

Bilateral Relations between Nigeria and Canada and its Strategic Implications for their Socio-Economic Development

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Abstract

This paper examined the main thrusts of the bilateral relations between Nigeria and Canada and the extent to which the relationship has contributed to the socio-economic development of both countries. Findings from the paper, which relied on secondary data confirmed that the bilateral relation between Nigeria and Canada has benefitted both countries. However, Nigeria has not benefitted optimally from the relationship owing to concerts of internal development challenges. The challenges include weak economy, dilapidated social infrastructures and low industrialization, which made it impossible for her to maximize the investment opportunities inherent her bilateral relationship with Canada. It is recommended that issues of weak infrastructure, import-oriented economy, weak industrialization, which are among the primary causes of the lull in the economy of Nigeria, should be urgently addressed for the country to benefit maximally from Canada.

Keywords: Bilateral, relationship, Development, Nigeria, Canada.

Introduction

Achieving a country's foreign policy objectives through bilateral relationship has become a credible platform for cross border interactions between nations within the international system. A country's foreign policy thrust revolves around her national interest and the strategy of achieving such national goals. As noted by Chibundu (2003:1), the foreign policy of a country is her response to the world beyond its own frontiers and such responses may indeed be friendly or aggressive, casual or deep, simple or complex. In whatever form it is, foreign policy is always the corner stone of interactions among nations for the achievement of their national developmental programmes off the shores of their geographical domain. Numerous factors and forces influence a country's foreign policies. Some of these factors revolve around leadership style and environmental considerations. For instance, it is generally agreed that while the Murtala Muhammad administration in Nigeria was very progressive that of Sanni Abacha was retrogressive because of their different leadership approaches to governance. It is also relatively easier for Ghana to achieve many of her foreign policy objectives within the international system than Chad because she has more favorable environment that harbors abundant useful natural resources far more than Chad.

Nigeria became an independent sovereign entity in 1960 and she immediately raised her foreign policy objectives, which revolved basically around achieving socio-economic development of Nigerians to the optimal level within the local and international arenas. As noted by Ashiru (2013), though the principles of Nigeria's foreign policy objectives have been fairly consistent since independence, the specific interest priorities and emphasis of the policies have continued to change in the context of the changing domestic and international environments, which favorably dispose all countries to global cooperation and international linkages through

the globalization process. Nigeria's foreign policy has also been driven by her position as a continental power given the size of her economy as the second largest in Africa after South Africa and a population of about 170 million people (Africa Development Index, 2016). As a matter of fact, the position of Nigeria as the "Giant of Africa" has disposed the country to playing key roles in the creation of the Organization of African Unity (OAU), the Economic Community of West African States (ECOWAS), the struggle against apartheid and the decolonization movement in Africa, among other things (Osuntokun, 2005). Since her return to democratic governance in 1999, Nigeria has focused more on developing a strategic partnership with her traditional and emerging global economic and politically powerful countries to support her domestic development priorities through her foreign policy objectives. The country has strengthened old relations and developed new ones while trying to retain her role as a regional power in Africa. The Nigeria-Canada bilateral relation is one of such strategic partnership.

Nigeria and Canada established diplomatic relations after Nigeria's independence in the year 1962 (Canada High Commission, 2014). Canada opened her High Commission in Abuja and a Deputy High Commission in Lagos in 1999. Since 2004, Canada has an Honorary Consul in Port Harcourt, Rivers state of Nigeria. The country is also represented in Canada by a High Commission, which is located in Ottawa since 1973 (Canada High Commission, 2014:3). Canada and Nigeria share many common values such as multiculturalism, federal system of government, Commonwealth membership, and inter citizens ties, which provide a solid foundation for increased engagement between the two countries (Canada High Commission, 2014). With this similar ties, the relationships between Nigeria and Canada have blossomed over the years.

Canada is impressed with Nigeria's leadership role in African and global affairs, most notably her significant contributions to international peace operations. During his State visit to Canada in May, 2000, the then President Olusegun Obasanjo of Nigeria applauded the contributions made by Canada to the evolution of democracy in Nigeria, her contributions to the cancellation of Third World Debt, including Nigeria's debt and the maintenance of peaceful existence with African countries (Ogwu and Alli, 2007: 269). Of all the countries of Africa, Nigeria is Canada's most important trading partner with oil as the main export of Nigeria to Canada while Canada has been exporting quite a number of commodities into Nigeria, including wheat, aircraft and industrial equipment (Onwuka, 2016).

Stemming from the above bilateral relations between the two countries, it is believed that though Nigeria is Canada's number one business partner in Africa but there hasn't been much impact of such huge investment and trading opportunities on sustainable development in Nigeria while there is scanty literature that have captured the main thrusts of the bilateral memorandum of understanding between the two countries and the extent of its implementation and benefits to the concerned parties. This paper examined the main thrust of the bilateral relations between Nigeria and Canada and the extent to which the relationship has contributed to the socio-economic development of both countries. The study significantly relies on secondary source of data, which include information from newspaper, journals, and textbooks on the Nigerian-Canadian bilateral relations.

Review of Related Literature

Development scholars, including Oscarline (2011), Steven (2014) and Zacheaus (2016) have noted that the diplomatic relations between Canada and African countries, which dates back to over five decades, is beneficial to the continent in diverse areas of human endeavors. As posited by the authors, the Canadian government is supporting political and economic reforms in Africa by funding public sector reforms, respect for fundamental right and enthrone of democracy in African countries. One of these efforts was Canada's collaboration with the African Union Transparency and Accountability Commission to establish the AU Charter on Democracy, Election and Governance, which commits members to embrace independent and transparent electoral commission and non-recognition of unconstitutional change of government in Africa (Ali, 2013). The Canadian government has also provided \$13 million in 2012 to fund the deployment of domestic and international election observers and voters education in Africa (Ali, 2013: 5). Since 2011, the Canadian Counter Terrorism Capacity Building Programme (CCTCBP) has provided \$29 Million in the Sahel region for the training and mentoring of law enforcement agencies to strengthen their optimal capacity to counter terrorism (Canadian Project Report on Africa, 2014:4). The country has also contributed the sum of \$20 million to the UNICEF in 2014 to sensitize Africans on the danger of early child marriage. Zacheaus (2016) documented the fact that Canada has strengthened economic ties with Africa by expanding trade and investment in the region through the Global Market Action Plan (GMAP). Countries that have benefitted from the plan included Benin Republic, Nigeria, Burkina Faso, Code d'Ivoire, Cameroon, Ghana, Madagascar, Mali, Senegal, Tanzania and Zambia. The plan focuses on the opening of new market opportunities for Africa exports to Canada. In 2015 in particular, Canadian bilateral merchandise trade with Africa stood at \$123 billion, with the largest foreign

investment of \$10 billion in Burkina Faso (Africa Economic Index, 2016). Charles (2012) catalogued the assistance that has been rendering to South Africa in particular by Canada from their bilateral relations since both countries established diplomatic relations in 1939. As observed by the author, both countries are former British colonies and members of the Commonwealth of Nations. With these common historical experiences, amongst others, both countries have signed many benefiting agreements, especially on residency permits. Within this bilateral understanding, about 38,000 South Africans were residing in Canada while over 11,000 Canadians were also residing in South Africa as of 2014. Canada was also documented by the author to have actively encouraged the end of Apartheid in South Africa. Apart from donating \$11million to the post Apartheid reconstruction of South Africa, many South Africans drew inspirations from the Canadian Charter of Rights and Freedoms to argue for an Apartheid- free country. There has also been regular exchange of development ideas and exchange of visits between Canada and South Africa. In fact, Nelson Mandela was given honorary Canadian citizens when he visited the country in 1998 while Thabo Mbeki also visited Canada in 2003 to discuss their bilateral interests. Acting within the memorandum of understanding of their meeting, Canada donated over \$200 Million to fight aids in South Africa and also conducted training for over 3,000 South Africans on mining operation. Steven (2014) distilled records of trade relationship between South Africa and Canada, in which the former has exported goods and services worth \$1104, 140,558 to the former while Canada's export to South Africa was \$439,256,338 in 2013. There was trade surplus in favor of South Africa in the transaction totaling 664,884,220. Canadian companies have investment in South Africa, especially in mining industries. Two of such leading companies are Premier Diamond Mine and Impala Platinum Holding Limited. Another part of the contribution of Canada to Africa as noted by Andrew

(2010) was the training of 346 Sudanese refugees as Physicians and empowering women and youth in Egypt through job skills acquisition that gave them the capacity of producing printed product labels and emblems, which has employed about 25,000 female youth in Egypt as of 2009. The Canadian intervention on skill acquisition in Egypt has empowered the Egyptian women to be active economic players, and has brought relative sustainable economic growth to the country, thus helping to achieve the aim of the Egypt youth employment national action plan on women empowerment. Ato's (2014) work discussed Canadian development assistance to Ghana, where, Canada has helped to generate a dependable source of water through the Canada sponsored Water Sanitation and Hygiene in Disaster Prone Communities Project (WASH). Through the project, about 1.4 million Ghanaians have been assisted to get drinkable water, thus, making it possible for Ghana to meet her Millennium Development (MDGs) goals on water sanitation, and increasing the number of Ghanaians with access to safe water from 50 percent in 2007 to 87 percent in 2012. As reported by the author, Canada has also played a central role in the eradication of Guinea worm from Ghana in 2011 and helped local communities with new innovations of harvesting and preserving drinkable water, especially in the Northern region of Ghana. There is also the Northern Regional Small Towns Water and Sanitation Project (NORST), which was implemented by Canada in partnership with the government of Ghana, in which another 125,000 Ghanaians have safe water by 2016, particularly in the Tatale District and Bunkpurugu areas of Ghana to prevent waterborne diseases in the area. As reported by Canadian Project Report on Africa (2014), a new water facility was funded by Canada that provided a pump house, pipe-distribution centre, overhead tanks and water collection points for the Ghanaian communities in 2013. In Kenya, Ashiru (2013) reported that Canada has supported the community initiatives on feeding the school children through the Home-Grown School Meal

Programme (HGSMP). Under the programme, food is sourced directly from local crop growers, especially cereals and legumes farmers. The Canadian supported project has provided more than 800,000 students with their daily lunch, supported economic growth and improved incomes in small households, and promoted the agriculture sector in Kenya. Canada has also been exporting her goods and services to many African countries to improve Canada's foreign exchange earnings (Steven, 2014:7). Between 2007 and 2013 Canada's export to Burkina Faso was \$50 million, Madagasca, \$22million and Tanzania, \$76 million. In the area of peace and security, Canada contributed \$5 million in 2013 to the UN Trust Fund for the African Union Mission in Somalia (AMISOM) to support international efforts to stabilize the security situation in the country, she also donated \$10 million dollars in support of international efforts in Mali to support the United Nations Trust Fund for the African led mission in the area of demobilization and reintegration of former combatants (Canadian Embassy in Nigeria, 2014). Adewale (2015) catalogued other forms of assistance that have been rendered by Canada to African countries to include, making available the sum of \$5million in 2013 for the training of soldiers involved in the United Nations Stabilization Mission to the Central African Republic (MISCA), the provision of &1.3 million for the construction of the Tanzanian Peace Training Centre in Dares Salaam and provision of \$30 million to support counter terrorism operations in Nigeria, Mali, Kenya and Algeria. In 2014, Canada provided humanitarian assistance of \$22 million to Internally Displaced Persons (IDPs) in the Democratic Republic of Congo, Somalia, and South Sudan (Adewale, 2015). Findings from this review were that Canada has assisted Africa from diverse areas of human endeavors, especially in the area of improved economic development, promotion of democracy and good governance, upholding human right and rule of law,

enhancing sustainable peace and security, and creating business opportunities and investment in Africa.

Theoretical framework

The Liberal theory is adopted as the theoretical foundation of this study. The theory was expounded by Nicolo Machiavelli, Immanuel Kant, Adam Smith, John Stuart Mill, John Milton, John Locke, Jeremy Bentham, Aristotle, Herbert Spencer, Charles Montesquieu, among others. Liberal theorists place state-society relations at the center of world politics. According to them, state behavior reflects the relationship between the domestic and transnational society in which it is embedded. This basic claim underlies the liberal theory about the influence of economic interdependence, varying conceptions of collective goods provision, or domestic representation. This basic insight can be restated more precisely in terms of three “hard core” assumptions, which specify the nature of societal actors, the state, and the international system.

Anarchy and rationality amongst states in their interactions are two major assumptions of the liberal theory made towards analyzing the relationship amongst states in the international system as exemplified in the Nigeria-Canada bilateral relations. Specifically, states (or other political actors) exist in an anarchic environment and they generally act in a broadly rational way in making decisions (Richard, 2010). The anarchy assumption means that political actors exist in the distinctive environment of international politics, without a world government or any other authority with a monopoly on the legitimate use of force. They must therefore engage in self-help to achieve their national interests in the international arena.

The rationality assumption means that state leaders and their domestic supporters engage in foreign policy for the instrumental purpose of securing benefits provided by (or avoiding costs

imposed by) actors outside of their borders, and in making such calculations, states seek to deploy the most cost-effective means to achieve whatever their ends (preferences) may be. The liberal theory shares the first (anarchy) assumption with almost all international relations theories, and it shares the second (rationality) assumption with realism and institutionalism, but not non-rationalist process theories (Andrew. 2010). However, it is distinguished from other rationalist theories, such as realism and institutionalism, by two unique assumptions about world politics: (1) States represent social groups, whose views constitute state preferences; and (2) Interdependence among state preferences influences state policy.

Liberals argue that the universal condition of world politics is globalization, which centres on a mutually rewarding global engagement through free movements of goods and services across the globe. Through globalization process, States are, and always have been, embedded in a domestic and transnational society, which creates incentives for economic, social and cultural interaction across borders. State policies may facilitate or block such interactions. Some domestic groups may benefit from or be harmed by such policies, and they pressure government accordingly for policies that facilitate realization of their goals (Lugard, 2011).

The social pressures, which are transmitted through domestic political institutions, define "state preferences" –that is, the set of substantive social purposes that motivate foreign policy. State preferences give governments an underlying stake in the international issues they face. Since the domestic and transnational social context in which states are embedded varies greatly across space and time, so do state preferences. Without such social concerns that transcend state borders, states would have no rational incentive to engage in world politics at all, but would simply devote their resources to an autarkic and isolated existence. From the perspectives of the liberalist, no man is an island and the essence of Nigeria-Canada relations is as a result of the

societal actors, the nature of the states, and the international system (Ali,2013). Nigeria and Canada came together to share the benefits of socio-economic and political gains that are inherent in the globalization process through functional international interaction between them.

Although in some cases, the relationships among states can be harmful to a side and beneficial to the other and this is why states seek to promote and protect their national interests. From the liberalist arguments, Nigeria and Canada engaged in bilateral relations to achieve their preferences. For instance, the major transaction between the two countries is crude oil as well as trade and investment opportunities.

The Strategic Importance and Main Thrust of Nigeria-Canada Bilateral Relations

Canada is a federation of ten provinces and three territories with massive land mass while Nigeria is a federation of 36 states with impuissant land mass (Canadian Trade Commission, 2012). Canada has small population of about 36,155,487 and the 2nd largest economy in the world compared to Nigeria with the largest population of over 180 million people in Africa. Canada is the second global energy superpower while Nigeria is facing huge power deficit. Both Nigeria and Canada are endowed with natural resources but Canada has moved from resource-based to service-based economy. Conversely, Nigeria, despite its vast natural resources, remains a primary resource-based economy from where she generates meager income. Canada is a member of the Group of Eight, which is made of the most industrialized and richest countries in the world. With such a strategic power, Canada is in the best position to influence aids and development programmes in favor of Nigeria (Canadian Trade Commission, 2012). Thus, strategically, Nigeria has lots to benefit from Canada from their bilateral relations. With a population of over 180 million, Nigeria is the most populous country in Africa with one fifth of

all sub-Saharan Africans living within its borders. Nigeria's huge population serves as a potential market for the Canadian goods and services. Endowed with good access to skills, capital, technology, fertile land, oil and mineral resources, Nigeria has enormous potentials from which Canada has been benefitting. The country's return to civilian government in 1999, followed by sound fiscal policy decisions, has brought relative economic stability and growth in the economy. Nigeria is Africa's largest economy and its strategic geographic location makes its stability important to the region and the globe at large (Global Affairs Canada, 2015).

Table 1: Comparative Record of the Nigerian and Canadian Economies

	Canada	Nigeria
GDP (purchasing power parity)	\$1.632 trillion (2015 est.) \$1.613 trillion (2014 est.) \$1.574 trillion (2013 est.) note: data are in 2015 US dollars	\$1.092 trillion (2015 est.) \$1.063 trillion (2014 est.) \$1 trillion (2013 est.) note: data are in 2015 US dollars
GDP (official exchange rate)	\$1.552 trillion (2015 est.)	\$490.2 billion (2015 est.)
GDP – real growth rate	1.2% (2015 est.) 2.5% (2014 est.) 2.2% (2013 est.)	2.7% (2015 est.) 6.3% (2014 est.) 5.4% (2013 est.)

GDP - per capita (PPP)	\$45,600 (2015 est.) \$45,400 (2014 est.) \$44,800 (2013 est.) note: data are in 2015 US dollars	\$6,100 (2015 est.) \$6,100 (2014 est.) \$5,900 (2013 est.) note: data are in 2015 US dollars
Gross national saving	20.5% of GDP (2015 est.) 22% of GDP (2014 est.) 21.5% of GDP (2013 est.)	12% of GDP (2015 est.) 16% of GDP (2014 est.) 18.8% of GDP (2013 est.)
GDP -composition, by end use	household consumption: 56.7% government consumption: 21% investment in fixed capital: 23.3% investment in inventories: 0.3% exports of goods and services: 32.2% imports of goods and services: -33.5% (2015 est.)	household consumption: 74.1% government consumption: 7.7% investment in fixed capital: 16.8% investment in inventories: 0% exports of goods and services: 13% imports of goods and services: -11.6% (2015 est.)

GDP -composition by sector	agriculture: 1.6% industry: 28.9% services: 70.5% (2015 est.)	agriculture: 20.3% industry: 23.6% services: 56.1% (2015 est.)
<i>Population</i> below poverty line	9.4% note: this figure is the Low Income Cut-Off, a calculation that results in higher figures than found in many comparable economies; Canada does not have an official poverty line (2008 est.)	70% (2010 est.)
Labor force	19.3 million (2015 est.)	57.46 million (2015 est.)
Labor force – by occupation	agriculture: 2% manufacturing: 13% construction: 6% services: 76% other: 3% (2006 est.)	agriculture: 70% industry: 10% services: 20% (1999 est.)

Unemployment rate	6.9% (2015 est.) 6.9% (2014 est.)	23.9% (2011 est.) 4.9% (2007 est.)
Unemployment, youth ages 15-24	total: 13.5% male: 15% female: 11.9% (2014 est.)	total: 8.1% male: NA female: NA (2014 est.)
Household income or consumption by Percentage share	lowest 10%: 2.6% highest 10%: 24.8% (2000)	lowest 10%: 1.8% highest 10%: 38.2% (2010 est.)
Distribution of family income - Gini index	32.1 (2005) 31.5 (1994)	43.7 (2003) 50.6 (1997)
Budget	revenues: \$585 billion expenditures: \$614.1 billion (2015 est.)	revenues: \$14.37 billion expenditures: \$21.29 billion (2015 est.)
Taxes and other revenues	37.2% of GDP (2015 est.)	2.9% of GDP (2015 est.)
Budget surplus (+) or deficit (-)	-1.9% of GDP (2015 est.)	-1.4% of GDP (2015 est.)
Public debt	95.4% of GDP (2015 est.) 94.8% of GDP (2014 est.) note: figures are for gross	11.7% of GDP (2015 est.)

	general government debt, as opposed to net federal debt; gross general government debt includes both intra governmental debt and the debt of public entities at the sub-national level	10.8% of GDP (2014 est.)
Inflation rate (consumer prices)	1.1% (2015 est.) 1.9% (2014 est.)	9% (2015 est.) 8% (2014 est.)
Central bank discount rate	1% (31 December 2010) 0.25% (31 December 2009)	4.25% (31 December 2010) 6% (31 December 2009)
Commercial bank prime lending rate	2.7% (31 December 2015 est.) 3% (31 December 2014 est.)	17.3% (31 December 2015 est.) 16.55% (31 December 2014 est.)
Stock of narrow money	\$579.9 billion (31 December 2015 est.) \$629.6 billion (31 December 2014 est.)	\$29.91 billion (31 December 2015 est.) \$40.69 billion (31 December 2014 est.)

Stock of broad money	\$1.486 trillion (31 December 2014 est.) \$1.47 trillion (31 December 2013 est.)	\$89.5 billion (31 December 2015 est.) \$111.5 billion (31 December 2014 est.)
Stock of domestic credit	\$2.714 trillion (31 December 2015 est.) \$2.97 trillion (31 December 2014 est.)	\$95.79 billion (31 December 2015 est.) \$115 billion (31 December 2014 est.)
Market value of publicly traded shares	\$2.016 trillion (31 December 2012 est.) \$1.907 trillion (31 December 2011) \$2.16 trillion (31 December 2010 est.)	\$56.39 billion (31 December 2012 est.) \$39.27 billion (31 December 2011) \$50.88 billion (31 December 2010 est.)
Agriculture –products	wheat, barley, oilseed, tobacco, fruits, vegetables; dairy products; fish; forest products	cocoa, peanuts, cotton, palm oil, corn, rice, sorghum, millet, cassava (manioc, tapioca), yams, rubber; cattle, sheep, goats, pigs; timber; fish
Industries	transportation equipment, chemicals,	crude oil, coal, tin, columbite; rubber

	processed and unprocessed minerals, food products, wood and paper products, fish products, petroleum, natural gas	products, wood; hides and skins, textiles, cement and other construction materials, food products, footwear, chemicals, fertilizer, printing, ceramics, steel
Industrial production growth rate	2.3% (2015 est.)	-2.6% (2015 est.)
Current Account Balance	-\$51.38 billion (2015 est.) -\$40.59 billion (2014 est.)	-\$11.92 billion (2015 est.) \$1.279 billion (2014 est.)
Exports	\$428.3 billion (2015 est.) \$478.4 billion (2014 est.)	\$50.74 billion (2015 est.) \$82.59 billion (2014 est.)
Exports – commodities	motor vehicles and parts, industrial machinery, aircraft, telecommunications equipment; chemicals, plastics, fertilizers, wood pulp, timber, crude petroleum, natural gas,	petroleum and petroleum products 95%, cocoa, rubber (2012 est.)

	electricity, aluminum	
Exports – partners	US 76.7% (2015)	India 18.2%, Netherlands 8.5%, Spain 8.2%, Brazil 8.2%, South Africa 7.8%, France 5.2%, Japan 4.5%, Cote d'Ivoire 4.2%, Ghana 4% (2015)
Imports	\$440.9 billion (2015 est.) \$473.8 billion (2014 est.)	\$48.41 billion (2015 est.) \$61.59 billion (2014 est.)
Imports – commodities	commodities machinery and equipment, motor vehicles and parts, crude oil, chemicals, electricity, durable consumer goods	Commodities machinery, chemicals, transport equipment, manufactured goods, food and live animals
Reserves of foreign exchange and gold	\$74.7 billion (31 December 2014 est.) \$71.94 billion (31 December 2013 est.)	\$28.76 billion (31 December 2015 est.) \$36.9 billion (31 December 2014 est.)

Debt – external	\$1.491 trillion (31 December 2014 est.) \$1.395 trillion (31 December 2013 est.)	\$20.93 billion (31 December 2014 est.) \$18.67 billion (31 December 2013 est.)
Stock of direct foreign investment – at home	\$1.012 trillion (31 December 2015 est.) \$940.3 billion (31 December 2014 est.)	\$95.57 billion (31 December 2015 est.) \$92.75 billion (31 December 2014 est.)
Stock of direct foreign investment –abroad	\$1.18 trillion (31 December 2015 est.) \$1.137 trillion (31 December 2014 est.)	\$12.5 billion (31 December 2015 est.) \$10.98 billion (31 December 2014 est.)
Exchange rates	Canadian dollars (CAD) per US dollar - 1.275 (2015 est.) 1.1047 (2014 est.) 1.0298 (2013 est.) 0.9992 (2012 est.) 0.9895 (2011 est.)	nairas (NGN) per US dollar - 196.9 (2015 est.) 158.55 (2014 est.) 158.55 (2013 est.) 156.81 (2012 est.) 154.7 (2011 est.)
Fiscal Year	1 April - 31 March	Calendar year

Source: Nigeria-Canada Socio-Economic Index Report, 2016

Even though economic disparities exist between the two countries, there is a mutual agreement for the promotion and protection of investment (Canada Global Affairs, 2014). The agreement contains the definitions, substantive obligations, modalities for settlement of disputes between an investor and the host party, state to state dispute settlement procedure, and equitable legal provisions on investments. The agreement recognizes that the promotion and the protection of investments of investors of one Party in the territory of the other Party will be conducive to the stimulation of mutually beneficial business activity, to the development of economic cooperation between them and to the promotion of sustainable development in the two countries. There is also an acknowledgment on the right of each Party to define the conditions under which foreign investments are admitted, which should be consistent with the Agreement. There is a clause on an investors' duty to respect and operate within the framework of its laws that are consistent with the Agreement (Canada Global Affairs, 2014).

According to Oscarline (2011), the Canadian government revealed the interest of major energy companies in the country to invest in Nigeria's power sector. The Canadian government noted that as a second global energy superpower, it is interested in the unfolding development in the Nigeria's weak electricity market, and has sought specific areas of participation in the country's power plan. Quite a numbers of foreign relations objectives exist between Nigeria and Canada which serve as the main thrust of their bilateral interaction. They include the following:

- i Promoting the socio-economic development of Nigeria and Canada and their citizens through educational, health and economic activities and fostering understanding between both countries through sporting activities.

- ii Organizing meetings between states (Nigeria and Canada) and non-state actors on economic matters; Cooperating with local and national authorities of both countries to seek Members' feedback on business laws, regulations and procedures relevant to enhance the attractiveness and effectiveness of Canadian collaborative undertakings with Nigeria and Promoting business ties between both countries for mutual benefits.
- iii Promoting educational, socio-cultural and economic activities between Nigeria and Canada and organizing seminars and dialogues on relevant economic opportunities between Nigeria and Canada; supporting appropriate charitable, educational, social, cultural and economic organizations engaged in promoting cultural understanding between Nigeria and Canada.
- iv Promoting Nigerian culture and traditions to the general community by: Promoting the integration of Nigerians and Canadians, cultures, in which both countries by acting as a liaison between citizens of the two countries while also providing support and assistance to private citizens of the two countries where necessary.
- v And promoting mutual understanding among citizens of the two countries in the Diasporas to work together as a group for the common good of Nigeria and Canada (NCAFM, 2010).

Implications of Nigeria-Canada Relations for their Socio-Economic Development

Nigeria is Canada's largest trading partner in sub-Saharan Africa. Trade between the two countries has increased more than threefold since 2007 despite the drop in 2010 due to decreased oil imports from Canada because of global economic lull. In 2010, Canada's bilateral merchandise trade with Nigeria totaled \$1.6 billion from \$2.4 in 2007 (Nigeria-Canada Forum, 2014). However, since 2013, Canada's exports to Nigeria have increased significantly to

\$3.4billion. Canadian merchandise imports from Nigeria consist of mineral fuels and oils, cocoa, rubber, lead and processed foods, totaling US \$3.8 billion in 2014 (Nigeria-Canada Forum, 2014: 6). Since Nigeria is blessed with crude oil, Canada imports much of her energy needs from Nigeria, which earned Nigeria around \$460 million between 2010 and 2015 alone (Canada-Nigeria Forum, 2016). On May 1, 2013, Canada announced the conclusion of negotiations towards the Canada-Nigeria Foreign Investment Promotion and Protection Agreement (FIPA), which was marked by the signing of a letter of Intent by both countries. The main content of FIPA centers on facilitating 5,000 annual investment flows between Canada and Nigeria, which would contribute to job creation and economic growth in both countries. FIPA agreement also provided for a framework of legally binding rights and obligations of both countries on trade and investment (Global Affairs Canada, 2015).

In April 2012, Nigeria and Canada also signed a Memorandum of Understanding to establish a Bi-National Commission whose primary objective is to facilitate and boost annual trade and investment volume between the two states to \$6 billion. Through the Bi-National Commission agreement, the Export Development Canada which left Nigeria in 1998 due to political turmoil in the country returned with \$7 million investment portfolios in the country. The fund is focused on Canadian companies' investment in the oil and gas sector (Nigeria-Canada Forum, 2016). OZ Canadian Consulting Firm and OZ Management, & Wild Card Experience organized the Canada-Nigeria Business to Business (B2B) Trade Show and Conferences between the 5th and 7th October, 2016 to:

- i Develop a platform for Nigeria and Canada to leverage on their assets of abundant raw materials and untapped potentials for mutual growth and investment opportunities for both countries.

- ii Enhance functional cooperation between Canada and Nigeria in the oil and gas sector and establish a stronger relationship with Canada in the non-oil and gas sector, to help diversify the Nigerian economy and double trade between both countries to more than \$6 billion in the interim.
- iii Create a meeting point, where many contacts can be established for exchange of business ideas and alliances between the Nigerian and Canadian Business Communities leading to partnerships and business deals as well as the creation of a specialized Business network for online knowledge based economy and virgin trading opportunities both in the public and private sector organizations in Canada and Nigeria.
- iv Create opportunities for Nigeria and Canada to compare notes and facilitating cooperation amongst business communities between both countries for a hitch-free investment business atmosphere and sectoral collaboration in critical areas of needs in Nigeria and Canada.
- v Facilitate interaction and promote understanding between Nigerian and Canadian public and private sector towards deriving maximum value from the much-advocated public private partnerships (PPPs) for economic development of both countries.
- vi Develop mutual understanding and trust to foster business success through dialogue and negotiations among interested parties in the two countries and through face to face acquaintance, person to person discussion and exposure to products qualities and investment opportunities in each country.

- vii Create optimal business environment for Nigeria and Canada to attract investors and reinforce thrust on positioning both countries as the most preferred destination for foreign direct investments and tourism in the world.
- viii Develop an advocacy programme to strengthen multilateral relations between Nigeria and Canada along other North American countries and engaging and facilitating the creation of an inter-regional bloc between Africa and North America on the development ideals espoused in the New Partnership for Africa's Development (NEPAD) initiative.
- ix Fulfilling key elements of each country's trade policy to position its industries and promote international friendship, cooperation and understanding with the other country. It is also a veritable platform for policy makers in both countries to review progress made on the recently and previously signed foreign investment promotion and protection agreements.

The key collaborating partners of the B2B trade show and conferences are: The Nigerian High Commission in Canada, The Canadian Trade Commission, Nigeria Investment Promotion Commission, Canadian Council on Africa, The Department of Foreign Affairs and International Trade Canada, and Canadian-Nigerian Bi-National Commission (Ali, 2012). The key collaborating institutions of the B2B trade show and conferences include Canadian Trade Development Agency, Nigeria Economic Summit Group, National Economic Council, Global Affairs Canada, The New Partnership for Africa Development (NEPAD), Canadian Chamber of Commerce (200,000 business strong), Nigeria Chamber of Commerce, Mines and Industry, State Investment Promotion Agencies and NEXIM Bank. The key participating industries of the B2B trade show and conferences are: Agriculture & Food Production, Aerospace & Machinery, Banking & Finance Services, Building & Construction materials, Business Equipment,

Environment & Waste Management, Medicals & Pharmaceuticals, Mining & Energy and Real Estate & Estate Management (Canada-Nigeria, 2016).

Benefits derived from exhibiting and Participating at Canada - Nigeria B2B 2016 conference were as follows.

- a. It showcased products and services to the targeted audience and raised awareness on the availability of a particular product and its potency.
- b. It enabled Canada and other North American exhibitors and participants to tap into the virgin Nigerian market, which is the largest economy in Africa, and the largest market with a population of over 180 million people, and a GDP of \$1.1 trillion.
- c. It established bi-directional business linkages, identified agents, negotiated offers which resulted in actual orders of products and services and thus developed business relationships networks between Nigeria and Canada.
- d. It enabled business men in Nigeria and Canada to meet potential partners leading to far reaching business alliances amongst investors in both countries (Canada-Nigeria Forum, 2016).
- e. It served as a platform to gather vital industry and market information, which made it possible to keep abreast of product and industry innovations and made it possible to know what competitors do, learnt the latest sales and promotion techniques in the global market.

In the area of security, Canada has contributed more than \$500,000 toward counterterrorism initiatives to help boost Nigeria's capacity to prevent, respond to and ultimately stop terrorist acts in the country. The aid is focused on building the operational capacity of the law enforcement and security forces in Nigeria by enhancing their maximal capacity to curtail

terrorism and insurgent acts in the country (Steven, 2014). The Canadian Special Security Force were physically moved to Nigeria to help the country search for about 270 school girls kidnapped by the Boko-Haram militant group .Canada's involvement on the search for the girls represents a deepening security ties between Canada and Nigeria.

In late September 2014, it was estimated that more than 105,000 displaced people were in the Diffa region of North-Eastern Nigeria. Food security was a growing concern along with the scarcity of basic goods, housing, health, access to water and security (Humanitarian Coalition, 2014). It is in this context that CARE Canada intervened alongside the Nigerian government and its humanitarian partners, to meet the needs in food security and water, sanitation and hygiene of some 14,000 people (9,360 nationals, 2,640 refugees and 2,000 members of host families) affected by the Boko-Haram crisis. With the CHAF funds, CARE worked to increase household income/livelihood security and improve purchasing power of 1,000 households (most affected host families, refugees and returnees) in Diffa through unconditional cash grants. The hygiene and sanitation of 14,000 affected persons were improved with kits and access to safe drinking water (Humanitarian Coalition, 2014).The total sum of \$250,000 was allocated by CARE Canada to meet the food security and wash needs of approximately 14,000 people affected by the North-East Boko Haram insurgency in Nigeria and local food insecurity in the Diffa region of Nigeria. The assistance centered on food security, water and sanitization (Humanitarian Coalition, 2014).

In response to the humanitarian needs in the Lake Chad Basin region of Nigeria, including those related to the growing insecurity caused by regional terrorism, Canada has provided more than 26 million Canadian dollars in humanitarian assistance to Nigeria in 2016. This support has helped to provide food, drinking water, hygiene, sanitation and health services,

treatment for acute malnutrition and support for livelihoods of the vulnerable populations, including refugees, internally displaced persons and communities hosting refugees in North Eastern Nigeria (Zacheaus, 2016).

In the area of socio-political relation between both countries, Canada provided technical support for Nigeria's electoral process during the 1999, 2003, 2007 and 2015 general elections. The country made available, the sum of \$10million for foreign observers and democratic institutions in Africa to monitor elections in Nigeria. Since September 2010, Canada has also been giving technical assistance to Nigeria's Independent National Electoral Commission (INEC) in the area of effective and optimal use of its ICTs facilities to improve on precision, credibility and accuracy of the electoral process (Nigeria-Canada Forum, 2016). Canada supported Nigeria in strengthening her health care delivery at the community level by sending about 200 medical doctors to the country to treat major eye illnesses. The country also provided drugs and medical equipment worth \$16 million to reduce maternal and child mortality ratio and eradication of polio in Nigeria. This assistance is aimed at reducing the maternal mortality rate in Nigeria, which is high at 630 deaths per 100,000 live births in 2010(World Health Organization, 2014). A comprehensive Canada's support for Nigeria in the health sector has been demonstrated in the following ways (Levon, 2016):

- a Strengthening the skills of 2,000 Nigerian nurses, midwives and community health extension workers through Canada's support for training in life-saving skills to manage and promptly refer emergency obstetric and neonatal complications to Canada for subsidized treatment.
- b Supporting bi-annual Maternal, Newborn and Child Health (MNCH) Weeks by providing free key health services to mothers and children and 5.4 million pregnant women as well as tetanus vaccination and iron supplements for 27 million Nigerian children.

- c Providing immunization, de-worming, vitamin A supplementation and bed nets to prevent malaria in Nigeria.
- d Providing an estimated two million children (1 to 5 years of age) with de-worming tablets and providing 850,000 pregnant women with blood-building tablets to prevent anemia; and counseling 573,000 caregivers on hand washing to prevent communicable diseases.
- e Helping Nigeria with vaccination equipment and vaccine for about 4.8 million children with oral polio thereby contributing to reduction in the number of cases of wild polio virus, which fell from 103 in 2012–2013 to 37 in 2013–2014 up to 2016 with no record until lately where three cases were recorded.

Canada also contributed the sum of \$20 million to help eradicate polio in Nigeria (Levon, 2016). The polio eradication drive implemented by the World Health Organization (WHO) has helped to facilitate the immunization of approximately 6.6 million girls and 6.9 million boys against the crippling and potentially deadly infectious disease in 11 high-risk Nigerian states. Part of the money contributed was used to train approximately 154,000 vaccinators and help protect up to 250,000 children from vaccine-preventable diseases.

Challenges of Bilateral Relations between Nigeria and Canada

In spite of the functional relationship between Nigeria and Canada, which has brought about moderate benefits to both countries, the development challenges confronting Nigeria has made it very difficult for her to benefit optimally from bilateral relations with Canada. Though both countries are development partners, Canada is more developed than Nigeria because of her reliance on diversified economy. Canada thus has a better comparative export advantage than Nigeria because she has the capacity to diversify her goods and services with diversified foreign exchange income than Nigeria whose main export to Canada is oil. Nigeria thus, suffers trade

imbalance with Canada; especially during economic recession that brings down the price of the Nigerian oil export to Canada. It has become difficult for the economy of Nigeria to progressively develop because of higher level of corrupt practices. Much of the fund disbursed by Canada for developmental projects are usually siphoned by a privileged few individuals in Nigeria and this has greatly hindered sustainable development in the country. Such corrupt tendency has weakened Canada's interest of investing in the major economic sectors in Nigeria, including mining and power sector, in which Canada has an overwhelming technical ability to solve the challenges in the power sector in Nigeria.

Nigeria has an import oriented economy. Even commodities that are available in Nigeria in large commodities, such as rice are still been imported from Canada while Many of Nigeria goods and services are highly restricted from Canada through high tariff, visa restriction and outright bans. Though Canada has over 70 companies in Nigeria, Nigeria has just about 13 mega business outfits in Canada because of unfair trade practices that ban many of Nigerians commodities from entering Canada.

In the education sector, Canada has a well-developed educational system with a better conducive learning environment. In comparison, Nigeria's educational system is bedeviled by numerous setbacks such as ill-equipped facilities, weak conducive learning atmosphere, and inadequate qualified teachers, among others. These setbacks have made education in Nigeria less attractive to Canadian students compare to Canada's educational system where the required facilities to make education optimally functional are provided. Canada has been organizing 'Education Fair' in Nigeria particularly in Abuja and Lagos from time to time and this has attracted about 21,000 Nigerians to study in Canada. This figure made Nigerians the 8th largest groups of foreign students in Canada but less than 500 Canadians are studying in Nigeria. Thus,

much of the money that would have been invested in Nigeria's education sector has been diverted to improve the sector in Canada through education tourism by many Nigerians to Canada while the education standard in Nigeria continue to fall. Many best brains in Nigeria within the academic environment have migrated to Canada because the chances of imputing their knowledge for the development of the country are limited.

Conclusion

Nigeria and Canada have established mutually benefitting bilateral relations for years. However, there are imbalances in their bilateral relations in favor of Canada because the latter has a superior advantage in terms of Balance of Trade and Payment. Nigeria could then be regarded as junior partner in the diplomatic relation with Canada but it should diversify the economy by promoting other sectors such as agriculture, mining, tourism so as to generate more income from a diversified export to the Canadian markets. In other words, Nigeria should shift her economy from being an import-oriented country to an export-oriented economy, by importing only things that she can't produce. Nigeria should exploit her population as an opportunity to increase her level of production. The implementation of the above suggestions could tilt the pendulum of comparative advantage in favor of Nigeria in her bilateral relations with Canada

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