

NIGERIA-BRICS RELATIONS AND THE NEXT-11: THE DYNAMICS OF ECONOMIC POWER BEFORE AND BEYOND COVID-19 DISRUPTIONS

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Introduction

The 2003 Goldman Sachs paper, *Dreaming with BRICs: The Path to 2050*, spearheaded by Jim O'Neill, proposed that the BRIC countries will constitute the future engine of global economic growth, and predicted their growth thereof in United States dollar terms will surpass that of the G7 countries by 2040 (Qobo 2011, 6). Outperforming Jim O'Neill's team assessment that China was to overtake Germany by 2007, Japan by 2015, and the US by 2039, China overtook Japan in 2009 to become the world's second-largest economy. Implicit in the Goldman Sachs paper was the view that the kind of policies and institutions put in place by the BRIC countries to support growth would sustain their rise. From when O'Neill coined the BRIC acronym, through its change to BRICS to reflect South Africa's enlistment, the BRICS has not only served as a diplomatic platform for bilateral and multilateral engagements of, and negotiations by, member states, but also as a

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vehicle to drive their political, economic and socio-cultural interactions with other countries such as Nigeria.

Despite the likes of China having achieved targets much earlier than the projected timeline, the Goldman Sachs BRIC paper was criticized for not only grouping into a special category, four countries with little in common in terms of growth history, land mass, population size, among other inherent weaknesses, but also combining numerous complex variables into a long-range forecast comprising a string of unscientific and, therefore, questionable political assumptions (Bremmer and Keat 2009, 67). Acknowledging his omission of other emerging economies at that time, O'Neill later denoted these potential economic heavyweights the Next Eleven or N-11 (Wilson and Stupnytska 2007). Four years after *Dreaming with BRICs*, Goldman Sachs' subsequent mapping of this different tier of economies regarded as rising in its 2007 paper, *The N-11: More Than an Acronym*, focused on a group of countries that could become future growth centres owing to their demographic characteristics. According to the paper, "Nigeria and Indonesia have the scale to be important if they can deliver sustained growth" (Wilson and Stupnytska 2007). Other countries in the N-11 designation are Bangladesh, Egypt, Iran, Mexico, Pakistan, Philippines, South Korea, Turkey and Vietnam, a mixture of democracies and authoritarian regimes. Compared with *Dreaming with BRICs*, the paper takes a broader view in its reflection on trends related to demography, technology, energy, urbanisation, infrastructure and human capital, and what these countries can do to sustain their growth.

Since O'Neill's submission, from Chatham house publication pieces to conferences held by the Woodrow Wilson Center, academic and policy attention is not lacking nor is the focus on which of the five major emerging national economies will follow the trend of BRICS to drive South-South regional relations. While global attention has been geared towards the role of BRICS nations during the Covid-19 outbreak, little attention has been paid to other regions. This in part has been a stark reflection not only of the bias of the global media industry, but also the seriousness of recent global health events and where countries with the potential to make significant economic and political impact on the world economy stand as a result of a shifting global focus toward population health and economic health. As poor quality health services increasingly become a significant feature that holds back progress on improving health and economic activities in countries at all income levels, there is the fear that regions in desperate need are being drowned out of the global picture by discussions and debates largely taking place from Washington to Beijing.

In that light, of importance to this study is analysis on Nigeria's position in the Next-11 vis-à-vis the BRICS. Premised on the supposition that the "Next Eleven" group of countries were on track to catch up with the BRICS subject to sustained growth levels, the release of the Next-11 report by O'Neill brought into sharp focus the prospects of the emergence of another power group or the enlargement of the BRICS in the future. It is against this background that the article examines Nigeria's elements of power that could be harnessed to propel the nation to achieve greatness, and concludes by noting that the prospects of the country's emergence as an economic power and the future of its relations with global emerging power bloc such as the BRICS are hinged on her overcoming critical challenges that have rendered the country prostrate even before the COVID-19 disruptions on her economy.

The BRICS and the Next-11: Success and Impact of the BRICS

Since 2003 when Brazil, Russia, India, China and (the later included) South Africa (BRICS) were named as the most rapidly developing countries with the greatest economic potential, they continued to develop, albeit at different rates, and have encouraged analysts to look out for the next tier of emerging economies. This situation led Goldman Sachs Chief Economist, Jim O'Neill, coined the now-famous acronym BRIC(S) not only in recognition of these countries individual and collective successes in market activity but also that they were actually developing at rate fast enough to help keep the global economy afloat amid the financial crisis in Europe and the US at that time. On one level, it has been argued that as the old economic powers (G7 — US, Japan, Germany, France, Britain, Canada and Italy) encountered economic difficulties, troubled by crises and losing dominance in the world market share, the emerging market economies of Brazil, India, Russia and China — with their special resources, population and market advantages — grabbed the opportunity, and greatly enhanced their respective national powers. On another level, it has also been argued that the rise of BRICS stems from the growing discontentment and resentment among developing economies against the traditional international economic institutions (International Monetary Fund (IMF) and World Bank), especially given the latter's penchant to undermine the economic institutions of the former through strangulating economic policies (Folarin, Ibieta, and Chidozie 2014).

The BRICS concept was somewhat successful as an investment forecast during a time when some economies across the globe grappled with towering budget deficits, anaemic economic growth and rising unemployment. This was partly because of the grouping of four (now five) seemingly unrelated nations into an economic category which, economists have projected, in 40 to 50 years, will very well catch up to the OECD countries in their economic prowess. Some financial analysts, particularly from the new Castlestone fund, have argued that BRICS returns have outperformed almost any other equity product since the concept was termed (Johnson 2012). It is now believed that Goldman Sachs' BRICS projections were in fact conservative and warranted a revision. New projections now show BRICS as a group growing more rapidly than before.

As a result, China surpasses the US earlier (2027 vs 2035) and overtakes more dramatically than before (by 2050 it is projected to be 84% larger rather than 41% before), while India too essentially catches up with the US by 2050, where before it was projected only to reach 72% of the US economy. Both Russia and Brazil's projections are also somewhat higher (Wilson and Stupnytska 2007, 138).

There is no disputing that the BRICS nations have contributed to the growth of the global economy. In 2012, Brazil, China, India, and Russia accounted for a quarter of global output, a figure that is forecast to rise to approximately one third by the end of the decade. Economic analysts had predicted that China would most likely become the world's largest economy before then. Should India continue to rise alongside many of the world's populous emerging markets; projections place it among the world's major economic powers (The Economist 2013). The BRICS were forecast to account for 37 percent of global growth in the period 2011-16, with China alone contributing 22 percent (Thornton 2012). In terms of business profitability, China led the way with net 61 percent expecting to see a rise in 2012, slightly ahead of Brazil (60 percent), India (57 percent) and Russia (42 percent) (Thornton 2012). Analysis of China's economic development had put its gross domestic product to nearly 40 trillion RMB (£4tn; \$6.3tn), from less than 10 trillion RMB, rising from position 6 to 2 in the world ranking. Its foreign trade had increased from less than US\$ 500bn to nearly US\$ 3,000bn, again putting China second in the world (Fubin 2011). Despite this growth, China needs its cooperation with the other BRICS and non-BRICS countries, as much as they need China's participation in the world. India's annual GDP growth stood at about 6.5 percent in 2012; Russia had awakened after its initial shock period; Brazil's GDP was leading South America; South Africa had given the

BRICS a wider reach and access to African markets (Fubin 2011). Indeed, at a high-growth markets conference hosted by the *Economist*, O'Neill described BRICS economies as "the driver of everything positive in the world economy" and should be grouped alongside Indonesia, Mexico, South Korea and Turkey as "growth markets" (Thornton 2012).

The Next 11

In response to analysts' clamour for a repeat of the BRICS-like impact and the search for the next group of countries with similar transformative impact on the world economy, Goldman Sachs published a follow-up paper that identified what O'Neill called the "Next 11" (N-11) growth markets. According to Wilson and Stupnytska (2007) the rationale behind the selection of the N11 countries was simply that they were the next set of large-population countries after the BRICS. Goldman Sachs identified the Next-11 (N-11) to include Bangladesh, Egypt, Indonesia, Iran, South Korea, Mexico, Nigeria, Pakistan, Philippines, Turkey and Vietnam. As emerging economies, all BRICS nations had more incentive to participate and maintain active trade relations with the US, among one another, and with other countries in the world.

The difference in the case of the N-11 is its diversity, making it difficult for analysts, particularly Goldman Sachs, to generalise. Consequently, Lawson, Heacock and Stupnytska in 2007, made use of certain measures (energy, urbanisation, infrastructure, health and technology) to present interesting growth stories of the N-11 that although may not have the same transformative impact on the world economy like BRICS, but presented answers to questions of globalization and cooperation. In a multipolar world in which monopolies on economic and political power are diffusing, the idea of the N11 nations is yet another approach of non-Atlantic systems hoping to influence and shape the norms of global governance to suit their interests.

Nigeria and the BRICS

Nigeria and Brazil

Beginning from the 2000s, economic ties between Nigeria and Brazil have been predicated on three key factors: Brazil's recognition as an emerging power in the international community; Nigeria's desire to maximize its

ties with Brazil towards national development; and Brazil's need for Nigeria's resources for its domestic demands of industrialization. A bilateral pact between the two countries in September 2005 saw the value of bilateral trade rise to an excess of \$ 2 billion (Lohor 2005). Between 2003 and 2005, the value of Nigeria's commodity exports to Brazil rose from about US\$ 1.5 billion to US\$ 5 billion, placing Nigeria as the fifth-highest exporter of goods to Brazil, after developed nations such as the US, and Germany, among others. On Brazil's part, export value to Nigeria rose at a dissimilar pace, reaching US\$ 643,000 in 2005. The field of energy is a mutual trading point for both countries, having considered Nigeria's interest in developing alternative sources of fuel and Brazil's expertise in the development of bio-fossils evidenced in its ethanol use (Press Report from Group of 15, 2006). Trade between the countries was about US\$ 8.2 billion in 2008 and this rose to US\$ 9.6 billion (N1.5 trillion) by 2012 (Nigeria-Brazil Chamber of Commerce and Industry 2012). While Nigeria's import from Brazil was US\$ 1.2 billion, her export to Brazil was US\$ 8.4 billion (Vanguard News October 5 2012). According to the United Nations COMTRADE database on international trade, while Nigeria exports to Brazil was US\$ 851.59 Million during 2019, its imports from Brazil was US\$ 705.21 Million during 2019 (COMTRADE 2019a; COMTRADE 2019b). Nigeria is the second largest trading partner of Brazil in sub-Saharan Africa and 11th in the world. Brazil emerged the second largest importer of Nigerian crude oil after India.

Oil and Gas traditionally constitute the major commodity of export trade from Nigeria to Brazil. Currently Nigeria is Brazil's largest petroleum supplier. In August 2009, the late President Umaru Musa Yar' Adua paid an official visit to Brazil, during which discussions were held on the possibility of using oil trade for infrastructural development approach; Nigeria's interest in Brazil's vast hydro-electric generating capability and the issue of energy sustainability. Brazil later participated in open bids for control over some of Nigeria's oil blocks, establishing an Energy Commission between them to facilitate the transformation of Nigeria's energy sector. In 2012, there was the equally successful business visit of Brazil's President to Nigeria, preceded by a preparatory investment delegation from the country's third largest conglomerate, Queiroz Galvão Group, whose interests in Nigeria cut across several sectors including transport, energy, and real estate, among others (Yemi 2012). Today, President Bolsonaro administration's orientation for agro-business expansion is reflected in the Green Imperative, a US\$ 1 billion bilateral agricultural development program between both countries. Designed by the Getúlio Vargas Foundation (FGV), the 10 year partnership seeks to expand Nigeria's agro-industrial employing an integrated business

plan comprising workforce training, the introduction of a financial rationale and increased productivity through field modernization (Romildo 2019).

Nigeria and Russia

The relationship between the two countries, which began on a low key in the 1960s, reached a strategic partnership by 2010. During the state visit of former President Obasanjo to Russia, March 5-7, 2001, the legal framework for the eventual establishment of the Intergovernmental Commission on Economic and Scientific-Technical Cooperation (ICESTC) between the two countries was laid. Of the several high-level exchanges that followed subsequent years, the visit by the then Nigerian Minister of Foreign Affairs, Chief Ojo Maduekwe, to Moscow in March 2009 on the basis of the ICESTC framework, and discussions with his Russian counterpart, Sergei Lavrov, culminated in Russian President, Dmitry Medvedev's visit to Nigeria on 24 June 2009 — the first of such visit from a Russian leader to Africa's most populous nation. Its highpoint was the signing on 29 June, 2009 of six bilateral agreements which included: Investment Promoting and protection Agreement; Memorandum and Articles of Association on Joint Venture between the Nigeria National Petroleum Corporation (NNPC) and Gazprom etc.

Between 1999 and 2003, trade between the two countries grew from US\$ 30.1 million to US\$ 80.6 million. But, according to Oleg Vlassov, Counselor at the Embassy of the Russian Federation in Nigeria, the rate of growth did not reflect the available opportunities present in both countries (The Guardian Nigeria 2005, 17). The trade between the two countries rose from US\$ 300 million in 2010 to about US\$ 350 million (about N56 bn) in 2013 (The Nigerian Voice 18 February 2016).

More recently, the Sochi Summit held in October 2019 witnessed both countries enter into 13 Memoranda of Understanding (MOU) across multiple fields. As Nigeria looks toward economic recovery, one agreement that could have the deepest impact is in the petroleum sector, upgrading the relationship between NNPC and Russia's oil giant Lukoil to a government-to-government partnership working in upstream operations; to overhaul Nigeria's non-functioning refineries as well as revive and strengthen a venture (initially costed at US\$ 1-2.5 billion) between NNPC and Russia's Gazprom for oil and gas exploration, production, and transportation, processing of gas, and construction of power plants in Nigeria (Ogunmade 2019). In Nigeria's steel industry, the Ajaokuta Steel Rolling Mill project would be revived by Russian construction and engineering group MetProm which has agreed to complete the plant's assembling and bring it online. Another sig-

nificant deal struck covers Russian Railways long-term assistance in restoring Nigeria's railways and rolling stock, and expanding its rail network with new lines (The Guardian News 25 October 2019).

Nigeria and India

Of the number of high-level exchanges recorded between Nigeria and India since 1962, the visit of the External Affairs Minister of India, Shri Jaswant Singh to Nigeria in March 2000 saw the reactivation of the India-Nigeria Joint Commission and the revitalization of Nigeria's Machine Tools Industry in Osogbo. Subsequently, the state visit by the Indian Prime Minister, Mr. Manmohan Singh from October 13-17, 2007 resulted in the signing of several agreements which came to be known as the Abuja Declaration on Strategic Partnership between Nigeria and India and other MOUs, which overall enunciate an all-embracing vision of India-Nigeria strategic partnership with emphasis on closer energy partnership. Nigeria and India have maintained close bilateral relations even during the COVID-19 pandemic era. The two countries adopted and adapted to the new normal including virtual platforms for diplomatic and business meetings (High Commission of India 2020).

The COVID period also provided an opportunity for the exploration of direct flights from Nigeria to India by a Nigerian airline. Indeed, even before the emergence of COVID-19, Nigeria has emerged as one of India's primary sources of crude oil, providing about 8-12 percent of its requirements (Indian High Commission, Abuja, Nigeria, March 16 2011). Between 2005 and 2007, Indian companies participated in bid rounds for Nigeria's oil blocks and obtained a number of them. ONGC Mittal Energy Limited (OMEL) won three blocks (OPL279, OPL285 and OPL297); Sterling two (OPL2005 and OPL2006); and Essar one (OPL226). The ONGC Videsh Limited (OVL) already has three blocks in Nigeria — OPL279 and OPL285 (won in 2005) and OPL246 (won in November 2006) (Vines *et al.* 2009). The Indian government approved the OVL request to invest US\$ 359 million during the first exploration phase in the two deep water blocks, of which the OVL budgets stood at US\$ 1,195 million for OPL279 and US\$ 164 million for OPL285, including the signature bonus and acquisition cost. The Nigeria-Sao Tome joint development zone has been supported by OVL through a 15 percent stake in one of the oil block's in the zone, thereby marking the OVL's entry into Nigeria.

According to Nigeria's Foreign Ministry, Indo-Nigeria trade peaked at US\$ 10.2 billion through 2008 to 2009, and dipped to US\$ 8.7 billion during 2009 to 2010 having come under the impact of the global financial crisis.

During 2010 to 2011, bilateral trade increased by 50 percent compared with the exact period the previous year. In 2011 to 2012, trade estimates between both countries were US\$ 12 billion. Trade between them increased significantly, reaching US\$ 16.36 billion in 2014/2015, while Indian investments in Nigeria amount to US\$ 5 billion. Trade between the two countries reached US\$ 11.76 billion in 2017-18.

Overall, trade balance has been to Nigeria's advantage, largely because India hugely imports the country's crude oil. Also, India is a major supplier of pharmaceuticals to Nigeria, even as its pharmaceutical companies situated in Nigeria participate in the importation of medication. In June 2011, Indian telecommunication company, Bharti Airtel, entered into a partnership with Ecobank to launch mobile banking as well as a numerous variety of mobile financial services (Chima 2011). With Bharti Airtel US\$ 600 million investment in Nigeria's telecommunication industry it purchased Zain Telecom's representation in Africa for \$ 10.7 billion, following which it expanded into the broader information technology sector. The National Institute of Information Technology (NIIT) belonging to India carries out the training of about 15,000 Nigerians annually in information and communications technology.

Nigeria and China

Since the historic visit by General Yakubu Gowon to China in 1974 (Bukarambe 2005, 233), relations between the two countries have progressed. Chinese manufacturing and export capacity increased and between 1978 and 1979, under General Olusegun Obasanjo, high-level interactions were conducted between the two countries to address a developing trade imbalance that arose. During the 1980s to early 1990s, trade volume between Nigeria and China continued to advance at a slow pace up till the point of China's transition in 1993 from a net exporter of crude oil to the second-largest importer of crude oil in the world. Under General Sani Abacha, the need for alternative sources of foreign inflows prompted Nigeria to fervently seek cooperation with China such that in 1994, the Nigerian-Chinese Chamber of Commerce was founded (Ogunsanwo 2008, 200); in 1995, the China Civil Engineering Construction Corporation (CCECC) secured a contract worth US\$ 529 million for the rehabilitation of Nigeria's railway system (Ogunsanwo 2008). In 1997, the two countries entered into agreements on protection and cooperation in electricity generation, steel production and the oil industry (Utomi 2008, 40).

Shortly after top Nigerian officials returned from the October 2000 conference of the Forum on China-Africa Cooperation (FOCAC) held in

Beijing, both countries entered into agreements establishing trade and investment offices in their respective countries. In 2005, Nigeria and China relations reached a "strategic partnership" (Obayuwana 2013, 9) anchored on a mutual relationship on trade, goods and technology transfer, and development cooperation. By late 2008, the total figure of Chinese investment in Nigeria was US\$ 6 billion (Mthembu-Salter 2009, 6) — a spike attributable to Obasanjo's 'oil for infrastructure' policy which required the Chinese to incorporate the provision of infrastructural projects to bids for Nigerian crude (Wong 2009, 1). By 2012, Nigeria became China's third largest African trade partner with the trade volume between them standing at US\$ 10.57 billion, in addition to US\$ 8.7 billion in non-financial direct investment from the Chinese (Obayuwana 2013, 9), although quality control of imports from China continues to pose a problem for trade cooperation. China's commitment to economic ties with Nigeria is evident in significant development partnerships in critical sectors of the nation. In the steel sector, the US\$ 1.3 billion cold roll steel mill plant established by China's Western Metal Products Company Limited's (WEMPCO) in Ibafo, Ogun State, is ready for operation (Momoh and Coker 2012, 4).

The year 2016 marked the visit of President Muhammadu Buhari to China during which the Naira and Yuan (Renminbi) swap deal was signed that some have argued its consummation between the apex Central Bank of Nigeria (CBN) and China's Industrial and Commercial Bank of China Ltd (ICBC) (the world's largest lender by total assets and market capitalization) raises issues of sovereignty (The Guardian News, 18 April, 2016). In the power sector, North South Power Company and Sinohydro Corporation Limited signed an agreement at US\$ 478,657,941.28 dollars for the construction of 300 megawatts solar power in Shiroro, Niger State. Potentially unlocking an additional 3,600MW of power to the national grid, China has agreed to revive the Trans-Saharan Gas Pipeline (TSGP) project initially struck with Russia but paralyzed by terrorist activity across the Nigeria-Niger border. Regarding this, NNPC closed a US\$ 2.8 billion financing agreement with the Industrial and Commercial Bank of China (ICBC), Bank of China, and Infrastructure Bank of China for construction of the Ajaokuta-Kaduna-Kano (AKK) gas pipeline project which forms the first section of the broader 4,401km-long TSGP which will export natural gas to customers in Europe (Nyabiage 2020). Then again, a major deal at the Nigeria-China business forum was the US\$ 363 million dollars agreement for the establishment of a comprehensive farm and downstream industrial park in Kogi state (Dailypost April 15 2016).

Nigeria and South Africa

The relationship between Nigeria and South Africa entered a new era with the enthronement of democracy in both countries, and the elections of Thabo Mbeki and Olusegun Obasanjo in 1999. The teamwork between the two leaders was pivotal in the establishment of the New Partnership for Africa's Development (NEPAD) in 2001 and the transformation of the Organization of African Unity (OAU) to the African Union (AU) in 2002 (Adebajo 2006, 1). The two countries also established a Bi-National Commission to foster deeper relations between them. South Africa is presently Nigeria's seventh largest trade partner with trade volume of € 1.909 million or about 2.1 percent of the global trade (IMF). Statistics show that trade between the two countries has grown from less than US\$ 12 million in 1994 to about US\$ 100 million before peaking at US\$ 400 million in 2001 (Kan-Onwordi 2007, 60).

The South African Department of International Relations and Cooperation also states that trade between the two countries has increased from R181 3578 000 in 1999 to almost R11 billion in 2007. And the balance of trade favours Nigeria, despite its low technological base and poor infrastructure. South African exports to Nigeria stood at R707, 253, 060 and R2, 960113,000 in 2000 and 2004 respectively, while her imports from Nigeria stood at R1, 281, 293,000 and 5,195,147,000 during the same period (Ibeanu, Umezurike and Nwosu 2007, 32). The single largest South African investor in the Nigerian domestic economy is the Mobile Telephone Network (MTN). According to Onuoha (2008), during the 2003/2004 period, MTN recorded an after-tax profit from its Nigerian operation of R2.4 billion, representing 55.8 percent of its total profit from its non-South Africa ventures. As at 2003, Nigeria had become South Africa's third largest trading partner and largest single continental importer in Africa after Zimbabwe and Mozambique. Compared to over a 100 South African companies currently operating in Nigeria, only a handful of Nigerian companies such as Union Bank, First Bank, Philips Consulting, News Media, Financial Standard and *ThisDay* Newspapers managed to set up business in South Africa (Weekly Trust 2003) which has refused reciprocating Nigeria's gesture in opening up its market space to South African companies.

Noting that South Africa's xenophobic tendencies against Nigeria recur in their bilateral relations, the friction between the two countries' economies has somewhat impacted on trade and investment relations between them. In that light, the official visit of South African President, Jacob Zuma from 8th to 10th, March 2016, was seen as necessary in resolving a major

dispute involving Nigeria's decision to impose a fine of US\$ 5.2 billion, which was later slashed to US\$ 3.9 billion on South Africa's MTN due to its failure to register phone lines as requested by law. The official visit of President Zuma provided an opportunity to strengthen the economic relationship between Nigeria and South Africa. Amongst others, bilateral, continental and multilateral issues of interests such as insecurity, terrorism, trade and investments, climate change and African integration, were discussed between Presidents Zuma and Buhari.

As observed, there are some variations in the nature and character of the relations between Nigeria and individual members of BRICS. Economic interests have been a major driver of relations between individual BRICS states and Nigeria, with a strong emphasis on energy security particularly by countries such as China and India. Nigeria has signed economic agreements with the individual BRICS states and several have evolved into strategic partnerships. Almost all the BRICS states tend to portray their relations with Nigeria as mutually beneficial, devoid of exploitation, and in the spirit of South-South cooperation. For example, Indian officials have emphasised that the orientation of India's foreign policy is designed to promote "enlightened national interest"; while Indian policymakers highlight clearly that energy security is an important element of India's foreign policy, particularly in the context of the developing world. While this suggests the nature of interest pursued by BRICS countries in their engagements, Nigeria's aspires to join the top 20 countries by 2020 i.e. to emerge as an economic power.

Prospects and Challenges as Nigeria Emerges as an Economic Power

Of the tangible and non-tangible power elements Nigeria possesses that it could harness towards emerging as an economic power, the first major element is her population, which translates as a market for large scale manufacturers of goods and services. A major attraction of both developed and emerging countries to Nigeria is the huge market base which has been put at more than 170 million. The second major element in Nigeria's advantage is its geographical location. In terms of geographical size, the country has 923,768 sq km. The country is also endowed with favourable climate that supports rich agricultural production of a variety of cash crops (maize, yams, sorghum, cassava, rice, millet, palm kernels, cotton, cocoa, rubber, and groundnuts) while its access to sea is a plus for economic and military purposes. In addition,

Nigeria is blessed with natural resources such as hydrocarbons including solid minerals such as tin, gas, iron-ore, coal, limestone, zinc, niobium (The World Factbook 2008). Saliu (2010, 152) buttressed this point by arguing that because some countries are positioned as sources of strategic natural resources, they have acquired some measure of power and influence in the international system. Nonetheless, it is not enough for Nigeria to possess huge strategic resources without harnessing the same for overall national development.

As for military strength and size, though Nigeria's capacity is limited at present in terms of arms production, it is not only a highly respected and experienced actor in international peacekeeping operations across the globe, but also its impact especially under the sub-regional mechanism has been substantial. Since joining the United Nations in 1960, Nigeria has participated in about 25 UN peacekeeping operations across the globe and has produced not less than eleven force commanders (Galadima 2011, 302). It occupied the Chair of the UN Special Peacekeeping since 1989, expending enormous human and material resources in support of peacekeeping operations. Nigeria spent more than US\$ 10 billion on peacekeeping from 1990-2000 alone and has lost dozens of its personnel.

A case can be made for the Nigerian economy as a determinant of a nation's power and influence. Nigeria's exports were worth US\$ 98.364 billion in the fourth quarter of 2013 (Economy Watch 2013), which was far higher than most countries on the continent. The country produces 1.8-2.3 million barrels of crude oil per day (p/d), a major commodity which accounts for 95 percent of Nigerian export earnings (Munyama 2009). Nigeria's nearest African competitor in oil exports, Angola, produced an average of 1.9 million b/d in 2008 (Mthembu-Salter 2009, 4). With oil reserves estimated at 32-36 billion barrels including huge natural gas reserves estimated at 100-188 million cubic feet of reserves, the impression gleaned is that the Nigerian state is rich and its citizens enjoy a good life. Contrarily, even after a rebasing exercise that raised Nigeria's annual GDP in the year ending December 2013 to an estimated N80.3 trillion (US\$ 509.9 billion), making it the highest in Africa, and the 26th largest economy in the world, its economic performance falls below expectations.

Recent figures from "Nigeria in Times of COVID-19: Laying Foundations for a Strong Recovery" (2019) show that roughly 83 million people (equivalent to 4 in every 10 Nigerians) were living below the national poverty line as of 2019. The report further states that with over 75 percent of the poor living in the north of the country, their dependence on the informal

economy or on smallholder farming puts them at a risk when considering the deep rooted and complex relationship the region has with politics, unrest and security. Basically, populations living on the cusp of the poverty line can easily join those 83 million if or when a shock occurs. Like many developing countries within BRICS and the N11, Nigeria faces many realities which leave it highly vulnerable to potentially large daily cases and deaths such as a large population size⁴, high poverty rates in relation to national income⁵ and a weak coordinated national health system.

Before the COVID-19 outbreak, the number of poor Nigerians was expected to rise by 2.3 million (due to population growth) as the poverty rate saw an increase by about 0.1 percent from 40.1 percent in 2019 to 40.2 percent in 2020 (Cortes *et al.* June 2020). However, due to the reported recession, the number of poor Nigerians is set to rise to 7.2 million, implying that the poverty rate will double to 2.4 percentage points in 2020 (Cortes *et al.* June 2020). The global forecast reported by development practitioners and economists is similarly bleak. The World Bank's June 2020 Global Economic Prospects baseline forecast predicts a 5.2 percent contraction in global GDP in 2020, described as the deepest global recession in decades. Apparently, the report seems to imply that the damage has already been done as deep recessions are expected to leave lasting scars through low investment, an erosion of human capital through loss of income and schooling, an erosion on investor wealth, and fragmentation of global trade and supply linkages (World Bank 2020). As the toll on human lives increases, the outbreak continues to impact Nigeria's economy in several different ways whilst disrupting regional activity.

Social distancing measures implemented by the federal government and the presidential order to "lockdown" the country over two-week periods, intended to reduce community level spread of the virus and the pressure on an already weak national health system had more adverse effects relative to other measures, bringing economic and social activities to a near halt. This included the fall in household consumption as restrictions on movement forced consumers to spend less on luxury goods and service (hotels, restaurants) and more on essential goods and services. As expectations of future

4 India: with the world's second most populous country has the fifth highest death toll, reports the BBC. As of August 12, 2020, India has recorded more than 50,000 new infections every day for the last two weeks, and has pushed past two million cases in total (BBC News 2020).

5 Its BRICS and N11 neighbours cannot escape similar economic considerations as the population of South Africa 55.5 millions, and Mexico living below the national income poverty line rate similarly high to Nigeria.

income fell⁶ particularly for workers with short-term contracts and those in the informal economy, the erosion of wealth was expected to lead to a decline in assets such as stocks and home equity. Taking into consideration the large uncertainties that come with uncertainty over the duration of the pandemic, a decline in stock prices is reported to persist as the Nigerian Stock Exchange records its worst performance since the 2008 financial crisis. An unintended consequence of the federal government's containment measures was a steep decline in output. It is propagated that the disruptions of supply chains due to the "lockdown" will begin to have immense effect on the planting season and agricultural yield in the coming year.

Before the pandemic, we are reminded that the federal government had been struggling with a cocktail of macro-economic and micro-economic challenges. These include weak recovery from the 2014 oil price shock, as GDP growth danced around 2.3 percent in 2019. Although the economy was gradually recovering from the 2016 recession, *per capita* incomes were still falling as economic growth lagged population growth (Cortes *et al.* June 2020). Nigeria's GDP growth rate improved slightly in 2019, reflecting rising service output. According to OCHA (2021, 1) report titled "Nigeria in Times of COVID-19: Laying Foundations for a Strong Recovery", 2019 saw some strengthening in economic recovery as annual GDP growth reached 2.2 percent. By February 2020, the IMF revised the 2020 GDP growth rate from 2.5 percent to 2 percent, as a result of relatively low oil prices and limited fiscal space (Onyekwena and Ekeruche 2020).

Onyekwena and Ekeruche's analysis highlight Nigeria's debt service-to-revenue ratio of 60 percent, as at April 2020, as a source of concern for policymakers. Their report states this is likely to worsen amid the steep decline in revenue associated with falling oil prices which in turn is said to aggravate the economic impact of the outbreak and make it more difficult for the government to weather the crisis. In June 2020, Ayoade observed that the oil markets had been on a downward trend due to COVID-driven fallen demand recorded at an eighteen year low in trading at less than 22 dollars per barrel (Ayoade 2020), and the subsequent fall in the volume and value of Nigeria's net exports.

6 The inevitable impact on the labour market shows the extent to which employment within certain sectors within the economy is as unstable as it is critical to economic sustainability. Reported job losses in private organisations where staff either have their contracts terminated and/or their salaries cut, led to disruptions to markets and supply chains. For example, Punch newspapers reportedly let go about 40 members of staff at the end of May because of a massive fall in revenue generated by adverts which were being used to maintain staff overhead costs.

To ease the burden of the government's preventative measures on business, the government deployed several measures namely the Central Bank of Nigeria's (CBN) fiscal stimulus package. This included a 50 billion naira (\$ 138.89 million) credit facility to households and small and medium enterprises most affected by the pandemic, a 100 billion naira (\$ 277.78 million) loan to the health sector, and a 1 trillion naira (\$ 2.78 billion) to the manufacturing sector (Onyekwena and Ekeruche 2020). Ayoade lists other CBN initiatives such as the additional moratorium of one year on CBN intervention facilities, interest rate reduction on intervention facilities from 9% to 5%; the activation of the N1.5 trillion InfraCo Project for building critical infrastructure; the strengthening of lending to deposit ratio policy, additional N100 Billion naira intervention in healthcare loans to pharmaceutical companies; and the N1 trillion loan to boost local manufacturing and production across critical sectors (Ayoade 2020).

This is where government's economic strength can be measured to assess the extent to which government policies can mitigate the impacts of the pandemic in general and economic contractions, and lay foundations for a strong recovery. Many commentators believe that the extent to which the government can go further in its measure is far beyond the extent to which it has gone so far as recommendations on vital policy reforms to support economic growth and job creation over the medium-term have been called upon by Cortes *et al.* (June 2020). Their report discusses policy options in five critical areas that can help Nigeria recover from the impact COVID-19 pandemic whilst building a stronger economy. These include:

- Containing the outbreak and preparing for a more severe outbreak
- Enhancing macroeconomic management to boost investor confidence
- Safeguarding and mobilizing revenues
- Reprioritizing public spending to protect critical development expenditures and stimulate economic activity
- Protecting poor and vulnerable communities

Although prior to the 2020, Nigeria's Human Development Index ranking played a significant role in quantitative and qualitative development assessment of human capabilities vis-à-vis economic growth, a further look into COVID-driven developmental research and analysis shows a more human side of the impact of economic contractions. 2008's HDI ranking

was a dismal 154th in the world, with life expectancy at just 47 years, and the under-five mortality rate in 2005 was an appalling 194 per 1,000 live births (Mthembu-Salter 2009, 4).

Almost ten years later, the 2019 Global Multidimensional Poverty Index (MPI) rates that 46.0 percent of Nigeria's population are living below the national income poverty line. No doubt this does not paint the picture of a healthy economy — a major factor for consideration if Nigeria is to become a major economic power — and goes to show that managing and recovering from the impact of the coronavirus pandemic and the associated oil price shock will require both public and private sector intervention. Other intangible elements, though not quantifiable, but very important in power permutations, include the quality of leadership, the level of support which the country enjoys in the international system, the level of participation of the citizen and its deployment of diplomacy prudently to achieve its national goals.

Conclusion

In this article, we examined Nigeria's relationship with the BRICS (Brazil, Russia, India, China and South Africa) as an emerging global power bloc. We noted that the economic success recorded by the BRICS led analysts to clamour for a repeat of the BRICS-like impact, leading to the search for the next group of countries, which Goldman Sachs identified as the Next 11 (N-11) growth markets. The paper also notes that scholars have attempted to make use of measures such as energy, urbanisation, infrastructure, health and technology to gauge the performance and prospects of the N-11 serving as a springboard for the emergence of members of this group as economic powers. In essence the expectation is that N-11 countries could replicate the interesting growth stories of the BRICS. The reality however, is that these measures were at best generalized. Of importance in this paper is Nigeria's position vis-à-vis the BRICS and the nature of its relations with the individual BRICS countries.

No doubt, certain elements of power including geography, population size, and the economic resources, military strength and the diplomatic experience, are at the disposal of Nigeria to achieve greatness as an economic power, influence and recognition. The paper underscored the fact that the challenges posed by collapsing oil prices in the international market and its implications for Nigeria's economic growth and development have been

further exacerbated by the COVID-Pandemic. The article concludes by noting that given the dynamics of economic power, countries seeking to enhance their economic power status, went beyond acronym and focused on strategic economic development which in turn was based on their technological capacities and capabilities. Consequently, the prospects of Nigeria's emergence as an economic power and the future of its relations with the global emerging power bloc such as the BRICS, are hinged on her overcoming critical challenges that have rendered the country prostrate even before the emergence of the COVID-19 disruptions.

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ABSTRACT

Since the emergence of the BRICS — Brazil, Russia, India, China and South Africa — there have been lots of changes in the global environment. The BRICS has not only served as a diplomatic platform for their multilateral engagements and negotiations of its member countries, but also as a vehicle to drive the political, economic and socio-cultural interactions of the members with other countries such as Nigeria. Jim O'Neill's release of the "Next Eleven" report brought into sharp focus the prospects of the emergence of another power group or the future enlargement of the BRICS. Predicated on the earlier proposition that the "Next Eleven" group of 11 countries, were on track to catch up with the BRICS provided they sustained their growth levels, this article examines Nigeria's position in the Next-11 vis-à-vis the BRICS, with particular reference to the prospects of its emergence as an economic power before and after the COVID-19 pandemic. As observed, despite Nigeria's possession of critical elements of power that include geography, population size, and the economic resources, military strength and diplomatic experience, it is yet to harness them to

achieve prosperity and greatness. It therefore concludes that the country's prospects thereof including the future of its relations with global emerging power blocs, such as the BRICS, are hinged on her overcoming critical challenges that have rendered the country prostrate even before COVID-19-driven disruptions of its economy.

KEYWORDS

Nigeria-BRICS. Economic Power. COVID-19 Pandemic.

Received on November 15, 2020

Accepted on February 4, 2021