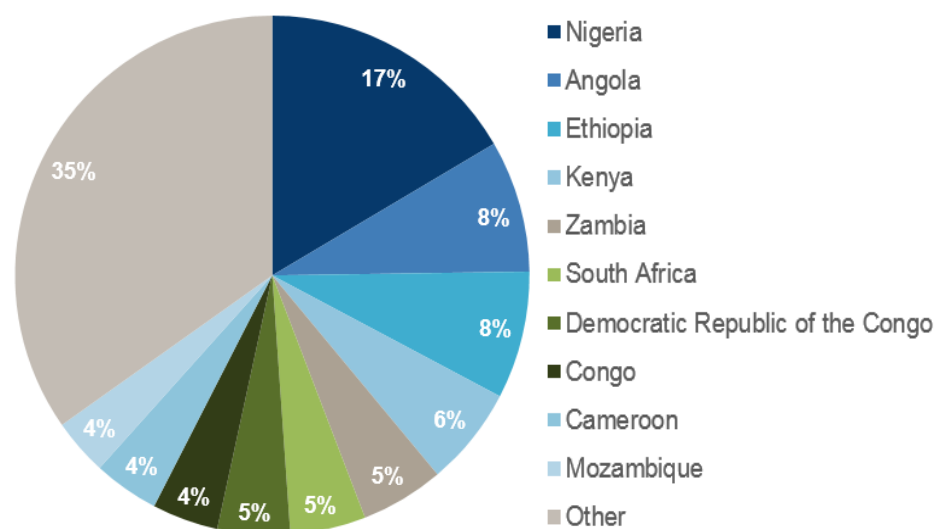
<b>Year</b>	<b>Nature of Agreement</b>
2001	Agreement on trade, investment promotion and protection (TIP) signed on August 2001.
2002	agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed on April 2002
2002	on Strengthening Management of Narcotic Drugs, Psychotropic Substances and Diversion of Precursor Chemical signed on July 2002

2002	Agreement on Consular Affairs and Tourism Cooperation signed in July 2002
2006	Memorandum of Understanding on strategic partnership between Beijing and Abuja first of Kind in Africa
2006	Agreement to Promote Investment cooperation between the Ministry of Commerce of Nigeria and China signed on February 2006
2006	Agreement on Economic Cooperation between Nigeria and Guangdong Xinguang International Group of China signed on March 2006
2013	Agreement between Nigeria ministry of industry, trade and investment and that of China to promote investment in Automobile, Exhibition Centers, Construction of Industrial Zone and Eco-Agriculture Zone signed on July 2013

**Sources:** Akoh, I. A. (2014: 67); Ogunkola O. et al. (2008: 3) and Taylor. (2007)

Most of these agreements are more on investment and economic corporation between the two countries. It is a different direction than the argument made earlier about the United States, focusing more institutions that promote democracy and good governance. The memorandum of understanding of strategic partnership signed in 2006 might suggest why Nigeria is vital to China’s national interest in Africa, including market penetration and designated as China export destination. The Chinese investment tracker shows that in 2018 Nigeria accounted for “one-quarter of concentration” of Chinese investment in sub-Saharan Africa (see figure 4-1), and at the FOCAC summit 2015, Beijing “pledged” five of the US\$60 billion concessional loan package for Africa to Nigeria (Brookings Institute, 2018). China made a similar commitment with US\$5 billion worth of investment to the Lekki, Lagos Trade Zone, one of the many Trade Zones established by China in Africa received (Taylor, 2007).

**Figure 4-1: China’s Investment and location in Africa**



**Source:** Brookings Institute (2018)

Nigeria is one of the beneficiaries of both FOCAC and belt and road projects in Africa, which cut across cities like Lagos, Kano, Kaduna, Calabar, and Abuja. Table 4-9 shows some of these projects and the year of construction.

**Table: 4-9| FOCAC/BRI Infrastructural Projects in Nigeria**

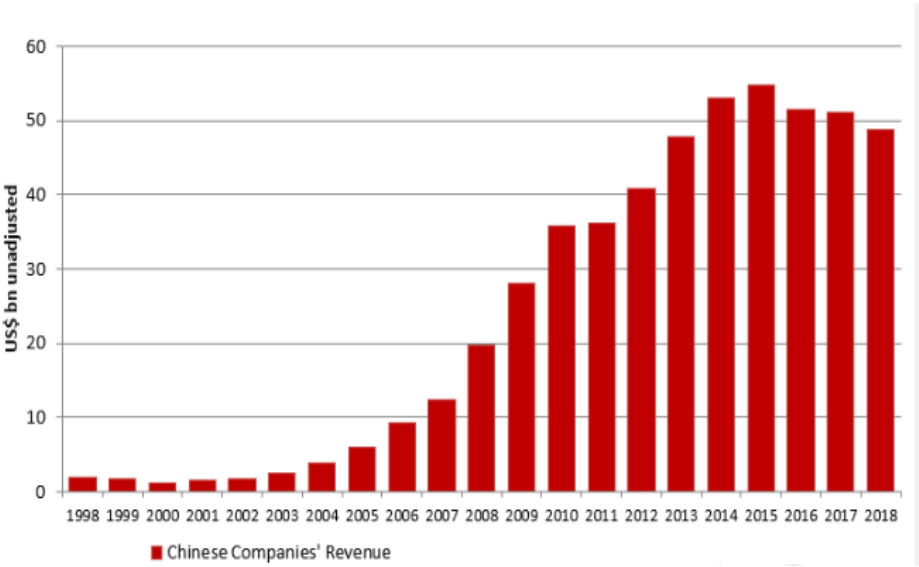
Projects		Year	Cost US\$
<b>Lagos- Kano Railway</b>		<b>2006</b>	<b>8.3 billion</b>
<i>Divided Into three Segment</i>	<i>Abuja-Kaduna Segment</i>	<i>2009</i>	<i>874 million</i>
	<i>Lagos-Ibadan Segment</i>	<i>2014</i>	<i>1.2 billion</i>
	<i>Kano-Kaduna Segment</i>	<i>2017</i>	<i>1.2 billion</i>
<b>Lagos-Calabar Railway</b>		<b>2016</b>	<b>11 billion</b>
<b>Abuja Rail Mass Transit Phase II</b>		<b>2018</b>	<b>824 million</b>

**Source:** Belt and Road Initiative (2020); Yunnan Chen (2018)

The Lagos-Kano railway currently has three segments, as indicated in the table with the italic. Other projects handled by the Chinese include the Nigcomsat Satellites launched to space in 2007 (Belt and Road Initiative, 2020). All these projects are financed by loans from the Exim Bank of China and projects contracted to China Civil Engineering Construction Company (CCECC)

(Yunnan Chen, 2020). Two issues are fundamental here: first, the investment in infrastructure may be a strategic approach by Beijing to perpetuate itself in Africa – we all know infrastructural development remains one of the hallmarks of any economy, but it is not a new concept. During the colonial era, the colonialist also invested in infrastructure provision in the colonies to stimulate development. As pointed out in the literature review, this idea only created more opportunities to exploit the colonies’ reaches and better access to the European enterprises for extraction activities. The second fact is that these loans and financial aid directly create leeway and access for the Chinese companies to engaged and secure businesses in most African countries with BRI projects. Data from China’s National Bureau of Statistics revealed a steady increase in the Chinese construction companies’ gross annual revenues in Africa (see figure 4-2).

**Figure 4-2: The Gross Annual Earning of Chinese Construction Companies in Africa from 1998 to 2018.**



Source: CARI (2020)

The economic cooperation and bilateral trade agreement with China have made Nigeria to source for more Chinese manufacturing products such as electronics, parts, and accessories of automobile and motorcycles, wall tiles, herbicides, generators with CK engines, aluminum plate,

and sheet, and base stations in telecommunication industry among other materials (Akoh, 2014: 69). China enjoys more market share and a better trade balance with Nigeria. The trade situation is similar in South Africa and Egypt (see table 4-10,4-11&4-13). Overall, the value of trade between China and Africa in 2018 was US\$185 billion, with China exporting above US\$100 billion to Africa with Nigeria, South Africa, and Egypt, the “largest buyer” of Chinese products (CARI, 2020). Therefore, Africa may be a naturally endowed continent, but Beijing's interest is more than just natural resources. A larger share of African markets is a real target, irrespective of the assistance offering the continent.

**Table 4-10: Nigeria Exports/Imports and Trade Balance with China | 2008-2018**

Year	Exports to China (US\$ Thousand)	Partner Share (%)	Imports from China (US\$ Thousand )	Partner Share (%)	Trade Balance (US\$ Thousand)
2018	\$1,039,790.00	1.67%	\$8,348,841.49	19.41%	\$-7,309,051.49
2017	\$721,261.18	1.62%	\$5,847,733.76	18.70%	\$-5,126,472.58
2016	\$470,985.85	1.43%	\$6,922,913.27	21.67%	\$-6,451,927.42
2014	\$1,669,691.44	1.62%	\$10,201,900.15	21.92%	\$-8,201,900.15
2013	\$1,110,437.36	1.23%	\$9,679,426.51	21.70%	\$-8,568,989.15
2012	\$8,038,724.05	5.62%	\$7,715,360.74	21.51%	\$323,363.31
2011	\$2,527,021.65	2.01%	\$9,447,756.75	14.77%	\$-6,920,735.10
2010	\$1,440,809.16	1.66%	\$7,324,398.63	16.56%	\$-5,883,589.47
2009	\$716,921.11	1.44%	\$5,999,531.63	17.69%	\$-5,282,610.52
2008	\$268,092.96	0.33%	\$4,292,323.79	15.22%	\$-4,292,323.79

Source: World Integrated Trade Solution (2018)

**Table 4-11: Egypt Exports/Imports and Trade Balance with China | 2008-2018**

Year	Exports to the U.S. (US\$ Thousand)	Partner Share (%)	Imports from the U.S. (US\$ Thousand)	Partner Share (%)	Trade Balance (US\$ Thousand)
2018	\$1,040,288.34	3.54%	\$11,517,084.05	14.22%	\$-10,476,795.71
2017	\$679,853.90	2.62%	\$8,105,328.51	12.22%	\$-7,425,474.61
2016	\$495,031.17	2.20%	\$7,554,202.56	13.01%	\$-7,059,171.39
2015	\$442,609.25	2.01%	\$9,775,826.90	13.15%	\$-9,333,217.65
2014	\$329,922.51	1.23%	\$8,057,648.56	11.30%	\$-7,727,726.05
2013	\$559,999.90	1.95%	\$7,002,779.40	10.50%	\$-6,442,779.50
2012	\$747,099.45	2.54%	\$6,590,725.12	9.43%	\$-5,843,625.67
2011	\$623,341.01	1.97%	\$5,708,258.19	9.17%	\$-5,084,917.18

2010	\$431,595.77	1.64%	\$4,901,782.80	9.25%	\$-4,470,187.03
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**Source:** World Integrated Trade Solution (2018)

**Table 4-12: South Africa Exports/Imports and Trade Balance with China | 2008-2018**

Year	Exports to the U.S. (US\$ Thousand)	Partner Share (%)	Imports from the U.S. (US\$ Thousand)	Partner Share (%)	Trade Balance (US\$ Thousand)
2018	\$8,550,852.95	9.14%	\$17,087,385.97	18.45%	\$-8,536,533.02
2017	\$8,672,254.68	9.83%	\$15,231,696.05	18.33%	\$-6,599,441.37
2016	\$6,812,080.88	9.19%	\$13,536,720.18	18.11%	\$-6,724,639.30
2015	\$7,420,282.08	9.24%	\$15,671,111.09	18.33%	\$-8,250,829.01
2014	\$8,770,889.95	9.47%	\$15,439,064.04	15.47%	\$-6,668,174.09
2013	\$12,047,235.76	12.67%	\$15,987,394.43	15.48%	\$-3,940,158.67
2012	\$10,320,513.92	10.44%	\$14,615,565.22	14.03%	\$-4,295,051.30
2011	\$12,495,813.86	11.57%	\$14,207,815.53	13.82%	\$-1,712,001.07
2010	\$8,095,827.24	9.80%	\$11,501,074.10	13.84%	\$-3,405,246.86

**Source:** World Integrated Trade Solution (2018)

As can be seen from the three tables above, China enjoys more market share and trade surplus, arguably with the three biggest economies in Africa, Nigeria, South Africa, and Egypt. These tables may also imply that Beijing's economic aid to Africa goes hand in hand with African markets' penetration and turning the major countries in the continent to an export destination for Chinese products.

We can better understand this partnership by looking at the practice of China's state and the Chinese enterprises in Africa. Then what opportunity the relationships is offering the local businesses. If Chinese companies are very active and engaging by shipping more of their products to Nigeria, it could only mean competition for local smaller-scale firms, especially textile factories in Nigeria's northern region.

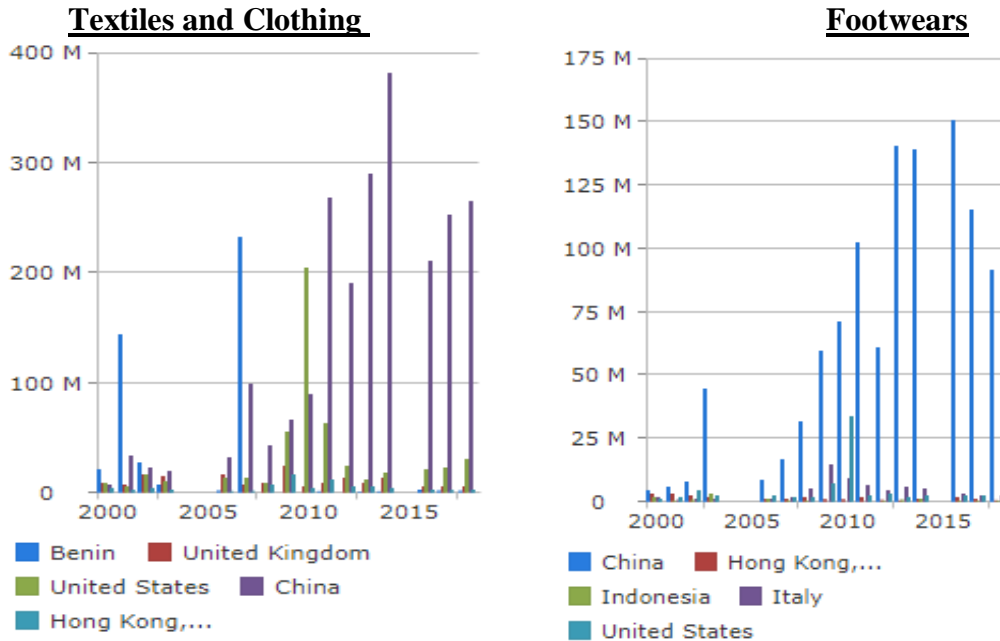
### **4.3.1 The Impact of Cost and Quality of Chinses Textile Industry in Northern Nigeria**

As earlier suggested, to have a broader perspective into the China-Africa relations, some of the concerns raised deserve attention. By understanding these concerns through Chinese practice and activities in various sectors, in this case, the textile industry in Nigeria. The partnership between Beijing and Abuja created opportunities for the Chinese to be more active in Nigeria with a better market share. The factors on focus here: cost and quality of textiles from China. The analysis will reflect the satisfaction people are getting and the competition local firms are facing. The aim is not to wrap around China all issues of the textile industry in northern Nigeria. Still, the studies believe that the impact of trade agreements and partnerships with China should manifest in this critical sector, like the textile industry and in a region that needs more attention.

The study has shown that economic cooperation with China brought more Chinese investment and infrastructure projects to Nigeria. It has also provided more ground for Chinese businesses to operate in Nigeria, enjoying more percentage of the import's market share. Nigeria buys more of China's goods and services, which means the country is paying more, resulting in many years of trade deficit with China, as shown in Table 4-10 above.

One sector affected by this high imports is the textile industry. It was once a vibrant sector in Nigeria and critical to the economy of northern Nigeria. The current reality is that the textile markets in two prominent states in the region, Kano and Kaduna, largely depend on China's cheap textile materials. Data from the WITS of the World Bank revealed that textile materials from China dominate Nigerian textile markets. Figure 4-3 compares the top five import partners of Nigeria in textiles and share of the imports.

**Figure 4-3: Nigeria Textiles and Clothing and Footwears Imports | Top Five Countries| 2000-2018**



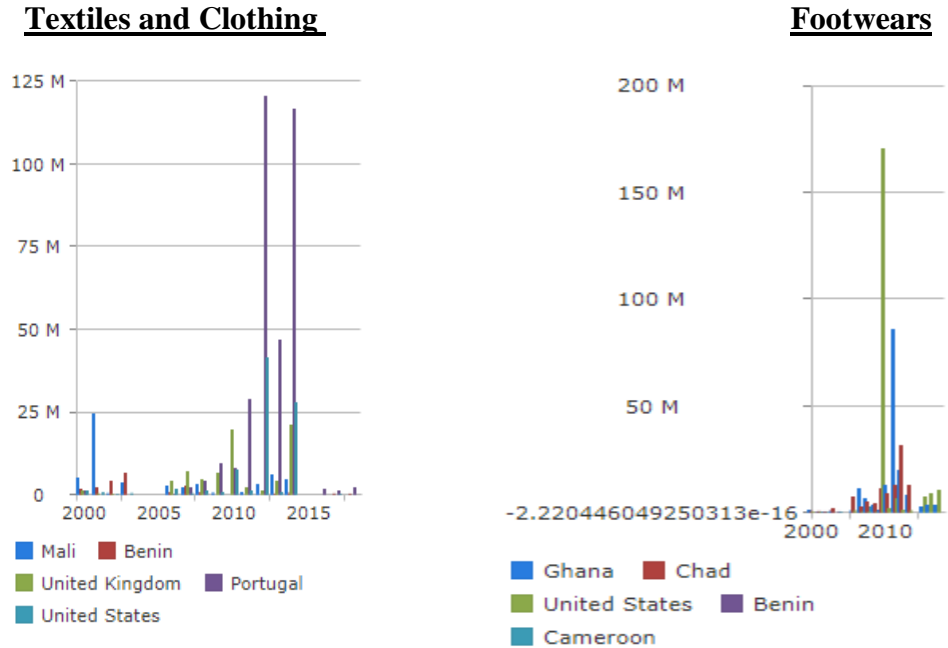
**Source:** World Integrated Trade Solution (2018)

It is a clear shift from what it was in the 1970s and 1980s when the home textile industries are capable of meeting the demand for local consumption and selling to neighboring countries, which now depends on supply from China to meet domestic demand. So, going back to the two factors guiding this section, the cost and quality of products, which are issues shaping china’s image in Nigeria. Perhaps, it is convenient and cheaper to import textiles from China than other countries than to produce in Nigeria. Alternatively, this is just a way of reciprocating China’s investment and financial assistance in Nigeria. Indeed, this is not a good scenario for the home industries facing competition from well-funded Chinese companies. The local factories that should be benefiting from China’s investment in infrastructures in Nigeria are running out of business, paving ways for more supplies from China. Figure 4-4 shows how the import of textiles increases in Nigerian markets, and the exports shrank and disappears. This paper is not claiming imports or



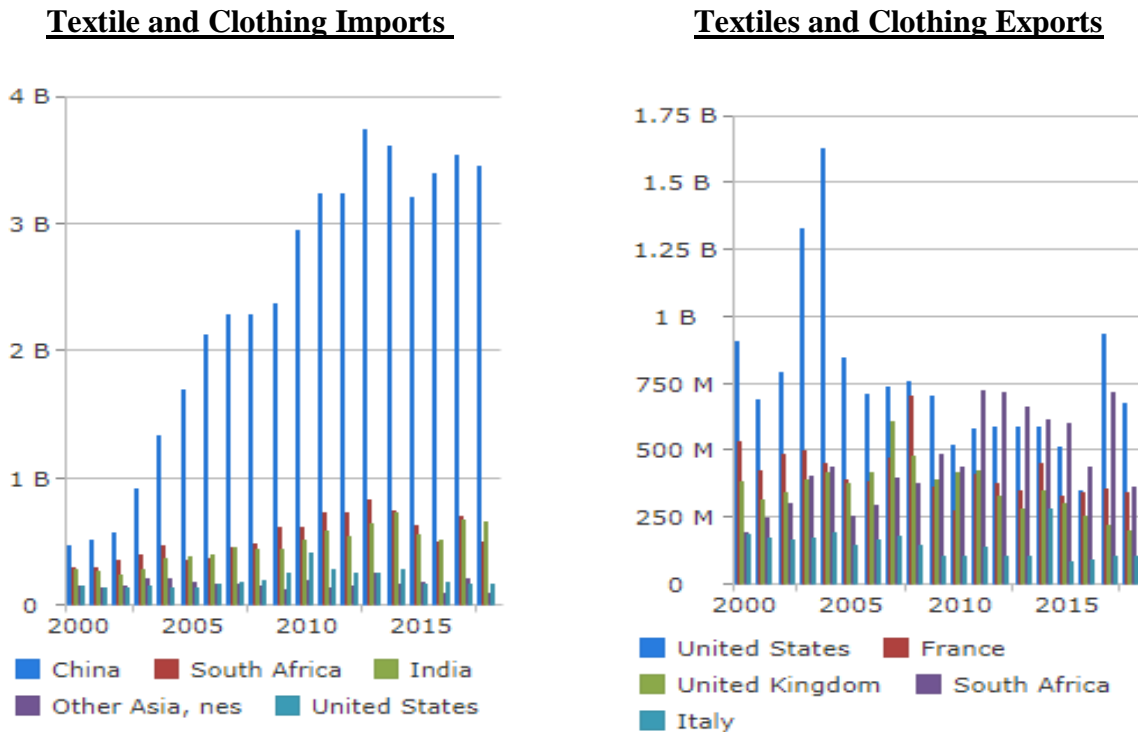
competition from China are solely responsible for the home-based textile industries' devastating state but provides a context to how China's relationship with Nigeria is beyond the concessional loans or economic and infrastructure assistance. Moreover, whether China might be taking advantage of Nigeria's troubles to advance its national interest to dominate markets, this scenario is not peculiar to Nigeria; the Chinese textiles and clothing have also dominated Sub-Saharan African markets since 2000 (see figure 4-5).

**Figure 4-4: Nigeria Textiles and Clothing and Footwears Exports | Top Five Countries| 2000-2018**



Source: World Integrated Trade Solution (2018)

**Figure 4-5: Sub-Saharan Africa Textiles and Clothing | Imports and Exports | Top Five Countries | 2000-2018**

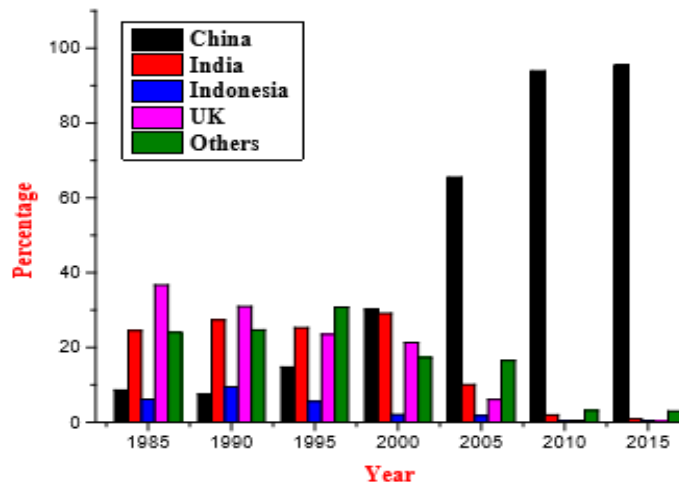


Source: World Integrated Trade Solution (2018)

### 4.3.2 The Chinese Textile in Northern Nigeria

Northern Nigeria is one of the regions that felt the impact of mass importation of textiles from China. The Central Bank of Nigeria, quoted in Murtala et al. (2018:44), revealed a steady increase in textiles from China to the Kano market. It shows the market share of Nigeria import partners from 1985 to 2015 (see figure 4-6). It confirmed the Kano State Trader Union (KSTU) assertion in 2015 that Chinese textiles accounted for ninth-one percent of market share value while local products share just four percent (Murtala, 2018: 77).

**Figure 4-6: Imported Textiles to Kano from 1985-2015**



**Source:** Central Bank of Nigeria in Murtala et al., (2018:44)

Kano state is known as the gateway for Chinese investors to enter the northern textile industry. Most of the textile materials for distributors in Kaduna state come from Kano. (Waiwada and Renne, 2013:186). Kano is a state that uses its “long meter of textile items” better than other states in Nigeria and is highly populated. China turns Kano to a textiles’ distribution center for the West Africa sub-region. (Murtala, 2018:75&77). The unrestricted access to the market might be responsible for this due to the Nigerian government’s policy and program. In 2010, the government withdrew the ban placed on the import of foreign textiles in Nigeria. This decision came when most of the mills in both Kaduna and Kano are in comatose. The result led to more foreign textiles into the markets because the local factories are out of production—seven textile mills are listed in both Kano and Kaduna states in 2008 to be operating with limited capacity. While sixteen are out of operation just a year before the ban on foreign textiles was lifted (see Table 4-13 &4-14), a contrast to the industry’s strength in the two states in the 1970s and 1980s, as described in the problem definition. The lack of production activities increases the demand for foreign textile materials to satisfy local needs, and China became the source because it is cheap. It would be

impossible not to imagine that Beijing’s beneficence to Nigeria influence the government’s decision to rescind the ban on foreign textiles, which suit Chinese factories to push more of their products into Nigerian textile markets.

**Table 4-13: Seven Textile Mills Operating in North-West, Northern Nigeria with number of employment, December 2008**

S/N	Factories	No. of Unionized Workers
1	Funtua Textiles, Funtua	300
2	Angel Spinning and Dyeing, Kano	1000
3	Nigerian Spinning and Dyeing Ltd, Kano	500
4	Lakhi/ Jaykay Carpet Ltd, Kano	50
5	Africa Textile Manufacturing Ltd, Kano	1000
6	Chellco Industries Ltd, Kaduan	100
7	Terytex Nigeria Ltd, Kano	300
	Total	3250

**Source:** Gado and Nmadu (2011: 92)

**Table 4-14: Textile Mills on Shutdown in Kaduna and Kano as at 2009**

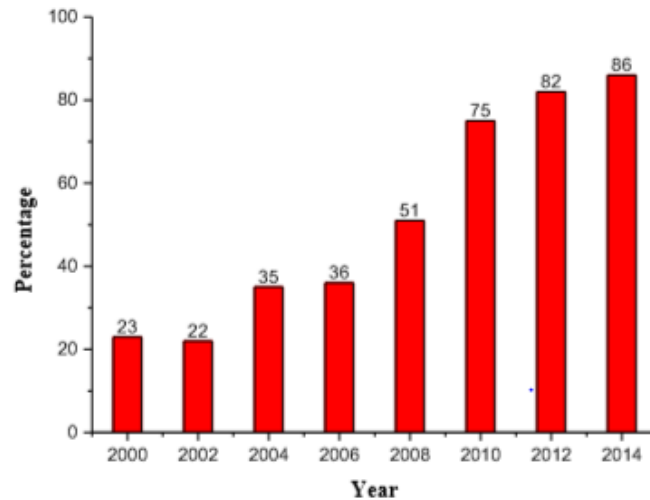
	Kaduna	Kano
1	United Nigeria Textile Ltd	Bagauda Textile Mills Limited
2	SRC Industries Limited	Kano Textile Priners Limited
3	SRC Industries Limited	Dangote Textiles Mills Limited
4	Arewa Textiles	Universal Testile Industries Limited
5	Supertex Limited	Gaskiya Textile Mills, Limited
6	Blanket Manufacturing Co. Limited	Holborn Nigeria Textile Limited
7	Finetex Limited	Magraps Textiles Mill Limited
8	Textile Limited	
9	Unitex Limited	

**Source:** (Banjoko et al., 2012:184; Abdulkarim, 2020:123)

Other reasons advanced are the illegal shipping of textiles and counterfeit products from China. The two issues briefly highlighted in the problem definition. At the 2017 conference of the Nigerian Textile Manufacturers Association (NTMA), the chairman of the association, Abiodun Ogunkoya, said that “about 85 percent of the US\$1.4 billion worth of textile materials” in Nigeria are smuggled from China annually. He further stated that the “Wax print fabric” has “counterfeit”

of made in Nigeria Wax with a fake logo of the Standard Organization of Nigeria (This Day, 2017). Murtala (2018:73-74) also revealed that since the establishment of the China-Africa Cooperation Forum, fake wax fabrics from China to the Kano market have risen (see figure 4-7).

**Figure 4-7: Counterfeit Textiles from China to Kano market in Percentage**



**Source:** Kano State Traders Union, 2015 in Murtala (2018:75)

The counterfeit products reflect the concerns shared by the respondents in the Afrobarometer survey shaping the negative China image in Nigeria. The Counterfeit Wax fabric textiles from China are what local factories used to produce. The Chinese stole the concept from Nigeria, took it to their textile factories in China to produce similar materials for the Nigerian markets. Up to “sixteen factories” in China work on this stolen design to create textiles with a “made in Nigeria” logo. It happens at a time when the Nigerian textile industry is experiencing zero production. (Burgis, 2015: 67-68).

In terms of practice, the unrestricted access makes the Chinese openly engage in retail activities in the Kano and Kaduna markets with cheap textile products even when Nigerian law prohibits foreigners from retail trading in textiles. With most local textile industries out of

operation, many textiles, clothing, and footwear dealers in Kano, Kaduna, and Zaire invariably have to deal directly with the Chinese. (Murtala, 2018:73; Waiwada and Renne, 2013:187). British Broadcasting Corporation (BBC) reported that in 2012 about forty-five Chinese arrested for engaging in retail trading in the Kano market. The government officials accused them of “scavenging in the market,” which does hurt the Kano economy (BBC, 2012). In 2015, officials of the Nigerian customs service raided “seventy-five” warehouses in Kano markets suspected of harboring illegal textiles from China. This illegal act involves many Chinese business personnel and local distributors (Hassan, 2020: 143). This influx is in no way helping local industries. The firms have to compete with the well-funded Chinese firms, and the Nigerians, on the other hand, accepting the low-quality Chinese products.

There were other textile sources into Northern markets, but China became the top supplier of textiles and footwear after FOCAC was launched. Local textile organizations are not silent about this. For instance, the Kano Dyers Association in 2015 organized a protest against the Chinese imitation of Hausa (one of the dominant groups in northern Nigeria) fabric design and “invasion and dominance” of the tie and dye business in the state. The association's secretary said if the Chinese continue to bring their textiles to the market without a check, many local dyers’ businesses would be out of operation because dyers from China are cheaper and more affordable for people than those made locally. In the same year, a memorandum of understanding was signed between the Kano state government and the traders, both Chinese and locals, to stop the Chinese traders from bringing “ready-made dye materials” to Kano. (Hassan, 2020:145). From a cultural viewpoint, this may be eroding the culture and tradition as people begin to lose touch with the peculiarity of tie and dye made in northern Nigeria.

The anti-business environment has also helped to collapse the textile industry in Nigeria, from the political leaders' poor economic decision past and present, high level of corruption, and mismanagement of Nigerian fortune. If the government appropriately managed the gains from oil proceeds over the years, it is enough to build the economy. However, the greediness among the politicians has created a dark cloud over Nigeria. Who can blame China? Every nation exists to advance and protect its national interest. If China established the Bank of China to support Chinese businesses abroad, Nigeria could equally implement policies that protect its domestic industries. Utomi (2008) opined that because of Beijing's financial favors, the Nigerian government manipulated tariffs to encourage Chinese imports, leading to the dumping of low-priced and substandard products in the market an unhealthy competition for domestic products.

A prominent stakeholder in Kaduna state, Matthew Hassan Kukah, once remarked that the Kaduna textile industry's collapse had "drained the life from the city," that people in the 1970s were very "energetic." Joblessness has created ethnic and religious identities between the Muslim population in the northern Kaduna and the Southern Kaduna's Christian population. Stating that the collapse made northern Nigeria "an incubator of poverty" as violence become the "tenor of life." He concluded that even if the government put the necessary resources to revive the textile industry in northern Nigeria, the Chinese textiles have spread through the market that the local industries would not compete (Burgis, 2015: 66-67).

The Nigerian government recognizes the devastating effects of foreign textiles on the local factories costing the country a considerable fortune on importing textile and textile materials annually. This reality pushes the Nigerian President in 2019 to mandate immediate intervention of the Central Bank of Nigeria (CBN) to assist the local manufacturers of textiles. The CBN promised an N100 billion intervention fund for cotton, textile, and garment production within Nigeria (This

Day, 2019). Part of the intervention policy includes a “single-digit interest rate loan was also proposed to help the local producers secure more funds to expand their operation (Vanguard, 2019). These are all general government attempts to address the textile industry issues, which, if properly implemented, could benefit northern Nigeria.

#### **4.4 China Expansion in Africa**

This study believes the economic crisis from the structural adjustment programs that bewildered many African countries in the 1980s and 1990s played a vital role. It provided a strategic opportunity for China to fast track its relations with African countries as a better alternative after the failed capitalists approach. More so, the Chinese are no stranger to the northern markets. For instance, at the United Nigeria Limited, a textile mill in Kaduna, many Chinese were there in the 1980s, working because the Hong Kong Textile firm owned the mill. Same for Kano state, who in the 1970s saw a gradual influx of the Chinese into the city. More and more Chinese people move their textiles to Kano, especially the Kantin Kwari market. (Hassan, 2020: 137; Maiwada and Renne, 2013:181; Murtala, 2018:74).

Presumably, the Chinese understand the informal activities in the African economy. Most developing countries operate an informal economy system that largely relies on informal market activities that are self-reliant and self-regulating with less government bureaucracy. Spring-up in most urban areas across developing countries after the economic fall-out of the structural adjustment program as public jobs disappear, weak institutions, and poor leadership lack attention to people’s needs. Redundancy and high unemployment in urban cities result from the rural-urban drift that increases the demand for goods and services because of the over-concentration of people with little consumption income. It is a survival market for desperate people with little or no choice



than to shop for low cost and low-quality products. (Kristina, 2004; Neuwirth, 2011). Thus, more reason that Chinese products are desirable in Africa.

Engaging the informal markets across Africa and the rest of the developing countries significantly helps China become the “world’s manufacturing and trading center” (Neuwirth, 2011:25). The Organization for Economic Cooperation and Development (OECD) revealed that half of the world workforce of about 1.8 billion people worked in the informal sector and projected that by 2020, “two-thirds” of the world workers would be employed in the informal sector (Neuwirth, 2011:18-19). Perhaps, China understands this, the reason for the Chinese influx to Africa for work, trade, and investment. This move was also aided by the Bank of China, dedicated to providing financial assistance to the Chinese entrepreneurs seeking opportunities in Africa. Thus, they overcame the anti-business environment like poor infrastructures and inadequate power supply in most African countries.

In the area of infrastructural provision, there are tangible facts to suggest that economic development assistance from China has helped promote development across the continent, but it has equally opened up Africa to the Chinese with unrestricted access. In a nutshell, China is reaping from its investment in Africa.

## **4.5 Conclusion**

In this chapter, the studies focused on China-Africa relations, in general, examined Nigeria the implication of Nigeria trade relations with China and its effects on the textile industry in the country, especially northern Nigeria, with Kaduna and Kano as focus center. The survey and data from Afro-Barometer and World Integrated Trade Solution are critical information sources that

anchor this chapter. The next chapter summarizes the findings and how it connects to research questions raised by this project, recommendations, and conclusions.

## **Chapter Five**

### **Summary of Findings, Recommendations and Conclusion**

#### **5.1 Introduction**

This study's primary purpose was to understand China's policy engagement in Africa through its activities in the textile industry in northern Nigeria with facts and figures from Kano and Kaduna states, Nigeria. This chapter presents the summary and primary findings in chapter four and the literature review in chapter two. The chapter has three parts: the summary of findings, recommendations expecting to guide future research into China-Africa relations, and the conclusion.

#### **5.2 Summary of Findings**

The study revealed that China's economic assistance and investment in infrastructure, businesses, and affordable manufacturing products contributed to China's positive image and influence in Africa. Data available to this study under section 4.2 in Chapter four revealed that, on average, 56 percent of respondents from 35 countries in Africa viewed the economic development assistance favorably from Beijing compared to 19 percent who think it is not good. For instance, in Nigeria, the section revealed that investment in infrastructures 47 percent, affordable Chinese products 22 percent, and 10 percent for support at international affairs are factors shaping China's positive. Under this section, the study identified factors such as the quality of products from China, competition with local firms in the manufacturing sector, extraction of resources, land grabbing, and the Chinese's behavior as challenges confronting China-Africa relations. In countries like Nigeria, South Africa, and Egypt, the low quality of China's manufacturing products and competition for the local firms top their most concerns. The study further revealed that China's

diplomacy, with most African leaders patronizing them with personal gifts, might be responsible for Beijing's strong influence. This review answered the research question on the significance and challenges of China-Africa relations.

China's economic cooperation and financial assistance to Africa have also created opportunity zones for Chinese personnel to explore the African construction and manufacturing industry. Thus, increasing trade value, market share, and favorable trade balance for China in the continent, especially with Nigeria, South Africa, and Egypt, section 4.3 Chapter four. These opportunity zones include the textile market in northern Nigeria. Data available to this study in section 4.3.1 of Chapter four revealed that most Sub-Saharan African countries relied on textile materials from China for their domestic consumption with close to US\$4 billion of imported Chinese textiles and clothing in 2018 compared to US\$170 million worth of textiles the continent exported in the same year. Nigeria and Nigerians also rely on China for their textiles and clothing and footwear.

The study under section 4.3.2 Chapter four shows Chinese textiles dominated Kano and Kaduna markets. The section revealed that Chinese textiles accounted for 91 percent of the market share value in the Kano market, while local products share 4 percent of the market's textiles in 2015. Importing cheap textiles from Chinese became an obvious choice to satisfy domestic needs. The study suggested that the government's decision to rescind the ban on foreign textiles in 2010 increases imports from China, creating more competition for the local factories. The study suggests this decision could have been reached by the Nigerian government to clear every trade obstacle for the Chinese to access the Nigerian market in return for more Beijing financial support because analysis shows that most of the domestic mills in Kano and Kaduna no longer in operation and the few that are working are on a limited capacity. The Chinese's stealing of Nigerian fabric led to

many fake indigenous textiles products in Kano and Kaduna. Section 4.3.2 shows that China's fake textiles have been on the increase in Kano since the launch of FOCAC in 2000. It amounted to 86 percent of total fake textiles in the Kano market in 2014.

The study argues in section 4.4 of Chapter four that China capitalized on the informal system of most African economies to expand its reach and dominance in various markets through bilateral trade agreements, which enabled the Chinese to flooded markets with their cheap manufacturing products for the African population who desire these products because of their low consumption budget.

The section 4.3.1, 4.3.2, and 4.4 under Chapter four answered the research questions three and four by providing information on China's policy in the textile industry in northern Nigeria. Most of the data presented are from 2000 to 2018; the data connected the Beijing soft power diplomacy in Africa since the FOCAC. The study in some areas lack sufficient statistical data to establish the effect of the poverty level in northern Nigeria to the influx of Chinese textile in the region and the role of the textile industry and unemployment level in northern Nigeria. The study used explanatory narrative based on government officials' statements, representation of various textile associations, and arguments from existing literature to establish its objectives. The research question two was sufficiently detailed in the problem statement.

### **5.3 Recommendations**

This study focuses on the textile industry in northern Nigeria to expand on China's strategic interest in Africa. This focus must extend to other sectors, such as agriculture, transportation, oil and gas, and services because understanding the reality in each economic area would help policymakers in Africa to be more pragmatic in their trade policy approach not just for China but

capitalists and former colonialists seeking economic and political cooperation. Its national interest in the continent guides China's policy toward Africa. African countries must wake up to this reality. They must also prioritize their national interest through strategic trade policy.

Nigeria must also start encouraging and relying more on its research institutes to formulate its trade policy. They can offer suggestions based on empirical studies to help the government make an informed decision on bilateral trade agreements or economic policy. Centers such as China, European, American, and Asia studies should be encouraged in elite universities across Nigeria to further understand China's national strategy.

No matter the volume, Beijing's economic assistance would amount to nothing without solid economic planning to stimulate home industries. The textile industry could be a catalyst in adjusting the trade deficit and improve the Nigerian trade value with China. Nigeria is a mono-economic nation that relies on crude oil for its foreign earnings. A shift in focus to the textile sector would be a genuine attempt on diversification of the economy.

The study already highlighted some Nigerian government plans to curb the influx of textiles; the country can do more through a cotton production initiative, especially in northern Nigeria. Cotton farmers would welcome a government-financed irrigation system that supplies water throughout the year. It is an initiative that would impact the grassroots rather than white elephant projects that create more debt to the country. The local industries will benefit from it and could serve in the long-run as a source of foreign earnings. Lastly, nothing can work in a country where the leaders are inept and corrupt. There is a need for fiscal accountability in government and transparent for Africa to progress.

## **5.4 Conclusion**

This chapter summarizes the key research findings and how they relate to the questions raised by this study. It provides some suggestions that focus on future research on China-Africa relations and priorities that African policymakers must consider in trade negotiation and policy decisions. China is in Africa to stay and vigorously pursuing national interests like other major powers. It is on the leaders to guide themselves with reliable information and practical idea that is futuristic, that evaluates every trade agreement before a decision and that protect the home industries.

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