THE EAST ASIA-AFRICA RELATION DYNAMICS: THE IMPLICATIONS OF PRC-NIGERIA ECONOMIC COOPERATION THROUGH (FOCAC) FOR REGIONAL DEVELOPMENT PROGRESS

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Abstract

This paper reviews the form of cooperation and the implications of economic cooperation between the People’s Republic of China (PRC) and Nigeria, in the economic field within the framework of the Forum on China-Africa Cooperation (FOCAC). The theory used is the theory of International Cooperation according to K.J. Holsti. the author will look specifically at what are some of Nigeria’s abundant wealth that should be utilized and how it has implications for the Nigerian economy, the authors will also look at how the region building in Africa is in political and economic challenges. The purpose of writing this paper is to find out how cooperation takes shape and the implications of PRC-Nigeria economic cooperation through the Forum on China-Africa Cooperation. The author also argues that China also has a national interest in Nigeria. The author also sees the economic implications for Nigeria as important to encourage Nigeria and the African region in general.

Keywords: Implications; Economy; Forum On China-Africa Cooperation (FOCAC); International Cooperation; Region Building

Abstrak


Kata kunci: Implikasi; Ekonomi; Forum Kerja Sama Afrika China (FOCAC); Kerja sama Internasional; Pembangunan regional
1. Introduction

1.1 Background

Nigeria is one African country that works with the People's Republic of China (PRC). Nigeria is one of the African nation's states. Nigeria is Africa's most populated country, with distinct cultures, races, and tribes. Other than being a populous country, Nigeria is a country blessed with much natural wealth such as oil, gas, agriculture, minerals, mining, and other natural resources. Despite that, Nigeria's income is mostly derived from the oil business, which produces 2.5 million barrels per day, among the highest on the African continent. Nigeria and the People's Republic of China (PRC) cooperate in a variety of fields, although the PRC places a greater emphasis on its economic cooperation.

China held the Forum on China-Africa Cooperation (FOCAC) Meeting on November 4, 2006. The conference between Chinese and African officials aims to boost China-Africa political and economic ties. China also inked bilateral agreements with South Africa, Sudan, Kenya, Nigeria, and Ghana on mining, infrastructure, finance, technology, and communications at the event. China thinks that cooperation; peace, collaboration, and development are shared goals between China and African countries. As a result, these ideals served as the cornerstone for the China-Africa summit conference. This summit is notable since China was able to pull in 48 African heads of state and high-ranking officials.

Furthermore, the ensuing deals are critical in establishing and promoting China-Africa cooperation. China's aid to Africa contains relatively minimal political substance despite the unbalanced trade accounts between them, in contrast to donors from Western countries, where African countries must achieve certain benchmarks in human rights or democracy at the moment the aid is handed to them. In 2003, the People's Republic of China (PRC) and Nigeria established a cooperative relationship. The collaboration between these nations grew more than quadrupled between 2003 and 2008, and in subsequent years. As a result, the authors restrict the consideration of the two nations to the years 2012 to 2015, when cooperation between the two countries improved.

1.2 Research Questions

Based on the background description, it is seen that Nigeria has abundant natural wealth and needs to improve its economy through cooperation, therefore the author raises the question "How are the implications of PRC-Nigeria economic cooperation through (FOCAC) for the general East Asia & Africa relation? Especially the Chinese-African cooperation?"

2. Research Methods

The establishment of cooperation and collaboration happens in the first few steps, according to Holsti's concept, namely the Approach Process, the Talk and Negotiation Process, the Search for Technical Realities and the Holding of Discussions, and the Formulation of Agreements. Holsti (1987) argued that when A country's motivations for
deciding to collaborate with other nations include, among other things, promoting strategic interests, maintaining peace, supporting the business, and coping with consequences. Cooperation may be defined as an endeavor to assist, collaborate, and unify in the performance of an action. Moreover, we use a qualitative method in a descriptive-analytic manner to explain the case and the results.

3. Results and Discussion

3.1 National Interests and Nigeria’s Bilateral Relations

The minimal ability of a nation-state to defend its physical identity (territory, land, territorial), political identity (political economy regime), and cultural identity (ethnic norms, languages, history) from the influence of other nation-states is described as the interest of the country. National interest is described as a nation's important interest that must be battled for its existence. National interest is also characterized as a tool and aim, which suggests that one day it will be utilized as a manner, means, or medium to attain a country's objectives. But on the other hand, national interest is also defined as the goal of a country that is achieved using the means of national interest as well. From the perspective of international relations, a country's actions towards another country are certainly influenced by many factors that boil down to national interests.

Bilateral connections are inextricably linked to the concept of collaboration. The players who carry out cooperation and the types of goals to be attained undoubtedly encourage collaboration. The actor in this situation might be a state-to-state, state-to-government organization, or state to non-governmental organization. Its function is inextricably linked to the individual performing the collaboration. Bilateral relations can take the shape of collaboration in a variety of domains, ranging from diplomatic connections to economic, military, socio-cultural, and educational cooperation, all of which serve as steps for nations that wish to progress. Hence, bilateral ties are a type of collaboration between countries that are both physically close and far across the ocean for political, cultural, and economic reasons.

The bilateral ties between the PRC and Nigeria may reflect the PRC's overall interest in Africa. The PRC's relationship with African countries has never been divorced from the pursuit of an energy goal. Nigeria may satisfy its requirements, particularly those that cannot be satisfied by the country alone, by creating these diverse bilateral ties. Furthermore, bilateral collaboration allows Nigeria to strengthen its position in the eyes of the globe. Nigeria can then showcase its potential to other countries.

3.2 Region Building in Africa – Political Economic Challenges

Africa is renowned as the prime location where European countries colonized throughout their period. There's the fact that humans first appeared in Africa two to three million years ago. This is modern African heritage from the pre-colonial period. Africa before colonization was as diverse as the continent
itself. Various conditions produced in distinct communities with different traditions, customs, and politics, and as the ages went on, these societies grew, collapsed, and adapted, the less qualified workforce, and the political system established by these stateless societies adapted to the environment they served. Significant evidence of sophisticated representation, justice, and accountability among these groups has been discovered. Village confederations offered protection and community for thousands of Africans in many circumstances.

It is also crucial to highlight that the activities classified under the phrase "territorial development" cover a broad range of activities, ranging from integration and collaboration in regional organizations to more informal or ad hoc procedures and practices. On one end of the scale, regional integration denotes a process in which formerly distinct entities merge, meaning the transfer of state authority to various supranational bodies.

"Territorial development, like the related phrase "regionalism," is a broader term that refers to the promotion of regional-based policies and practices in this context. It might also be about fostering shared ideas, debate, or regional awareness, in addition to the establishment of formal organizations. "Regionalization" is another wide word that should be separated from "regionalism" and "region building" because it can refer to unguided regional activity.

The development of the territory is not a natural or inevitable thing. There is no linear progress or automatic relationship between regionalism and multilateralism. Regionalism may progress or stuck depending on local and global conditions. But despite the opposition to the pressures of globalization, regionalism has become an inevitable feature of international relations and is likely to remain so. Half-century of regional economic cooperation has failed to realize the legitimate aspirations of African leaders for closer economic integration and accelerated economic growth. Various econometric studies have not been able to provide any evidence showing that African regional economic collaboration has managed to make a significant contribution to the well-being of the continent. On the one hand, the global economic context in which African regionalism has been pursued has often been unfavorable. On the other hand, a strong argument can be made that institutional design has played a major role in Africa's regional failure of economic cooperation. Despite the conditions of economic and political background far from those that facilitate European integration, African countries have been chosen to try to imitate the very ambitious forms of economic collaboration found in the EU.

African governments have proposed measures of economic cooperation that, if effectively implemented, would substantially undermine a country's sovereignty. The disparity between, on the one hand, the lack in Africa of characteristics identified by regionalism theory as favorable to successful collaboration and, on the other hand, the complexity of the form of regionalism selected by African nations has predictable repercussions. African regional economic institutions appear to be structured to fail in circumstances where governments are focused on internal security, state capacities are poor, outward-
oriented domestic coalitions are mostly non-existent, and African political elites are loath to give up sovereignty.

Generally, it can be assumed that African leaders seek to maximize their security and freedom of action within the environment in which they must act. Even this cannot be considered axiomatic: freedom and security may in some ways be competing goals, and the pursuit of each is subject to personal judgments that are sometimes difficult for outsiders to follow; other purposes, including the original, an ideological commitment to a goal that does not necessarily coincide with the well-being of the leader himself, cannot be ruled out. Nonetheless, these simple rules provide a place to start. The framework of action consists of the main sources of pressure on policymakers from domestic and external arrangements - two categories of active opportunities are difficult to distinguish from each other. In choosing a Domestic Statehood and foreign policy orientation general policy, and when necessary, a specific set of alliance policies, the leader then needs to balance these pressures against one another in such a way as to achieve his own goals. In simple terms, leaders in the African Region attach importance to their affairs, not economic growth.

For all but a small number of African leaders, this process will most likely begin with an assessment of the domestic situation, since their security is usually much more directly threatened by domestic than by external considerations. Leaders who enjoy unparalleled control over their domestic environment begin with gains and are far more likely than threatened rulers — able to set the agenda in dealing with outside countries. It even seems that an incomparable domestic base sometimes, as already mentioned in the previous section, tacitly depends on the recognition of which there are external interests, such as the former colonial powers. That's right, however, enables the leader to start with a series of useful bargains, including the ability to decide how he will allocate support in global disputes and continental alliances, and selective disposition of opportunities to gain access to resources in his rewards; this includes the right to establish military bases or other facilities on its territory, or economic rights such as fishing rights or investment opportunities.

The leader had to desire something in return, whether it was diplomatic backing, development help, military assistance, or possibly a personal bribe or privilege for himself and his allies. The stronger his domestic position and the higher the resources available to his nation - in terms of economic resources, geopolitical location, or leadership role among a group of neighboring countries - the better a bargaining position he might have. Simply said, visionary leaders will be required in the future for the African region's progress. If it is related to Nigeria, what is occurring in the nation will, of course, have a significant influence on the growth and development of the African area as a whole.

3.3 Economic Cooperation of The People's Republic of China (PRC) – Nigeria And The Forum On China-Africa Cooperation (FOCAC) & China's Interests

Economic growth is a key component of economic development, with far-reaching policy ramifications. Debates regarding the structure and factors of
economic growth are becoming more common in each country, and each country is fighting to boost economic growth inside its borders. Nigeria and China have had economic links since 1971 when the two nations signed the Joint Press statement on the Establishing of Diplomatic Relations. Presently, China needs Nigerian oil to fuel its economic growth, while Nigeria seeks Chinese knowledge, financing, technology, and industrial goods, as well as markets for its non-oil exports. The two nations have offered some technical and financial aid to each other. For example, during a visit by the President of China (President Hu Jintao) to Nigeria in April 2006, Nigeria and China signed four Agreements and three Memorandums of Understanding (MoU) on various programs to improve their economic relations.

While expanding Chinese firms seek raw resources (oil and other minerals, agricultural goods, and so on) for energy inputs and production, Nigerian merchants seek market prospects for their major products. Another major element is China's capacity to give financial and technical help (at concessional interest rates or/and with assistance) to Nigeria in need. Frequent political visits by the Nigerian government and reciprocal visits by the Chinese government have also improved the connection, leading to the negotiation of bilateral trade agreements and a Memorandum of Understanding between the two nations. Among the economic consequences of the recently developed trade relations between the two countries is the fact that there is an increase in the price or trade terms (TOT) of the main products of interest to Nigeria and a decrease in the price or TOT of manufactured products manufactured by China, resulting in fierce competition in the World market.

China-Africa Cooperation Forum (FOCAC) is a group that was founded in 2000 and is made up of China and 49 African countries. It is an impromptu group. The group was established to encourage collaboration between China and African governments, as well as to improve investment and economic connections in Africa. The first FOCAC forum took place in Beijing in October 2000, the second in Addis Ababa in December 2003, the third in Beijing in November 2006, the fourth in Sharm El Sheik - Egypt in November 2009, and the last in Beijing in July 2012. The FOCAC summit and the institutional framework are essential components of China's African strategy.

China has risen to contend with the increasingly influential United States in Africa. Beijing has found that forming a united attitude with Africa has become easier because of common economic interests. The factors prompted China to revisit its traditional relationship with Africa: growing concerns over Western encroachment on China's economic interests in Africa. (Jansson, 2009). The FOCAC results reflect the increasing priorities of China's place of leadership in Africa. As will be explained, the summit at the end of 2006 approved a three-year action plan to form a new type of 40 strategic partnerships, promised that China would double aid to Africa in 2009 to about $ 1 billion, set up a $5 billion Sino-African development fund to encourage Chinese companies to invest in Africa, provide preferential loans of $ 3 billion and 52 billion for preferential buyer credit to African countries, cancel all debts derived from Chinese interest-free government loans due at the end of 2005 for 31 countries with very much debt.
and countries, OLDC underdeveloped countries) in Africa that have relations with China estimated at around $1.4 billion), further opening up the Chinese market to export from African LDCs with an increase of 190 to 440 quantities of products receiving treatment at zero tariffs. (Taylor, 2011).

The recent growth in commercial relations was also captured by accessible statistics and information. Crude oil accounts for approximately 95% of Nigeria's exports to China. In terms of relative market share, China accounted for around 1.5% of Nigeria's export value between 2000 and 2005. Nigerian imports from China are more diversified than imports from other countries. Electrical machine tools, nuclear vehicles and reactors, boiler turbines, and mechanical components make for more than half of Nigeria's Chinese imports. The observed trade pattern structure does not correlate with Nigeria's desire to produce production of goods.

The need to diversify export items may be difficult given China's penchant for raw commodities, fuels, & gasses. On the one hand, Nigeria's significant development obstacle is a lack of infrastructure, with a significant need for investment. In addition, China has created one of the world's largest and most competitive construction industries, with technical knowledge in civil works vital for the development of infrastructure, as well as the potential to give crucial economic help to needy nations such as Nigeria. On the other hand, the impetus of Chinese industrialization and the inflow of FDI into the country caused a thriving manufacturing economy that required oil and mineral inputs that surpassed the country's domestic resources, hence the need to harness them from abroad including Nigeria which is well blessed with these resources. As the overall focus of its development strategy, Nigeria pursues private sector-based economic growth and development.

As is known, China also has interests. Recognizing Africa's enormous potential, heavyweights such as China are attempting to become a strategic partner for Africa. Apart from its commercial potential as a consumer of Chinese export goods; the importance of oil cannot be overstated. Once two nations have an interest in obtaining goods, conflict for those interests might occur. China is also looking into African petroleum to fulfill the country's energy demands. China's economic progress may be described as extremely advanced and highly developed. Because of these advances, China requires enough energy to expand its output, one of which is oil. In simple terms, oil is an important point of cooperation between these two countries, but the most important thing is mutual benefits, especially in Nigeria. China as a large industrial country as well as the second largest oil consumer in the world needs energy in carrying out its production process. Therefore, China has a lot of cooperation with oil-producing countries. All forms of economic policies and strategies are carried out by China to smooth China's efforts in obtaining energy supplies to meet the needs of its industry. To be able to meet this huge need, decision-makers in China agreed that their country must aggressively engage in the world oil market. China also began to follow the prevailing international market mechanisms and had no choice of following the practice of global competition for energy products.
3.4 Implications of Cooperation

Relatively early, Nigeria used to have an oil-dependent economy, so the protracted decline in crude oil prices impacted its economic strength. Presently, Nigeria has always been battling terrorism and defending its president's health, but Nigeria has succeeded to resist the chance. Nigeria's oil production steadily increased till 2017. Beginning in the 1970s, crude oil became dominant in the Nigerian economy, accounting for over 40% of GDP, more than 95% of foreign exchange income, more than 70% of Federal Government revenue, and more than 90% of all new investments (Adedipe, 2004, Ezirim et al, 2010: 58). Currently, the oil and gas sector dominates the income and foreign exchange that can be borne by the state with very small contributions coming from non-oil and gas sectors such as agriculture.

China is finally poised to access new and emerging markets, particularly in the Global South, as the world's greatest manufacturer, importer, and exporter. Political and economic expansion into Africa has been visible in the growth of twenty-first-century China, much as Western expansion and American Exceptionalism were for the growth of nineteenth-century America. Not only are new chances emerging in every industry daily, but the impact of the Economic Wild West on Chinese capitalism and industrial behavior will help promote a new investment philosophy that contrasts strongly with the conservative behaviors and reasons of the past (Hruby, 2017).

Nigeria is one of the few African countries with a stable annual economic growth rate of 5%. The growing prices of natural resources indicate such expansion, but economic analysts claim that Nigeria's economic growth is attributable to the fast evolution of the country's telecommunications industry rather than natural resources alone. Nigeria gained formal independence on October 1, 1960, following almost seven decades of British colonial control. Before colonial administration, the majority of the communities that now comprise the state were frequently defined by variations in history, culture, political development, and religion. The fundamental distinction between these pre-colonial communities was their socio-political organization (Abutu, 2012). Inevitably, Africa still faces the problem of poor infrastructure. However, foreign investment in Africa will help build and increase industrial capacity in the country.

The Lekki Free Trade Zone (LFTZ), developed in a collaboration involving China and Nigeria, has begun development on the Atlantic Ocean's coastlines, 60 kilometers southeast of Lagos. The Lekki Free Trade Zone (LFTZ) was established to encourage Chinese firms with massive production capacities and strong economic strength to invest abroad, as well as to promote trade ties between China and Nigeria and to realize mutual replenishment of economic resources between the two countries (Syakura, 2010). The trade relations formed as a result of the PRC's development assistance to Nigeria have the potential to be a force in and of itself, similar to these two nations.

Bilateral contacts between China and Nigeria have existed for several decades. Significantly, the PRC and Nigeria have been collaborating bilaterally
for 47 years. According to the aforesaid sources, the continuing collaboration is bolstered by the creation of a trade cooperation forum between the PRC and Nigeria. The forum can assist Nigeria and the PRC in facilitating their collaboration and improving their economies, for example, in development in their respective nations. China, being an industrial country, clearly needs energy sources to power its industrial processes, such as production and distribution. As a result, China desperately needs energy resources, one of which is oil.

China is even the second largest country in energy use after the United States. From year to year, China's industrial growth increases so it requires a lot of energy to drive its industry. In 2017, Nigeria declared there had been a recession in its Country. But by this time Nigeria has crept out of the recession. Nigeria's success out of recession was partly due to the recovery of crude oil. By 2030, China is even predicted to import four-fifths or 80 percent of its oil needs. Therefore, China cooperates with Nigeria in oil investment due to the scarcity of Chinese industrial energy sources to carry out its various economic development projects, thus encouraging China to cooperate in oil exploration with Nigeria. In addition to its interest in securing oil and other mining products such as gas and minerals in Nigeria, China also wants to expand the marketing expansion of its export products. As the largest industrial country in Asia and the existence of China greatly affects and threatens the industry of other countries, in that case of course China produces a lot of products from within the country. With the entry of China into Nigeria, of course, it also has great potential for marketing Chinese Industrial products.

Beginning in the 1970s, oil production emerged dominantly in the Nigerian economy, accounting for over 40% of GDP, more than 95% of income from foreign exchange, more than 70% of National Government revenue, and more than 90% of all new investments (Adedipe, 2004, Ezirim et al, 2010). Nowadays, the oil and gas industries dominate the income and foreign exchange that the government can bear, with very few contributions from non-oil and gas industries like agriculture.

Nigeria imports low-cost Chinese commodities such as textiles, clothes, electrical equipment, and machinery, as well as staples such as rice. As a result, many Chinese items are readily available in Nigeria. The trade volume of Nigeria climbed from US$5.3 billion in 1996 to US$5.8 billion in 2000 and then to US$17.7 billion in 2005. Nigeria buys nearly every product category from China. Nigeria imported the most machinery and transportation equipment in 2005, followed by manufactured products, factory supplies, chemicals, food, and live animals (Ogunkola & Adeyuwi, 2008) Since 1996, the mix of Nigerian imports has shifted. Imports of chemical items were top in 1996, followed by imports of transportation and industrial goods. Meanwhile, in 2000, machinery, equipment, and transportation rose to first place in Nigerian imports, for second place in the position of manufactured products.
4. Conclusions

In terms of considerable economic benefit for both nations, the economic consequences of collaboration between the two countries under the framework of the Forum on China-Africa Cooperation may be deemed to be successful. Simply put, this collaboration benefits the Nigerian economy. The amount of exports of the two countries demonstrates this. The two's collaboration can be regarded to have attained the desired result. The two nations' international collaboration appears to be mutually advantageous to both. This relationship has a significant influence on the area that is constructing Africa.

Nigeria must also be able to see the potential for cooperation with other countries, such as the Indonesian circumstances, as is known during the reign of Susilo Bambang Yudhoyono, Nigeria and Indonesia carried out cooperation in the field of trade and investment, and can even be expanded, for example, cooperation related to environmentally friendly energy or in terms of the food industry, because Nigerians like instant noodles from Indonesia, it is possible to create a food product from the cooperation between these two countries. Indonesia has abundant natural spices and Nigeria has abundant oil wealth.

As a result, the FOCAC might serve as a voice instrument for the Chinese to express their interest in the African continent. China's aim of meeting the needs of African countries in need of development as cheaply and quickly as possible may become a very useful bargaining chip for China in the area. Furthermore, as a rising country, China may become the missing supplier for African countries in terms of developing partners, even though the bridge between their collaboration may be imbalanced. Moreover, it is also a sign that China is the most active and eager country from East Asia in terms of economic diplomacy toward the developing world, such as Africa, compared to South Korea and Japan.
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