

The complexities of bilateral relations: the Nigeria–South Africa relationship (2000–2006)

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Abstract

The relationship between Nigeria and South Africa is couched in the complex interdependence paradigm, in which the two states continue to depend on one another. The umbilical cord that joins the two straddles the economic, political, social, cultural and military spheres. Attempts by one to 'do it all alone' for the sake of self-interest will not only affect their relationship, but will also affect the whole concept on which the African Union, the brain-child of Pretoria and Abuja, is based. The sensitivity and vulnerability of the two states to each other depends on the issues at hand. While South Africa appears to be vulnerable and sensitive to Nigeria's fossil fuel and diplomatic support, South Africa's investments and technology transfer continue to be sources of Abuja's vulnerability, and are very sensitive issues. As long as both states are dominant powers in their respective sub-regions, there is always a need for them to co-formulate some functional policy for African development.

Keywords: independence paradigm, Nigeria–South Africa relationship

1 INTRODUCTION

Nigeria and South Africa are two powerful states in Africa, which share some common features. They are both credible leaders in their respective regional spheres of influence. While Nigeria is the arrowhead of the Economic Community for West Africa (ECOWAS), South Africa continues to be the leader of the Southern African Development Community (SADC). Both states aspire to bring the African

continent to its rightful position politically, economically and socially. In this, both states have realised that there is a need for consolidated economic cooperation – something which could have an impact on the culture, politics and psychology of Africans. The establishment of the Nigeria–South Africa Bi-National Commission (BNC) in October 1999 was a starting point in this regard. The coming together of the two, in south Africa’s view, ‘would lead to the “underdog ideology” of African Renaissance’, the much aspired-to approach to the rebirth of the African continent (Olivier 2006: 171).

This article examines the general theory of interdependence with reference to the relations between Nigeria and South Africa.

2 COMPLEX INTERDEPENDENCE THEORY

International Politics has been described as a parasitic discipline due to its dependence on many other subjects such as, for example, International Political Theory (Garnett 1984: 27–50). The purpose of this article is to use complex interdependence theory.

Interdependence means that changes or events in any single part of a system will (sensitive effect) produce some reaction from, or have some significant consequence for, other actors in a system, whether they like it or not (Russet and Starr 1992: 439). Keohane and Nye (1987: 364) are of the view that the need for interdependence could be couched in the need to achieve everything that cannot be realised in isolation. They emphasise the links or interconnectedness among units of a system. Such links may affect both the opportunities of states and the willingness of decision makers to act. These links can be likened to economic, political or social incremental integration. As much as integration can generate stability, predictability, regularity, unity, growth and development, it can also breed frustration, anger, instability, competition and conflict. Interdependence may be asymmetrical, whereby one of the units (usually the centre) in a system tends to benefit more than the others (periphery states), but when it is symmetrical (an ideal type that is hardly ever met), it suggests that members are benefiting mutually, and that there is less conflict among members (Keohane and Nye 1987: 365).

The main features of complex interdependence theory are the following:

1. There are multiple channels of interaction, namely, inter-states of the realist school; transgovernmental relations in which the input of different government departments and various parastatals plays a vital role in communalising state relations; and transnational non-state actors such as liberation movements, religious movements, trade unions and multinational corporations;
2. There is the absence of an hierarchical system in which issues of high and low politics are rank relevant. This theory postulates that military, political, economic,

social and cultural factors play prominent roles at different times, depending on the issue at hand;

3. There is what one could term ‘jointness’ and ‘non-exclusiveness’. This is when all the member states in a system are sensitive to the actions and inactions of any other member state, whether at domestic or foreign policy level;
4. The degree of vulnerability to members’ policies depends on the importing of goods by the said state to the system. It has little to do with the level of political, economic and social development of the members in question;
5. The theory erodes the notion of total autonomy and the sovereignty of different units in the system as a whole. Greater emphasis is placed on the sharing of sovereignty on three levels: international, legal, Westphalian/Vatellian and domestic (Krasner 1999: 9–25);
6. Military power can only be employed as a last resort when the *leitmotif* of a state is in danger. It is also relevant when supranational organisations such as, for example, SADC, ECOWAS and the North Atlantic Treaty Organisation (NATO) use it to preserve stability in a designated area, or to fight against non-members of the system.

Reference will also be made to integration theory, as one particular theory is not sufficient to analyse all state relations and behaviours. Integration theory has some common features with complex interdependence theory, such as the absence of the use of force and coercion, and the use of collective action to promote mutual interests (Evans and Newnham 1998: 254).

3 NIGERIA–SOUTH AFRICA RELATIONS

This section examines Nigeria–South Africa relations, with more attention being focused on political, economic, military and social interactions as variables of complex interdependence theory. There are five major types of interdependence, although Keohane and Nye (1987: 372) identified only three: policy, social and economic. Russett and Starr (1992: 442), however, added psychological as another type. The authors’ intention here is to add the military variable (not derived from the realist power politics approach of the complex interdependence theory, which places less emphasis on the hierarchical system of state relations). For the purposes of this article, the authors will link these variables to the relationship between the two states, in order to determine if they can be used analytically to explain the establishment of the BNC. For this reason, the aim of this article is to reflect an intensive investigation of the interdependent relationship existing between the two states, during the period 2000–2006. Therefore, the two major players, Presidents Thabo Mbeki and Olusegun Obasanjo, and their foreign policy towards each other, are at the centre of discussions in this article. It is also important to note at the

onset that, according to the applied theory, states are not the major players in this relationship, which spans the security, political, social and economic spheres.

It is worth considering the fact that the foreign policy objectives of the two states were ideologically opposite. South Africa, under Mbeki, wanted to reach out to the rest of Africa through economic foreign policy investment. Obasanjo's policy of 'Nigeria first', in canvassing for foreign direct investment in Nigeria to solve the high rate of unemployment, was significant. The *leitmotif* of this section is to look into the policy, economic, social and military interdependence of these two states, in terms of achieving their perceived dialectically opposite policies.

3.1 Policy interdependence

Policy interdependence can be a direct or indirect indication of a more coordinated policy among member states. It is a situation in which member states have a common foreign policy towards non-member states (third parties). At the political level, as soon as Nigeria embraced democratisation, both states revived their moribund economic and trade relations. The climax of this was the signing of the BNC, in October 1999, by the two states in Abuja, Nigeria. The significance of the Commission brought about the meeting of the vice-presidents of the two states (at the time Jacob Zuma from South Africa and Atiku Abubakar from Nigeria) twice in one year, in order to discuss the various sectors in which they could cooperate, as a prototype of the African Economic Community. In March 2001, the Technical/Expert Teams from both states met in Nigeria to discuss important issues that would establish a common economic policy approach to the development of the two states. The teams comprised officials from different government departments and parastatals, such as Foreign Affairs; Commerce and Industry; Arts, Culture, Science and Technology; Minerals and Energy; Public Enterprise; Defence; Internal Affairs and Police Services. In the arms manufacturing sector, Denel (South Africa) and DICON (Nigeria) also met to forge a unified policy regarding their production and market. In the field of electricity supply, state-owned power utilities Eskom (South Africa) and Power Holding (Nigeria) met with the aim of resolving Nigeria's epileptic power supply. The meeting of the technical committee was co-chaired by the Nigerian Ambassador, Ibrahim B. Mohammed, the Director of International Economic Co-operation in the Ministry of Foreign Affairs, and the South African High Commissioner to Nigeria, Bangumzi Sifingo.

Subsequently, in March 2002, Nigeria and South Africa met in Pretoria to conclude a free trade agreement. The urgency for the two states to cooperate in trade relations was emphasised by Nigeria's Vice-President, Alhaji Atiku Abubakar, when he stated that 'two years ago we both expressed concern that our bureaucracies have

tended to delay progress. We even ordered them to cut the bureaucracy and move into action' (*Business Day* 26 March 2002: 2). As with South Africa, Nigeria saw the BNC as a viable instrument for what the neo-liberal school termed a 'high level of interdependence' that would eventually lead to interstate political cooperation and stability, and less conflict in Africa. Nathalia Africa, South Africa's Foreign Affairs Director for West Africa, was of the view that this development would pave the way for a tariff-free zone (free-trade area) in which goods and services could be exchanged without hindrance.

The only obstacle to the trade flow between the two states was that, while South African companies were able to visit Nigeria for business, their Nigerian counterparts were unable to reciprocate. Since 2006, about 55 state-owned and private South African companies have been very active in Nigeria. Amongst them are Stanbic Bank, Mintek, Securicor Gray, Umgeni Water, Eskom, MNET and MTN. Nigerian businessmen continue to import finished goods and services, with little or no value being added. This not only brings to the relationship a high degree of sensitivity (in the short term, mostly by Nigeria), but at the same time leads to a high level of vulnerability in the Abuja government, in terms of South African international economic relations. An attempt by South African investors to move their capital to other states in Africa, probably because of changes in the investment policy or political instability, as in the Niger Delta region of Nigeria, could lead to a high rate of unemployment in Nigeria. In addition, there could be a high degree of sensitivity for South Africa investors, because any trade policy adopted by Nigeria will have foreign policy implications for South Africa.

A bi-national investment forum was established by the two states, in order to facilitate investment by private investors. A lack of or limited knowledge of trade opportunities in both states continues to affect free-flow and improvement in trade transactions. This accounts for the prominence of organised private sectors (OPS) in the political relationship between the two states. Before the 1970s, the foreign policy of these states was too sensitive to be left in the hands of private individuals, who knew little about the workings of government and were mostly poorly informed (Frankel 1968: 73, 1988: 91). Frankel talks about the likely input of different interest groups to foreign policy formation. Probably because their role in government policy formation was so tangential, until recently, the private sectors dragged their feet in terms of taking the opportunities given to them by their respective governments. The involvement of the OPS is a complete departure from the neo-realist perspective of the state as the only unit of analysis in foreign policy and the whole spectrum of state activities. Before the formation of the BNC, it was the coming together of two different groups, headed by Professors Vincent Maphai and Gordini Darah, from South Africa and Nigeria respectively (Amusan

2006a: 266), that resulted in the formation of the BNC. At the March 2002 BNC Summit, both states signed a cooperation agreement on information exchange in science and technology, through their respective research institutes and universities. The increase in the interdependence of the two states led South Africa to undertake to build the Z-600 automobile, which was developed by a Nigerian, Ezekiel Izuogu (Amusan 2009: 152), as a joint venture between the two states. Cooperation was also initiated in the area of space technology, as this was considered to be a collective good. SunSpace from South Africa and its counterpart from Nigeria, the National Space Research and Development Agency (NASRDA), aimed at promoting African development through the application of space science and technology (Amusan 2009: 153). At the fourth summit of the BNC in Pretoria, the two states were conscious of the need to join forces in order to energise the New Partnership for Africa's Development (NEPAD) through multilateral and bilateral trade in Africa, as opposed to asymmetrically vertical north–south trade relations.

Unified foreign policy is the hallmark of globalisation. Contemporarily speaking, foreign policy has centred on democratisation, transparency, economic liberalisation and respect for basic human rights. The incompatibility of the two states' foreign policies led to a diplomatic face-off between November 1995 and June 1998. General Sanni Abacha (military head of state in Nigeria, 1993–1998) had little regard for human rights and democratisation, which culminated in the killing of nine Ogoni environmentalists in October 1995. This was an acid test of the relationship between the two states. South Africa soon realised the importance of complex interdependence theory in its relations with Nigeria, vis-à-vis its African international politics. This could also have prompted Mandela to back-pedal on his anti-Nigerian stance, coupled with the need for Abuja's support for Mbeki's controversial African Renaissance programme. South Africa's volte face on its stance on Nigeria paid off when the two states again began to meet at the highest political level. At the time South Africa needed the support of the rest of the African states against Nigeria. Probably due to Nigeria's diplomatic efforts in Africa, support for South Africa's position on the killings from the southern African states that were expected to back Pretoria's anti-Nigeria stance was not forthcoming. As much as South Africa wanted to be a *primus inter pares* on the continent, Nigeria's and Zimbabwean President Mugabe's anti-Pretoria ambition circumvented this. On the other hand, Nigeria needs technology, which is not easily come by through the developed states of the north, and it is therefore forced to turn to South Africa. This could explain why the two states need to resolve their diplomatic differences, in order to avert a diplomatic version of *mutual assured destruction* on the continent.

On the other hand, political interdependence enables politicians to employ indirect means when the domestic policy of any member state in a designated

system has foreign policy implications for other member states. An asymmetrical relationship and a high degree of vulnerability of one or more of the member states is the type of relationship that exists between the two states. South Africa is more sensitive to the domestic policy of Nigeria – especially in the oil-producing states of the Niger Delta, where mineral resources turned out to be a curse, because of the abduction of expatriates by militants and the disruption of oil production as a way of seeking redress from oil companies and the federal government. Since 2006, Nigeria has been the most important fossil fuel supplier to South Africa, and at discounted prices to boot. The level of South African private and public investment in Nigeria continues to be a source of sensitivity for Nigeria. Different Nigerian heads of state and foreign ministers continue to pay official visits to South Africa, primarily in order to woo South African investors. They are able to do this, thanks to the enabling environment that has been created by the Obasanjo government, sometimes even to the detriment of the Nigerians themselves.

Political interdependence, in most cases, causes conflict and frustration. This was evident in 2005, for example, when the then United Nation's (UN) Secretary General, Kofi Annan, called for the expansion of the UN Security Council (UNSC). It was proposed that two of the permanent seats should be allocated to Africa, either on a rotational basis among African states, or else retained by two states, as agreed by the AU. Nigeria was of the view that even if there was only one seat for Africa, Abuja was the only state that ought to receive it, based on the following reasons:

1. Nigeria has the largest concentration of black people in the world, with a population of almost 25 per cent of Africans (140 million, according to the January 2007 results released by the Nigerian National Population Census);
2. It is the state which contributed most troops to international peacekeeping efforts, except for India;
3. It is the single largest market in Africa in terms of purchasing capacity;
4. Nigeria is the fifth-largest fossil fuel exporter to the international market, with all the implications this has for the survival of the US and other permanent members of the UNSC (except Russia, followed by Angola) in Africa (Amusan 2006b: 189–190).

South Africa, however, had also eyed the coveted seat as a symbol of prestige. In actualising South Africa's intentions, Pretoria deployed the UN division in its Department of Foreign Affairs (DFA) to pursue permanent membership of the UNSC (*The Sunday Independent* 23 July 2000: 1). This issue, at the time, appeared to have caused some diplomatic friction between Nigeria and South Africa. In order to defuse tensions, the two states came up with the idea of having two permanent seats, in competition with Egypt, Libya and other smaller African states, which canvassed for the same privilege, but on a rotational basis (Amusan 2006b: 103).

The eventual silence of the UN on this issue had a palliative effect on both states. However, the two states expended their resources in garnering the support of the international community. Although the AU's official position was to have consensus candidates for the two posts, it was South Africa's official position that Abuja and Pretoria should occupy the two seats, as Egypt, the other strong contender and a favourite of the West, was more Arab than African, in accordance with Gamal Abdel Nasser's conception of a Pan-Arabian state (Kunstler 2006: 72–74).

Despite political rivalry for the UNSC seat, South Africa and Nigeria continued to cooperate in the field of information-sharing. This would have seen Nigeria relocate its southern African Information Centre from Harare to Johannesburg. It also appears to have encouraged the Obasanjo government to open the Voice of Nigeria (VoN) Bureau Chief office in Johannesburg, in order to serve the SADC states, on 16 December 2002. It was the belief of the Nigerian government that information-sharing by the two states was an avenue for promoting and consolidating NEPAD, which was the brainchild of both states. Partly in order to encourage party politics or to consolidate the relationship between the ruling parties in both states, the African National Congress (ANC) invited the Nigeria's People's Democratic Party (PDP) to the 51st ANC National Conference held in Stellenbosch (Amusan, 2009: 149).

3.2 Military interdependence

Nigeria and South Africa realised that one of the negative effects of the post-Cold War international system was the neglect of the African continent by the major powers – a situation that prevailed until the events of 9/11. Therefore, the two states identified a myriad of problems related to intra-and inter-state conflict, which sometimes disturbed the economic and political development of Africa. With regard to conflict resolution, perhaps because Nigeria had been at the forefront of peacekeeping efforts in Africa, South Africa relied on Nigeria in this respect. The role that Nigeria played in either peacekeeping or peace enforcement in Liberia, Sierra Leone, Côte d'Ivoire, Tanzania, the Democratic Republic of the Congo (DRC), the Sudan, Burundi and Rwanda is unmatched by any other African state. On the other hand, South Africa was on the political stage 50 years before Nigeria gained independence. Pretoria's inputs to the formation of the League of Nations and the UN are instructive – South Africa co-drafted the Preamble to the UN Charter (Olivier 1975: 295). Even after World War I, South Africa was accorded the mandate to take over South West Africa (now Namibia), the protectorate of Germany. This mandate turned out to be one source of the pariah status later imposed on South Africa by the UN. South Africa would have played a leading role in Africa, were it not for the apartheid regime and South Africa's subsequent international isolation through, amongst others,

a strict regime of UN sanctions, which lasted until 1994. Despite the two states' foreign policy incompatibility during the Mandela and Abacha presidencies, South Africa called for Nigeria's cooperation in solving the DRC political log-jam in its neighbourhood, while Nigeria requested South Africa to join its peace enforcement efforts in its neighbourhood, most notably in Liberia and Sierra Leone.

South Africa was of the view that, with the assistance of Nigeria, the problems of civil and interstate war, famine, organised crime, economic underdevelopment, political instability and terrorism in Africa – the African dividends of the post-Cold War – would be solved. This notion would have contributed to the roles the two states played in the establishment of the AU's Peace and Security Council (PSC), which replaced the Mechanism on Conflict Prevention, Management and Resolution, in Durban, South Africa (*South Africa Year Book* 2003/04: 308).

After the 2004 elections in Zimbabwe, which resulted in another political crisis, Nigeria and South Africa appointed Professor Adebayo Adedeji and Kgalema Motlanthe (then ANC General Secretary) respectively to meet with Robert Mugabe of ZANU-PF and Morgan Tsvangirai's opposition party, the Movement for Democratic Change (MDC), in order to ease tensions between the two political parties. However, little success was obtained, as Mugabe continued with his negative political and economic reforms in the country, despite his promise to enter into dialogue with the MDC in order to solve the state's political problems. Abuja and Pretoria's aims in doing this were probably to demonstrate to the international community that Africa could handle its own continental crises, with little or no involvement from extra-African states. Although the two states prevented Zimbabwe's suspension from the Commonwealth, Harare's political crisis and debilitating economic situation continued unabated, because Mugabe was not interested in shared governance, reconciliation or economic reconstruction (Akindele 2007: 333).

In an attempt to ensure stability in Africa, South Africa and Nigeria also realised the need to cooperate in terms of peacemaking and peacekeeping, and, when necessary, peace enforcement. This was the view expressed by General Siphwe Nyanda, then Chief of the South African National Defence Force, at Abuja on 30 July 2001. Both states could learn from each other in terms of maintaining peace and security, as they were militarily giants in their respective sub-regions. Nigeria's experience in complex peace enforcement in Liberia and Sierra Leone was worth emulating by South Africa in future crises in the SADC region. Nyanda was of the view that Nigeria's experiences, despite the country's low level of military technology and its budget constraints, meant that it could act credibly to enforce peace in the two West African states. By contrast, Nyanda was of the opinion that South Africa could not do this, despite its comparative advantage in terms of military power (Amusan 2009: 149). This could have been due to the negative experience that South Africa

had in invading Lesotho in September 1998, which was described as an *impulsive aberration* ‘too quickly and ill prepared’ (Neethling 2000: 155). South Africa’s scepticism with regard to its participation in peacekeeping could be linked to its lack of preparation in terms of peace enforcement. This could also have contributed to its initial foot dragging as regards to joining the Burundian peace enforcement team, which was composed of Nigeria, Senegal, Kenya and Ghana.

Nigeria did not subscribe to South Africa’s viewpoint, but instead argued that intervention was necessary when there was no peace. Peace enforcement, unlike the UN’s traditional peacekeeping position, is necessary in the African situation, where a mandate to use force is important. The recent Darfur genocide, for example, led to the establishment of hybrid forces from the UN and the AU, with Nigeria leading the AU forces.

Despite the two states maintaining a level of foreign relations, as of July 2001, South Africa did not have a military attaché in Nigeria, while Nigeria had one from 1994 onwards, namely Col. Abdulkamaar Role, Nigeria’s military attaché to Zimbabwe, who was seconded to Pretoria until Captain Dan Francis Akpan was appointed by the Obasanjo government in 1999. In spite of this, the two states embarked on a joint venture in arms manufacturing. Denel resuscitated its faltering Nigerian counterpart, DICON, to manufacture small arms for Nigerian consumption, and later for the African market and abroad, which could be interpreted as another means of interdependence between these states. The technology that is currently being transferred to Nigeria from South Africa will unarguably elevate Nigeria militarily. Therefore, Nigeria’s dependence on South Africa’s technology is increasing.

3.3 Economic interdependence

Mbeki’s intention was to elevate the rest of Africa through his African Renaissance programme. This ambitious programme was, unexpectedly, not greeted with the same enthusiasm by other African states, especially Nigeria and other Francophone African countries. This explains, to some extent, why the Senegalese President, Abdoulaye Wade, proposed the economic development of Africa through his Omega Plan. Having realised the importance of interdependence, South Africa teamed up with Nigeria, Senegal and Algeria, to come up with the New Africa Initiative (NAI) for an incremental approach to achieving the 1991 Abuja Protocol on the African Economic Community (AEC). At the World Economic Forum (WEF) in Davos, Switzerland, in January 2001, the trio of Mbeki, Obasanjo and Abdelaziz Bouteflika (Algeria) established the Millennium African Recovery Programme (MARF), which stressed the importance of restoring foreign private sector confidence in Africa, in order to attract foreign direct investment (FDI) to the continent (Landsberg 2008:

209–214). Having realised the instability of politics in Africa, the two states called for international financial institutions controlled by the North to set up an insurance scheme to protect FDI to the continent. This was made official at the July 2001 OAU Summit. Nigeria and South Africa also called for a global partnership between multilateral financial institutions and pharmaceutical companies, in order to urgently secure access to existing drugs – this to combat the infectious diseases that continued to undermine African development (Landsberg 2008: 214). An understanding between two states in this regard could have led to the US’s pledge of US\$200m to combat HIV/AIDS in Africa, although this fell short of the US\$10 billion expected in 2001, but was nevertheless an attempt to move the continent forward in the fight against deadly diseases.

Nigeria and South Africa believed in home-grown economic development, with less emphasis on aid from industrialised states. They therefore called for real globalisation, in which the US and European Union’s (EU) tariff barriers and agricultural subsidisation would be removed for the law of supply and demand. This step was vigorously pursued at the World Trade Organisation (WTO) by the two states. The tenet of globalisation is to remove all barriers to free trade – which, incidentally, the US and EU used to control African exports to their markets. Currently, issues of tariffs, quota systems and subsidies (the main elements in the liberalisation of international trade) are being addressed by the two states, on behalf of Africa, at different international forums.

Nigeria’s Consul General to South Africa (1999–2002), Charles Onwugbo, called for reciprocity in investment by Nigerians living in South Africa, in order to promote political stability through economic relations and to strike a balance between the two states. In 2005, the Oando oil company in Nigeria was listed on the Johannesburg Securities Exchange (*Business Day* 28 November 2005: 9). The same company held discussions with the South African state-owned oil giants, Sasol and PetroSA, with regard to upstream and downstream oil production. The state-owned Nigerian National Petroleum Corporation (NNPC), the sole regulator of the oil industry in Nigeria, is in partnership with Sasol Oil to convert natural gas to liquid in Nigeria. It was the intention of Nigeria to woo public and private South African businesses to invest in Nigeria in the fields of oil, gas, transport, banking and manufacturing. In order to realise this goal, Nigeria created an enabling investment environment, such as free corporate tax, fewer import duties, 100 per cent foreign ownership, and long-term leases (Amusan 2002: 49). The two states also investigated the possibility of creating an African branch of the Multilateral Investment Guarantee Agency (MIGA), where investments from both states would be secured in the event of political instability in the host state.

As of December 2005, Standard Bank South Africa entered into negotiations with Oceanic Bank of Nigeria, with regard to the selling of Stanbic Bank to the former. In return, Standard Bank would acquire a strategic minority share in Oceanic Bank.¹ In addition, from 2005 onwards there were negotiations between Intercontinental Bank and FirstRand Bank, the latter being the parent company of First National Bank of South Africa, with regard to participating in discussions that would bring more capital investment to the activities of Intercontinental Bank in Nigeria.

Another area in which Nigeria and South Africa worked in partnership was the aviation industry. In terms of a co-share agreement, South Africa provided aeroplanes and technical support for the Lagos–Johannesburg and Lagos–New York routes. The zero-sum interdependence in the aviation industry, whereby Nigeria benefited to the detriment of South Africa, was terminated, as South Africa did not benefit from it. Despite the enabling environment created for South African companies to invest in the Nigerian economy, the Obasanjo government came up with policy options that were not in the interests of South African private investors. When Nigeria put its moribund Nigeria Airways up for auction, it was a foregone conclusion that South Africa, with its good track record in the aviation industry in Africa, would secure the bid. Surprisingly, at the last minute the bid was awarded to Virgin Atlantic, a British airline. Also playing a prominent role in this regard was the colonial legacy of the umbilical cord linking Nigeria with Britain, as well as the financial interests of some top politicians and civil servants in the Obasanjo government. Nigeria attempted to ostracise the state-owned South African Airways (SAA) from the bid by demanding a ten per cent of SAA's share capital. This demand was rejected by the SAA, and South Africa perceived Nigeria's role in the deal as being in opposition to NEPAD's aims and objectives. In retaliation for the ignominious treatment meted out to the SAA by Nigeria, Virgin Nigeria passengers on the Lagos–Johannesburg route continue to face rigorous checking. This has become irritating for the passengers, but is probably done in order to discourage passengers from patronising this airline.

The state-owned Nigerian National Broadcasting Commission (NNBC) broke the monopoly enjoyed by DSTv (South Africa) in Nigeria, in order to ensure transparency and fair competition. Other satellite television stations, such as FSTV and Trend, would enjoy the same opportunity accorded DSTv, in the form of Direct to Home (DTH) operations. However, despite terminating the DSTv monopoly in Nigeria in August 2006, the company continued to control about 90 per cent of the cable business, and paid about R179m (N3billion), between 1999 and 2006, in tax to the Nigerian government (Amusan 2009: 151). Before this, in 2004, the Nigerian government cancelled a licence worth US\$120m, awarded to Nepskom, a subsidiary of Eskom, for undertaking to string fibre optic cables along 5 000km of power transmission

lines (Games 2004: 15). The deal by Vodacom, the dominant telecommunications company in South Africa owned by the state-owned telecommunications company, Telkom, to buy out Econet, was rocked by allegations of corruption (Rose 2005: 11). Possibly because of these problems encountered by South African companies, some other investments eluded Nigeria. On the other hand, the Nigerian head of the privatisation implementation body, Julius Bala, was of the view that South Africa was not interested in doing long-term business in Nigeria, and this resulted in the former not considering investing in privatised Nigerian companies (Games 2004: 15). This could have accounted for the awarding of the perceived long-term business to other nationals, such as India and China. In addition to the slow rate of economic partnership between the two states, there was the issue of mutual perceptions from both sides, such as the slow rate of South Africans doing business there, the high level of corruption, red-tape, and political consideration in Nigeria (Games 2002: 8).

Another area of concern in terms of the two states' economic relations are the activities of mercenaries such as Executive Outcomes (EO), Sandline International and LifeGuard, which have strong links to, and a background in, South Africa (Pech 1999: 81–109). In 1996, it was alleged that Nigeria had approached EO to protect its goldfields, in order to attract South African mineral extraction industries such as Anglo-American Corporation to the mining sector (Whiteman 2004: 17). The aborted *coup d'état* in Equatorial Guinea, orchestrated by the disbanded 32nd Buffalo Battalion (which engaged in mercenary activities in some African states, Europe and Latin America, despite South Africa's anti-mercenary act) continues to be a source of concern for Nigeria, since a Lebanese national, Ely Calil (a Nigerian passport holder), was involved (Hollingsworth and Halloran 2006: 16–23). South Africa is known for its aggressive approach to business in other African states.² This could, to an extent, explain why some sensitive business licences were not awarded to South Africans. Another area of concern in Nigeria's economic and trade relationships with South Africa are the activities of South African companies in Nigeria: they prefer to relate to other South African companies, even in areas where Nigerians can perform equally well. Such an instance was the R78 million contract awarded to African Legend Indigo (AL Indigo) by MTN Nigeria to supply cellular equipment. This amounts to disinvestment in the Nigerian economy, and MTN's strategic philanthropic activities in community development had little to do with the development of the areas concerned. Also of concern is the oilgate scandal, which involved the ruling ANC in South Africa, and Nigeria, and in which Kase Lawal, a Nigerian oil baron based in the United States (US), served as a middleman in promoting ANC interests above those of the South African state.

3.4 Trade interdependence

Trade relations between the two states grew from R730 million in 1998 to R1.7 billion in 2000. South Africa's exports to Nigeria grew from R3612 million in 1999 to R20.3 billion in 2005, whereas Nigeria's exports to South Africa jumped from R8.4 billion to R35.7 billion during the same period. Nigeria is South Africa's largest trading partner in West Africa, and fourth on the continent after Zimbabwe, Zambia and Mozambique. South Africa began to import crude oil from Nigeria in large quantities, but at concessionary prices. Other areas of interest for South African businessmen, as mentioned above, are telecommunications, aviation, electricity and mining. The South African Department of Trade and Industry (DTI) created a unit to deal specifically with export and import trade, focusing on sectors of the economy. The DTI also established a team to survey each state with regard to essential import items that South Africa could supply. In order to do this, a board of tariffs and trade was constituted to further the DTI's trade facilitation in Africa. A trade negotiation unit was also created with experts on trade, industry and commerce, taking into account the African environment. Nigeria's imports from South Africa were valued at R700 million, while the value of South Africa's total imports from Nigeria was R1.5 billion (mainly in the form of crude oil). A trade difference of R551 million was recorded in favour of Nigeria in 2000. What accounted for Nigeria's trade surplus was an agreement between the two states to increase the supply of crude oil from 22 000 to 120 000 barrels per day, as from February 2002. In 2004, Nigeria accounted for 44 per cent of South Africa's total agricultural exports to West Africa, valued at R174 million, while imports accounted for 12 per cent, valued at R15.5 million for the same period (Daya 2005: 3). South Africa's agricultural exports to Nigeria include tobacco, beverages, sugar, dairy and milling products. Nigeria exports cocoa, food industry residue, and waste. South Africa hopes to increase its imports of industrial inputs in the near future. In 2003, total trade between the two states amounted to R4.9 billion, of which Nigeria's total share was R2.6 billion, while South Africa's exports amounted to R2.3 billion.

As much as the two states encouraged the free flow of trade transactions, South Africa faces many import barriers from Nigeria in the form of high tariffs, price controls and technical measures, which could be regarded as an attempt to discourage the importing of agricultural products from Pretoria. On the other hand, South Africa introduced its own barriers, such as sanitary and other non-tariff measures (Daya 2005: 7). Also affecting the two states' trade relationship are the activities of the South African Revenue Services (SARS). SARS' regular confiscation of, for example, hair products and Nigerian movies, despite customs clearance, continues to work against a smooth business relationship between the two states. Instances

have occurred in which goods purchased from major South African wholesalers, such as African Cash & Carry and Jumbo, were confiscated from retail outlets, since they were not products of South African origin.

In general, trade between Nigeria and South Africa is biased against Nigeria, as Abuja exports mainly crude oil and other agricultural products, with little or no value being added. According to Daya (2005: 4), the need for the two states to exchange technical skills, with less emphasis on Eurocentric competitive advantages, will make the continent grow.

3.5 Social interdependence

Social interdependence can be examined from two main perspectives: first, it can be positive, when the social development of the receiving country contributes to the general development of the state, and second, it can be negative, which is termed ‘cultural imperialism’, when the values and culture of the dominant state overshadow the recipient state. From Nigeria’s perspective, South Africans started to change their negative attitudes towards Nigerians when Nigerian movies flooded the South African market. South Africans have recently realised that not all Nigerians are criminals who engage in advance-fee fraud and the narcotics business. Furthermore, in order to learn more about Nigerian culture, some South Africans subscribed to DSTv, in which the popular channel 114 airs the said Nigerian movies. From this, they have come to realise that Nigeria is a co-partner in the war against crime in Africa.

Private individuals’ inputs to redressing the image of Nigeria cannot be underestimated. This is more pronounced in professional fields, in which Nigerians have held managerial positions in the South African government and higher institutions of learning. Medical doctors from Nigeria can be found throughout South Africa. Interviews conducted with some of these doctors have confirmed that they excel in their profession. Nigerian professors in different fields work at almost every university in South Africa, where they have contributed equally to human skills development in post-apartheid South Africa. Kole Omotoso and his son, Akin, for example, are very prominent in South Africa’s communication industry.

The contributions of South African companies to the social development of Nigeria are also important. The establishment of MTN in Nigeria forms part of the process of introducing the state to the global village, where people can transact their business telephonically without risking road transport – something which claimed thousands of lives annually before 2001. Although contested by some scholars of international relations, performing transnational philanthropic activities in host states is a technique used to exploit the recipients even more.

Many projects were conducted by MTN and Stanbic Bank, which contributed to the employment and wellbeing of Nigerians in their chosen areas of development. In the field of information dissemination, the introduction of DStv, long before MTN, has continued to expose Nigerians to the outside world in the fields of sport, trade and communication. The state-owned South African Broadcasting Corporation's (SABC) channel three (SABC 3), which is part of the DStv package, continues to impose South African culture on Nigeria. The impact of this can be seen in places like Lagos, Abuja and Port Harcourt, where South African music, fashion, and even manufactured goods, continue to undermine those from Nigeria. This is one aspect where Nigeria is vulnerable to South Africa in terms of economic, social and political issues. The attachment to South Africa as a destination for many Nigerians can be evidenced by the number of visa seekers in the state's consular offices in Abuja and Lagos. The notion that South Africa is another America and another European state continues to attract Nigerians to the country. In addition, the same notion has made many Nigerians seek property in South Africa.

Closely connected to the above point is the state of health care facilities available in South Africa – something which draws certain Nigerians. In the past, the only places middle- and upper-class Nigerians went to receive medical treatment were the European states and the US. The business intentions of some Nigerian medical doctors, and proof that state-of-the-art medical treatment could be obtained at a lower cost in South Africa, led Nigerians to come to Pretoria for medical check-ups and treatment.

4 CONCLUSION

This article examined the levels at which the two states, Nigeria and South Africa, need each other for their own development (mainly economic and political). It also revealed that South Africa's perceived economic dominance in Africa, which is more a question of political power, will continue to shape Pretoria's relationship with Nigeria. It is in the interests of South Africa to upset the Western great powers in their presumed spheres of influence in Africa – especially in the areas of trade and investment. As much as Nigeria wanted to develop its industrial base, partly because of economic nationalism or in order to put an end to economic colonialism on the part of South Africa, some important economic juggernauts eluded Pretoria in the privatisation programme of the Obasanjo government. This made the Nigerian government diversify its privatisation process to include various economic sectors. The take-over of Nigeria Airways, considered a foregone conclusion by the SAA, saw the eventual allocation of the licence to Virgin Atlantic. In addition, Vodacom was unable to secure a good deal with Econet in the field of telecommunications.

Nigeria's comparative advantage over South Africa lies in the production of finite fossil fuel, which is believed to have reached a peak level and leaves no room for economic diversification. Looking beyond petroleum, South Africa will pose a serious challenge and threat to the survival of the Nigerian state, which will then only remain as a big market – that will be its only credible power with which to relate to South Africa. Abuja will then not only be sensitive to Pretoria's economic and political development, but will also be vulnerable to both its domestic and foreign policy in the foreseeable future. At the political level, Nigeria will continue to struggle for Africa's leadership, forgetting that South Africa could be seen as a medium power. In the near future, the relationship between the two states will be an admixture of cooperation, collaboration, integration and conflict, but more of cooperation, because of the degree of interdependence between the two states in terms of the development of Africa as a continent.

NOTES

- 1 The history of Standard Bank of South Africa began in 1984, when the bank was named Grindlay's Merchant Bank, in order to avoid being nationalised by the Nigerian government during the apartheid era. It changed to Stanbic Bank in 1992, when Babangida began to establish diplomatic contacts with South Africa under the apartheid system. Its aim, therefore, was to further the interests of South African multinational corporations (MNCs) operational in Nigeria under different colours.
- 2 There is an unconfirmed rumour that some South African business interests were involved in the assassination of President Laurent Kabila in the DRC, probably because of the anti-South African stance of his government, and the pro-Angola and Zimbabwe stance in awarding a mining licence to those states that supported his anti-Uganda-Rwanda hegemonic ambitions in the Great Lakes region. For more information on the reasons why some states supported Kabila, see Amusan (2000: 177–178).

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