

**XENOPHOBIC ATTACK AND NIGERIA—SOUTH AFRICA TRADE AND
INVESTMENT RELATIONS, 2008-2017**

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TITTLE

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To the Almighty God

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LIST OF ABBREVIATIONS AND ACRONYMS

AGOA	African Growth and Opportunity Act
AI	Amnesty International
ANC	African National Congress
AU	African Union
BNC	Bi-National Commission
BRICS	Brazil, Russia, India, China and South Africa
CBN	Central Bank of Nigeria
CORMSA	Consortium for Refugees and Migrants in South Africa
DSTV	Digital Satellite Television
ECOWAS	Economic Community of West African States
EU	European Union
FDI	Foreign Direct Investment
FPI	Foreign Portfolio Investment
GDP	Gross Domestic Product
HRW	Human Rights Watch
IDC	Industrial Development Corporation
IMF	International Monetary Fund
ITC	International Trade Centre
MNCs	Multinational Companies
MTN	Mobile Telecommunication Network

NANS	News Agency of Nigeria
NCC	Nigerian Communication Commission
NEPAD	New Partnership for Africa's Development
NNPC	Nigerian National Petroleum Company
PASSOP	People Against Suffering, Oppression and Poverty
SADC	South African Development Community
SAHRC	South Africa Human Rights Commission
SAMP	South African Migration Project
SAPS	South Africa Police Service
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNHCR	United Nations High Commission for Refugees

ABSTRACT

Xenophobic attacks have become a regular feature in South Africa. Every day, animosity frequently spills over into violence on non-nationals, individual migrants, refugees and on their economic enterprises. Some of these incidents reach the attention of the media and officialdom, but most remained invisible and unremarked. The fact that most of the violence occurs in marginal urban locations of informal settlements, townships and inner-city suburbs in South Africa have prompted intense debate over the name and identification of the underlying causes. Against this backdrop, therefore, this study examined the xenophobic attacks and Nigeria-South Africa trade and investment relations, within the period, 2008-2017. The study was anchored on the theory of complex interdependence, while relying on documentary method for the collection of data, which was correspondingly, analyzed using content analysis. The study found that despite the ugly incidences of violence and unrest across South Africa against Nigerians and other foreign nationals in South Africa, the trade and investment relations between Nigeria and South Africa keep on increasing. In 1999, the South African and Nigerian governments signed bilateral agreements on trade and investment. These agreements amongst other things, aimed to increase the amount of trade and investment between South Africa and Nigeria. By way of recommendation, therefore, there is an urgent need for the South African authority to create opportunities for South Africans and Nigerians to engage in economic partnerships, collaboration and networking. The existence of Chambers of Commerce between the two countries is a good development in forging stronger economic ties. Furthermore, more legal framework should be put in place to promote joint economic ventures between South Africans, Nigerians and other foreigners.

Keywords: Xenophobia, Trade, Investment Relations, Violence, Unrest

CHAPTER ONE

INTRODUCTION

1.3 BACKGROUND TO THE STUDY

South Africa, officially the Republic of South Africa (RSA), is the southernmost country in Africa. It is bounded on the south by 2,798 kilometres (1,739 mi) of coastline of Southern Africa stretching along the South Atlantic and Indian Oceans; on the north by the neighboring countries of Namibia, Botswana, and Zimbabwe; and on the east and northeast by Mozambique and Swaziland; and surrounds the kingdom of Lesotho. South Africa is the largest country in Southern Africa and the 25th-largest country in the world by land area and, with close to 56 million people, is the world's 24th-most populous nation. It is the southernmost country on the mainland of the Old World or the Eastern Hemisphere. About 80 percent of South Africans are of Sub-Saharan African ancestry, divided among a variety of ethnic groups speaking different African languages, nine of which have official status.

Nigeria is often referred to as the "Giant of Africa", owing to its large population and economy. With approximately 186 million inhabitants, Nigeria is the most populous country in Africa and the seventh most populous country in the world. Nigeria has one of the largest populations of youth in the world. The country is viewed as a multinational state as it is inhabited by over 500 ethnic groups, of which the three largest are the Hausa, Igbo and Yoruba; these ethnic groups speak over 500 different languages and are identified with a wide variety of cultures. As of 2015, Nigeria is the world's 20th largest economy, worth more than \$500 billion and \$1 trillion in terms of nominal GDP and purchasing power parity respectively. It overtook South Africa to become Africa's largest economy in 2014. The 2013 debt-to-GDP ratio was 11 percent. Nigeria is considered to be an emerging market by the World Bank. It has

been identified as a regional power on the African continent, a middle power in international affairs, and has also been identified as an emerging global power (Agbu et al., 2013: 1).

Nigeria began relations with South Africa in the early 1960s against the background of the struggle to emancipate colonized African states especially in Southern Africa; Namibia, Angola, Mozambique, Zambia, Zimbabwe and South Africa. The African orientation of Nigeria's foreign policy is evident in the declaration of the former Minister of External Affairs, Mr. Jaja Wachukwu, in 1961 that colonialism and all its manifestations must be ended and that Nigeria would be failing in its duty if it did not use its full resources, intellectual, moral and material, in the struggle for the emancipation of the rest of Africa (Agbu et al., 2013: 1). The apartheid question was a pre-occupation of Balewa's foreign policy; the state-sponsored massacre in Sharpeville on 21st March 1960 that led to the killing of seventy two blacks and several wounded by the white minority police offered the Nigerian government a leverage to officially intervene in the apartheid enclave. The Nigerian government intervened through the ban on the importation of South African goods into the country (Agbu, 2010:439), and it became a leading voice on sanctions on South Africa in the international community. "The expulsion of South Africa from the Commonwealth of Nations in 1961; expulsion of South African Dutch Reform Church from Nigeria and the cancellation of contracts awarded to South African companies demonstrated the Nigerian government despised the inhuman apartheid regime" (Agbu et al., 2013:1).

The degree of the solidarity, support and sacrifice which the government and people of Nigeria exhibited in the quest for the elimination of apartheid and the enthronement of democracy and majority rule in South Africa was such that Nigeria, not minding the geographical distance, became identified as a frontline state. At the dawn of democracy in South

Africa, Nigerians, especially the professionals, were part of those that started to migrate to South Africa. Part of the philosophy of those early migrants was to contribute to the much needed nation building in post-apartheid South Africa. With a democratic and majority rule in place in South Africa in 1994, South Africa quickly switched over the Pariah Status in the International Community with Nigeria. The military government in Nigeria with its human rights abuses attracted the wrath of the International Community. South Africa now became the “aggressor” as it used its position as emerging African Superpower to campaign for the suspension of Nigeria from the Commonwealth and the United Nations. Nigeria-South Africa confrontations reached its zenith in 1995 when the then South African President, Nelson Mandela vigorously campaigned for the expulsion of Nigeria from Commonwealth during the Commonwealth Summit in Auckland (Dubow, 2000).

With democratic government in place in Nigeria in 1999, Nigeria – South Africa relations became less confrontational but friendly and cordial. Prior to 1999 South Africa had a poor political relationship with Nigeria. At the time, Nigeria was ruled by a military junta that was politically hostile to South Africa. This, however dramatically changed with the end of the military government and the return of democracy in 1999. From that point on, the South African State built a strong relationship with the Nigerian government under the leadership of Obasanjo and Yar’Adua. This relationship was also helped by the fact that Thabo Mbeki had formed a strong friendship with Obasanjo and Yar’Adua when he was in exile in Nigeria from 1976 to 1979 (Dubow, 2000).

However, the brotherly and cordial relationship between Nigeria and South Africa especially in the post apartheid era was put to test in wake of xenophobic attacks against other African citizens by South Africans. While hatred against Africans was prevalent during the

apartheid era in South African, the upsurge of xenophobic attacks against other African citizens by black South Africans following the dismantling of apartheid is most disappointing and unexpected.

The new wave of xenophobic attacks in post-apartheid South Africa started in 1998 and was purely directed towards the citizens of other African countries residing and doing business in South Africa. According to Landau (2011), “a series of attacks left 62 people dead, although 21 of those killed were South African citizens. The attacks were apparently motivated by xenophobia in May 2008”. Since the 2008 attacks, they had continued to be an incessant xenophobic attack in South Africa. There was a planned attack in 2010 but was put on hold because of the world cup hosted by South Africa, however between 2012 through 2017 hardly did any year go by without an incidence of attacks on fellow blacks from other African countries by the blacks of South Africa, the destruction in human and material resources can hardly be quantified. This ugly development has pitched South Africa against other African countries especially Nigeria.

Fundamentally, one of the principal reasons for xenophobic attacks in South Africa is tied to the economy as according to South Africans, other African countries’ citizens are taking over their jobs and businesses leading to high rate of unemployment especially among locals. While this argument appears to be correct but it is relatively weak as these people are doing genuine and legal businesses in South Africa. Equally, taking cognizance of the fact that South Africans are also doing businesses in other African countries, it will be better imagined if there exist reprisal attacks on South Africans residing and doing businesses in other African countries. The implications for the overall economy of Africa should this scenario play out were clearly depicted by the Nigerian-South African Chamber of Commerce. The chamber holds the view

that the outbreak of xenophobic violence in South Africa and the reprisal events in Nigeria, including direct attack on foreign-owned businesses in both South Africa and Nigeria poses a threat to Africa's fragile economic recovery.

Conversely, on the Trade and investments relations, the Nigerian state with a population of over 160 million people and its Gross Domestic Products (GDP) is \$509.9 billion since the rebasing exercise in April 2014, thereby making it the largest economy in Africa. South Africa has a population of 51.19 million people and a GDP of \$384.3 billion thereby making it the second largest economy in Africa (The Guardian Newspaper, 07 April, 2014: 1a). Meanwhile, the Bi-National Commission (BNC), constituted the context for strategic partnerships to enhance bi-lateral relations and redeem Africa's economy. It is noteworthy that negotiations held in October 1999 and April 2000 on the avoidance of taxation on income and capital gains, reciprocal promotion and protection of investments, co-operation in the fields of mining, geology, exploration, and energy (Banjo, 2010: 9). Nigeria and South Africa signed agreements that attracted hundred South African companies into the Nigerian economy (Bello and Hengari, 2013).

As a corollary, the South African firms operating in Nigeria include the Mobile Telecommunication Network (MTN), with 55.4 million subscribers in 2014 (MTN Group Limited, 30 September, 2014). Shoprite, Stanbic Bank and Digital Satellite Television (DSTV) are equally strategic South African businesses in the Nigerian economy. Similarly, the Dangote Group of Companies with headquarters in Nigeria have investment portfolio of nearly \$400 million in cement production in South Africa; and Nigeria's Oando Oil Company is listed on the Johannesburg Stock Exchange.

Oil represents over 95 percent of Nigeria's exports to South Africa (Nagar and Paterson, 2012: 4). The South African government in October 2000 raised the volume of crude oil import from Nigeria, thereby suggesting increase in economic relations (Ogoegbulem, 2000). The bilateral volume of trade increased from ZAR 174 million in 1998 to ZAR 22.8 billion in 2008, thereby accounting for nearly a quarter of South Africa's total African trade in 2008 (Otto, 2012). South Africa's exports to Nigeria increased from ZAR 505 million to ZAR 7.1 billion and Nigeria's exports to South Africa increased from ZAR 15.7 billion to ZAR 123.6 billion in the same period (Otto, 2012.). South Africa's exports to Nigeria in 2010 stood at ZAR 4.38 billion and Nigeria's exports to South Africa stood at ZAR 16.08 billion with the total trade amounting to ZAR 20.46 billion. The aggregate trade figures experienced a leap in 2014 with a cumulative of ZAR 66.2 billion; this period had exports to Nigeria from South Africa standing at ZAR 10.5 billion while the Nigeria's exports to South Africa skyrocketed to ZAR 55.7 billion.

In the light of the above, this study evaluates the xenophobic attack on Nigerian-South Africa trade and investments relations from 2008-2017.

1.2 STATEMENT OF PROBLEM

Overtime, researchers have contributed on the aforementioned topic with fundamental interest in the Nigeria-South Africa bilateral relations, the volume and impact (mostly on the negative aspect) of trade and investment, trade and investment policies between the countries, Nigeria-South Africa trade relations on asymmetric basis. Most of them (Ogbonnaya *et al*, 2017; Ebegbulem, 2013; Seteolu and Okuneye, 2016; Eze and Agena, 2017; Solomon and Kosaka, 2015 etc.) anchored their explanation on Hegemony, Conflict theories and realist paradigmatic analysis from the Liberal political economy approach. They also concentrated energy in their studies to unravel the adverse effects and asymmetric implication arising from the xenophobic attacks in South Africa and the bilateral relations between Nigeria and South Africa.

The literatures written prior to 1999 emphasized on Nigeria's indispensable roles in dismantling the apartheid system in South Africa; and how the post-apartheid state would recompense what Nigeria had done. Literatures from 1999 till date had been pre-occupied with the analyses of how to reach a *détente*, revive the sickening economies, and unveiling the love-hate relationship that is a recurrent decimal in Nigeria-South Africa relations.

Games (2013a) identified the prevalent features of Nigeria and South Africa relations as co-operation and competition. He posits that the type and level of bi-lateral relations have been defined by leadership issues and the differences in the countries' strategies in approaching continental problems. He cited the democratic attitude of Nelson Mandela and the despotic disposition of General Sani Abacha as the reason for the unfriendly engagement between 1995 and 1999; the efforts and established friendship of Thabo Mbeki and Olusegun Obasanjo as the factors responsible for cordial relations in post-1999. To Games, bi-lateral relations in the

Jonathan and Zuma administrations almost crumbled due to the domestic policy emphasis of Nigeria and the South Africa's pre-occupation with international issues beyond Africa. Games posits that despite the often conflict nature of Nigeria and South Africa relations, there is a certain degree of cooperation on African issues. He perceives Nigeria and South Africa as powerful and emerging markets whose active participation at the levels of G-20 and BRICS would engender development. He advocates for cooperation of the powers and discouraged the promotion of self-seeking ambitions on the probable greatest power in the region. Games attributes Nigeria's inability to measure to South Africa in the economic realm to the local issues of the lack of institutions, poor infrastructure, and the heavy dependence on crude oil as the major import into South Africa.

Ngwenya (2010) and Obi (2015) agree that the relations between Nigeria and South Africa improved dramatically with the creation of the BNC as a mechanism for re-invigorating the inactive engagement. Obi reiterates South Africa's position in global economic governance; and how the development of Africa is predicated on South Africa's strategic partnership with Nigeria, which is the single continental economic power without BRICS. He insists Nigeria and South Africa should co-operate and avoid competing with a view to attain regional development aspirations. More so, Obi avers that the Nigerian state is a significant partner of South Africa in projecting a meaningful African agenda for engaging with global powers. He attributes the diplomatic setbacks in Nigeria-South Africa relations to the failure of leaderships to build relations that would endure. Obi (2015) agrees with Otto (2012) that the relations maintained by Thabo Mbeki and Olusegun Obasanjo was built on personalities rather than independent foreign policy structures and institutions. To Otto, the relations have been cordial in trade and investment relations; but it has suffered at the political level. Obi and Otto cohere that the unstable political

relation explains the inability of Nigeria and South Africa to sustain cordial relations beyond a few years of Obasanjo and Mbeki's tenure. Otto reasons that despite the problems in the bilateral engagement of the continental giants, the development of the region can be achieved when the states go beyond contest and rise above petty rivalry and unhealthy competition'. He canvasses for the implementation of developmental policies and prioritization of mutual interests for their citizens and region.

Amuwo (2014) illustrates the dwindling influence of Nigeria in continental affairs amid South Africa's strides in the economic realm, governance and infrastructure. He argues that the Nigerian governing elite are preoccupied with domestic issues at the expense of African policy. Amuwo avers that bilateral relations have been marred by conflict citing the struggle for the chair of African Union, and the seizure of Nigeria's \$15 million (ZAR 164.6 million) meant for arms purchase by the South African government. Agbu (2010) examines the prospect of future relations and interrogates domestic obstacles to healthy bi-lateral relations. He asserts that South African bureaucracy is largely occupied by whites who are less willing to forge relations with the most populous Black Country in the region.

Conversely, the Nigerian infrastructural base problem, inadequate power supply and poor road networks are major impediments to its growth. The Nigeria-South Africa relations have been described by Agbu (2010) as bumpy albeit cordial political relations. He argues, however, that the rivalry and competition between Nigeria and South Africa should not justify the fragile relations; and prescribes a strategic partnership in different aspects of relations.

Meanwhile, the increase in xenophobia after the restoration of black majority rule in South African was clearly depicted in a 2004 study published by the South African Migration Project (SAMP) which stated that:

“the African National Congress (ANC) government in its attempts to overcome the divides of the past and build new forms of social cohesion embarked on an aggressive and inclusive nation-building project. One unanticipated by-product of this project has been a growth in intolerance towards outsiders. Violence against foreign citizens and African refugees has become increasingly common and communities are divided by hostility and suspicion” (SAMP 2004:12).

One fundamental and yet unanswered question is why xenophobia attacks by South Africans towards their African brothers and sisters should increase immediately black majority rule was restored in the country. While the centre piece of Nigeria’s foreign policy remains Africa, the new spate of violence and wanton destruction and killings of the properties and citizens of Nigeria by South Africa has a lot of negative implications in the brotherly and robust relationship between Nigeria and South Africa.

In terms of Nigeria external economic relations, for instance, Asobie (1991:36) attempted a classic evaluation and categorization of the way various Nigerian governments have demonstrated the linkage between foreign policy and economic matters. These modest accomplishments of the studies notwithstanding, the existing body of literature has not adequately analyzed the impacts of the xenophobic attack on South Africa and Nigeria relations especially, with respect to the trade and investment relations.

Against this background, therefore, attempt is made here to transcend the existing analyses to closely interrogate the organic link between xenophobic attack: Nigeria-South Africa trade and investment relations; meanwhile, our task and thrust of the study is to establish the link

between the attack on Nigerians in South Africa and the trade relations between Nigeria and South Africa as well as the violence against Nigerians in South Africa and the patronage of South Africa owned multinational companies in Nigeria within the period under study.

This study raised the following questions:

- Does the demand for the exit of non-National in South Africa undermine the trade relations between Nigeria and South Africa within the period under study?
- Does the attack on Nigerians in South Africa hamper the patronage of South Africa owned multinational companies in Nigeria within the period under review?

1.3 OBJECTIVES OF THE STUDY

This study had both broad and specific objectives. Broadly, this study evaluates the xenophobic attacks on Nigeria-South Africa trade and investment relations, 2008-2017. Specifically, the study had the objectives to:

- Determine whether the demand for the exit of non-nationals in South Africa undermine the trade relations between Nigeria and South Africa within the period under study.
- Ascertain whether the attacks on Nigerians in South Africa hampered the patronage of South Africa owned multinational companies in Nigeria within the period under investigation.

1.4 SIGNIFICANCE OF THE STUDY

This study exhibits theoretical and practical categories of importance.

The theoretical relevance of the study stems from the fact that, it will extend the frontiers of knowledge on the issue under discussion. It will also enable the students of social sciences in general and political science in particular to have more access to current data on the xenophobic

attack: Nigeria-South Africa trade and investment relations. Lastly, it will open new vistas of knowledge and add to the pull of literature on the subject and create a new paradigm in the study.

Practically, this study will be of importance to the policy makers of developing countries especially in Nigeria and South Africa. The study will equip us with facts on the conditions that instigate the formation of formal ties between the countries understudy. It will help to derive new strategies to enhancing even, reciprocal and mutual relations in the inflow of trade and investments between the two countries. Finally, the study shall be beneficial to foreign policy makers, statesmen and diplomats who will examine critically the implications of policies and their executions in relations with other countries.

CHAPTER TWO

2.1 REVIEW OF RELATED LITERATURE

The central thrust of this study is to analyze xenophobic attacks on Nigeria-South Africa trade and investment relations, 2008-2017. The study offers a review of extant and salient literature on xenophobia, trade and investment, South Africa-Nigeria relations.

A good number of researchers and scholars have made general and relevant contributions to the issue under study. These scholars range from those who have written on the general issue on xenophobia, Nigeria-South Africa bilateral relations to those who wrote specifically on the Nigeria-South Africa trade and investment relations.

The review centers on the following themes:

- **The demand for the exit of non-nationals in South Africa and the trade and investment relations between Nigeria and South Africa.**
- **The attacks on Nigerians in South Africa and the patronage of South African owned MNCs in Nigeria.**

2.1.1 THE DEMAND FOR THE EXIT OF NON-NATIONALS IN SOUTH AFRICA AND THE TRADE AND INVESTMENT RELATIONS BETWEEN NIGERIA AND SOUTH AFRICA

In this first segment, our focus is on the demand for the exit of non-nationals in South Africa and the trade and investment relations between Nigeria and South Africa. As such, Ogbonnaya *et al* (2017:1) averred that a 2001 review by Wicker, explained xenophobia as one among several possible forms of reaction generated by anomic situation in the societies of modern states (as cited in Sichone, 2008:257). According to South Africa Human Right Commission (SAHRC), xenophobia can be defined as the “deep dislike of non-nationals by nationals of a recipient state” (Bekker & Carlton, 2010:127 cited in Ogbonnaya *et al*, 2017). Indeed its manifestation is abusive and violates the constitution. Nyamnjoh (2006 cited in Ogbonnaya *et al* 2017) argues that xenophobia in South Africa is not generally directed at all

people perceived to be foreign nationals, but it is Africanized as Afro phobia with black African foreigners being the exclusive target for xenophobic attacks and violence. This assertion is evident in the way and manner South Africa has treated other African nations, including Nigeria. While (Landau, 2005) captures xenophobia as any form of discriminatory attitudes towards non-nationals, (Musuva, 2014:382) notes that “xenophobia takes place within the context of crime, poverty, inequality and unemployment”. Making graphics of xenophobia, Bihl (2005:1) suggested that further empirical probes on xenophobia be hinged on a twofold structure of ethno-psychological and socio-psychological phenomena, since the ‘action’ itself stems from psychological outburst. Xenophobia according to him requires not only psychological approach and theorization but also psychological. This is because the degree of fear of foreigners exhibited by the rampaging xenophobes seems practically impossible to control. Through, he further stated that the concept of xenophobia goes beyond psychological examination because of its object – the stranger, psychological analysis is needed since the perception of a given society regarding a ‘stranger’ or ‘foreigner’ conversely differs from what obtains in another.

Examining xenophobia in South Africa: Rethinking the Nigeria foreign policy of Afrocentricism, Idehen and Osaghae (2015:78-91) noted that the alienation of foreign nationals especially black immigrant in South Africa had successfully created a thick line of partition between the “we” and the “them” in South Africa, undermining the ethos of black brotherhood rooted in Africa socialism and communalism. This partition might be with us for a very long time unless urgent steps are taken by the Africa Union. They further maintained that the criminalization of the “others” in order to get rid of them cannot be substantiated by South Africans, in fact, it is what Freud called “the narcissism of minor differences”, and it is a psychological way of ventilating one’s emotion in the face of suppressed tension. The most

painful aspect of this scenario is the injury that has been inflicted on the Pan African project (African Renaissance) Which is a radical departure from the struggles and spirit of our for fathers, those who championed the struggle of liberation in Africa (Idehen and Osaghae, 2015:78-91)

Accordingly, Idehen and Osaghae (2015:78-91) affirmed that xenophobia in South Africa is senseless and irrational. It is morally injurious to the collectivity of South Africans and the international community; it is a gross violation of international statutes that carry the signature of South Africa themselves. It is unacceptable and will not be accommodated. Nigeria is a country that has invested so much on the Africa project through the robust foreign policy of Afrocentrism despite the compelling challenges of domestic imperatives. Unfortunately, these gestures had been undermined by the wanton destructions of the lives and properties of Nigerians living in South Africa and the constant humiliation of Nigerians across the globe. Consequently, it has become imperative for a re-think of this policy which to me had outlived its usefulness.

Meanwhile, writing on the evolution of xenophobia in South Africa, Chimbga and Meier (2014), Munshi (2013) observed that the demise of the apartheid regime in South Africa in April 1994 triggered increased migration of foreign nationals from across Sub-Saharan Africa and South Asian countries. The reason was an obvious availability of economic opportunities especially in the informal sector. This influx of foreign national was not without resentment from the very beginning. There were obvious traces of discrimination developing like a tumor within the people. According to South African Migration Project (SAMP) survey conducted in 2001, South Africans demonstrated their 'will' in a restrictive vote of 21 per cent wanting a complete ban on the entry of foreigners and 64 per cent wanting strict limits on the numbers allowed entry. South African respondents on all issues of immigrant show that perception was at the heart of

xenophobic discourse (Crush and Pendleton 2004) with the coinage of a local vocabulary, Makwerekwere (a derogatory term used for a black person who cannot demonstrate mastery of local South African languages and who hails from a country assumed to be economically and culturally backward in relation to South Africa) to buttress their deep seated resentment for foreigners (Nyamnjoh 2006).

According to a Human Rights Watch (1998), immigrants especially from Malawi, Zimbabwe and Mozambique living in the Alexandra town were physically assaulted over a considerable period of time in January 1995. May 2008, witnessed a considerable progress in the degree of resentment leading to a burst of violent riots in the township of Alexandra, just northeast of Johannesburg. Local residents attacked foreign immigrants irrespective of their nationalities shouting slogans of mass eviction of foreigners.

The pervasiveness of this phenomenon confront the existing axiom that tend to limit the manifestation of xenophobia to street urchins in urban cities and the micro politics dominant within urban metropolises (Bekker, 2010; Crush and Ramachandran, 2014; Hickel, 2014; Konanani and Odeku, 2013; Schwikkard, 2013; Vahed, 2013; Zondi and Ukpere, 2014). The preponderance of xenophobic violence and stereotyping touches on both the formal and informal sectors although it is common within the informal sector where foreign nationals easily find footage.

On the global phenomenon and dimension, Mayfield (2010) contends that xenophobia did not start in South Africa; Australia, North America, Europe, United Kingdom, Japan and others have had long histories of xenophobia. In Rome for example, xenophobic tendencies were manifested towards the Russians and Hungarians who were not citizens but from neighboring

countries (Saideman and Ayres, 2008:155-160). Australia though a multicultural society, xenophobia sentiments were manifested towards immigrants. Foreign nationals were seen at all times as criminals or asylum seekers. The situation was worsened by the fact that the government and opposition parties took advantage of these immigrants by indulging in loathing of refugees (Buchanan, 2003:7). France, which was once a white and Catholic country anti-immigrant sentiments were directed or developed following the presence of the Muslims in particular and other races. Xenophobia in France became widespread to the extent that French citizens were blaming the increased unemployment and insecurity on foreign nationals (Roemer et al., 2007:237-247). The end result was the tightening up of security (immigration laws) by the French government as foreign nationals were called criminals. The French and the British for fear of contamination of their culture by foreign nationals coming from other continents such as Africa, Asia and the Caribbean, established a more stringent immigrations laws, which were passed restricting the number of foreign nationals coming those continents (Campbell, 2003:77).

In the United States of America (USA), xenophobic assaults are manifested in the form of anti-Hispanic hate crimes (Stacey et al., 2011:287-294). Research has it that xenophobia in the USA from a historical perspective started as far back in the 19th century. In 1885, it was reported that White Americans rioted against Chinese residents. Again in 1890, another incident of Xenophobic attacks on the Chinese was reported where white farm workers assaulted their Chinese counterpart. The Americans attitude towards Mexicans, Italians, and Asians, shows that they are not welcomed in the USA. Xenophobic assaults against Mexicans became rife in 1914. During this period in America, only foreign nationals from Germany, England, French speaking Canadians and Jews, were welcomed to the USA (Fetzer, 2000:31 and 33). Mikulich (2009:4) articulates the U.S fear that foreign nationals from Mexico and Latino will overlook

‘white European-power over U.S. identity’. In view of Mikulich (2009:4): U.S.A. xenophobia, based on the assumption that ‘our country’ is defined by, and should maintain, its dominant White European heritage is rooted in the myth of the U.S. as a nation of European immigrants. This situation represses America’s original sin of racism and obscures the fact the country was in part built, advanced and sustained on the backs on African people who were stripped from their cultures of birth and arrived involuntarily via the Atlantic slave trade.

Xenophobic inclination was expressed in India targeting mostly foreign nationals from Bangladesh who were accused by the Indians for the country’s predicament such as increased unemployment, terrorism and environmental degradation. Just as in the case of South Africa, the numbers of Bangladesh foreign nationals in India were most often than not, portrayed as a national threat to the country by government officials. One peculiar thing regarding xenophobia in India was that xenophobic assaults against Bangladeshi vary according to religious backgrounds. Xenophobic violence targeted against foreign nationals in both South Africa and India are similar in the sense that it was founded on ‘politics of exclusion’ and again associated with post independence and nation-building (Crush and Ramachandran, 2010:214-217, Human Rights Watch, 1998:18- 20 and 123-125).

On the African context, Nigeria and Ghana have had records of hatred for foreign immigrants, which ended up with xenophobia (Campbell, 2003:74). Xenophobic inclinations in Ghana became rified in 1969 to the extent that the Ghanaian government had to evict and expelled a total number of 1.5 million foreign nationals particularly Nigerians. Research has it that in 1983, the Nigerian government evicted 1.5 million foreigners from Nigeria who were Ghanaians in particular (Campbell, 2003:74). The xenophobic inclination in both countries was spurred by economic difficulties confronting them. Nationals of both countries (Ghana and

Nigeria in 1969 and 1983, respectively) accused each other of their predicaments (Soyombo, 2008:94-95). Globalization can be responsible for xenophobic attitudes because in the face of globalization, different nationals of different countries move from one country to another in search for greener pasture and at the end of the day, are exposed to xenophobic assaults (Harrison, 2005:11-13, Nyamnjoh, 2006:230-236).

In the same light, citizens from Botswana taking prompt xenophobic ideas from South Africa referred to foreign nationals (excluding South Africans) in Botswana as “makwerekwere”. Such derogatory word, which is also used in South Africa, refers to people who speak strange languages coming from economically devastated countries in search of greener pastures. Xenophobic attitudes towards foreign nationals in both countries slightly differ in that in Botswana, the Indians are hated for being perceived as treacherous. The Indians despite their huge economic investments in Botswana, the Indians are still targeted (Campbell, 2003:101).

Xenophobia in South Africa has been manifested in different forms, ranging from everyday street-level abuse to discrimination and harassment by authority officials and recurring spells of popular xenophobic violence in varying intensity and scale. There is strong evidence to support the fact that foreigners, who make up non nationals, domestic migrants, and others, living and working in South Africa, face discrimination. This comes at the hands of citizens, government officials, the police, and private organizations contracted to manage and provide services, promote urban development or manage detention and deportation processes (Crush 2008, Landau et al. 2004). Xenophobic violence in particular has become a longstanding feature in post-apartheid South Africa. Since its democratic transition in 1994, thousands of foreign nationals have been harassed, attacked, and killed just because they are foreign. Over the years,

this xenophobic violence has increased across townships and informal settlements in South Africa (Landau 2011, Landau and Haithar 2007, Murray 2003, Palmary et al. 2003).

The May 2008 widespread outbreak of xenophobic attacks left 62 people dead, 21 of them South African citizens, over 100 000 displaced, 670 wounded, and 1 300 arrested (Monson & Arian 2011: 26). During that incident, a Mozambican, Ernesto Nhamuave, was set alight in Ramaphosa on the East Rand (Zvomuya 2013). Shops, homes and other businesses of foreigners were destroyed (Landau 2011: 1). The government claimed that this violence was random acts of criminality, but the violence was specifically targeted at people who were believed to be a threat to South Africa (Landau 2011: 1). Following the 2008 xenophobic attacks on African foreigners, numerous social and political debates were raised on South Africa's tolerance for the presence of fellow Africans originating from the same continent. While migrants from the continent consider South Africa as a location of choice where democracy, socio economic justice and human rights are more respected compared to their country of origin, the 2008 xenophobic attacks provided reasons for victims of attacks to question South Africa's role as a champion of democracy, human rights and socio-economic justice on the African continent (Rukema and Khan 2013). Sadly, the violence did not end in 2008 as dozens have been killed since then (Consortium for Refugees and Migrants in South Africa (CoRMSA 2008: 56). In 2009, the Zimbabwean community was forcefully chased from their informal settlement in a small rural town of De Doorns in the Western Cape. This led to the displacement of 3 000 people Zimbabwean nationals living in the community (Kerr & Durrheim 2013: 583-584). Landau (2011: 22) reported that the hundreds of fans who came in to South Africa for the 2010 FIFA World Cup were welcomed with threatening messages on pamphlets to leave the country.

Other incidents of xenophobic attacks were seen in 2013. Firstly, a Mozambican taxi driver died in police custody after being handcuffed and dragged behind a police van (Zvomuya 2013). Later, violent attacks against foreigners broke out in the Eastern Cape in communities around Port Elizabeth following the death of a 19-year-old South African, allegedly shot by a Somali immigrant (Chauke, 2013). All the above incidents and many more show that xenophobia in South Africa can and often do result in violence. According to Harris (2010:10) racism, xenophobia and related intolerance continue to thrive in Southern Africa just like the rest of world. The effects of globalization, economic hardship, migration, ethnic conflict and the plight of indigenous people affect many, if not all, countries in the region. Issues relating to education, access to services, disparate economic status, autonomy and problems arising from migration are among the manifestations of racism and xenophobia in South Africa. Currently, there is not much research focusing on the international dimension of xenophobia on foreign nationals living in South Africa. This study will contribute by exploring the nature and scales of xenophobia directed toward foreign nationals and also provide further insight into the diplomatic implications involved.

Fundamentally, since the inception of democratic rule in Nigeria, South Africa and Nigeria have had encouraging bilateral economic relations. Since then, South Africa has emerged among the top investors in many sectors of the Nigerian economy. South African companies' presence is visible in the Nigerian economy, especially in areas such as telecommunication, engineering, banking, retail, hospitality, property development, construction and tourism, to mention a few (Ebegbulem, 2013:32-40). Ebegbulem (2013:32-40) opined that in terms of technology and infrastructure, South Africa has an edge over Nigeria while Nigeria has an advantage of large market potentials for investments over South Africa. This is why there are a

lot of South African companies with huge investments in Nigeria. In 1999, the South African and Nigerian governments signed bilateral agreements on trade and investment. These agreements amongst other things, aimed to increase the amount of trade and investment between South Africa and Nigeria (Sifingo 2003). The signing of these agreements witnessed inter-alia (a) improved trade relations between South Africa and Nigeria and (b) South African corporations as big players in the Nigerian economy. On improved trade relations between both countries, we saw that the volume of trade between South Africa and Nigeria increased from 1999. Prior to 1999, trade between the two countries was minimal. In 1994, South Africa exported US\$8.1 million worth of products to Nigeria; while it imported US\$3.1 million worth of commodities from that country (Omojola, 2006).

Tenikin (2007) posits that with the signing of the South Africa – Nigeria bilateral trade agreement, the situation changed. By 2005 South Africa was exporting goods to the value of R3.4 billion to Nigeria and importing R4.2 billion worth of commodities from Nigeria (Tenikin 2007). South Africa's exports to Nigeria include machinery, electrical equipment, appliances, wood, paper, prepared food stuffs, beverages, plastics, rubber, chemicals etc. However, oil makes up 97% of Nigeria's exports to South Africa (Pahad 2002). The situation means that South Africa is exporting a wide range of goods to Nigeria, many of which are value added manufactured goods. As a result of this, South Africa's exports have the potential to grow dramatically. Conversely, Nigeria's export products to South Africa consist of a single raw material in the form of oil. Its oil exports to South Africa are unlikely to increase dramatically over the next few years and its export products are also unlikely to diversify. This translates into an unequal trade situation between South Africa and Nigeria; in which South Africa is in fact the dominant partner in terms of trade relations. What really highlights the unequal relationship that

exists between Nigeria and South Africa, however, is the fact that South African companies have come to dominate many sectors of the Nigerian economy.

Ezeoha and Uche (2005) observed that prior to 1999, there were only four (4) South African companies operating in Nigeria. This situation has dramatically changed with the assistance of the South African State, and the signing of bilateral agreements and the establishment of South Africa - Nigeria Bi-national Commission. Today, there are over 100 South African companies doing business in Nigeria (Sifinan 2003). Within a mere 8 years, South African companies have become major players in almost every sector of the Nigerian economy. The biggest investment by South African companies in Nigeria has been in the telecommunication sector. In 2001, MTN was awarded a license by the Nigerian government to operate a cell phone network in the country. In return, MTN had to pay licensing fees of over US\$285 million. Added to this, MTN has spent a further US\$1billion on setting up its operations in Nigeria (Lutchman et al., 2004). Currently, MTN is the largest cellular network company in Nigeria with over 10million subscribers (Tenekin, 2007). South African companies have also become dominant players in Nigeria's construction sector. Entech, a South African based engineering company, headed a consortium of South African companies that were awarded a tender worth R2.1billion from the Lagos State government to redevelop the Bar Beach and Victoria Island area of Lagos (Pahad, 2002) Many large South African companies have also invaded the tourism and leisure sector in Nigeria. Under NEPAD, the South African parastatal, the Industrial Development Corporation (IDC) has become one of the largest investors in Nigeria's tourist sector.

To date it has invested over US\$1.4 billion in tourism and telecommunications ventures in Nigeria (United Nations Report, 2005). Another major player in the tourism sector is the

South African Company, Bidvest. Through its subsidiary, Tom-vest, it has purchased one of the biggest tourism companies in Nigeria, Touchdown Travels. The biggest development in the Nigerian tourism sector however, is the massive Tinapa project in the Cross-River state. This project falls under the auspices of NEPAD and has the full backing of the South African and Nigerian governments. South African companies are also heavily involved in Nigeria's media and entertainment sector. DSTV, as a major force in the television industry, accounts for 90% of the viewers that watch satellite TV in Nigeria between 2005 and 2009. This has seen DSTV growing into the sixth largest company listed on the Lagos Stock Exchange (Omojola, 2006).

According to Onuoha (2008), as at mid-April 2003, an estimated 55 South African companies were doing business in Nigeria. The single largest investor is MTN. Its entrance into the Nigerian market came by way of the first telecommunications auctions process in Africa, in January 2001. At that time MTN's entrance into the Nigerian market was the company's single biggest investment outside South Africa (Onuoha, 2008). The need for improved bilateral economic relations between the two countries gave birth to South Africa - Nigeria Bi-national Commission.

At this point, it is obvious that the extant literature reviewed such as Ogbonnaya et al (2017), Sichone (2008), Bekker and Carlton (2010), Nyamnjoh (2006), Landau (2005), Musuva (2014), Bihl (2005), Idehen and Osaghae (2015), Munshi (2013), Crush and Ramachandran (2014), Hickel (2014), Konanani and Odeku (2013), Vahed (2013), Mayfield (2010), Saideman and Ayres (2008) amongst others are not bereft of attempts to establish positive or inverse relationship between demand for the exit of non-nationals in South Africa and the trade relations between Nigeria and South Africa. However impressive these analyses are, they are not exhaustive in explaining whether the demand for the exit of non-nationals in South Africa

undermines the trade and investment relations between Nigeria and South Africa. Secondly, the cluster of views as can be seen, focused essentially on the xenophobic attacks, South Africa companies' investment outflows without attempts on the reciprocity from Nigeria.

2.1.2 THE ATTACKS ON NIGERIANS IN SOUTH AFRICA AND THE PATRONAGE OF SOUTH AFRICAN OWNED MNCs IN NIGERIA

In this section, we shall focus on the studies that dwell on the attacks on Nigerians in South Africa and the Patronage of South African owned multinational corporations in Nigeria. South African society has seen violent responses throughout its history, and xenophobia has become a new form of violence in the democratic era (Harris 2001). Harris (2001) contends that a violent history is not exclusive to South Africa. Most, perhaps all, African countries have violent histories, but African immigrants in South Africa have been surprised by the extent of this violence. In fact, many of the immigrants came to South Africa to get away from fighting and violence in their home countries, and do not wish to use violence as a solution to problems, so to blame the violence on history is not sufficient in itself.

Accordingly, Serino (2014) averred that violence has been embraced by elements of South African society to the point that to qualify as newsworthy a certain level of violence must be met. Xenophobia has been presented as pathology because it is not a healthy feature of the new and democratic South Africa. Xenophobia is regarded as something negative and abnormal; it is not part of the healthy society. But in South Africa violence cannot be separated from normal society (Harris, 2002). According to Burger (2013), all police agencies all over the world and in varying degrees, exhibit elements of militarism. To this end, Burger emphasized that police agencies in countries such as the United Kingdom made an attempt to replace the term force with service; the result was largely superficial and has had very little practical value. It has been said that South Africans need to make an effort to get to know and befriend foreigners in

the country and this does not have to rest only with citizens but also with the members of the South African police force (Dodson, 2010). The backdrop of this view points to the fact that foreigners suffer and endure consistent inhuman, cruel and degrading treatments at the hands of the South African civilian citizens as well as the law enforcement agencies. Exposing various vicious attacks being suffered by foreigners in the hands of police during arrest, Silva (2013) pointed out some of the inhumane, cruel and degrading treatments of foreigners by the police when arresting them. There have been scenarios whereby the police has kicked, slapped, shouted at the foreigners. Foreigners have also been shot at and died or injured for no valid reasons, all in the name of reducing crime (Silva, 2013).

Jackson (2010) seemed to acknowledge the salience of crime as an issue in South Africa and the social divisions fostered by extreme inequality and the legacy of apartheid have, along with other factors, catalyzed alarming displays of xenophobia (Bradford et al. 2013). People in authority are expected to talk and act responsibly but some have decided to throw caution to the wind, the slogan 'Shoot to Kill', entrenched under disgraced former police boss Bheki Cele seems to have worsened the situation by legitimizing police brutality in South Africa (Silva, 2013). Bruce (2012) opined that the problem of police brutality is not restricted to the problem of torture but also includes other problems of serious nature which include apparent execution type killings in custody and at the point of arrest, deaths apparently linked to torture or other assaults in custody and outside of custody, other deaths related to apparently unjustified reckless or accidental shootings including killings during demonstrations.

Bruce (2012) asserted that statistics during the last three years, over 1,500 people mostly foreigners have been killed by the police in South Africa, with many more being injured. This assertion was substantiated by Ramjathan-Keogh, head of the Refugee and Migrants Rights

Programme at Lawyers for Human Rights, who indicated that her organization had seen many attacks on foreigners instigated by xenophobic sentiments and that attacks have been taking place throughout South Africa for several years (Keepile, 2010). The Police Minister Mr Nathi Mthethwa being blunt has described the recent incidents of alleged police brutality as an embarrassment to the SAPS (SA news, 2013). Mthethwa reiterated police officers should be working with communities, fighting crime within the framework of the law, and not abusing the law.

The issue of whether incidents of police brutality and trigger-happy adventurism will stop any time soon is what no one is ready to vouch for, hence, the police force are unlikely to stop anytime soon (Malala, 2012). Justice Malala also contended the ruling of African National Congress (ANC) party prominent leader, Advocate Ngoako Ramathlodi, who is a deputy minister of prisons in South Africa, for echoing the sentiments that the government should use an iron fist in dealing with the seas of anarchy emerging in South Africa. An acceptable opinion was expressed by one of the top notch of the African National Congress (ANC), Gwede Mantashe-the ANC secretary general that the rising level of violence by police must be addressed as it is equally immoral when South Africans as well as foreigners are killed by police, especially as the police have the responsibility of protecting people, not killing them (Kuper, 2013).

Since the enactments of both the South African Interim Constitution of 1993 as well as the final Constitution of 1996, there have been quite a number of reported incidences of police brutality on foreigners living in South Africa (Harris, 2001). Although it is settled law that these constitutions laid solid foundation for basic human rights to human dignity, equality and life, however most of these incidences were neither reported nor were actions taken against the

culprits whenever violations occur. This is evident from the recent attack on the Mozambican national, Mr Mido Macia who was allegedly beaten and left to die in a police cell in March 2013 (De Vos, 2013).

Besides this controversial handling of Mido Macia's death at the hands of the police in their custody, there have been many other gruesome related incidences which have sparked national outcry. These incidences have also created negative impacts on the diplomatic relations between South Africa and other countries. A recent occurrence of such incidence is the death of Mr Obinna Ugboaja in the South African police custody in January 2013. His death angered the local Nigerian community and the Nigerian consul-general, Mr Okey Emuchay who lambasted the South African Police and mentioned that this was not the first time Nigerians have been assaulted and killed by members of the South African police (Lwandle, 2013). The death of Ugboaja threatened diplomatic relations between South Africa and her Nigerian counterpart greatly. Other incidences include another vicious attack that occurred in August, 1998 when the 20 years old illegal Mozambican immigrant Mr Sergio Cossa was apprehended by three police officials and beaten until he fell down and died on the spot (Bruce, 2012). In April 1999 barely a year after Sergio Cossa's death a police officer from Brixton police station in South Africa verbally abused, assaulted and unlawfully detained Dr Frank Nyame, a Ghanaian research scientist, claiming that he was an illegal immigrant (Amnesty International, 2000).

In March 2000, an exceptionally xenophobic exercise called Operation Crackdown was undertaken by the South Africa Police Service (SAPS) with expressed goals to thoroughly ventilate all criminal elements and illegal immigrants, while targeting areas with large migrant communities such as Hillbrow (Handmaker and Parsley, 2001). This Operation led to countless allegations of human rights abuses, including genuine refugee papers being destroyed and

refugees being herded up and sent to the Lindela Deportation Camp (Handmaker and Parsley, 2001). In February 2013, two Nigerian journalists, Mr Debo Oshundun, South Africa Correspondent of the News Agency of Nigeria (NAN), and Mr John Joshua-Akanji, Deputy Editor of the Sun Newspapers, who were in South Africa for the recently concluded 2013 Africa Cup of Nations were harassed, brutalised and detained for insubstantial reasons by the South African police (Adeyemo, 2013). It is against this backdrop that the South African Police Service (SAPS) has been described by critics as ‘one of the most brutal police forces in the world’ because of its violent methods when conducting crime detection and prevention operations. The police brutality on foreigners in South Africa has also been perceived as xenophobic and sometimes as racism (Silva, 2013). It seems police brutality is a global phenomenon. Newham (2011) has aptly observed that the use of force is an inherent characteristic of the police duty everywhere in the world.

Meanwhile, a 1998 Human Rights Watch Report (cited in Olupohunda, 2013:5) stated that immigrants from Malawi, Zimbabwe and Mozambique living in the Alexandra Township near Johannesburg were physically assaulted over a period of several weeks in 1995, as armed gangs identified suspected migrants and marched them to the police station in an attempt to “clean the township of foreigners.” The campaigners, known as “Buyelekhaya” (go back home), blamed foreigners for crime, unemployment and sexual attacks.

In September 1998 a Mozambican and two Senegalese were thrown out of a train. The assault was carried out by a group returning from a rally that blamed foreigners for unemployment, crime and spreading AIDS. In 2000 seven foreigners were killed on the Cape Flats over a five-week period in what police described as xenophobic murders possibly motivated by the fear that outsiders would claim property belonging to locals. In October 2001

residents of the Zandspruit informal settlement gave Zimbabweans 10 days to leave the area. When the foreigners failed to leave voluntarily they were forcefully evicted and their shacks were burned down and looted. Community members said they were angry that Zimbabweans were employed while locals remained jobless and blamed the foreigners for a number of crimes. No injuries were reported among the Zimbabweans (Konanani and Odeku, 2013)

In the last week of 2005 and first week of 2006 at least four people, including two Zimbabweans, died in the Olievenhoutbosch settlement after foreigners were blamed for the death of a local man. Shacks belonging to foreigners were set alight and locals demanded that police remove all immigrants from the area. In August 2006 Somali refugees appealed for protection after 21 Somali traders were killed in July of that year and 26 more in August. The immigrants believed the murders to be motivated by xenophobia, although police rejected the assertion of a concerted campaign to drive Somali traders out of townships in the Western Cape. Attacks on foreign nationals increased markedly in late 2007 and it is believed that there were at least a dozen attacks between January and May 2008. The most severe incidents occurred on 8 January 2008 when two Somali shop owners were murdered in the Eastern Cape towns of Jeffreys Bay and East London and in March 2008 when seven people were killed including Zimbabweans, Pakistanis and a Somali after their shops and shacks were set alight in Atteridgeville near Pretoria (Abdi, 2013).

The most severe incident occurred in 2008 when a series of riots started in the township of Alexandra. Locals attacked migrants from Mozambique, Malawi and Zimbabwe, and Nigeria. In recent years, tales of xenophobic attacks on Nigerians living in South Africa have left compatriots at home in shock. There have also been reported cases of harassment of Nigerian travelers arriving at the Oliver Tambo Airport. One celebrated case of disrespect was the

treatment of Africa's first Nobel winner, Prof. Wole Soyinka. In 2005, Soyinka was denied entry into South Africa. It took the last minute intervention of Mandela's wife, Graca Machel, to admit the Nobel Laureate into the country. Soyinka's trip to South Africa which was in response to an invitation to deliver a lecture in honour of Mandela drew national and international focus to the country, both because of Mandela, whose birthday it was and Soyinka who was the guest speaker (Olupohunda, 2013).

The South African government has also indirectly promoted and encouraged its citizens into believing that immigrants are responsible for unemployment and crimes. For example, South Africa's borders have been remilitarized. According to Christopher McMichael (cited in Olupohunda, 2013:5): "This shared state-corporate project of building up a 'fortress South Africa' also reveals a deeply entrenched seam of xenophobia, in which undocumented migrants and refugees from African countries are painted as a security risk akin to terrorism and organized crime. Parliamentary discussions on border security are rife with claims that foreign nationals are attempting to drain social grants and economic opportunities from citizens. The packaging of illegal immigration as a national security threat, which often relies on unsubstantiated claims about the inherent criminality of foreign nationals, provides an official gloss on deeply entrenched governmental xenophobia, in which African immigrants are targets for regular harassment, rounding up and extortion by the police. This normalization of immigrants as figures of resentment may also fuel outbreaks of xenophobic violence'" (Olupohunda, 2013).

In May, 2013 Reports of spontaneous assault by some South African members of Port Nolloth community were said to have targeted the Nigerian community living in the area. They were reportedly chased out of their homes, their property looted and their shops burnt. The attackers have always accused the Nigerians of dealing in drugs. But the Nigerian community in

South Africa has denied the allegation. Consequently, President Jacob Zuma of South Africa and his counterpart in Nigeria, President Goodluck Jonathan initiated high level diplomacy to repair the damage brought about by the incident (Abdi, 2013). In short, Abdi (2013) has asserted that, in view of the rate of xenophobic violence in South Africa, coupled with other recorded rape violence, the country qualifies as one of the most violent societies in the world.

Fundamentally, Akuki (2012 cited in Ogbonnaya et al, 2017) observed that the unsavory fallouts from the recent xenophobic attacks on Nigerians in South Africa have lead to a strain in the economic and political relationship that exists between the two countries. On Thursday, 23rd February, 2017 irate Nigerian youths, under the platform of the National Association of Nigerian Students (NANS) laid siege on offices of MTN in Abuja, while the Senate broached on possible reprisal, including preventing MTN, DSTV and Shoprite from doing business in the country. The Militants equally warned the South Africans that the only way their citizens in Nigeria could be safe, is if they halt hostilities against their compatriots in South Africa doing legitimate business. With the brewing tension between the two economic giants of Africa, it is only a matter of time before an estimated N1.5 trillion economic relationship between them would be affected. Nigeria is a major supplier of oil and gas to South Africa, while South Africa ships in automobile, wine and paperboard to Nigeria among other product (Akuki, 2012). They further stated that if Nigeria has any policy on South Africa, it is undoubtedly that of “No Compromise with Apartheid”, as propounded in 1963 by Dr. Jaja Wachukwu, the then Minister of External Affairs. Apart from that, it can be said that Nigeria has a reactive policy which is more declaratory and less retaliatory. This has afforded the South African government, the luxury of speaking from both sides of its mouth in the face of xenophobic atrocities of its citizen against foreigners. The South African government is always prompt in explaining that xenophobia is not in any way South

African in character and that all those involved in the act would be brought to book. Unfortunately, the world is yet to be told who were responsible for the first xenophobic attacks and how many of them have been tried (Olaode, 2017). What is important here to underscore according to them is the fact that the target of South Africa's xenophobia even included the citizens of Nigeria. The Nigerian government compelled the deduction of monies from salaries of civil and public servants for the purpose of the liberation movement in South Africa, which shows that Nigerians deserve a little respect and just treatment. The big question is this; is it that South Africans did not and do not know the truth? Or did the government of South Africa consciously adopt a short term memory? There are so many unanswered questions, but all these submission boils down to the fact that the onus of educating the masses lies on the government.

Nonetheless, Ogbonnaya et al (2017) posited that the impact of xenophobic attacks cannot be overemphasized. Recently, Nigerians living in South Africa came under attack by local vigilantes. Many suffered only the destruction of their homes and business while some who lost their lives were not so lucky. This report attracted the usual condemnation from Nigerian authorities. The National Assembly was particularly at the forefront of the demands for answers from the South African authorities. However as it is almost a norm in Nigeria, the intervention of the National Assembly was not without its own measure of drama. For days both chambers of the National Assembly could not agree on the composition of a team of the legislature to visit South Africa, while the House of Representative preferred to call the shots alone, the Senate reportedly pushed for the composition of a committee, which did not pull through. In a statement released by the Nigerian Guild of Editors, the South African Institute of International Affairs was reported as having recorded that Nigeria spent \$61 billion between 1960 and 1995 in the fight against apartheid. (Babalola, 2017). With this level of commitment on the side of Nigeria

during the apartheid regime, the government must take xenophobic attacks on its citizens very serious, the drama witnessed between the Senate and the House of Representative speaks volume. It shows that we lack swift response to issues that concern Nigerians both within and outside the shores of Nigeria. It is no longer news that through protest, the masses remind the government of their responsibility, little wonder the South African government do not take us serious. The Nigerian government has lost about 137 citizens in South Africa, between 2014 and 2016. The chairman, House Committee on Diaspora Matters, Rep Rita Orji, decried the Federal Government's attitude towards the protection of Nigerians outside the country, saying the government paid more attention to remittances from citizens abroad than their welfare. She accused the government of over protecting the businesses and interests of South Africa to the detriment of Nigeria. Orji recounted some of the gory murder of Nigeria in South Africa, Libya and other countries some of which she said her committee had investigated and given the report to the ministry of Foreign Affairs with no visible actions taken. The Nigerian Communication Commission is hell bent on reviewing upward the price of data and voice calls in Nigeria to the detriment of Nigerians. Even with the intervention of the National Assembly, they (NCC) are bent on protecting the interest of the foreigners. Responding, the Minister of State for Foreign Affairs, Khadija Bukar Abba Ibrahim told the committee that though it is the responsibility of the ministry to protect the interest of Nigeria and Nigerians abroad, funds were not made available to the ministry until the 2017 budget proposal. According to her, it is estimated there are up to 15 million Nigerians abroad. It is therefore a herculean task for the ministry to provide protection and welfare assistance when no provision was made for that purpose in the budget. (Ndujihe et al, 2017 cited in Ogbonnaya et al, 2017).

At this point, the extant literature reviewed at this level such as Harris (2001 and 2002), Serino (2014), Burger (2013), Dodson (2010), Silva (2013), Bradford et al (2013), Bruce (2012), Keepile (2010), Malala (2012), Kuper (2013), De Vos (2013), Adeyemo (2013), Newham (2011), Konanani and Odeku (2013), Olupohunda (2013), Akuki (2012), Ogbonnaya et al (2017), Abdi (2013) and several others have contributed in the area of the attacks on Nigerians and other foreign nationals in South Africa, the effect of the attacks as it pertains to the patronage of South African owned multinationals companies in Nigeria and Nigeria's reactions on the attacks. It is apparent that efforts have been made to explain the link between the attacks on Nigerians in South Africa and the patronage of South African owned multinational companies in Nigeria. However, from the extensive review above, there is convincing evidence that little or no study has been done to helping us to ascertain if the attacks on Nigerians in South Africa hampered the patronage of South African owned multinational corporations in Nigeria. It therefore becomes important to chart the course as presented above to enable us bridge the gap in the extant literature.

GAP IN LITERATURE

What seems to emerge from the extant literature reviewed above on the interface between the demand for the exit of non-nationals in South Africa and the trade and investment relations between Nigeria and South Africa are attempts to establish positive or inverse relationship between Nigeria and South Africa trade and investment relations. Studies such as Ogbonnaya et al (2017), Sichone (2008), Bekker and Carlton (2010), Nyamnjoh (2006), Landau (2005), Musuva (2014), Bihr (2005), Idehen and Osaghae (2015), Munshi (2013), Crush and Ramachandran (2014), Hickel (2014), Konanani and Odeku (2013), Vahed (2013), Mayfield (2010), Saideman and Ayres (2008) amongst others are not bereft of attempts to establish

positive or inverse relationship between demand for the exit of non-nationals in South Africa and the trade relations between Nigeria and South Africa. However impressive these analyses are, they are not exhaustive in explaining whether the demand for the exit of non-nationals in South Africa undermines the trade and investment relations between Nigeria and South Africa.

Secondly, the extant literature reviewed as regards the attacks on Nigerians in South Africa and the patronage of South African owned multinational companies in Nigeria, studies such as Harris (2001 and 2002), Serino (2014), Burger (2013), Dodson (2010), Silva (2013), Bradford et al (2013), Bruce (2012), Keepile (2010), Malala (2012), Kuper (2013), De Vos (2013), Adeyemo (2013), Newham (2011), Konanani and Odeku (2013), Olupohunda (2013), Akuki (2012), Ogbonnaya et al (2017), Abdi (2013) and several others have contributed in the area of the attacks on Nigerians and other foreign nationals in South Africa, the effect of the attacks as it pertains to the patronage of South African owned multinationals companies in Nigeria and Nigeria's reactions on the attacks. It is apparent that efforts have been made to explain the link between the attacks on Nigerians in South Africa and the patronage of South African owned multinational companies in Nigeria. However, from the extensive review above, there is convincing evidence that little or no study has been done to helping us to understand if the attacks on Nigerians in South Africa hampered the patronage of South African owned multinational corporations in Nigeria.

The modest accomplishments of the studies reviewed notwithstanding, the existing body of literature has not adequately analyzed the xenophobia: Nigeria-South Africa trade and investment relations. The review of the extant literature demonstrated that scholars have explored mostly on the root causes of xenophobia, Nigeria-South Africa bilateral relations, origin of xenophobic attacks etc. Secondly, it is evident to the best of the knowledge of the researcher

that studies linking xenophobia and Nigeria-South Africa trade and investment relations are patchy, scanty and inadequate. This constitutes an epistemic lacuna cum intellectual gap in existing literature, which this study has attempted to fill. It therefore becomes germane to chart the course as presented above.

CHAPTER THREE

METHODOLOGY

In this chapter, we shall explore the theoretical framework, research design, method of data collection and method of data analysis. Accordingly, Kaplan (1973) maintained that methodology is used to describe and analyze methods, throwing light on their limitations and resources, clarifying their presuppositions and consequences, relating their potentialities to the twilight zone at the frontier of knowledge. Cohen & Manion (2007, p. 47) defined methods as range of approaches used in research to gather data which are to be used as basis for inference and interpretation, for explanation and prediction. Thus, for the sake of clarity, we shall explore them one after the other.

3.1 Theoretical framework

The brotherly and cordial relationship between Nigeria and South Africa especially in the post apartheid era was put to test in wake of xenophobic attacks against other African citizens by South Africans. While hatred against Africans was prevalent during the apartheid era in South African, the upsurge of xenophobic attacks against other African citizens by black South Africans following the dismantling of apartheid is most disappointing and unexpected. Thus, in analyzing xenophobia: South Africa-Nigeria trade and investment relations, we shall adopt as the theoretical foundation of complex interdependence theory as a viable tool of analysis in this study.

The Complex interdependence theory in international relations is the idea put forth by Robert Keohane and Joseph Nye, that states and their fortunes are inextricably tied together. The concept of economic interdependence was popularized through the work of Richard N. Cooper.

With the analytical construct of complex interdependence in their critique of political realism, “Robert Keohane and Joseph Nye go a step further and analyze how international politics is transformed by interdependence” (Crane & Amawi 1997: 107-109).

The theorists recognized that the various and complex transnational connections and interdependencies between states and societies were increasing, while the use of military force and power balancing are decreasing but remain important. In making use of the concept of interdependence, Keohane and Nye (1997: 122-132) also importantly differentiated between interdependence and dependence in analyzing the role of power in politics and the relations between international actors.

From the analysis, complex interdependence is characterized by three characteristics, involving

- The use of multiple channels of action between societies in interstate, trans-governmental, and transnational relations,
- The absence of a hierarchy of issues with changing agendas and linkages between issues prioritized and the objectives
- Bringing about a decline in the use of military force and coercive power in international relations.

Nye and Keohane thus argue that the decline of military force as a policy tool and the increase in economic and other forms of interdependence should increase the probability of cooperation among states. The work of the theorists surfaced in the 1970s to become a significant challenge to political realist theory in international politics and became foundational to current theories that have been categorized as liberalism (international relations), neo-

liberalism and liberal institutionalism. Traditional critiques of liberalism are often defined alongside critiques of political realism, mainly that they both ignore the social nature of relations between states and the social fabric of international society. With the rise of neoliberal economics, debates, and the need to clarify international relations theory, Keohane (2002: 2-19) has most recently described himself as simply an institutionalist.

The relevance of this theory to the understanding of xenophobia: South Africa-Nigeria trade and investment relations cannot be overemphasized. The theory will help us to dispel the general belief and misguided applications of realist conflict theory and game theory from the international relations theory/ Approach in the treatment of relations between nations.

Moreover, the theory is relevant in the explanation of the contemporary world in which no country can be an island unto itself, since no nation is naturally equipped or endowed with all the resources that it requires to sustain itself, hence nations must relate with one another in order to survive. The basic contribution of this theory is that it directs attention to the fact that nations are intricately dependent on one another, to the extent that no nation can decide for others. Though this does not dispel the fact that in every relations that there must be winners or losers.

Application of the Theory

In the application of the theory to the study, we noted that South Africa-Nigeria trade and investments are borne out of the fact that none of the two countries possess all the resources that they require in their quest to produce and reproduce the material means of their existence, hence, they have to enter into some form of interdependence upon one another to secure these scarce and unevenly natural resources. For instance, South Africa as industrializing economy requires the services of the energy that comes from oil and Nigeria on the other hand as an

underdeveloped economy requires the trade and investment relations from South African companies in order to satisfy the demands of its population. It therefore becomes imperative that the two countries interact and transact across borders.

However, since these two countries invest and receive trade and investment of various nature and quality, it becomes evident that the gains from these transactions and investments must at one point be tilted to the advantage of one against the other based on the exigencies of the macroeconomic stability and proper policy formulation, utilization and implementation. The fundamental implication to this study is that since in absolute terms the trade and investment tend to favor South Africa more than Nigeria, there exists the need for the latter to address and redress the imbalance through proper regulation of the policies that guide the inflow of the investment and also proper utilization of the investments to benefit the economy thereby benefitting the population.

3.2 Hypotheses

The study was guided by the following hypotheses:

- The demand for the exit of non-nationals in South Africa does not undermine the trade and investment relations between South Africa and Nigeria.
- The attacks on Nigerians in South Africa did not hamper the patronage of South African owned multinational companies in Nigeria.

3.3 RESEARCH DESIGN

A research design is a blueprint that tells how to reach unassailable and plausible answers to research problems. It is the plan, the structure and the strategy of the investigation, so conceived as to obtain answers to research questions or problems (Kerlinger, 1986). The research

design thus provides the framework for the generation and analysis of data according to the priorities set by the researcher (Bryman, 2001). It spells out the relationship between and among the variables clearly and unambiguously. It shows the function of each variable in the problem whether it is intended to be an independent variable, an intervening variable.

Hence, in this study, we shall adopt the “One Group Pre-Test-Post-Test Design”. This type of design is essentially common in the *ex-post-facto* experiment based on aggregate data (Leege and Francis, 1974:71). In this case, a single group is compared with itself. This requires a measurement to be taken before an experimental variable or causal event has occurred. The difference between the first and second observations is attributed to the experimental variables; while a test of significance is commonly used to see whether the observed difference is beyond what might be obtained by chance. The One Group Pre-Test-Post-Test Design is represented in this form: $O_1 X O_2$, where:

O_1 = First Observation

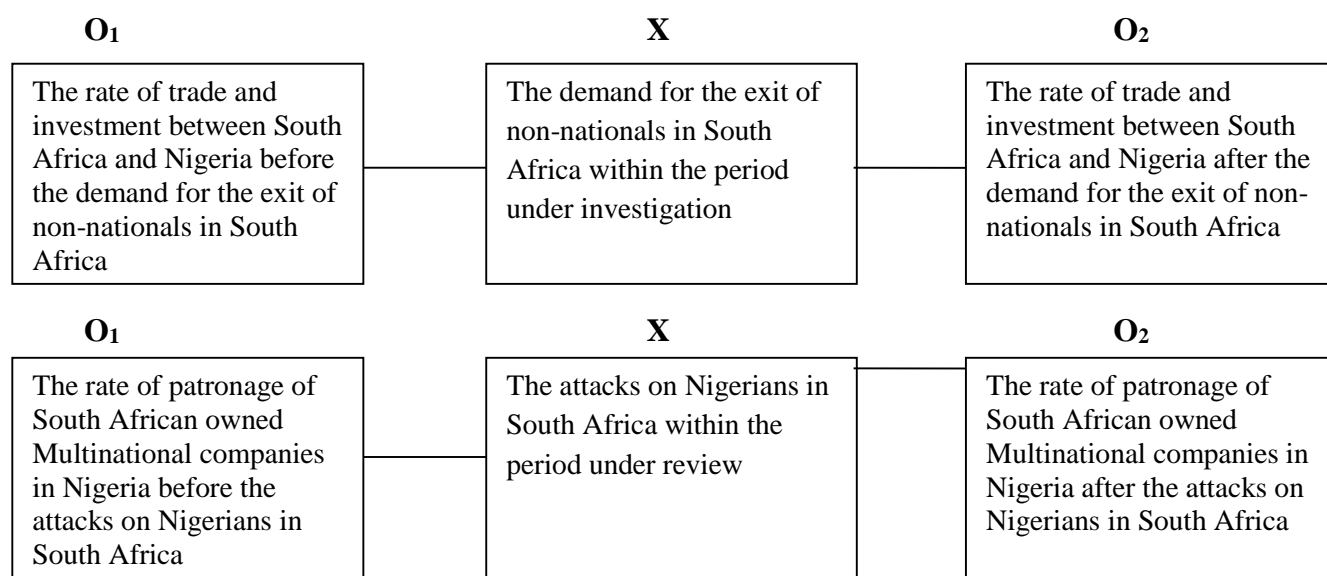
X = Experimental Variable

O_2 = Second Observation

In the above form, O_1 stands for the first observation, which is the first hypothesis for our study; the rate, volume and nature of the trade and investment relations between Nigeria and South Africa before the demand for the exit of non-nationals in South Africa. X stands for the experimental variable or causal factor, that is, the demand for the exit of non-nationals in South Africa. While O_2 stands for the second observation; the rate, volume and nature of the trade and investment relations between Nigeria and South Africa after the demand for the exit of non-nationals in South Africa.

As regards the second hypothesis, O_1 stands for the first observation, which is the rate of patronage of South African owned multinational companies in Nigeria before the attacks on Nigerians in South Africa. X stands for the experimental variable or crucial factor, which are the attacks on Nigerians in South Africa. While O_2 stands for the second observation, which is the rate of patronage of South African owned multinational companies Nigeria after the attacks on Nigerians in South Africa.

These can be illustrated diagrammatically thus:



The careful application of the *One Group Pre-Test-Post-Test* research design to the investigation of our research problem no doubt provides a veritable tool for validating our hypotheses that:

- The demand for the exit of non-nationals in South Africa does not undermine the trade and investment relations between South Africa and Nigeria.

- The attacks on Nigerians in South Africa do not hamper the patronage of South African owned multinational companies in Nigeria.

As we have already noted, the difference in the first and second observations is attributed to the experimental variable. The adoption of this type of research design enabled us to identify the most severe threats (internal and external) to the validity and reliability of the topic under study. The issue of validity and reliability of data is so crucial that no worthwhile scientific investigation should ignore it. Hence, to enhance scientific utility of this study, the problems associated with its validity and reliability needs to be adequately addressed. A rigorous use of secondary method to ensure reliability and validity will be applied. Relying on one group pre-test-post-test enabled us to structure our observation since it is applicable in *ex-post-facto* experiment. Again, a theoretical framework of analysis based on the theory of complex interdependence will help to link the theoretical base of this research with the observable consistent interactions and reciprocity between foreign direct investment and economic development in Nigeria.

3.4 METHOD OF DATA COLLECTION

For the purpose of data collection, we relied on the documentary method. This was principally due to the nature of the study as well as the type of data required to test and validate our hypothesis. Basic to the understanding of the logical adoption of the documentary method was that it tangentially relied on secondary data. According to Ikeagwu (1998) complemented by Asika (2006), secondary data refer to a set of data gathered or authored by another person, usually, data from the available data, archives, either in the form of documentation or survey results and code books. In this light, Selltitz *et al* (1977) articulated the advantages of secondary

sources of data to include that of economy. Again, it is a fact that much information of this sort is collected periodically thereby making the establishment of trends overtime possible. More importantly, is the obvious fact that the gathering of information from such sources does not require the cooperation of the individual about whom information is being sought.

Therefore, the study relied on institutional, official documents and publications of international organizations such as the UNDP, IMF, UNIDO, UNCTAD, WTO, CBN, World Bank etc, that contain information as regards the South Africa and Nigeria economies. In addition, documents, statistics, graphs and tables were sourced from the University of Nigeria library and the Centre for American Studies (CAST) on Nigeria-South Africa bilateral relations.

The afore stated institutional and official documents were complemented by other secondary data sources like textbooks, journals, magazines, newspapers, articles and other written works. Finally, this study extensively utilized materials sourced from the internet that burden on the same subject matter.

3.5 METHOD OF DATA ANALYSIS

In view of the nature of this study, we utilized the content analysis method. In doing this, we sieved and analyze the mass of relevant data found in official documents, fact finding reports, newspapers, magazines, books and journals used in this study. *Content analysis* is a research technique used to make replicable and valid inferences by interpreting and coding textual material. By systematically evaluating texts (e.g., documents, oral communication, and graphics), qualitative data can be converted into quantitative data. Although the method has been used frequently in the social sciences, only recently has it become more prevalent among organizational scholars.

Content analysis is valuable in organizational research because it allows researchers to recover and examine the nuances of organizational behaviors, stakeholder perceptions, and societal trends. It is also an important bridge between purely quantitative and purely qualitative research methods. In one regard, content analysis allows researchers to analyze socio-cognitive and perceptual constructs that are difficult to study via traditional quantitative archival methods. At the same time, it allows researchers to gather large samples that may be difficult to employ in purely qualitative studies.

The purpose of analysis therefore, is to understand and explain how the constitutive elements of complex whole are related in order to gain a better knowledge of the unit or subject being studied. In this wise, the data used in this study analyzed through the instrumentality of content analysis in order to arrive at a valid argument and make valuable deductions from available documented data/information pertaining to the subject-matter of the study.

Logical Data Framework: Xenophobic attacks on Nigeria-South Africa Trade and Investment Relations, 2008-2017

S/N	Research Question	Hypothesis	Major Variables of Hypothesis: (X & Y)	Empirical Indicators of variables	Sources of Data	Methods of Data Collection	Methods of Data Analysis
1.	Does the demand for the exit of non-nationals in South Africa undermine the trade and investment relations between Nigeria and South Africa?	The demand for exit of non-nationals in South Africa does not undermine the trade and investment relations between Nigeria and South Africa.	(X) The demand for the Exit of non-nationals in South Africa	*May 2008 riots demanding non-nationals to leave *Eviction of 1500-2500 Zimbabwean farm workers from their homes in the informal settlement of De Doorns *21 st October 2015 attacks by taxi drivers at spaza shops owned by foreigners resident of Grahamstown *2016 Tshwane riots and looting of foreign owned shops and micro enterprises	<ul style="list-style-type: none"> • Books • Journal Articles • Official Documents • Conference Papers • Newspapers, magazines • Other relevant Articles 	Documentary Method	Content Analysis

			(Y) Does not Undermine the trade and investment relations between South Africa and Nigeria	*Increase in South African Exports to Nigeria from US\$8.1million worth of Products in 1994 to goods Valued at R3.4billion to Nigeria by 2005 *South African imports of Nigeria's goods increased From US\$3.1million in 1994 to R4.2billion worth Of commodities in 2010 *Establishment of South Africa-Nigeria Bi-national Commission in 1999 *Increase in the number of South African companies In Nigeria	<ul style="list-style-type: none"> • Books • Journal Articles • Official Documents • Conference Papers • Newspapers, magazines • Other relevant Articles 	Documentary Method	Content Analysis
2	Does the attacks on Nigerians in South Africa hamper the Patronage of South African owned multi-national companies in Nigeria?	The attacks on Nigerians in South Africa do not hamper the patronage of South African owned multi-national companies in Nigeria	(X) The attacks on Nigerians in South Africa	*Killing of two Nigerians in the Cape Flat district of Cape town in August 2000 *Attacks on Nigerians and other foreigners in Johannesburg township of Alexandra *Looting and burning of Nigerians owned shops across Durban, Cape Town and Limpopo province	<ul style="list-style-type: none"> • Books • Journal Articles • Official Documents • Conference Papers • Newspapers, magazines • Other relevant Articles 	Documentary Method	Content Analysis

			<p>(Y) Did not hamper the patronage of South African owned multinational companies in Nigeria</p>	<p>MTN Nigeria *Voice increase of 4% year on year *Data revenue growing by 70% at 309million naira *14% growth in digital and SMS contents representing 105.8billion naira *Increase in total revenue from R64.3billion to R79.1billion in 2017 *Additional 2.5million new subscribers in 2017 SHOPRITE *Growth in shoprite sales by 48.2% in July 2017 *38.2% increase in customers in 2017 *Sales growth of 14.4% in 2016 MULTICHOICE *Increase from 1million subscribers in 2010, 1.5million in 2013 to a combined DStv and GOtv 47.6million subscribers in 2017 *Return to equity growth from 45% in 2011 to 49% in 2012 STANBIC IBTC</p>	<ul style="list-style-type: none"> • Books • Journal Articles • Official Documents • Conference Papers • Newspapers, magazines • Other relevant Articles 	Documentary Method	Content Analysis
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				<p>*Increase in gross earnings from 140billion in 2015 to 156.4billion naira in 2017 amounting to 12% growth</p> <p>*Increase in net income from 43.96billion in 2015 to 57.9billion naira in 2017 resulting to 32% growth</p>			
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CHAPTER FOUR

DEMAND FOR THE EXIT OF NON-NATIONALS AND THE TRADE AND INVESTMENT RELATIONS BETWEEN NIGERIA AND SOUTH AFRICA

In this chapter, we explored the interplay and link between the demand for exit of non-nationals and the trade and investment relations between Nigeria and South Africa; the nexus and correlation between the two variables shall be highlighted. Nonetheless, the following issues: Nigeria-South Africa bilateral relations, demand for the exit of non-nationals in South Africa, Nigeria-South Africa trade and investment relations, export and import deficits as well as flow of import and export shall also constitute critical point of analyses in this study. However, in order to enhance clarity, we shall examine these issues one after the other.

4.1. May 2008 Riots, Eviction of 1500-2500 Zimbabwean Farmers in De Doorns and the increase in South African Exports to Nigeria from US\$8.1million worth of Products in 1994 to Goods valued at R3.4billion to Nigeria by 2005; South African Imports of Nigeria's goods increased from US\$3.1million in 1994 to R4.2billion worth of Commodities in 2010.

Since the dawn of the Democratic dispensation in 1994, South Africa like in any other emerging new democratic country has increasingly experienced violent crimes due to inequality, lack of opportunity and socioeconomic factors (Mistry, 1997). Against this backdrop, crimes in South Africa are increasing at an alarming rate and the biggest problems affecting the society and the law enforcement agencies that have the duty to uphold the law and also to ensure that where there is travesty of law, justice is to be served. South Africa seems to be one of the world's most crime ridden societies and this is exacerbated by failure of the law enforcement agents to apprehend criminals or sometimes they collude with criminals to perpetrate crimes (Lemanski, 2004). As a result, problems arise when the law enforcement agencies in this case the members of the South Africa Police Service (SAPS) who are entrusted with the responsibility to protect the citizens from criminal activities and uphold the law are now the culprits in the

commission of crimes, viciously attacking citizens and foreigners. The police brutality is generally a deliberate unlawful violence towards the suspects in order to enforce thereby resulting to criminally negligent use of force (Kennison and Loumansky, 2007). Pursuant to this, both South African nationals and foreigners have been victims of police brutality.

It is the general belief that violence perpetrated against foreigners by the members of the law enforcement agencies in South Africa has an element of xenophobia (McKnight, 2008). The xenophobic attacks on the foreigners in South Africa was first given a public face in 1999 when six white police officials were shown on national television racially assaulting and abusing two illegal immigrants from Mozambique (Masuku, 2006). The amount of violence and injuries inflicted on the two illegal immigrants prompted global frenzy in the media industry. Since then, there have been other media and research reports documenting the abuse and ill-treatment of foreign nationals by the South African police officials (Masuku, 2006).

This is also evident from the qualitative research conducted by the Institute of Security Studies in 2010 which explored civilians' as well as foreigners' experiences of police corruption and showed that most of the participants reported robbery, theft, torture and gross sexual harassment by police (Faull, 2011). This is absolutely a clear deviation from the constitutional mandate in terms of section 205(3) of the South African Constitution Act 108 of 1996, which provides that members of the SAPS have the duty to prevent, combat and investigate crime and also the duty to maintain public order, to protect, secure the inhabitants of the Republic irrespective of their nationality and their property, and to uphold the law. The concern is that police discharges their duties under the direct supervision of the political head (Commissioner of Police) who either possesses little or no policing exposure and expertise. According to section 206(1) of the Constitution, a member of the Cabinet must be responsible for policing and must

determine national policing policy after consulting with the provincial governments and taking into account the policing needs and priorities of the provinces as determined by the provincial executives. The impact of an oversight in the political deployments in the SAPS has contributed to the escalation of police brutality and unlawful conduct by the police which translates to negative impacts on the services they deliver to the South African citizens and non-nationals (Pelser and Louw, 2002).

The effect of violence on the foreigners does not only affect the victims but also the diplomatic relationship between South Africa and the countries where the foreigners are from. It is therefore imperative that the political heads in the police service must acknowledge the supremacy of the Constitution and the rule of law as well as the duty of the State in terms of section 7(2) to respect, protect, promote and fulfil the rights in the Bill of Rights (Kruger 2013).

Since the enactments of both the South African Interim Constitution of 1993 as well as the final Constitution of 1996, there have been quite a number of reported incidences of police brutality on foreigners living in South Africa (Harris, 2001). Although it is settled law that these constitutions laid solid foundation for basic human rights to human dignity, equality and life, however most of these incidences were neither reported nor were actions taken against the culprits whenever violations occur. This is evident from the recent attack on the Mozambican national, Mr Mido Macia who was allegedly beaten and left to die in a police cell in March 2013 (De Vos, 2013).

Besides this controversial handling of Mido Macia's death at the hands of the police in their custody, there have been many other gruesome related incidences which have sparked national outcry. These incidences have also created negative impacts on the diplomatic relations

between South Africa and other countries. A recent occurrence of such incidence is the death of Mr Obinna Ugboaja in the South African police custody in January 2013. His death angered the local Nigerian community and the Nigerian consul-general, Mr Okey Emuchay who lambasted the South African Police and mentioned that this was not the first time Nigerians have been assaulted and killed by members of the South African police (Lwandle, 2013). The death of Ugboaja threatened diplomatic relations between South Africa and her Nigerian counterpart greatly.

Other incidences include another vicious attack that occurred in August, 1998 when the 20 years old illegal Mozambican immigrant Mr Sergio Cossa was apprehended by three police officials and beaten until he fell down and died on the spot (Bruce, 2012). In April 1999 barely a year after Sergio Cossa's death a police officer from Brixton police station in South Africa verbally abused, assaulted and unlawfully detained Dr Frank Nyame, a Ghanaian research scientist, claiming that he was an illegal immigrant (Amnesty International, 2000).

In March 2000, an exceptionally xenophobic exercise called Operation Crackdown was undertaken by the South Africa Police Service (SAPS) with expressed goals to thoroughly ventilate all criminal elements and illegal immigrants, while targeting areas with large migrant communities such as Hillbrow (Handmaker and Parsley, 2001). This Operation led to countless allegations of human rights abuses, including genuine refugee papers being destroyed and refugees being herded up and sent to the Lindela Deportation Camp (Handmaker and Parsley, 2001). In February 2013, two Nigerian journalists, Mr Debo Oshundun, South Africa Correspondent of the News Agency of Nigeria (NAN), and Mr John Joshua-Akanji, Deputy Editor of the Sun Newspapers, who were in South Africa for the recently concluded 2013 Africa

Cup of Nations were harassed, brutalized and detained for insubstantial reasons by the South African police (Adeyemo, 2013).

It is against this backdrop that the South African Police Service (SAPS) has been described by critics as ‘one of the most brutal police forces in the world’ because of its violent methods when conducting crime detection and prevention operations. The police brutality on foreigners in South Africa has also been perceived as xenophobic and sometimes as racism (Silva, 2013). It seems police brutality is a global phenomenon. Newham (2011) has aptly observed that the use of force is an inherent characteristic of the police duty everywhere in the world.

4.1.1 Xenophobia, Violence and Citizenship

A wave of violence and unrest took place across South Africa in May 2008, left more than 60 people dead and thousands displaced. More than 20,000 people in Gauteng alone were forced to find alternative living arrangements. According to most reports, the attacks began in Alexandra then spread to other areas in and around Johannesburg, including Cleveland, Diepsloot, Hillbrow, Tembisa, Primrose, Ivory Park and Thokoza. Violence in Kwazulu-Natal, Mpumalanga and Cape Town soon followed. The scale and intensity of the attacks immediately raised a number of critical questions for government and analysts (Opperman 2014).

The xenophobic attacks on 14 and 17 November 2009 were the biggest of their kind since the xenophobic attacks in May 2008, when 68 people were killed throughout South Africa (Solidarity Peace Trust 2010: 37). During these few days in De Doorns approximately 3000 foreigners (mostly Zimbabweans) were chased from their homes (PASSOP 2010). Basothos from Lesotho were also present in the township, but were not chased out because they threatened to retaliate with violence if this was attempted (Opperman 2014).

The violence occurred in the informal settlements of Stofland, Ekuphumleni and Hassie Square, which are located in the eastern ward (Ward 2). The first attacks happened at night from about 2.00 a.m. on Saturday 14 November in Ekuphumleni; these resulted in the displacement of 68 persons. The violence intensified and on Tuesday 17 November it spread to the two other informal settlements. This violence displaced about 3000 people (Misago 2009: 3). The community ordered the Zimbabweans out of the informal settlement, and fearing violence and fearing for their own safety they fled. Their houses were destroyed and their belongings were looted (Solidarity Peace Trust 2010: 37). The employers removed some of the migrants to their farms; others sought refuge at the police station or fled to other areas. A safe site was set up within 48 hours at a local sports field (Robb & Davis 2009: 15).

The police reportedly did little to protect the migrants or their belongings; they simply transported the Zimbabweans away from the violence and did not arrest a single looter. The police claimed they were overwhelmed, but they had not called for backup after 14 November when the 68 Zimbabweans had been displaced (Solidarity Peace Trust 2010: 38). Also these were not the first events of this kind in De Doorns. Seven Zimbabweans had been burnt to death in their dwellings in the same area in February 2009 (Solidarity Peace Trust 2010: 37). Disaster Management responded, in addition to the farming community, and helped provide for immediate needs and accommodation. Three large tents were set up, and portable toilets, washing facilities and a medical tent were provided. The Red Cross arrived within days and provided food and distributed donations. Several NGOs in addition to the Department of Social Development, the United Nations High Commissioner for Refugees (UNHCR), the South African Human Rights Commission (SAHRC) and faith-based organizations assisted these Internally Displaced Persons (IDP). In response to this violence a Crisis Committee was

organized to coordinate the different relief efforts and to start the reintegration of the displaced. Some 24 people were arrested three days after the major displacement (on 20 November) and were charged with public violence in relation to the attacks. These arrests angered the host community and this set back hopes for a 'quick fix' or a rapid reintegration of the Zimbabweans (Robb & Davis 2009: 15-16).

The host community claimed it chased the Zimbabweans out because the immigrants had allegedly agreed to work for less than the minimum wage and because they had refused to participate in strikes to obtain higher wages (PASSOP 2010: 4). PASSOP (People Against Suffering Oppression and Poverty) (2010: 4) also says that low-level politicians were behind the events in order to gain political support. They also claim that the mayor supported this political move and that it was implemented by a local councilor. The violence is also said to have been motivated by housing and service delivery frustrations (PASSOP 2010:4). The community demanded that their service delivery concerns be immediately addressed, and were determined to keep the Zimbabweans out (Robb & Davis 2009: 16). The Internally Displaced Persons safety site, located at the local rugby field, was opened as a result of the violence and was not closed until 17 October 2010, almost a year after the initial events. Most of the IDPs who had lived in the camp were reintegrated back into the surrounding communities (PASSOP 2010:4).

4.1.2 Nigeria-South Africa Bilateral Relations

Since independence in 1960, Africa has remained at the forefront of Nigeria's foreign policy. This nucleus of her foreign policy saw the country committing fanatically to decolonization of the African continent and eradication of racial discrimination and domination. According to Onouha (2008), the first opportunity for Nigeria to implement her foreign policy on anti-colonialism was provided by the Shapeville massacre of 21st March 1960. During the

incident, the white South African police attacked South African blacks protesting against racial discrimination and domination. This incident which led to the death of 72 blacks with many wounded marked the beginning of Nigeria's diplomatic confrontations with South Africa. This incidence and other ugly racial incidences in South Africa saw Nigeria spearheading the call for political and economic sanctions against the apartheid South Africa in the International Community.

Examples were the suspension of South Africa from the Commonwealth in 1961 and the imposition of trade embargo under the auspices of the Organization of African Unity (O.A.U). Nigeria was instrumental to the call for complete isolation of South Africa by the International Community. As a result of the pressure mounted by Nigeria and other nations of the world, Non-government Organizations and influential individuals, the racist regime of South Africa collapsed in 1991. "With the obituary of apartheid in 1991, the need for change in diplomatic strategies arose." (Onuoha op. cit). The degree of the solidarity, support and sacrifice which the government and people of Nigeria exhibited in the quest for the elimination of apartheid and the enthronement of democracy and majority rule in South Africa was such that Nigeria, notwithstanding the geographical distance, became identified as a frontline state.

At the dawn of democracy in South Africa, Nigerians, especially the professionals, were part of those that started to migrate to South Africa. Part of the philosophy of those early migrants was to contribute to the much needed nation building in post apartheid South Africa. With a democratic and majority rule in place in South Africa in 1994, South Africa quickly switched over the Pariah Status in the International Community with Nigeria. The military government in Nigeria with its human rights abuses attracted the wrath of the International Community. South Africa now became the "aggressor" as it used its position as emerging

African Superpower to campaign for the suspension of Nigeria from the Commonwealth and the United Nations.

Nigeria-South Africa confrontations reached its zenith in 1995 when the then South African President, Nelson Mandela vigorously campaigned for the expulsion of Nigeria from Commonwealth during the Commonwealth Summit in Auckland. With democratic government in place in Nigeria in 1999, Nigeria - South Africa relations became less confrontational but friendly and cordial. Prior to 1999 South Africa had a poor political relationship with Nigeria. At the time, Nigeria was ruled by a military junta that was politically hostile to South Africa. This, however dramatically changed with the end of the military government and the return of democracy in 1999. From that point on, the South African State built a strong relationship with the Nigerian government under the leadership of Obasanjo and Yar'Adua. This relationship was also helped by the fact that Thabo Mbeki had formed a strong friendship with Obasanjo and Yar'Adua when he was in exile in Nigeria from 1976 to 1979 (Dubow, 2000).

Nigeria and South Africa are the emerging giants of Africa. Politically, both countries are the dominant state entities in their respective sub-regions. They also have a history of cooperation with, and involvement in, a range of continental projects like the New Partnership for Africa's Development (NEPAD). The two countries have always added their voices in appreciating the new commitment to African development programmes by the developed world, and ensure that engagement with the developed world meets Africa's objective of extricating the continent from underdevelopment. They have also worked closely on conflict prevention and resolution, the establishment and operationalization of the African Union, and put forward a detailed blueprint for sustainable development for Africa.

Bilateral political relations between South Africa and Nigeria are strong with Nigeria considered as one of South Africa's important partners on the African continent in advancing the vision of Africa's political and economic renewal. The leaders of both countries have traversed the globe spreading the idea of African renaissance focusing largely on democracy, development and security and seeking foreign investments to revive Africa's ailing economies. They have called for greater international burden-sharing in peacekeeping missions, campaigns for the annulment of Africa's external debt, championed better access for African goods entering western markets and called for Africa's integration into the global economy in fairer terms.

It will be recalled that the former Heads of State of Nigeria and South Africa, Chief Olusegun Obasanjo and Thabo Mbeki worked relentlessly to lobby the rich nations of the world to focus greater attention on African problems. At the G-8 meeting of the world's richest states in 2000, both leaders argued strongly that the rich nations should forgive Africa's debt. Both had called for technology and resource transfer from the West to Africa, criticizing the gap between promise and delivery on the part of most Western states. NEPAD, championed by Mbeki and Obasanjo proposed a simple bargain: the West provides debt relief, opens its markets, invests in Africa and supports peacekeeping missions in exchange for democratic accountability and financial probity by African leaders through a self-monitored peer review mechanism. Both leaders have common aspirations for a united and prosperous democratic Africa. Thabo Mbeki's dream to play a leading role in Africa's socio-economic development merged with Obasanjo's dream of economic diplomacy which led to series of consultations and meetings by the leaders of both countries. The meetings of both countries since the past decade underscore the need for greater coordination of regional mechanisms for conflict prevention, management and resolution within the African Union mechanism and the United Nations Security Council. Both countries

have continuously stressed the imperative of ensuring that peace and stability becomes a reality in Africa. In one of their meetings in Abuja, the Heads of State Summit emphasized a need for an effective peer review mechanism, which would be designed, owned and managed by Africans. This mechanism, the Heads of State emphasized, must be credible, transparent and all-encompassing, to demonstrate that African leaders are fully aware of their responsibilities and obligations to their peoples. It is noteworthy to emphasize that the institution of Peer Review mechanism was championed by Nigeria and South Africa.

4.2. Nigeria-South Africa Trade and Investment Relations: The increase in South African Exports to Nigeria from US\$8.1million worth of Products in 1994 to Goods valued at R3.4billion to Nigeria by 2005; South African Imports of Nigeria's goods increased from US\$3.1million in 1994 to R4.2billion worth of Commodities in 2010.

Since the inception of democratic rule in Nigeria, South Africa and Nigeria have had encouraging bilateral economic relations. Since then, South Africa has emerged among the top investors in many sectors of the Nigerian economy. South African companies' presence is visible in the Nigerian economy, especially in areas such as telecommunication, engineering, banking, retail, hospitality, property development, construction and tourism, to mention a few. In terms of technology and infrastructure, South Africa has an edge over Nigeria while Nigeria has an advantage of large market potentials for investments over South Africa. This is why there are a lot of South African companies with huge investments in Nigeria.

In 1999, the South African and Nigerian governments signed bilateral agreements on trade and investment. These agreements amongst other things, aimed to increase the amount of trade and investment between South Africa and Nigeria (Sifingo 2003). The signing of these agreements witnessed inter-alia

- improved trade relations between South Africa and Nigeria and
- South African corporations as big players in the Nigerian economy.

On improved trade relations between both countries, we saw that the volume of trade between South Africa and Nigeria increased from 1999. Prior to 1999, trade between the two countries was minimal. In 1994, South Africa exported US\$8.1 million worth of products to Nigeria; while it imported US\$3.1 million worth of commodities from that country (Omojola, 2006).

With the signing of the South Africa – Nigeria bilateral trade agreement, the situation changed. By 2005 South Africa was exporting goods to the value of R3.4 billion to Nigeria and importing R4.2 billion worth of commodities from Nigeria (Tenikin 2007). South Africa's exports to Nigeria include machinery, electrical equipment, appliances, wood, paper, prepared food stuffs, beverages, plastics, rubber, chemicals etc. However, oil makes up 97% of Nigeria's exports to South Africa (Pahad 2002). The situation means that South Africa is exporting a wide range of goods to Nigeria, many of which are value added manufactured goods.

As a result of this, South Africa's exports have the potential to grow dramatically. Conversely, Nigeria's export products to South Africa consist of a single raw material in the form of oil. Its oil exports to South Africa are unlikely to increase dramatically over the next few years and its export products are also unlikely to diversify. This translates into an unequal trade situation between South Africa and Nigeria; in which South Africa is in fact the dominant partner in terms of trade relations. What really highlights the unequal relationship that exists between Nigeria and South Africa, however, is the fact that South African companies have come to dominate many sectors of the Nigerian economy.

4.3. Increase in the number of South African Companies and the Nigerian Economy

Prior to 1999, there were only 4 South African companies operating in Nigeria (Ezeoha and Uche 2005). This situation has dramatically changed with the assistance of the South African

State, and the signing of bilateral agreements and the establishment of South Africa - Nigeria Binational Commission. Today, there are over 100 South African companies doing business in Nigeria (Sifinan, 2003). Within a mere 8 years, South African companies have become major players in almost every sector of the Nigerian economy.

The biggest investment by South African companies in Nigeria has been in the telecommunication sector. In 2001, MTN was awarded a license by the Nigerian government to operate a cell phone network in the country. In return, MTN had to pay licensing fees of over US\$285 million. Added to this, MTN has spent a further US\$1billion on setting up its operations in Nigeria (Lutchman et al., 2004). Currently, MTN is the largest cellular network company in Nigeria with over 10million subscribers (Tenekin, 2007). South African companies have also become dominant players in Nigeria's construction sector. Entech, a South African based engineering company, headed a consortium of South African companies that were awarded a tender worth R2.1billion from the Lagos State government to redevelop the Bar Beach and Victoria Island area of Lagos (Pahad, 2002).

Many large South African companies have also invaded the tourism and leisure sector in Nigeria. Under NEPAD, the South African parastatal, the Industrial Development Corporation (IDC) has become one of the largest investors in Nigeria's tourist sector. To date it has invested over US\$1.4 billion in tourism and telecommunications ventures in Nigeria (United Nations Report, 2005). Another major player in the tourism sector is the South African Company, Bidvest. Through its subsidiary, Tom-vest, it has purchased one of the biggest tourism companies in Nigeria, Touchdown Travels. The biggest development in the Nigerian tourism sector however, is the massive Tinapa project in the Cross-River state. This project falls under the auspices of NEPAD and has the full backing of the South African and Nigerian governments.

South African companies are also heavily involved in Nigeria's media and entertainment sector. DSTV, as a major force in the television industry, accounts for 90% of the viewers that watch satellite TV in Nigeria between 2005 and 2009. This has seen DSTV growing into the sixth largest company listed on the Lagos Stock Exchange. (Omojola, 2006)

According to Jonah Onuoha, “as at mid-April 2003, an estimated 55 South African companies were doing business in Nigeria. The single largest investor is MTN”. Its entrance into the Nigerian market came by way of the first telecommunications auctions process in Africa, in January 2001. At that time MTN’s entrance into the Nigerian market was the company’s single biggest investment outside South Africa (Onuoha, 2008). The need for improved bilateral economic relations between the two countries gave birth to South Africa - Nigeria Bi-national Commission.

4.4. The South Africa-Nigeria Bi-National Commission (BNC), Nigeria-South Africa Flow of Import and Export and Nigeria-South Africa Export and Import Deficits

In October 1999, a South Africa-Nigeria Binational Commission (BNC) was established by the South African and Nigerian governments. The Bi-national Commission was established to consolidate and strengthen bilateral political, economic and trade relations between Nigeria and South Africa. It has a mandate to review cooperation between the two countries on foreign affairs, public enterprises and infrastructure, agriculture, minerals and energy, trade, industry and finance among others. The Bi-National Commission has been meeting twice a year ever since and aims to increase the amount of trade and investment between South Africa and Nigeria. The Deputy Presidents of both countries head the commission. At the meetings, trade and investment opportunities in Nigeria and South Africa are identified and plans are put in place so that they can be realized. In this way, many deals that have proved lucrative for South African and

Nigerian companies and parastatals have been facilitated through the Bi-national Commission.

The broad objectives of the South Africa-Nigeria Bi-National Commission are:

- To provide a framework for collaborative and cooperative efforts in the common endeavor to bring Africa into the mainstream of global political, social and economic developments;
- To provide the basis for the governments and private sectors of both countries to consult each other on their respective economies and investment climates with a view to promoting trade and industry;
- To improve bilateral relations between the two countries in the field of technology, education, health, culture, youth and sports;
- To utilize the generous endowments of both countries in human and natural resources to maximize socio-economic development, through economies of scale, global competitiveness and specialization based on comparative advantage;
- To establish the mechanisms for putting the benefits of economic cooperation to the service of peace, stability, social integration and economic development in other parts of the continent.

The cooperation of both countries through the South Africa – Nigeria Bi-national Commission seeks to create a climate conducive for the creation of a better quality of life for all.

The commission is also seen as a platform in which both countries can jointly as partners impact positively, in conjunction with other African countries, on regional peace and security; socioeconomic development; poverty alleviation; and the prevention of crime and corruption. Nigeria and South Africa have in recent times sought to advance their mutual interests by intensifying their bilateral relationship through cooperation in the areas of trade, investment,

infrastructure development, science and technology, agriculture, minerals and energy, transport and communication etc.

Both countries have been on regular consultations to find ways of establishing common positions on efforts to bring the continent into the mainstream of global economic development. The Commission has facilitated cooperation between the two countries in areas such as defence and security, science and technology, education and culture. The benefit of this commission to both countries can be seen from the fact that between 1999 and 2002, there was approximately a 540 percent increase in the volume of South Africa's export to Nigeria. As Lutchman and Daniel (2004) noted, in 2003, two-way trade flows between South African and Nigeria amounted to R5.3billion. Further evidence has shown that out of that amount, South Africa's exports were valued at R2.3billion, while its imports share 98%, of which oil amount to R2.7billion.

According to Onuoha (2008), as at mid-April 2003, an estimated 55 South African companies were doing business in Nigeria. The South Africa-Nigeria Chamber of Commerce arose out of the Bi-national Commission. Some of the largest South African companies that have investments in Nigeria are members of the chamber, such as MTN, Standard Bank, First Rand Massmart, Sun International etc (www.sa.ncc.co.za). The main goal of the South African - Nigerian Chamber of Commerce is to identify investment opportunities in Nigeria for South African Corporations. It also provides information on Nigerian government policies and how to do business in Nigeria. The Chamber of Commerce also conducts market research for South African companies wanting to do business in Nigeria.

The South Africa - Nigeria Bi-national Commission has been valuable in furthering South Africa's business interest in Nigeria. Indeed, the South African state has used its diplomatic power and the relationship that it has with the Nigerian government to assist South

African corporations and parastatals to become big players in the Nigerian economy. Along with this, South Africa, through NEPAD and the signing of the bilateral agreement on trade, has found in Nigeria a very lucrative market for its exports.

The Commission looks at tariffs, work with Standard Organization of both countries to ensure high standards of export and imports between the two countries. Jacob Zuma, a former Vice President of South Africa under Thabo Mbeki, observed in 1999 when he visited Nigeria that “inasmuch as many will agree that such bilateral arrangements will be an unequal one because Nigeria is predominantly a consuming nation, Nigeria still exports not just communities but also human resources.” As such, the relationship between the two countries should not be underemphasized. Seeing Nigeria as a consuming nation, South Africa offers a good market to any viable business in Nigeria.

4.4.1 Nigeria-South Africa Flow of Import and Export

In terms of trade, investment, import and export flow, South Africa shows mixed characteristics. For instance among its largest export partners are the usual suspects of China, Japan, US, Germany and the UK (12.6%; 5.8%; 7.2%; 4%; 3.4% respectively for 2013) whereas partners from Africa also factor in quite significantly with Botswana and Namibia at 4.8% and 4.4% for 2013. In terms of imports however we have China, Germany, Saudi Arabia, US and India in the top five (5) (15.4%, 10.3%, 7.7%, 6.3%, 5.1% respectively for 2013) with significant partners from Africa are Nigeria and Angola who stand at 3.4% and 1.8% of imports. It is interesting to see that trade with Africa have almost tripled since 2009, whereas trade with other regions, have nowhere near expanded at this rate. However this trade with Africa does not include the whole of it, in terms of exports, about 86% of exports goes to SADC countries, whereas in terms of imports 60% of African imports come from SADC countries. Also it should

note that Africa and SADC countries (and the US, although that is almost on an even level) are the area where South Africa is running a trade surplus, whereas both with BRIC countries and the EU it is running a major deficit. In terms of goods exported, natural resource based goods amount to 56% of exports (albeit some of it is processed), whereas in terms of imports they only amount to roughly 22%. Interestingly enough in terms of processed products South Africa's export to Africa is much higher than for either BRIC countries or EU-28 (International Trade Centre, 2014).

Table 4.1: Selected trade partners for South Africa (2009-2013), data given in thousands of USD

	2009	2010	2011	2012	2013
Import from Africa	4 751 266	6 281 630	7 676 802	9 677 048	12 252 167
Export to Africa	10 529 131	12 324 677	14 769 186	16 056 600	27 399 743
Trade Balance	5 777 865	6 043 047	7 092 384	6 379 552	15 147 576
Import from BRIC	11 803 935	15 797 804	20 067 312	21 110 419	23 372 814
Export to BRIC	8 271 857	12 114 259	16 924 608	15 016 788	16 117 499
Trade Balance	-3 532 078	-3 683 545	-3 142 704	-6 093 631	-7 255 315
Import from EU	20 561 979	25 728 189	30 579 221	29 201 075	29 382 978
Export to EU	14 292 962	18 680 569	20 714 686	17 399 999	16 879 663
Trade Balance	-6 269 017	-7 047 620	-9 864 535	-11 801 076	-12 503 315
Import from SADC	2 513 334	3 756 131	4 283 465	5 395 371	7 391 469
Export to SADC	7 239 417	8 950 433	10 790 926	12 110 887	23 630 528
Trade Balance	4 726 083	5 194 302	6 507 461	6 715 516	16 239 059
Import from US	4 949 372	5 837 631	7 954 994	7 496 815	6 565 986
Export to US	4 859 695	7 060 761	8 356 639	7 586 125	6 894 762
Trade Balance	-89 677	1 223 130	401 645	89 310	328 776
Total imports	63 766 058	80 139 282	99 726 016	101 610 607	103 461 277
Total exports	53 863 892	71 484 309	92 975 613	86 711 971	95 224 783
Total Trade Balance	-9 902 166	-8 654 973	-6 750 403	-14 898 636	-8 236 494

Source: International Trade Centre (2014)

In the case of trade relations of Nigeria the picture is far more complex than for South Africa. The results of trade relations can be seen in Table 2. Nigeria had an immense trade surplus in 2012; 107 billion USD. All areas or regions, that it trades with is showing a surplus. The trade balance with the EU is the highest with 42 billion USD, than BRIC countries and the US. In terms of import their largest partner is the BRIC countries (China) and the US. It imports

mainly electrical equipment and machinery from China, and vehicles and cereals from the United States. In terms of Nigerian export it was 84% based on export of mineral fuels, the second largest item on the export portfolio being rubber at 7%. In terms of top 10 export products they amount to 97% of export portfolio (in the case of South Africa ~76%) and apart from one item (1,2% of total export, and mainly small ships and drilling platforms) it is all natural resource based. This shows a picture of a country totally dependent on natural resources, with practically minimal industry of its own, that can produce for the world market. It also shows a country which cannot absorb either ECOWAS or African export (half of African import is coming from South Africa), thus not providing an export market for countries in need, despite the huge amount of oil revenues (International Trade Centre 2014). Thus in essence when comparing and contrasting South African and Nigerian trade relations, import and export flow with the continent it could be said that the former's trade is growing in volume with African countries both in terms of exports and imports and both in type of goods traded, whereas in the case of Nigeria trade with Africa has essentially stagnated since 2009 and it does not fulfill the role of an export market for other African countries.

Table 4.2: Selected trade partners for Nigeria (2009-2012), data given in thousands of USD

	2009	2010	2011	2012
Import from Africa	2 416 245	2 911 749	2 920 450	1 566 375
Export to Africa	8 510 888	10 494 748	13 092 447	14 164 371
Trade Balance	6 094 643	7 582 999	10 171 997	12 597 996
Import from BRIC	8 457 577	11 223 687	15 658 082	13 707 612
Export to BRIC	9 474 605	16 551 444	25 873 387	34 729 613
Trade Balance	1 017 028	5 327 757	10 215 305	21 022 001
Import from EU	7 799 669	9 658 924	15 642 145	8 356 760
Export to EU	11 203 780	19 406 833	35 759 834	50 998 444
Trade Balance	3 404 111	9 747 909	20 117 689	42 641 684
Import from ECOWAS	71 631	182 836	753 499	151 833
Export to ECOWAS	2 151 288	2 044 825	3 579 659	5 545 051
Trade Balance	2 079 657	1 861 989	2 826 160	5 393 218
Import from US	2 041 594	7 936 544	11 517 283	4 886 971
Export to US	13 618 240	29 755 938	28 326 598	24 139 338
Trade Balance	11 576 646	21 819 394	16 809 315	19 252 367
Total imports	33 906 282	44 235 269	63 971 529	35 872 509
Total exports	49 937 460	86 567 913	125 641 031	143 151 183
Total Trade Balance	16 031 178	42 332 644	61 669 502	107 278 674

Source: International Trade Centre (2014)

In terms of Foreign Direct Investment (FDI), South Africa is the leading country both in incoming investment and also outgoing to other African countries. Between 2007 and 2013 24% of FDI projects chose South Africa as opposed to for instance Nigeria to which 9% of FDI projects went. In terms of urban appeal and city attractiveness South African cities were far more favored as opposed to Lagos. 34% of respondents placed Johannesburg at the first spot, and 15% of respondents Cape Town, whereas only 5% favored Lagos. In 2013 FDI inflows rose in South Africa by 126% putting it at 10 billion USD from a total amount of 56,3 for Africa and 5,6 billion USD for Nigeria.

In terms of top investors in Africa, South Africa is ranked at third position, behind the UK and the US. On a country by country basis South Africa was in the top 5 investors by number of projects in the following African countries between 2003 and 2011: Angola, DRC, Ghana, Kenya, Mauritius, Mozambique, Nigeria, Tanzania, Uganda and Zambia. In terms of capital they are “only” in the top 5 investors in Mauritius, Mozambique, Nigeria, Senegal, Tanzania, Uganda and Zambia (Ernst and Young 2013, 2014). UNCTAD (2014) draws very

much the same picture when comparing and contrasting Nigeria and South Africa in terms of FDI. South African outflow of FDI was as high as 5,6 billion USD with companies such as Bidvest, Anglo Gold Ashanti, MTN, Shoprite, Pick'n'Pay, Aspen Pharmacare and Naspers leading the charge. South Africa also beats Nigeria in terms of FDI stock investment in 2013 with 140,47 billion USD as opposed to 81,9 billion USD. According to UNCTAD (2014) the largest FDI investments of South Africa are to be found in Nigeria, Mozambique and Zimbabwe. Despite the impressive figures of investment one interviewee pointed out that even though foreign investors have “gotten used to” corruption, the strike of workers and thus the unpredictability of income may make them to reconsider reinvesting in South Africa.

FDI to Nigeria stood at 5.5 billion USD for 2013 and invested abroad about 1.2 billion USD which is clearly lagging behind South Africa. About 80% of incoming Nigerian FDI is going into the oil sector. Nigerian out flowing FDI was mainly concentrated in building materials, cement and concrete products (with groups such as the Dangote Group) and financial services. From a project based approach, there were 58 new investments in Nigeria which placed it in the third position as opposed to South Africa which was once again ranked first with 142 projects (Ernst and Young 2014). Nigeria is on the list of a top 5 investor only in Rwanda. Nevertheless Nigeria is perceived to be the second most attractive destination to do business in Africa, and it definitely has potential with its over 170 million large consumer market. Nigeria has established a Sovereign Wealth Fund recently and endowed it with 1 billion USD (UNCTAD 2013, 2014). Nevertheless, Enweremadu (2013) noted that the attractiveness of Nigeria as a business partner has grown in the last decade, however persistence of poor governance, corruption, violence and political instability and the activity of Boko Haram all play a part in the country not seriously challenging South Africa yet as the Sub-Saharan African business partner.

Nigeria-South Africa Export and Import Deficits

For the first time in several years, Nigeria's economy contracted in two consecutive quarters. The macroeconomic instability initially triggered by the oil price shock was compounded by a sharp drop in oil production levels and weak policy responses and actions, such as pegging the exchange rate, rationing of foreign exchange, implementing inconsistent monetary policies, and delaying the execution of the budget. As a result, economic growth was -0.41 percent in Q1 of 2016 and -2.06 percent in the second quarter, well below historical standards, and below the potential growth rate of the economy even at low commodity prices. Tight monetary policy in the last few years and favorable supply side factors contained inflationary pressures (IMF, 2017).

However, due to the Naira depreciation, increase in electricity tariffs and petrol price, and fuel scarcity in the first half of 2016, inflation has been on the rise, reaching 17.1 percent in July 2016, the highest in ten years. In July 2016, the Central Bank increased the monetary policy rate from 12 percent to 14 percent. On the external front, the collapse of Nigeria's terms of trade resulted in Nigeria being for the first time in decades, a net importer of savings from the rest of the world in 2015. From generating an average current account surplus of 2.6 percent of GDP in 2012-2014, the Current Account (CA) deficit reached 3.2 percent in 2015 (World Bank and IMF, 2017).

Despite the still lower oil exports, the current account deficit improved in Q1 2016 to 0.6 percent of GDP, as imports declined sharply. The current account is expected to close at a deficit of about 2.4 percent of GDP in 2016 and further improve to a deficit of 1.3 percent of GDP by 2018. The capital and financial account also recorded a deficit of 1.4 percent of GDP in 2015 as both Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI) declined

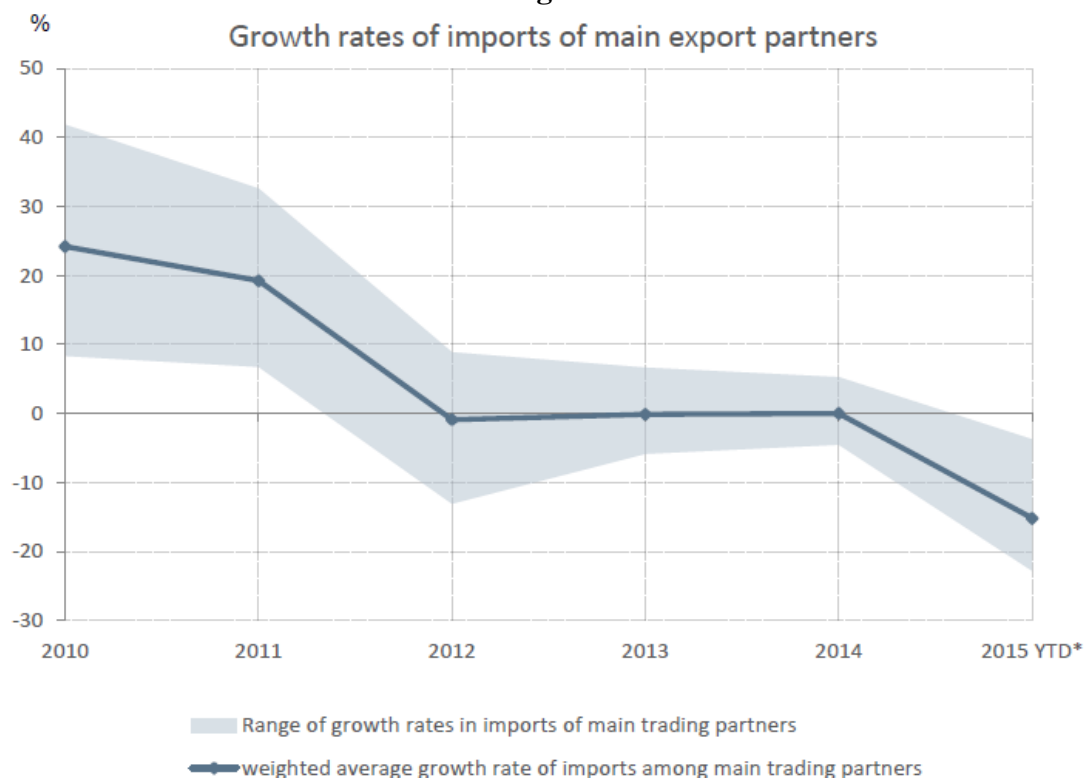
significantly by 35 percent and 52 percent, respectively. In the first quarter of 2016, capital flows into the economy declined by 55 percent and outflows increased by over 100 percent. This, combined with the current account deficit, continued to put pressure on reserves, which dropped to US\$27.3 billion at the end of the quarter. In June, the authorities introduced a flexible exchange rate regime but have retained some administrative controls. While the exchange rate has depreciated by 38 percent since June 20 to date, the market still lacks adequate liquidity as foreign inflows remain muted. The wedge between the official and parallel market rate, while reduced, remains high at around 28 percent. Low oil prices, coupled with heightened militant activities in the oil-producing Niger Delta region of Nigeria, continued to put pressure on the fiscal revenues of all tiers of Government in 2016. This led to many states continuing to accumulate salary arrears, even after the financial bailouts granted to the states by the federal government in 2015 (World Bank and IMF, 2017).

Revenues accruing to the federation account have continued to decline in 2016, prompting the Federal Government to come up with another bailout package for states. The government is implementing a package of stabilization and recovery measures to restore growth in the short term. This package includes the improvement of transparency for the Nigerian National Petroleum Company (NNPC) and the petroleum sector, the introduction of a flexible exchange rate and a reorientation of public expenditures towards capital spending as well as social sectors.

Fundamentally, the value of Nigeria exports fell in every quarter of 2015, resulting in an overall decline over the first three quarters of 21.03%. In the first quarter, the value declined by 9.80% from the Fourth Quarter of 2015 to N 2,665.06 billion. In the second quarter the fall was more modest, the value declined by only 0.42% to N 2,653.79. The third quarter however saw

the largest drop of 12.08%, meaning that the value of exports was N 2,333.21 billion in the last quarter for which data is available. In total, the value of exports for the first three quarters together was N 7,652.06 billion, which represents a decline of 42.68% relative to the same period of the previous year. This fall in the value of exports can be viewed as part of a wider, global trend. Figure 1.1 shows the range of growth rates in the value of total imports for Nigeria's main trading partners. The numbers refer to imports from all countries, not solely those from Nigeria. It also shows the average of these growth rates, weighted by how important each country is to Nigeria as an export destination. It reveals that average growth in import demand in these countries fell between 2009 and 2012, then remained stable until 2014, but then declined suddenly in the first three quarters of 2015, by 15.19% on average. The countries included account for 77.04% of Nigeria's exports in 2014 (CBN, 2016).

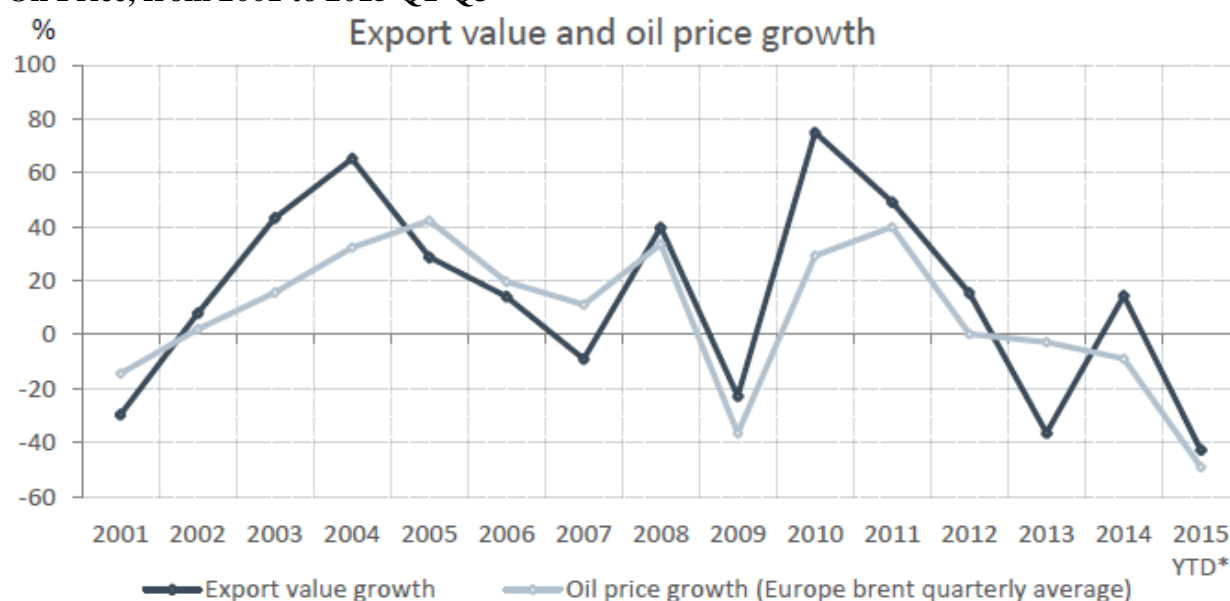
Figure 4.1: Showing the Range of Growth Rates in the Value of Total Imports for Nigeria's main Trading Partners.



Source: NBS (2016)

Overall, the value of global trade fell over the first three quarters of 2015 by 30.16%³, which was to a large extent a result of falling commodity prices, such as crude oil. Whilst these trends affected all countries, they had a particularly large impact on Nigeria's exports due to the heavy reliance on crude oil exports. Figure 1.2 plots the yearly growth in the value of exports against the growth in the oil price, from 2001 to 2015 Q1-Q3. Although there have been periods of divergence, the two series have moved together closely over the period, emphasizing the extent to which Nigeria's exports are affected by changes in the oil price.

Figure 4.2: Showing the Yearly Growth in the Value of Exports against the Growth in the Oil Price, from 2001 to 2015 Q1-Q3

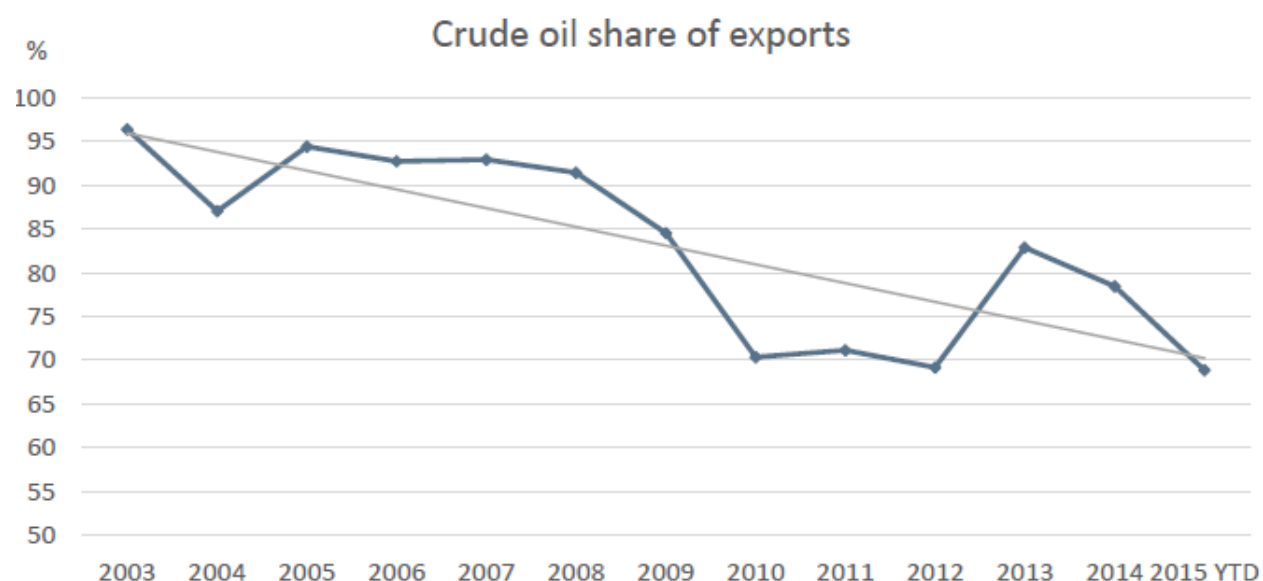


Source: NBS (2016)

This trend continued into 2015, over the first three quarters the price of oil fell by 24.2%, and the value of exports fell by 21.03%, or N 621.35 billion. However oil exports fell by an even larger amount over the period, by N 627.99 billion, which implies that non-oil exports increased over this period. Although still dependent on oil, Nigeria is beginning to diversify its exports,

albeit gradually. Figure 1.3 shows the percentage of the value of total Nigerian exports that is accounted for by crude oil. In 2003, 96.40% of the value of exported goods was accounted for by oil, and this figure fell to 78.45% in 2014. This is despite the increase in the oil price over this period. Over the first three quarters of 2015 the share of oil in exports fell further, to 68.88%. However this is perhaps less surprising given the dramatic fall in the oil price.

Figure 4.3: Showing the Percentage of the Value of Total Nigerian Exports that is Accounted for by Crude Oil



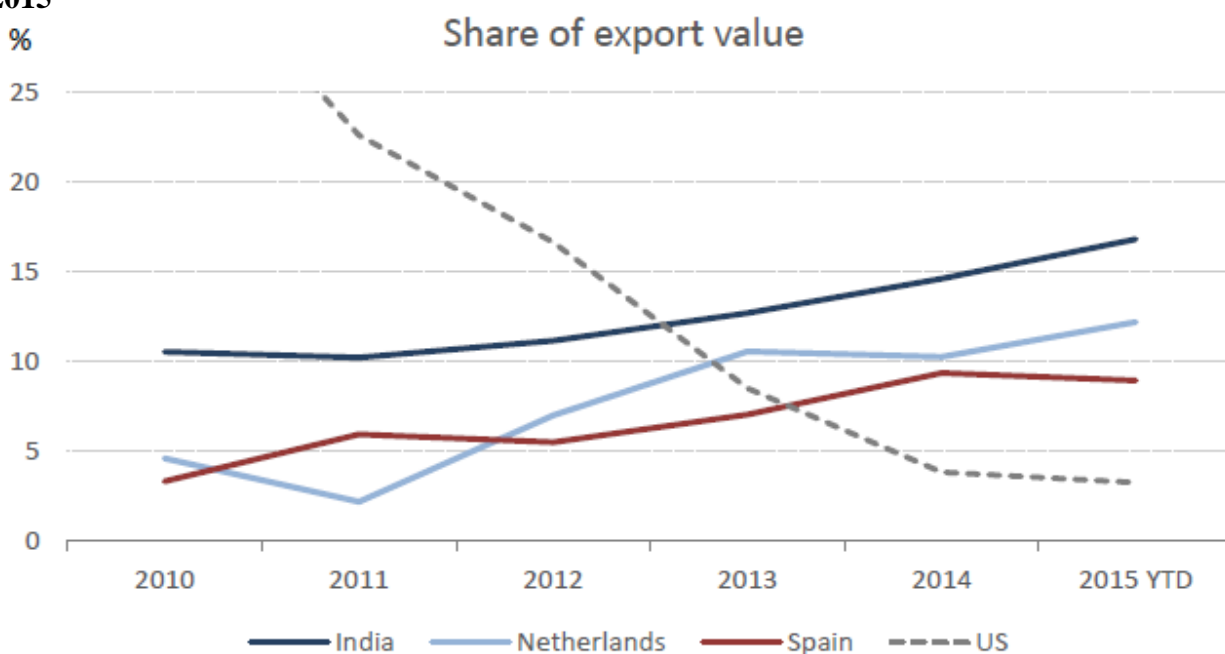
Source: NBS (2016)

By continent, however, Europe remained the largest consumer of Nigerian exports, and accounted for 39.22%, or N 3,001.14 billion of the total value of exports in the first three quarters of 2015. Asia was the second largest consumer, and accounted for N 2,269.17 billion or 29.65%, followed by Africa (N 1,166.88 billion or 15.25%) and then The Americas (N 1,028.42 billion or 13.44%). It is notable that The Americas, which used to be second only to Europe as a consumer of Nigerian products, has slipped to fourth place. This is largely a result of the large decline in the value of exports destined for the US. In 2010, 34.37%, or more than one third of the value of exports was accounted for by the US. However, this figure has fallen consistently,

and in the first three quarters of 2015, only 3.21% of exports went to the US. To a large extent, this can be attributed to the discovery of large deposits of shale gas in the US, which reduced their dependence on imported crude oil.

This is explored more in figure 1.4, which shows exports to the US against those to the three largest export partners in 2015. Whilst exports to the US have fallen dramatically, they have been steadily increasing in value for India, the Netherlands and Spain, countries which accounted for 16.76%, 12.14% and 8.89% of exports respectively in the first three quarters of 2015.

Figure 4.4: Showing Exports to the US against those to the three largest Export Partners in 2015



Source: NBS (2016)

In the first three quarters of 2015, the decline in the total value of trade that began in 2014 Q2 continued; growth has been negative in every quarter since that period. As a result, the

sum of total trade over the first three quarters of 2015 was N 12,773.84 billion, 31.67% lower than the same period of 2014 when total trade was N 18,692.82 billion.

Figure 4.5: Value of total Merchandise Trade



Source: NBS (2016)

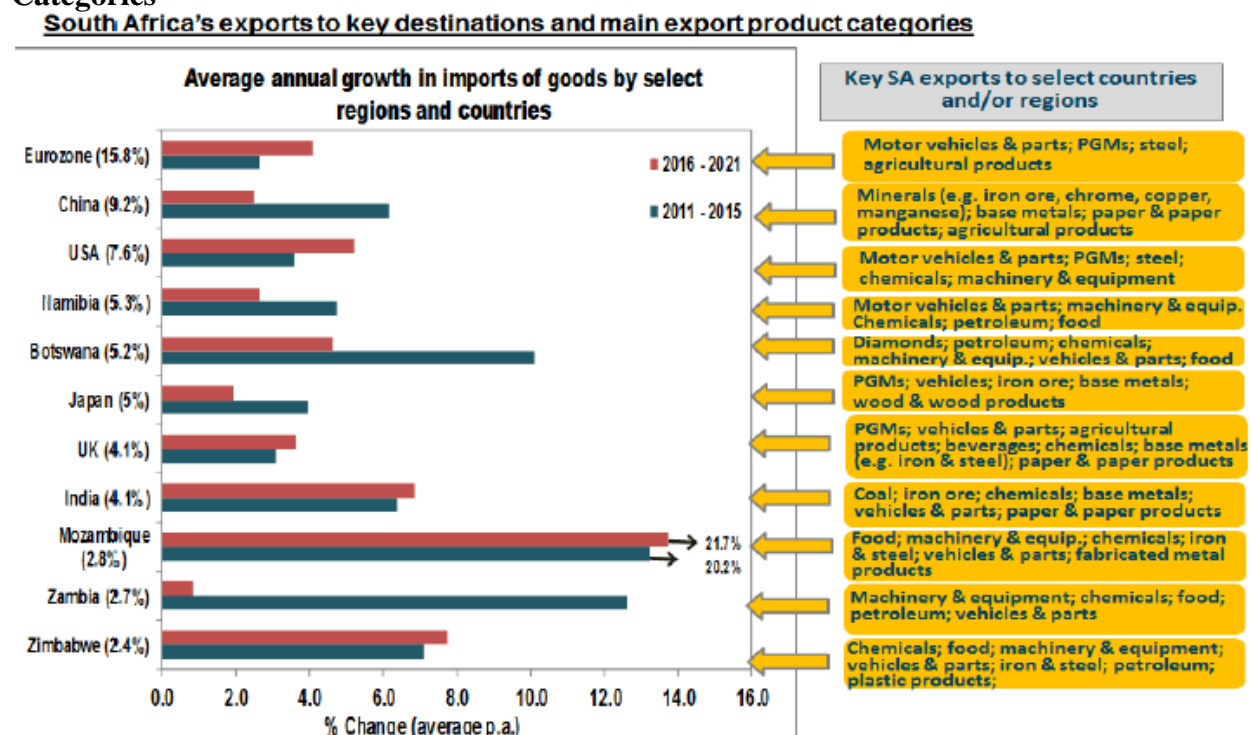
The largest quarterly decline was seen in the first quarter of the year, when the value of total trade was N 4,392.74 billion or 11.89% lower than in the preceding quarter. The second quarter was comparatively stable, falling only by 0.76% to N 4,359.47 billion, but the third quarter saw a larger fall of 7.75%, which resulted in a value of total trade of N 4,021.44 billion in the third quarter, 38.31% lower than in the third quarter of 2014.

Conversely, the first nine months of 2016 saw a considerable improvement in South Africa's external trade performance. The deficit on the balance of trade narrowed to R10.5 billion, compared to R60.2 billion for the same period in 2015. At the sectoral level, the value of mining exports rose quite strongly, largely underpinned by a R13.7 billion increases in gold exports and a modest rise in PGM exports. However, this improved performance was mainly the result of higher commodity prices and a weaker Rand, as many segments of the domestic mining sector recorded lower export volumes over this period (IDC, 2016).

The manufacturing sector's trade deficit declined by R30 billion over the period January to September 2016, on a year-on-year basis, but remained substantial at R224 billion. A steep rise in the exports of motor vehicles and parts contributed to this improvement, with meaningful contributions also emanating from the manufacturing sub-sectors producing basic iron and steel, processed food, as well as paper and paper products. Considering expectations of subdued growth in domestic demand persisting for some time, local business enterprises should focus increasingly on global trade by expanding exports to existing foreign clients and/or by identifying new/alternative markets. Relative Rand weakness coupled with the anticipated improvement in global growth should support South Africa's export performance over the outlook period. However, the downside risks are still substantial, particularly if the US does adopt a more protectionist trade policy going forward. This could result in retaliatory measures from other countries and therefore destabilize world trade flows and overall economic growth (IDC, 2016).

From the perspective of South African exports, import demand projections for key trading partners are of particular interest. Relatively strong import growth was projected by the International Monetary Fund (IMF) in its October 2016 World Economic Outlook for some of South Africa's key trading partners over the next five years, as illustrated below. This provides reason for measured optimism regarding external demand for South African exports over the outlook period. The select regions and countries reflected in the chart accounted for 64% of South Africa's overall merchandise export basket in 2015, highlighting the importance of economic growth and demand conditions in these key markets.

Figure 4.6: Showing South Africa's Exports to Key Destinations and Main Export Product Categories



Source: IMF (2015).

South Africa's total trade (exports and imports) with the US stood at R153 billion in 2015, with exports worth R76.5 billion. Key merchandise exports to the US included PGMs (valued at R15.9 billion); motor vehicles (R14.9 billion); basic iron and steel (R7.0 billion); basic chemicals (R6.4 billion); as well as motor vehicle parts and accessories (R5.5 billion). These categories had a combined share of 65% in the overall export basket sold in the US market last year. South Africa is also benefitting significantly from the African Growth and Opportunity Act (AGOA). Approximately 30% of all exports to the US are covered by this arrangement, with the sector producing motor vehicles, parts and accessories being by far the largest beneficiary. In turn, South Africa's imports from the US consist largely of machinery and equipment; chemicals and chemical products; motor vehicles, parts and accessories; other transport equipment (mainly aircraft); medical and surgical equipment; as well as petroleum and petroleum products. More

than 40% of South Africa's manufactured exports are sold in other African markets. Namibia and Botswana are the top export destinations in Africa, having accounted for almost 37% of South Africa's exports destined for the continent last year (IDC, 2016).

The export basket to countries elsewhere in Africa totaled R289 billion in 2015 and was dominated by machinery and equipment (such as mining and agricultural machinery) with a 15.2% share in the basket; chemicals and chemical products (12.7%); processed food (10.2%); motor vehicles, parts and accessories (9.5%); petroleum and petroleum products (7.7%); fabricated metal products (4.8%); basic iron and steel (4.6%); and primary agricultural products (4.2%). China, which is South Africa's single largest export destination at the individual country level, is set to experience a further moderation of its growth momentum over the outlook period to 2021, with import demand forecast to decelerate quite sharply. This is likely to continue having negative implications for Africa's commodity exporters, including South Africa (IDC, 2016).

In the light of the foregoing analyses and with the aid of the available data, figures, graphical illustrations, and tables; it is apparent to conclude that, the demand for exit of non-nationals in South Africa does not undermine the trade and investment relations between Nigeria and South Africa. Therefore, our hypothesis here is validated and accepted.

CHAPTER FIVE

THE ATTACKS ON NIGERIANS IN SOUTH AFRICA AND THE PATRONAGE OF SOUTH AFRICAN MNCs IN NIGERIA

This chapter shall examine the interactions and interplay between the attacks on Nigerians in South Africa and the Patronage of South African MNCs in Nigeria; emphases shall also be on some critical issues that form the bases of the aforementioned topic. Such as attacks and killing of Nigerians in South Africa, looting and burning down of businesses owned by Nigerians in South Africa, South African MNCs in Nigeria, patronage of MTN Nigeria, Shoprite Nigeria, Multichoice Nigeria and Stanbic IBTC shall be dealt with or investigated in this section one after the other to enhance clarity.

5.1. Attacks, Killings, Looting and Burning Down of Businesses Owned by Nigerians and other foreigners in Cape Town, Johannesburg township of Alexandra in South Africa and the patronage of MTN and Shoprite Nigeria

Xenophobia is very common in South Africa, although some Nigerians, especially a section of the members of the business community, have also been expressing concerns about the phenomenal growth of South Africa investments in Nigeria. These concerns have not, however, developed or degenerated into the kind of hatred or xenophobic feelings South African citizens have been expressing towards Nigeria's growing business, educational and social interests in South Africa. The phenomenon of xenophobia in democratic South Africa reared its head in 1995. Since then, it has become a festering sore in the Nigerian-South African relations as it keeps re-occurring every now and then. Available data revealed that the 1995 attacks were targeted at African immigrants in South Africa in general including Nigerians. Between 2015-2017, more than 116 Nigerians lost their lives. In the 2016 and February 2017 attacks, no Nigerian died, but Nigerians lost a lot of goods and properties. In the April 2015 attack, Nigerians lost properties worth N21million (Ademola, 2017). According to Ikechukwu Anyene,

the president, Nigerian Union in South Africa cited in (Ademola, 2017), at the heat of the February 18, 2017 attack “as we speak, five buildings with Nigerians businesses including a church have been looted and burned by South Africans. One of the buildings, a mechanic garage with 28 cars under repairs, with other vital documents, was burned during the attacks”.

These trends have of course drawn reactions from both the citizens and government of Nigeria. The Nigerian government’s reaction particularly since 2008 stemmed from Nigeria’s adoption of “*citizen’s diplomacy*” in 2007 as very central to its foreign policy. Before then, Nigerians have been given bad name and image in the world system as a result of the activities of some Nigerians who engaged in international organized crimes such as, illicit trading in drugs; children and women trafficking and prostitution, notably in Italy, Malaysia, Saudi Arabia, the United States of America, Indonesia, and South Africa among others, due largely to the harsh economic conditions in Nigeria. Consequent upon the fact that this had given Nigeria bad image and opprobrium globally, the Nigerian government was always reluctant to plead for clemency on behalf of those citizens in the countries they have committed any of the offences. As this attitude has exposed innocent Nigerians to maltreatment in foreign land, the “*citizen diplomacy*” was considered by the administration of Musa Yar’Adua as very imperative. In a sense and in the Nigerian context, citizen diplomacy is conceived as “a mechanism to protect the ‘image and integrity’ of Nigeria and react against nations which are hostile and who label them as corrupt”. (cited in Folarin, nd). Explaining the concept further, the then minister for Foreign Affairs, Ojo Madueke (cited in Folarin, nd) lucidly said: if you are nice to our citizens, we will be nice to you; if you are hostile to us, we will also be hostile to you”.

It is in line with this diplomacy that the Nigerian State has not been playing dumb and deaf to the plight of Nigerians in South Africa in the face of incessant xenophobic foment. For

instance, apart from condemning the attacks, the Nigerian government on each occasion also engaged the South African authority in dialogue with a view to protecting law abiding Nigerians living in South Africa. After the February 2017 attacks, the Nigerian Ministry of Foreign Affairs summoned the South African ambassador for the discussion of the attacks during which he apologized on behalf of his country. For instance, after the February 2017 attack, the Nigerian House of Representatives Ad-Hoc Committee on the attacks went to South Africa to dialogue with the South African parliament on how to ensure better protection of Nigerians in South Africa. Led by the Majority Leader, Femi Gbajabiamila, it also met with the former president of South Africa, Thabo Mbeki. The committee, was among others, saddled with the tasks of reminding South Africa of the consequences of xenophobic attacks against Nigerians and the likely repercussions and to make it explicitly clear to the South African Government that Nigeria will not abandon its citizens in South Africa to suffer in the hands of the perpetrators of xenophobic assaults (*The Nation*, Sunday, April 16, 2017:40).

Amidst diplomatic efforts, the South African authority assured law abiding Nigerian citizens of their safety. At the Bi-National Commission meeting, South Africa promised to look into the payment of compensation to Nigerians who lost property worth about 84 million naira during the 2015 attacks. The Nigerian public equally joined in condemning the attacks by way of fierce criticism and public protests. In this criticism, they kept on reminding South Africa through the media, of the roles Nigeria had played in securing freedom for the country under apartheid regime. The National Association of Nigerian Students (NANS) and some youth groups in fact called for extra diplomatic measures to deal with South Africa. The students body also held public protest in Abuja at the premises of some South African companies in Nigeria particularly the MTN, a Tele-communication company, given them ultimatum of 48 hours to

leave Nigeria, or speak to the government of their country or face retaliatory actions. In response, the company sued for peace and assured Nigerians of continued South Africa's respect and safety for Nigerians living in South Africa.

Also in South Africa, a group of South African citizens protested against the actions of the tiny xenophobes and appreciated the contributions of immigrants particularly Nigerians to the development and economy of South Africa. From this account, there is no doubt that in spite of the fact that xenophobia is not in the main, the official policy of the South African government; it has generated a considerable strain on the relations between the two countries.

Nonetheless, a 1998 Human Rights Watch Report (cited in Olupohunda, 2013:5), stated that immigrants from Malawi, Zimbabwe and Mozambique living in the Alexandra Township near Johannesburg were physically assaulted over a period of several weeks in 1995, as armed gangs identified suspected migrants and marched them to the police station in an attempt to “clean the township of foreigners.” The campaigners, known as “Buyelekhaya” (go back home), blamed foreigners for crime, unemployment and sexual attacks.

In September 1998 a Mozambican and two Senegalese were thrown out of a train. The assault was carried out by a group returning from a rally that blamed foreigners for unemployment, crime and spreading AIDS. In 2000 seven foreigners were killed on the Cape Flats over a five-week period in what police described as xenophobic murders possibly motivated by the fear that outsiders would claim property belonging to locals. In October 2001 residents of the Zandspruit informal settlement gave Zimbabweans 10 days to leave the area. When the foreigners failed to leave voluntarily they were forcefully evicted and their shacks were burned down and looted. Community members said they were angry that Zimbabweans

were employed while locals remained jobless and blamed the foreigners for a number of crimes. No injuries were reported among the Zimbabweans (Konanani and Odeku, 2013)

In the last week of 2005 and first week of 2006 at least four people, including two Zimbabweans, died in the Olievenhoutbosch settlement after foreigners were blamed for the death of a local man. Shacks belonging to foreigners were set alight and locals demanded that police remove all immigrants from the area. In August 2006 Somali refugees appealed for protection after 21 Somali traders were killed in July of that year and 26 more in August. The immigrants believed the murders to be motivated by xenophobia, although police rejected the assertion of a concerted campaign to drive Somali traders out of townships in the Western Cape. Attacks on foreign nationals increased markedly in late 2007 and it is believed that there were at least a dozen attacks between January and May 2008. The most severe incidents occurred on 8 January 2008 when two Somali shop owners were murdered in the Eastern Cape towns of Jeffreys Bay and East London and in March 2008 when seven people were killed including Zimbabweans, Pakistanis and a Somali after their shops and shacks were set alight in Atteridgeville near Pretoria (Abdi, 2013).

The most severe incident occurred in 2008 when a series of riots started in the township of Alexandra. Locals attacked migrants from Mozambique, Malawi and Zimbabwe, and Nigeria. In recent years, tales of xenophobic attacks on Nigerians living in South Africa have left compatriots at home in shock. There have also been reported cases of harassment of Nigerian travellers arriving at the Oliver Tambo Airport. One celebrated case of disrespect was the treatment of Africa's first Nobel winner, Prof. Wole Soyinka. In 2005, Soyinka was denied entry into South Africa. It took the last minute intervention of Mandela's wife, Graca Machel, to admit the Nobel Laureate into the country. Soyinka's trip to South Africa which was in response to an

invitation to deliver a lecture in honour of Mandela drew national and international focus to the country, both because of Mandela, whose birthday it was and Soyinka who was the guest speaker (Oluphunda, 2013).

The South African government has also indirectly promoted and encouraged its citizens into believing that immigrants are responsible for unemployment and crimes. For example, South Africa's borders have been remilitarised. According to Christopher McMichael (cited in Oluphunda, 2013:5): "This shared state-corporate project of building up a 'fortress South Africa' also reveals a deeply entrenched seam of xenophobia, in which undocumented migrants and refugees from African countries are painted as a security risk akin to terrorism and organized crime. Parliamentary discussions on border security are rife with claims that foreign nationals are attempting to drain social grants and economic opportunities from citizens. The packaging of illegal immigration as a national security threat, which often relies on unsubstantiated claims about the inherent criminality of foreign nationals, provides an official gloss on deeply entrenched governmental xenophobia, in which African immigrants are targets for regular harassment, rounding up and extortion by the police. This normalization of immigrants as figures of resentment may also fuel outbreaks of xenophobic violence" (Oluphunda, 2013).

5.2. South African Multinational Companies in Nigeria

With a population of over 170 million people out of Africa's 903 million total headcount, which represents one-fifth of the continent's population, Nigeria is a huge paradox for global investors looking for opportunities in Africa. When Nigeria's huge potential is juxtaposed with unsavory conditions which are detrimental to investment, such as corruption, excessive bureaucratic bottlenecks and infrastructure challenges, an investor is likely to face a huge dilemma. For instance, the World Bank's 2013 "Doing Business" survey puts Nigeria at 185th

out of the 189 countries it surveyed on ease of getting electricity. In addition to shortfalls in power generation, transmission and distribution, transportation systems and other critical support infrastructure are also relatively under-developed. This coupled with the endemic corruption and the bureaucratic red-tape make doing business in Nigeria tougher than in other climes (World Bank, 2013).

Beyond these challenges, however, Nigeria offers a basket of opportunities for the intrepid. Nigeria is currently rated as the biggest economy in Africa, accounting for 26% of the economic output in sub-Saharan Africa and over 70% of the economic output in the ECOWAS region. Except for the year 2015, which has seen a reduction in growth projections because of falling oil prices and the anticipated crisis from the general elections, Nigeria has maintained an average year on year economic growth of 6% in the last 10 years. Other macro-economic variables have also remained relatively stable over this period. Despite these positive indices, business in Nigeria is admittedly tricky, hence the departure of a lot of European and American trans-national corporations and the refusal of others to operate in Nigeria. Aside core investors in commodity and extractive industries and a couple of players in manufacturing, who had been operating in Nigeria before its independence from Great Britain in 1960, a lot of European and American Technology and Consumer Goods businesses do not dare to take the plunge.

Meanwhile, the history of international investments in Nigeria before the return of democracy was not particularly savoury, with the indigenization decree of the 1970's under the Military governments of Murtala Mohammed and General Olusegun Obasanjo, which saw a lot of foreign business interests in Nigeria ceding their stakes to Nigerian shareholders in a push for the localization of multinational businesses in Nigeria. This move saw the exit of Shell Petroleum and British Petroleum from the down-stream sector of Nigeria's lucrative Oil and Gas

market. As if the set-backs of the 1970's were not enough, the structural imbalance of the 1980's also saw the plummeting of industrial capacity in Nigeria. This situation arose largely from the rationing of foreign exchange under a corrupt and highly politicized import license order. Given this scenario, there were frantic calls for structural reforms. These reforms were soon ripe and ready, following the huge debts which Nigeria incurred from the London and Paris club of Creditors.

Initial reforms were thus undertaken in the late 80's to early 90's, tailored towards budgetary tightening and fiscal discipline with a view to raising industrial capacity in order to reduce dependence on imported finished goods. Prodded further by the Breton Woods Institutions, to undertake more reforms, given its huge sovereign debt, the Nigerian Military government under General Ibrahim Babangida, announced more fiscal reforms; starting with the Second-tier Foreign Exchange Market, which saw the devaluation of the naira, and the Structural Adjustment Programme which engendered a high-level of fiscal tightening in a bid to refocus the economy. As all these reforms were going on, the Nigerian economy was still largely perceived as unattractive to Foreign Investors in Europe and America who only saw opportunities in the commodities and extractive industries and were uninterested in deepening their involvement in the Nigerian manufacturing and retail sectors having been scarred by the indigenization decree promulgated by the Murtala/Obasanjo Military regime. The conventional wisdom at the time was therefore to stay aloof to the reforms and the liberalization of critical sectors of the Nigerian economy that followed thereafter.

Therefore, while the Nigerian government devalued its currency and made it attractive for smart foreign investors to take advantage of its economic liberalization policy, investors watched from afar, wary of the policy-somersault. It was this confused and highly volatile

environment that South Africa was soon to profit from, following the return of democracy in 1999 and a renewed push for foreign direct investment by the new democratically elected government.

As a corollary, MTN's huge investment in the Nigerian Tele-communications Industry in 2001 at a time when Nigeria was perceived as one of the low value ends of the frontier markets. Given that the MTN investment was a Greenfield investment in a newly liberalized industry, the huge risk which MTN took at its market entry into Nigeria was such that the company's share price initially plummeted on the Johannesburg Stock Exchange. However, MTN was undeterred and continued to inject the liquidity needed to shore up its Nigeria operations. Despite the infrastructure challenges, bureaucratic bottlenecks and corruption often cited as the bane of investing in Nigeria, South African businesses appear better suited to the Nigerian business environment than their Western counterparts.

From the retail end, with players such as Shoprite and Game, to Hotel and Hospitality with the Protea Hotel chain (which was recently acquired by Marriot, the American Hotel chain), onto Media and Cinema with companies like MultiChoice and Nu-Metro, banking and financial services – Stanbic IBTC Bank, First Rand Bank, Old Mutual and Nedbank (which recently acquired a sizable stake in Ecobank, the Nigeria led Pan-Africa Banking Franchise), and other mid-sized businesses dotting the Nigerian business landscape, South Africa today stands as one of the major players in the Nigerian economy.

Following the restoration of democracy in Nigeria in 1999 and the adoption of the New Partnership for Africa Development (NEPAD) statute in the early 2000's, South Africans were quick to identify opportunities in Nigeria and were bold in their market entry. First to make a

statement with its entry was MultiChoice, which had arrived well before the return of democratic governance and adoption of the NEPAD Agreement, and its entry re-invented the media, cable and pay-TV industry in Nigeria. Offering unparalleled value within the local market, MultiChoice quickly became a monopoly, dominating the Nigerian market and making it difficult for the local players to compete in this capital intensive industry. Following the MultiChoice example, MTN also rolled out its services as the second player within the newly liberalized Nigerian Telecommunications market, immediately asserting its leadership of the industry, rolling out critical infrastructure across Nigeria and making huge investments in brand building.

Unsurprisingly, MTN became the market leader in less than one year of its operations. While MTN was growing value in the Telecommunications sphere, the Protea Hotel chain was also planting its presence in Nigeria's major cities. Today Protea is the largest hotel chain in Nigeria, operating through a unique franchise model which seeks out Nigerian hotel and hospitality Investors as partners, while bringing in its own brand franchise and management expertise.

South Africa also registered its presence in the Nigerian Financial Market with the entry of Stanbic Bank, a wholly-owned local subsidiary of South Africa's Standard Bank. Seeing the need to grow its presence in Nigeria, it soon acquired a mid-sized local Universal Bank with a huge Investment Banking franchise – the IBTC Chartered Bank. It is on record that the deal is the first ever tender offer in Nigeria and with it came a 525 million dollar Foreign Direct Investment, the biggest single investment in Nigeria's financial industry till date. Through this investment, South Africa was able to make inroads into the Nigerian stock exchange given the fact that IBTC Chartered Bank was then the largest equity trader by volume and value on the

Nigeria exchange as well as the largest portfolio manager and is represented on the council of the Nigerian Stock Exchange. Furthermore, this strategic acquisition also brought South Africa into Nigerian government bond management because the acquired Bank is the sole broker for the Federal Government of Nigeria and was picked by the government to be the settlement bank for the electronic warehouse receipt system introduced by the Nigerian Commodity Exchange. Aside from the Stanbic IBTC success story in the Banking sector, South Africa is also deepening its participation in the Nigerian manufacturing and consumer goods sector. Tiger Brands, a South African company, recently bought a majority stake in UAC Foods and Dangote Foods. This strategic acquisition comes as a move to shore up the earnings of Tiger Brands, which has flattened at home, given Nigeria's huge consumer market.

Furthermore, Shoprite, another South African firm, is making huge forays into the Nigerian retail sector, with retail presence in key Nigerian cities of Lagos, Ibadan, Enugu, Ilorin and a host of others. The fast expansion of the Shoprite franchise is driven by a retail boom in Nigeria. The retail sector in Nigeria has continued to expand, with value sales increasing strongly in 2013 and 2014, faster than GDP growth. This development is propelled by an expansion in Nigeria's urban and middle class population and an increase in disposable income. Away from retail, South Africa has also entered Nigeria's lucrative beer market with SABMiller. SABMiller recently built a state-of-the-art brewery in Onitsha, in the South-East of Nigeria, and is gradually growing its distributive capacity pan-Nigeria. Aside from all of the businesses mentioned above, there other new entrants into the Nigerian economy from South Africa, and these includes, Nedbank, FirstRand, Old Mutual, Sanlam and MMI Holdings.

Aside from the existence of South African companies in Nigeria, Nigerian businesses are also gradually making in-roads into South Africa, thereby helping to boost the intra-Africa trade

that was very low before the advent of the New Partnership for Africa Development (NEPAD). Nigerian energy firm, Oando, for example, is listed on the Johannesburg Stock Exchange, while Dangote Group has also invested over \$378 million in South Africa's cement industry. In addition to these two companies, there are also a couple of other Nigerian businesses in South Africa such as Arik Air, First Bank and Union Bank which have representative offices in South Africa. Between 2007 and 2008, trade volumes between both countries stood at approximately \$2.1 billion. By 2012 this figure had increased to \$3.6 billion. It must be noted that 83% of this trade figures came from South Africa's purchase of crude oil from Nigeria. Between 2002 and 2012, South African imports from Nigeria increased by about 750%, with crude oil sales accounting for a greater chunk of this figure. This scenario points to the fact that, outside of trade in crude oil and commodities, trade volumes between both countries are still relatively low (Ademola, 2017).

5.3. Patronage of MTN and Shoprite Nigeria

MTN Nigeria is a subsidiary of MTN Group, a South African multinational corporation, with operations in key strategic markets in Africa and beyond. MTN Nigeria is the most recognizable telecom brand in Nigeria, enjoying the benefits of the first to market. Its geographical spread is huge and it enjoys the benefits of economics of scale, being ahead of the second operator, Globalcom, by subscriber base, in excess of 20 million users. At the end of last quarter, Q1 2017, MTN Nigeria had about 60 million subscribers, according to the Nigerian Communication Commission, NCC, and an industry regulator. MTN Nigeria, with local market share in excess of 35%, delivers about one-third of the Group's revenues (Ekekwe, 2017). Technically, MTN Nigeria is owned by MTN Group and a South African holding company,

Shanduka Group, which acquired a minority stake in MTN Group's Nigeria business for \$335 million in November 2012.

MTN Nigeria Products

- **MTN Cloud:** MTN Nigeria runs lucrative cloud services. These services are geared for all the key industrial sectors in Nigeria. MTN competes with RackCenter and MainOne in this product line.
- **Voice and Broadband Services:** Modern mobile telephony in Nigeria cannot be discussed without MTN. MTN is a leader in both voice and broadband services. It is the most profitable company in the sector, taking home more than 60% of the total profits, except 2016 when it declared loss, due to compliance related fines.
- **Small Business Broadband Service:** Besides the business to customer broadband service by MTN, it sells modems to small businesses which use them to connect to the web. This product is available in many key cities in Nigeria.
- **Devices:** MTN sells devices through different partner relationships. It sells for Garmin, Samsung and other leading global brands. The size of this business is low. Largely, MTN uses this to on-board customers into its network. Etisalat Nigeria which enjoys the highest ARPU (average revenue per user) is considered one of the best telcos that knows how to deliver services in selling hardware and devices to customers.
- **Investments:** MTN (the Group) has made investments in Jumia, a leading e-commerce company with principal operations in Nigeria. Because Jumia is Nigeria, MTN Nigeria has a strategic affinity to this company. MTN Group had also invested in Travelstart, Snapp and in Iranian Net. Co. It also bought Visafone (Nigeria), Smart Village, Afrihost and Investcom.

- **Value-Added-Services (VAS):** There are many levels of VAS in MTN Nigeria network. Customers download music, motivational contents, games, comedy, etc and MTN takes commissions from the creators. The regulatory requirement that limit marketing to subscribers has affected this business.
- **Others:** MTN Nigeria had tried in the past, but failed, in selling different services and solutions. It brought security camera which flopped. It also worked to build app ecosystem which did not pick up. At different levels, it has also tried to work on mobile money through partnerships. That has not been stellar. Some of those solutions are still offered, though muted (Ekekwe, 2017).

Figure 5.1: Showing MTN Group Stock Performance



Source: (Bloomberg, 2018)

MTN Nigeria grew its subscriber base by 19.7% in 2013, bringing total subscribers to 56.8 million at the end of December. This was a notable turnaround in the face of aggressive

competition and a difficult operating environment. The strong growth was driven by improved segmented offerings to customers, a better quality network, and was supported by seasonal promotions aimed at growing subscribers and increasing usage. Total revenue increased by 5.7%*. Revenue growth was dampened by interconnect revenue, which declined by 23.0%* following a 40% reduction in mobile termination rates at the beginning of the year and a lower effective tariff. The effective tariff declined by more than 30.0% (LE) in the year. Fourth quarter revenue showed encouraging growth, ahead of expectations, increasing by 15.3% in local currency terms over the comparable prior year quarter. This follows the mandatory subscriber registration disconnections, the reconnection of service in the three northern states and the lifting of the promotions ban which hampered revenue in the first half of the year. Data revenue increased by 26.3%* and now contributes 15.1% to total revenue. This growth was driven mainly by innovative local content and attractive data bundles, but was limited by slow speeds resulting from the high volume of traffic on MTN's 3G network. The numbers of active smart phones on the network increased by 63.1% to 6.2 million at the end of December (MTN Group, 2017).

The EBITDA margin (excluding the reversal of prior year management fees provision) declined by 2.9 (3.2*) percentage points to 55.4% as a result of slower revenue growth. Assuming no management fees or other prior year adjustments, the underlying EBITDA margin was 57.0%. The operation performed well on cost-optimization initiatives, reporting subdued apex growth. We realized cost savings in many areas, including marketing and the revised commission structure implemented during the year. Reported EBITDA increased by 29.7% mainly due to the reversal of the management fee provision. The current year reversal of

management fee provisions related to prior periods amounted to R1 778 million, while the management fee expense for 2013 was R758 million (Ikpoki, 2013).

Capital expenditure for the year increased to R14 298 million and was aimed at significantly improving the quality and capacity of the network. The network KPIs set out by the Nigerian Communications Commission was achieved at the end of December 2013. During the year, MTN Nigeria rolled out a record number of 2 743 new 2G sites and 1 607 co-located 3G sites (Ikpoki, 2013).

Shoprite Nigeria

The Shoprite Group of companies came into existence with the acquisition of a supermarket chain in the Western Cape, in 1979 (Shoprite, 2009a). This expansion strategy has continued and has helped the expansion-driven company to show its presence across the country, and the group now comprises Shoprite, Checkers, Checkers Hyper, Usave, OK Furniture, OK House and Home, OK Power Express and OK Franchise Division (with a number of stores and brands under it).

The national growth and expansion strategy of Shoprite has been through mergers and acquisitions, but it modified and extended this strategy when moving abroad (Edward et al, 2010). It achieved international expansion by opening its own stores in the foreign countries in which it operates, so that in 2008, out of a total of 984 stores, 100 supermarkets were operated in 16 countries outside South Africa. These countries include Angola, Botswana, Ghana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe, and just recently the Democratic Republic of Congo (Shoprite, 2008). The company, with over 1,068 corporate and 275 franchise stores and over 10 million customer base,

claims that the international stores operate with the same standards of sophistication obtainable in the home country, South Africa (Chandhuri and Umashankar, 2005; Smith and Smit, 2010: 1).

The group's operations have been generally successful in most of these countries and in some cases income has exceeded their projections and expectations. Consequently, this performance has triggered numerous growth and expansion plans for most of the countries listed above. Indeed, Shoprite invested and continues to invest in the human capital of the countries where it operates. The group employs more than 8000 local people in its stores outside South Africa, some of whom have been trained to become managers (Shoprite, 2008). Further, local small scale farmers are being supported to upgrade their production standards so as to supply the Shoprite stores. It has also been reported that the Shoprite Zambia operation is already self-sufficient in vegetable supplies, thanks to the engagement with local farmers (Edward et al, 2010:751).

Shoprite is relatively new to the Nigerian market having spent less than a decade; it has however become a household name. It offers consumers a wide range of imported goods ranging from clothes, electrical appliances, and foodstuff to toiletries, kitchenware and stationeries. It currently has seven functioning outlets in five Nigerian states namely; Lagos, Abuja, Kwara, Enugu and Abia. Its outlets in Kano and Oyo states were opened in September and June 2013 respectively. Kayode Oguntuase of the Nigeria High Commission in Pretoria offers an insight into the expansion strategy of Shoprite into the Nigerian market:

The economy of South Africa is saturated that is why its firms are looking outside for possible prospects... for instance, Shoprite wants to have 300 more new outlets in Nigeria...they have concluded their feasibility studies before arriving at that decision...Nigeria's high purchasing power and the growth of her middle class will sustain that vision...(Oguntuase, 2013)

Shoprite Holdings Ltd has reported group full-year earnings of 141 billion rand or N3.86 trillion for its financial year ended July 2017; with sales from Nigeria and Angola, two of its key markets outside South Africa contributing strongly to its group sales. Shoprite Nigeria recorded significant growth in naira sales, despite the economic recession that hit the country last year. Analysts however believe that Shoprite's dominance in essential commodity sales, and move into the sales of mainly local products helped it weather the stormy economy. Even though the South African based retailer did not release its exact sales figures for Nigeria, it announced that it grew its naira sales in the country by 48.2 percent in the year to July 2, 2017 (Shoprite, 2018).

The Shoprite Group also announced that it increased its customer numbers in the country by 38.2 percent in the year to July 2017. Supermarkets outside South Africa, which trades in 14 countries in the rest of Africa and the Indian Ocean islands, again produced healthy results. The 308 outlets generated sales of R24.8 billion (N682 billion), 11.7 percent higher than the corresponding period (52 weeks: 13.5%). Angola and Nigeria continue to be the top performers, despite a shortage of foreign currency in these oil-producing countries (Shoprite, 2018).

Throwing light on its Nigerian operations, Shoprite noted that restrictions on key imported lines remained a challenge in Nigeria, but through a focused marketing drive on local products, we managed to generate a 48.2 percent sales growth (52 weeks: 50.2%) in local currency. Notwithstanding the trading difficulties, the customer base remains healthy, with the Group's supermarkets in Nigeria increasing customers by 38.2 percent. The company also said that local products now make up 80 percent of its sales in the country, a boost to local manufacturers and the quest to promote "Made-in-Nigeria" goods locally and internationally. Shoprite has 23 stores in Nigeria, with a further two under construction (Shoprite, 2018).

Shoprite said Nigeria holds significant growth potential for the Group, despite short-term issues, including the oil price, a devaluing currency and the ban on certain imports to stem the outflow of dollars. Headline earnings per share, which exclude one-time items, rose 12 percent to 10.07 rand. The shares rose 2.5 percent to 206.08 rand as of 9:23 a.m. in Johannesburg, extending the year's gain to 20 percent and valuing the company at 123 billion rand (\$9.4 billion) the Cape Town-based company said in a statement (Shoprite, 2018).

5.4. MultiChoice Nigeria and Stanbic IBTC

MultiChoice Nigeria, the leading pay television service company provides subscriber management services to DStv subscribers in Nigeria. The company was launched in 1994 as a joint venture between MultiChoice Africa and Adewunmi Ogunsanya, a Nigerian entrepreneur. MultiChoice Nigeria offers premium DStv services which consists of general entertainment, news and current affairs, sport, movies, music, kiddies and education channels, among others, to about 700,000 active subscribers in the country. MultiChoice Nigeria currently operates from eleven major offices and also services its subscribers through dealer offices in excess of 80 across the country. With over 90 world class channels under its staple, MultiChoice Nigeria remains a dominant player in the broadcasting industry through the constant introduction of innovative CRM solutions such as alternate payments, self-help tools and interactive applications for the benefit of its numerous customers. The company also deploys cutting-edge technology in pioneering the latest models of Standard and High Definition decoders, enhancement of viewing experience, technology upgrades and manpower development (MultiChoice, 2009).

DSTV has disclosed that it has a total of 11 million subscribers across Africa. The disclosure was released to media experts across Africa to promote DSTV's media and sales

offerings to advertising and media agencies. DSTV's subscriber base grew by 8% year on year from 10.2 million to the current figure. Nigeria leads its African footprint with 40% of the total subscriber base. By implication, DSTV and GOTV put together have 4.4 million subscribers in Nigeria. Out of the 11 million subscriber base, GOTV, DSTV's extended subsidiary catering for the entry level PayTV market seems to be growing slowly than expected. The unit was reported to have a total of 2.5 million subscribers across 11 countries in Africa (NBC, 2017).

The strength of its Southern African unit has further wane with 22% of the total market share of the company. It is also an indication that the market is getting saturated. DSTV has also gone ahead to launch ShowMax, an on-demand video streaming platform created to compete with Netflix and other video streaming sites. Other major markets for DSTV in Africa are East Africa with 16% and Portuguese Africa with 19% of the total subscriber base. West African countries apart from Nigeria have just 3% of the company's market share. One of the visible pattern in the data is that DSTV's market share of the payTV market in Africa is facing intense competition across West Africa (including) Nigeria, East Africa and Portuguese Africa. Nigeria is the biggest TV market in Nigeria which according to DSTV has 13 million TV households and 3 million payTV household. However, a similar data released by the National Broadcasting Commission, the regulatory body in Nigeria said that there are about 37.2 million TV household in Nigeria as at 2015 (NBC, 2017).

Meanwhile, MultiChoice consolidated revenues increased to R35.7bn, driven by growth in the customer base, programming revenues and advertising revenues. Trading profits improved by 4% despite the tough economic environment in South Africa, compounded by the weaker exchange rate, cost pressures from expanding the customer base, investment in new technologies

and international dollar-based content costs. We continue to focus on cost control across the business. After paying all other costs, including taxes, core headline earnings were R6.9bn an increase of 9% on the prior year. The cost of producing services and sale of goods increased year on year largely due to the weakening in the rand/dollar exchange rate, which pushed up our dollar-denominated content costs and sports rights costs, as well as decoder hardware costs. In line with our strategy of making our DStv Explora more accessible to our customers, we've increased decoder subsidies and reduced the price of the DStv Explora to R1 499 and the single-view decoder to R599, fully installed.

Other cost increases relate to improving the outbound call centre capability, higher acquisition marketing spend and increases in the salary bill due to annual increases. The cash flows came under pressure due to a significantly weaker exchange rate and higher payments for sports and content rights. On the balance sheet, current assets have increased year on year due to higher sports rights prepayments, delays in payment from our African business due to lack of liquidity in certain countries and higher financial assets related to currency hedges. Higher current liabilities year on year is a result of an outstanding balance on our revolving credit facility and higher content and trade creditors due to the weaker rand/dollar exchange rate. Programme and film rights commitments have increased by R13bn from the prior financial year, primarily after MultiChoice finalized new sports rights agreements. MultiChoice contributed just under R3.5bn in direct taxes and R2.2bn in indirect taxes during the financial year. During the year we have increased the number of permanent employees by 432 and reduced our dependency on independent service providers and contractors, bringing our total workforce to just over 8 000, including independent service providers and contractors. The assets and liabilities of Smart

Village, a wholly owned subsidiary of the group, remain classified as held for sale at 31 March 2016 (MultiChoice, 2017).

In the same vein, Stanbic IBTC Holdings PLC (Stanbic IBTC) was incorporated as Investment Banking and Trust Company Limited (“IBTC”), a private limited liability company, on 2 February 1989. IBTC was granted a merchant banking licence in February 1989 and commenced operations on 1 March 1989. IBTC’s merchant banking licence was converted to a universal banking licence in January 2002, pursuant to the universal banking guidelines of the Central Bank of Nigeria (“CBN”). In 2005, IBTC became a public company and its shares were listed on The Nigerian Stock Exchange (“The NSE” or “The Exchange”)

In December 2005, IBTC merged with Chartered Bank PLC and Regent Bank PLC and changed its name to IBTC Chartered Bank PLC (“IBTC Chartered”) on 25 January 2006. On 24 September 2007, IBTC Chartered merged with Stanbic Bank Nigeria Limited (“Stanbic Bank”), a wholly owned subsidiary of Stanbic Africa Holdings Limited (“SAHL”), which in turn is a subsidiary of Standard Bank Group Limited of South Africa. As part of the transaction that resulted in the combination of IBTC Chartered and Stanbic Bank, SAHL acquired a majority shareholding (50.1%) in the enlarged bank, which was named Stanbic IBTC Bank PLC. On 1 November 2012, Stanbic IBTC officially adopted a Holding Company (“Holdco”) structure in compliance with the revised regulatory framework by the Central Bank of Nigeria which requires banks to divest from non-core banking businesses or adopt a HoldCo structure. Under the new structure, the subsidiaries of Stanbic IBTC Holdings PLC are Stanbic IBTC Bank, Stanbic IBTC Pension Managers Limited, Stanbic IBTC Asset Management Limited, Stanbic IBTC Trustees Limited, Stanbic IBTC Capital Limited, Stanbic IBTC Stockbrokers Limited,

Stanbic IBTC Insurance Brokers Limited, Stanbic IBTC Ventures Limited, and Stanbic IBTC Investments Limited. Stanbic IBTC Nominees Limited and Stanbic IBTC Bureau de Change Limited are the only subsidiaries of Stanbic IBTC Bank.

Stanbic IBTC Holdings Plc, a member of Standard Bank Group, stated that the 70 per cent growth in its profit after tax for the year ended 31 December 2017 is its best profitability results since inception. Its gross earnings during the period surged to N212.4bn while profit after tax increased to N48.4bn. With gross earnings at N156.4bn in December 2016, the 2017 figure represented a growth of 36 per cent (Stanbic IBTC, 2018).

On the other hand, profit after tax grew by 70 per cent as against the prior year's N28.5bn. Similarly, profit before tax went up by 64 per cent to N61.2bn in 2017 as against N37.2bn recorded in the corresponding period of 2016. The group also made other significant improvements across all three divisions during the period under review. Total assets increased to N1.386.4tn last year, a 32 per cent boost compared to the N1.053.5tn recorded in December 2016 (Stanbic IBTC, 2018).

The growth in the balance sheet size was driven mainly by customer deposits, which recorded a growth of 34 per cent to N753.6bn in 2017 from N561bn in 2016. Gross loans and advances grew by eight per cent to N403.9bn, compared to N375.3bn recorded in December 2016. The group reported its best profitability results since inception. We achieved a 70 per cent growth in profit after tax amid healthy capital and liquidity levels. Our balance sheet grew by 32 per cent to N1.39tn and this was funded mainly by customer deposit growth of 34 per cent (Punch Newspaper, March 15, 2018).

In the light of the foregoing analyses and with the aid of the available data, figures, graphical illustrations, and tables; it is apparent to conclude that, the attacks on Nigerians in South Africa do not hamper the patronage of South African owned multi-national companies in Nigeria. Therefore, our hypothesis here is validated and accepted.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Summary

This study examined xenophobic attacks and Nigeria-South Africa Trade and Investment Relations, 2008-2017. Special attention was paid to the xenophobic attacks in South Africa and its effects in trade and investment relations between Nigeria and South Africa, hence the research questions:

- Does the demand for the exit of non-nationals in South Africa undermine the trade and investment relations between Nigeria and South Africa?
- Do the attacks on Nigerians in South Africa hamper the Patronage of South African owned multi- national companies in Nigeria?

However, the study has six chapters, chapter one focused on general introduction, chapters two to six discussed the following issues: Literature review, Methodology, the demand for the exit of non-nationals and the trade and investment relations between Nigeria and South Africa, the attacks on Nigerians in South Africa and the patronage of South African MNCs in Nigeria. Therein, we analysed Xenophobia: Nigeria-South Africa Trade and Investment Relations within the period under study

To ascertain the position of other scholars and researchers on the subject-matter, plethora of extant literature were reviewed. At the end of the review, a gap was located which made the study imperative. Convinced that existing literature as reviewed have not paid adequate attention to the burning issue, we went further to hypothesize that:

- The demand for exit of non-nationals in South Africa does not undermine the trade and investment relations between Nigeria and South Africa.
- The attacks on Nigerians in South Africa did not hamper the patronage of South African owned multi-national companies in Nigeria.

These hypotheses were logically linked to the research questions and the objectives of the study. The complex interdependence theory provided the philosophical justification for our hypotheses. Towards the verification of these hypotheses, data were documentarily collected and analysed using content analysis.

We found that the wave of violence and unrest that took place across South Africa in May 2008 left more than 60 people dead and thousands displaced. More than 20,000 people in Gauteng alone were forced to find alternative living arrangements. The attacks began in Alexandra then spread to other areas in and around Johannesburg, including Cleveland, Diepsloot, Hillbrow, Tembisa, Primrose, Ivory Park and Thokoza. Violence in Kwazulu-Natal, Mpumalanga and Cape Town soon followed (Opperman 2014).

Despite the above ugly incidence of violence and unrest across South Africa against Nigerians and other foreign nationals in South Africa, the trade and investment relations between Nigeria and South Africa keep on increasing. In 1999, the South African and Nigerian governments signed bilateral agreements on trade and investment. These agreements amongst other things, aimed to increase the amount of trade and investment between South Africa and Nigeria (Sifingo 2003). The signing of these agreements witnessed inter-alia

- improved trade relations between South Africa and Nigeria and
- South African corporations as big players in the Nigerian economy.

On improved trade relations between both countries, we saw that the volume of trade between South Africa and Nigeria increased from 1999. Prior to 1999, trade between the two countries was minimal. In 1994, South Africa exported US\$8.1 million worth of products to Nigeria; while it imported US\$3.1 million worth of commodities from that country (Omojola, 2006).

With the signing of the South Africa–Nigeria bilateral trade agreement, the situation changed. By 2005 South Africa was exporting goods to the value of R3.4 billion to Nigeria and importing R4.2 billion worth of commodities from Nigeria (Tenikin 2007). South Africa's exports to Nigeria include machinery, electrical equipment, appliances, wood, paper, prepared food stuffs, beverages, plastics, rubber, chemicals etc. However, oil makes up 97% of Nigeria's exports to South Africa (Pahad 2002). The situation means that South Africa is exporting a wide range of goods to Nigeria, many of which are value added manufactured goods.

Similarly, the phenomenon of xenophobia in democratic South Africa reared its head in 1995. Since then, it has become a festering sore in the Nigerian-South African relations as it keeps re-occurring every now and then. Available data revealed that the 1995 attacks were targeted at African immigrants in South Africa in general including Nigerians. It was reported that since 2015-2017, more than 116 Nigerians lost their lives. In the 2016 and February 2017 attacks, no Nigerian died, but Nigerians lost a lot of goods and properties. In the April 2015 attack, Nigerians lost properties worth N21million (Ademola, 2017). According to Ikechukwu Anyene, the president, Nigerian Union in South Africa cited in (Ademola, 2017), at the heat of the February 18, 2017 attack “as we speak, five buildings with Nigerians businesses including a church have been looted and burned by South Africans. One of the buildings, a mechanic garage with 28 cars under repairs, with other vital documents, was burned during the attacks”.

However, South African MNCs in Nigeria keep on growing their financial and capacity base due essentially to patronage by Nigerians despite the attacks on Nigerians in South Africa and their businesses. To this end, MTN Nigeria is the most recognizable telecommunication brand in Nigeria, enjoying the benefits of the first to market. Its geographical spread is huge and it enjoys the benefits of economics of scale, being ahead of the second operator, Globalcom, by subscriber base, in excess of 20 million users. At the end of last quarter, Q1 2017, MTN Nigeria had about 60 million subscribers, according to the Nigerian Communication Commission, NCC, and an industry regulator. MTN Nigeria, with local market share in excess of 35%, delivers about one-third of the Group's revenues (Ekekwe, 2017). Technically, MTN Nigeria is owned by MTN Group and a South African holding company, Shanduka Group, which acquired a minority stake in MTN Group's Nigeria business for \$335 million in November 2012.

Shoprite Holdings Ltd has reported group full-year earnings of 141 billion rand or N3.86 trillion for its financial year ended July 2017; with sales from Nigeria and Angola, two of its key markets outside South Africa contributing strongly to its group sales. Shoprite Nigeria recorded significant growth in naira sales, despite the economic recession that hit the country last year. Analysts however believe that Shoprite's dominance in essential commodity sales, and move into the sales of mainly local products helped it weather the stormy economy. Even though the South African based retailer did not release its exact sales figures for Nigeria, it announced that it grew its naira sales in the country by 48.2 percent in the year to July 2, 2017 (Shoprite, 2018). The Shoprite Group also announced that it increased its customer numbers in the country by 38.2 percent in the year to July 2017.

6.2 Conclusion

In conclusion, the study found out that despite the ugly incidence of violence and unrest across South Africa against Nigerians and other foreign nationals in South Africa, the trade and investment relations between Nigeria and South Africa keep on increasing and the customer bases of South African MNCs in Nigeria keep on expanding positively. There is no gain saying that the wind of festering xenophobic attacks blowing in South Africa poses serious threat to social, economic, educational, and cultural relations between it and Nigeria and also with the rest of the world. If this growing wave of xenophobic attacks is not checked, it may stunt the process of sustainable development of both countries as the duo have a lot of opportunities to offer each other in an undisturbed symbiotic relations.

As a corollary, there is an urgent need to institutionalize the bilateral relationship between both countries for continuity. There is no doubt that the creation of the South Africa-Nigeria Bi-national Commission and the growing bilateral commercial ties that exist between the two nations will help to overcome this concern of xenophobia. Both countries established the Bi-national Commission to promote trade and political cooperation in 1999 which has since met many times. A Nigeria-South Africa Chambers of Commerce was also established in 2001. Trade between both countries has already exceeded 3billion Rand, with Nigeria sending oil and brains to South Africa in exchange for manufactured goods and technology. Nigeria has already become South Africa's fourth largest trading partner in Africa.

In the light of the foregoing analyses and with the aid of the available data, figures and tables; it is apparent to conclude that, the demand for exit of non-nationals in South Africa does not undermine the trade and investment relations between Nigeria and South Africa; the attacks

on Nigerians in South Africa do not hamper the patronage of South African owned multinational companies in Nigeria. Therefore, our hypotheses here are validated and accepted.

6.3 Recommendations

Upon the strength of our findings, we put forward the following recommendations:

The South African authority should create opportunities for South Africans and Nigerians to engage in economic partnerships, collaboration and networking. The existence of chambers of commerce between the two countries is a good development in forging stronger economic ties. Furthermore, more legal framework should be put in place to promote joint economic ventures between South Africans, Nigerians and other foreigners.

It has been argued that some of the Nigerian victims of xenophobic attacks are illegal entrants to South Africa who deal in illicit drugs among other international organized crimes. However, while this may be true or not, the globally acknowledged fact is that, no government should allow its citizens to take law into their hands. The South African government should therefore take the following steps: one, it should sensitize its citizens to the need to abide by the rule of law by allowing their law enforcement agencies to handle cases of illegal immigrants engaging in crimes. Two, the fact that there are illegal Nigerian immigrants in South Africa suggests systemic failure or governance deficit on the part of the Nigerian and South African governments perpetrated by their immigration officials. If some Nigerians had illegally gained entry to South Africa in the presence of the South African immigration officials, then, there is the need for the South African government to overhaul its immigration operatives.

Members of the law enforcement must be sensitized and taught to desist from inhuman treatments towards their fellow human beings. Compulsory induction workshops for South African officers may reduce police brutality. Furthermore, high ranking officers who occupy

sensitive and responsible positions should desist from making remarks or utterances which may be perceived as supporting and justifying police brutality on foreigners. Commission of inquiry must be instituted by the president of the Republic of South Africa to investigate the allegations of police brutality as well as the lack of convictions against accused officers by the justice system.

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