

Nigeria And South Africa: A Study Of Unequal Investment Relations

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Abstract: *With advancement in Nigeria-South Africa relations, unequal investment became more apparent. South African businesses abound in Nigeria with Shoprite, MTN, Stambic IBTC Bank, Multichoice (DSTV), etcetera featuring prominently. Nigerian companies in South Africa are not dominant in any sector or have any noticeable spread in the economy. This study investigated the nature of Nigeria-South Africa unequal investment relations and factors that hinder Nigeria's efforts to balance them. The paper is a descriptive as well as qualitative study. Source and method of data collection were based on published online and hardcopy data, and realist theory of power served for explanation. Findings revealed that South Africa's investments in Nigeria enjoy favorable economic policies and conducive environment and receive enough patronage and profits from large Nigerian population. This situation is reverse for Nigerian companies in South Africa where restrictive laws and unfriendly government polices constitute major challenges. The unequal investment relations between the two countries are the outcome of the struggle to achieve national economic interests with multi-national corporations serving as the suitable tools. Unfortunately, Nigeria runs business deficit in the struggle. The paper recommended the need for good governance and review of Nigeria's foreign investment policies to make them more mutually reciprocal. In addition, government's efforts should focus more on self-investment, infrastructural development and diversification of areas of investment than on campaign for Foreign Direct Investment.*

Keywords: *Bilateral Relations, Nigeria-South Africa Relations, Unequal Relations, Investment, Unequal Investment*

I. INTRODUCTION

Nigeria-South Africa bilateral relations have, no doubt, lasted over decades. South African investments abound in Nigeria and are graciously flourishing. A look at South Africa's ventures in the Nigeria's communication sector is an epitome of the dominance of Mobile Telecommunication Network (MTN), a South African company at the fore front of the sector. Its ascendancy to the fore is over and above indigenous company like (GLO). South African Shoprite in Nigeria is boosting stronger, with its outlets located in, virtually, all major cities in Nigeria. Shoprite has continuously advanced in winning the minds of many Nigerians who prefer shopping in Shoprite to shopping in other trading malls or conventional markets. Many other South African investments are also in Nigeria gaining grounds and waxing stronger and

stronger. This is purely a clear indication that trade and investment conditions in Nigeria are favorable to South Africans, hence they take advantage of the Nigerian market (large consumer population) and government's advocacy for foreign investment to penetrate Nigerian economy. No doubt, Nigeria-South Africa investment relations are strong. The footing was initiated by former Nigerian President, Olusegun Obasanjo and his South African counterpart, former President Tambo Mbeki. Entrenchment of civil rule in Nigeria in 1999 played a major role in the overall friendship and mutual cooperation of the two sister Africa countries. As the rapport matured, unequal relations began to emerge. South Africans invested and reaped profits in Nigeria, while Nigerians invested and were confronted by restrictions.

A major significant factor in the relations is that Nigeria's investment policies are favorable to the South African

investors and hence, growth in South Africa's businesses in Nigeria. Yet, in South Africa, reverse is the case. So worrisome is the situation that Nebolisa (2017) observed that Nigerians in South Africa remain antagonized, marginalized and abused; and their investments do not enjoy favorable operational conditions. This is despite Nigeria's important financial and operational roles in the liberation of South Africa from apartheid.

Hence, the paper investigated factors that created unequal investment between the two countries with particular attention to factors that have prevented Nigeria from creating a balance.

II. METHODOLOGY

The study is descriptive as well as qualitative. It relied on documented evidence as source of data collection. The paper presented data in texts, tables and graphs and analyzed them qualitatively. Realist theory of power served as theoretical framework for explanation. The theory is an aspect of realist paradigm of international relation. It focuses on the struggle for power by nation-states as a way to satisfying their national interests. Machiavelli had earlier argued that man is, by nature, selfish. Since man runs the affairs of the state, state is also selfish. Hans J. Morgenthau (1967) believed that power was an outstanding instrument in the conduct of international relations. He saw power as man's control over the minds and actions of his fellow man. For him, power was therefore, a control of a man or a country by another man or country. Realist theory of power was a framework for explaining international relations. It believed that state was the central or primary unit of analysis in the international system, therefore, its focus is statist. Realists see the pursuit of national interest as the major motivational force to all national political actions (Eze, 2017). Realist theory of power maintained that if any country can achieve its foreign policy goals in the international system, there is need for power; hence power politics characterizes international relations. This comprises economic, military, technological, bureaucratic and socio-political powers etcetera. Hence, states struggle for power to achieve their national interests and international relations in realist perspective becomes the struggle for power in an anarchic international arena.

This particular standpoint of the realists has faced serious critiques following the obvious emergence and participation of non-governmental organizations, multi-national corporations and private international individuals in the international system. Multinational corporations, for instance, play major roles in the production and distribution of wealth of nations and some of them influence major government policies in their host state. Besides, relations among nations are not only for power struggle. There could be genuine assistance of a state by another; two powerful nations can as well cooperate, partner and have mutual friendship and benefits.

However, the theory demonstrated its strength on the importance of power in the international relations. It actually unveiled the motive behind behaviours of states in the system. The message was for states to be cautious in their interactions within the system because there was no central authority entrusted with legitimate control of behaviours of states in the

system. So, despite the above weakness, the theory remains a viable tool for explanation of relations among nations like Nigeria-South Africa unequal investment relations.

Applying the theory on the study, it is evident that South Africa, in the quest for economic expansion, made some groundbreaking attempts that expanded its investments to Nigeria with appropriate strategies. This resulted in the establishment and expansion of Shoprite, Stambic IBTC Bank, MTN, etcetera in Nigeria. This is a typical pursuit of South African national economic interest. It is made possible by South Africa economic, diplomatic and political powers and the pursuit is a continuous process to ensure consolidation and further expansion. Unfortunately, Nigeria was unable to, adequately, apply the struggle and use power to balance its investment relations with South Africa hence, this study.

III. BILATERAL RELATIONS

Bilateralism is the starting point of international relations. This is because relations across national boundaries start as soon as people from two countries interact. Continuous existence of states in this present era requires interdependence for states to benefit from the achievements of one another and make their successes mutually beneficial. Suffice it to say that no country is ever self-sufficient. For this reason interaction, cooperation, coalition, partnership and friendship among countries remain basic necessities in the pursuit of economic, political, social and cultural interest, among others across national borders. Bilateral relations are also necessary for the maintenance of peace and security between the countries involved.

The concept of bilateralism is the conduct of political, economic or socio-cultural relations between two sovereign states. The definition of the concept is opposed to the concept of unilateralism which connotes activity by a single state. It also contrasts the idea of multilateralism, which is a joint relation of multiple (more than three) states. The bilateral relationships of states stem or emanate from the recognition and agreement by two sovereign states or their people. States with bilateral ties usually exchange diplomatic agents such as ambassadors, high commissioners and other diplomatic personnel to facilitate dialogues, coalitions, interactions and cooperation.

In as much as cooperation must not be undermined as a major keyword in bilateral relations, competition and conflict are other possible variables. As such, bilateralism transcends across public, private, institutional as well as administrative spheres. European Economic Area (EEA) and Norwegian Financial Mechanism Committee (2017) captured it well. They state:

Bilateral relations between countries refer to political, economic, cultural and historical ties as well as people-to-people contact. Strong bilateral relations are characterized by cooperation between institutions and persons at administrative and political levels as well as in the private sector, academia and civil service society. Other elements of bilateral relations include trade and investment, cultural cooperation as well as general knowledge, understanding and public awareness about the other country and the ties existing between them (p4).

Though Nigeria-South Africa relations existed during the independence through military period, the birth of civilian rule in Nigeria according to Ogbonnaya, et al (2017) initiated a fresh start between both countries, with Nigeria considered as one of South Africa's partners in advancing the vision of Africa's political and economic renewal. This suggests that the civilian regime in Nigeria ushered in more friendly conditions for Nigeria-South Africa relations. Former President Olusegun Obasanjo of Nigeria and former President Mbeki of South Africa were seen to be instrumental to Nigeria-South Africa renewed relations. Since 1999, Nigeria's economic, political and social relations have continued to increase rapidly. Nigeria and South Africa signed agreements that attracted hundred South African companies into the Nigeria's economy (Bello and Hengari, 2013). South Africans have many firms operating in Nigeria; these includes Mobile Telecommunication Network (MTN), Shoprite, Multi-Choice, etcetera. Similarly, Dangote Group of Companies, which has its headquarters in Nigeria, exists and operates in South-Africa. Nigeria's First Bank, Union Bank and United Bank for Africa (UBA) equally exist in South Africa, though their activities are restricted to a great extent.

IV. NIGERIA-SOUTH AFRICA RELATIONS

Nigeria-South Africa relations means cooperation, interactions, trade, investment and agreements that exist between Nigeria and South Africa. The relations exist in all forms of interaction in mutual cooperation, partnership, friendship and agreements in various fields of human endeavour ranging from education, trade, sports, investment, and security to politics, agriculture science and technology. Onuoha cited in Ogbonnaya et al (2017), revealed that the first opportunity for Nigeria to implement its foreign policy on anti-colonialism was provided by the Sharpeville Massacre of 21st March 1960. During the incident a white South African police attacked South African blacks protesting against racial discrimination: an incident that led to the death of 70 blacks with many wounded, marking the beginning of Nigeria's diplomatic confrontation with South Africa Government. Nigeria was one of the foremost advocates of anti-apartheid movements, including the African National Congress; the Nigerian Government issued more than 300 passports to South Africans seeking to travel abroad. The then popular Nigerian musician, Sonny Okosun, wrote the hit song "Fire in Soweto" 'in 1977 to commemorate the 1976 Soweto uprising against apartheid in South Africa. The post-apartheid era, ushered in South African businessmen into Nigeria and a large number of Nigerians equally migrated into South Africa.

Like to Nigeria, the South African state is perceived as a major state actor in the Africa's international political and economic relations with Gross Domestic Product (GDP) of 349.42 USD in 2017, thereby making it the second largest economy in Africa after Nigeria. Games cited in Seteolu and Okuneye (2017) identified the prevalent features of Nigeria and South Africa relations as cooperation and competition to determine who benefit more. The relations center on what Landsberg (2012) described as volatility and tension in asserting their leadership roles.

On Nigeria-South Africa trade and investment relations, it is noteworthy that negotiations were held in October 1999 and April 2000 on the avoidance of taxation on income and capital gains, reciprocal promotion and protection of investment, co-operation in the fields of mining, geology, exploration and energy (Banjo cited in Ogbonnaya et al (2017)). Bello and Hengari, (2013) observed that Nigeria and South Africa signed an agreement that attracted hundreds of South African companies to the Nigerian economy. The South African firms operating in Nigeria include the Mobile Telecommunication Network (MTN), with above 60 million subscribers, Shoprite, Stambic Merchant Bank of Nigeria, Multichoice, Protea Hotel, etcetera. Oil, according to Nagar and Paterson cited in Seteolu and Okuneye (2017) represented 95 percent of Nigeria's export to South Africa. This implies that the main goods being exported to South Africa from Nigeria were crude oil. The South African Government in 2000 raised the volume of crude oil import from Nigeria, thereby suggesting an increase in economic relations (Ogoegbulam, cited in Seteolu and Okuneye 2017).

On Bilateral and political engagements, the Obasanjo and Mbeki administration inherited a debt-ridden Africa with its implications for stability, security and development. These administrations opted for economic diplomacy and African renaissance respectively to mediate development concerns in their countries. Obasanjo, Mbeki and the Algerian Leader, Abdelaziz Bloutefika attended the G-8 meeting in Japan in April 2000, and strongly canvassed for the forgiveness of Africa's debts. In 1999-2008, the negotiation on the platform of Bi-National Commission (BNC) led to 20 key elements to improve bilateral relations between Nigeria and South Africa. The relations turned edgy in 2008 with the xenophobic attack on Nigeria that raised questions on the historic friendship between the countries (Seteolu and Okuneye, 2017).

The political quagmire in Ivory Coast in 2011 created diplomatic tension between Nigeria and South Africa. Nigeria was opposed to the government of former President, Laurent Gbagbo, who refused to abdicate power after his defeat at election. Nigeria mobilized the West African forces to oust Gbagbo from power which contradicted the preference of South Africa for a political negotiation. The position of South Africa on that crisis was perceived as interference in a sub-regional issue and attempt to foster its African leadership agenda.

Nigeria lost about 137 citizens in South Africa, between 2014 and 2016. The then Chairman,, House Committee on Diaspora Matters, Hon. Rita Orji, condemned federal government's attitude towards the protection of Nigerians in diaspora, saying that the government paid more attention to remittances from citizens abroad than to their welfare. She accused the government of overprotecting the businesses and interests of South Africa in Nigeria at the detriment of Nigerians (Ogbonnaya, et al., 2017).

Nigerians doing business in South Africa complain of unfriendly business conditions despite the free hands given to South African investors in Nigeria. These issues came up as a result of disparity and inequality in Nigeria-South Africa relations. Nigeria emphasizes so much on the principles of cooperation while South Africa embraces principles of competition. Hence, Nigeria's approach finds expression in

idealism while South Africa dwells on realism. Nigeria believes that cooperation, partnership, friendship and diplomacy are the best ways of dealing with South Africa to achieve foreign direct investment and trade liberalization.

V. UNEQUAL INVESTMENT

As states, individuals and organizations advance in life, the need for more riches arises. To achieve this, it is pertinent to put human, material resources and time in use to make profit. The quest to achieve greatness and wealth in order to enhance quality standard of living has been a major trigger for investment. States and corporate firms have, therefore, been in search of fertile places to invest resources for immediate and future profits. Investment, to this end, becomes a necessity as well as vital for states and business organizations. To invest means to commit resources to profit-yielding ventures; for instance, investment in durable goods, in real estate, factories for manufacturing, in product management and in research and development. Buffet (2013) advised that a good investor strategy is long term and choosing the right assets to invest in requires due diligence.

Thus, mutual investments between states create competition for profit and achievement of foreign policy objectives. The target by each competitor is to achieve favourable balance of investment profit. However, a state that has better investment capital, personnel, strategy and management than the other usually has upper hand in competition and further expansion of business. Upper hand in investment, profit and expansion results in unequal investment and profit making. It leads to better achievement of foreign policy objectives for one and investment deficit for the other. It creates inequality in foreign exchange between states. Unequal investment occurs when disparity exists in mutual investment between two states as is the case in Nigeria-South Africa relations where South Africa has more investments in Nigerian than Nigeria does in South Africa.

VI. SOUTH AFRICAN INVESTMENTS IN NIGERIA

Apparently, South Africa has a number of investments that compete favourably in the Nigerian economy. The country enjoys favourable disparity in Nigeria-South Africa investment. The unequal relations in favour of South Africa is quite obvious and observable. Some of the major South African investments in Nigeria include:

- ✓ Mobile Telecommunication Network (MTN-Nigeria);
- ✓ Shoprite;
- ✓ PEP Retail Stores;
- ✓ MultiChoice (DSTV);
- ✓ Umgeni Water;
- ✓ Refresh Product;
- ✓ Stanbic Merchant Bank of Nigeria;
- ✓ South African Airways, etc.

A. MOBILE TELECOMMUNICATION NETWORK (MTN-NIGERIA)

MTN Nigeria is an affiliate of MTN Group, a leading world brand in telecommunications services in Africa and the Middle East. Incorporated in Nigeria in November 2000, MTN secured a license to operate digital (Global System for Mobile Telecommunications, GSM) telephone in February 2001 from the Nigerian Communication Commission (NCC). It began as the first network to make call on its GSM network in May 2001. The firm commenced its full operations in major cities of Lagos, Abuja and Port Harcourt and later expanded to six geopolitical zones in Nigeria. It continued to strengthen its confidence in its subscribers. The company continued to invest billions of dollars in fixed assets and facilities across the country. MTN remains the largest Foreign Direct Investment (FDI) in Nigeria telecommunication industry. MTN-Nigeria has its headquarters in Ikoyi, Lagos. It is the leading Telecommunication network in Nigeria (MTN-Nigeria, 2010).

MTN-Nigeria has continued to invest in Nigeria and contribute to the development of the telecommunication industry. In 2006, MTN commissioned a 3500 kilometer fiber optics super highway built at a cost of \$100 million which was then considered as the largest private super highway in Africa. MTN, as at December 2009, was reported to have contributed significantly to Nigeria's GDP and has committed over \$34 million to various sponsorships and Corporate Social Investment courses. As at 2017, MTN had above 63 million subscribers against GLO and other networks that comparatively have lower subscribers in 2017. See the table below.

Mobile Subscriptions by Carrier:

GSM	January	February	March
Airtel	34,666,765	34,832,181	34,656,605
Etisalat	20,521,952	20,188,214	19,621,806
Globacom	37,222,902	37,250,455	37,628,827
MTN	62,248,827	61,390,697	60,391,959
Total	154,660,446	153,661,547	151,999,197

Internet Subscriptions by Carrier:

GSM	January	February	March
Airtel	19,618,485	19,468,684	19,423,760
Etisalat	13,564,284	13,296,999	13,008,481
Globacom	27,076,272	26,932,485	27,021,200
MTN	31,015,405	30,300,705	30,519,351
Total	91,274,446	89,998,873	89,972,2792

Source: Nigeria Telecommunication Sector Report-Q1 2017

Figure 1

The above table shows the rundown of the mobile subscribers in the first quarter of 2017. In the table, however, MTN subscribers reduced in February and March, 2017; it was not significant as the network company still topped the list with a very reasonable figure.

B. SHOPRITE-NIGERIA

The story of the Shoprite group began in November 1979 with Pep Stores' purchase of a small 8-store Western Cape grocer with less than 400 staff members and a value of R1 million, named Shoprite from the Rogut Family. It has its headquarters in Brackenfell, Cape Town, South Africa.

Shoprite operates 2843 outlets in 15 countries across Africa and Indian Oceans Island, employing over 147, 478 people. The group continues to seize new opportunities for growth and even greater success in years to come (Shoprite, 2018). Shoprite is the Africa's largest food retailer.

Shoprite Holdings Limited is a public company listed on the Johannesburg Stock Exchange, with secondary listing on both the Namibian and Zambian Stock Exchange. As of 2018, the Shoprite groups employed over 147,478 people, having 2,676 additional jobs in the reporting period. It previously reported that 23, 500 of the total staff complement worked outside South Africa.

Shoprite started its operation in Nigeria in December 2005 when it opened its first outlet at the Palm Shopping Center along Lekki Expressway, Lagos and today, it is regarded as the place to shop in Lagos. It offers different ranges of products for haircare, babies, fruits & vegetables, butchery, deli, small appliances, toys/parry etcetera. The company has its Nigeria head office in Palm Shopping Centre, Victoria Island, Lagos and another outlet in Surulere, Lagos-Nigeria. Apart from its outlets in Lagos, it has since 2005 expanded its outlets to Anambra, Delta, Enugu, Kwara, FCT-Abuja, Kano and Oyo States.

Kayode Oguntuasa of the Nigerian High Commission in Pretoria cited in Chidozie, Olanrewaju and Akande (2014) gave an insight into the expansion strategy of Shoprite in Nigeria market:

The economy of South Africa is saturated and that is why its firms are looking outside for prospects; for instance, Shoprite wants to have 300 more new outlets in Nigeria; they have concluded this feasibility studies before arriving at that decision; Nigerians high purchasing power and the growth of her middle class will sustain that vision (p 431).

The above caption indicates that South Africa has been so much occupied with such businesses as Shoprite and as such Shoprite extended its reach outside South Africa. This may not be number one reason for siting such company outside its parent country. Business is preoccupied with profit making. A company can site its branch anywhere it considers more profitable. A particular business can flood a place, yet the growing population attracts more investments to meet up with demands, particularly when political and other economic environments are conducive.

As it continued with its expansion strategy, Shoprite influenced Nigerians. Though the investment may be adding value to Nigerian consumers, its effect on the conventional market scheme is not compromised. Nigerians have regarded Shoprite as their top shopping mall and preferred shopping there to shopping in the open market, because they have variety of their needed products under one roof and in a cleaner and better physical environment like large parking lots, cemented and fenced compound and easy payment methods. South Africa's investments thrive in sectors where they exist in Nigeria. The case is the same in Nigeria banking sector.

C. STANBIC MERCHANT BANK OF NIGERIA

Stanbic IBTC Bank PLC emerged from the merger of Stanbic Bank Nigeria Limited with IBTC Chartered Bank Plc

in September 2007. IBTC Chartered Bank was itself a merger of three institutions, namely Investment Banking and Trust Company Plc, Chartered Bank Plc and Regent Bank Plc. IBTC was a Private Limited Liability Company incorporated and licensed in February 1989. Its merchant banking license was converted to a Universal Banking License in January 2002, pursuant to the universal banking framework of the CBN. In 2005, IBTC became a public company and its shares were listed on the Nigerian Stock Exchange. It became a commercial bank following CBN's regulation on scope of Banking Activities and Ancillary Matters No 3, 2010 (Stanbic IBTC Bank, 2014).

Stanbic IBTC Bank flourishes and competes favourably well with top Nigerian banks since its confirmation and competing favorably. Stanbic IBTC Commercial Paper Issue Business Profile (2014), shows that the bank has a total of 180 branch locations and a total of 338 ATMs across Nigeria. In 2015, it made an operating income of N104, 418,000 and N10, 754,000 from its company, profit before tax of N15, 367,000 and N9, 590,000 from company, profit after tax of N3, 562,000 and N9,791,000 from company, net interest income of N32,929,000 and a total of N1,000,822 and N81,559,000 assets from company (Nebolisa, 2017).

South Africa's investment invasion of Nigeria's economic sectors does not stop with Stanbic IBTC Bank. In the television entertainment industry, South Africa's DSTV is a major contender.

D. MULTICHOICE (DSTV)

MultiChoice Nigeria Limited started operations in Nigeria in 1993 as a joint venture between Adewumi Ogunsanya and MultiChoice Africa Limited (MultiChoice Africa). MultiChoice pay TV Group has since become a significant part on Nigeria's broadcasting landscape providing Satellite (DSTV brand), Digital Terrestrial Television ("DTT", GOTV brand), online and mobile and various value added services. It has over 1,400 employees in Nigeria and supports a distribution network of over 7,700 agencies, sales representatives and retail outlets (MultiChoice Corporate Affairs, 2016).

MultiChoice Pay TV Group's aggregate economic impact within the period 2011/2012 to 2014/2015 is estimated to equal around \$1.1bn. MultiChoice Pay TV Group's aggregate is estimated to have supported \$387.6m of Nigeria's GDP in 2013/14 and \$322.0m in 2014/15, more than double of the contribution of \$138.3m in 2011/2012. This indicates that MultiChoice is seriously contributing to the economy of Nigeria and it is helping to minimize the unemployment rate in the country (MultiChoice Corporate Affairs, 2016).

DSTV, over the years, has dominated the Nigerian entertainment industry and has become number one in terms of cable services in Nigeria. As a major force in Nigeria television industry, DSTV provides for 90% of the viewers that watch satellite TV in Nigeria between 2005 and 2009. This made DSTV grow into the sixth largest company listed on Lagos Stock Exchange (Ogbonnaya, Ajah, Madueke, and Chukwuma, 2017)

Ugbe (2016) revealed that Nigerian film industry is the most vibrant in terms of volume, contributing an equivalent of

N9 trillion (\$45m) total earnings as part of the entertainment industry. The essence of this is that, Nigerians are so much passionate about movie entertainment.

VII. NIGERIA'S INVESTMENTS IN SOUTH AFRICA

Nigerian investments equally exist in South Africa, though the quantity, quality of performance, mode of operations and conditions for existence vary significantly. They include:

A. FIRST BANK OF NIGERIA

First Bank is a Nigerian multinational bank and financial services company that has its headquarters in Lagos. It is the biggest bank in Nigeria by total deposit and gross earnings. It was founded in 1894 as Bank for British West Africa by Alfred Lewis Jones, but was renamed First Bank of Nigeria in 1979. First Bank operates a network of over 750 business locations across Africa and United Kingdom. In 1982, First Bank opened a branch in London, which it converted into a subsidiary of First Bank of Nigeria (UK) in 2002. The bank specializes in retail banking with its largest retail client base in Nigeria. First Bank was awarded the Best Retail Bank in Nigeria in 2015 by the Asian Bankers. The award made it the fifth year the bank was winning the award consecutively (First Bank of Nigeria, 2018).

In its expansion process, First Bank established, in 2004, a branch office in Sandton, South Africa. Mr. Jacobs Ajekigbe, the bank's chief executive, explained that the move was to enhance the bank's visibility in the global market, facilitate business transaction with South African institutions and identify and explore new businesses within the emerging marketing of the bank products and services. On the contrary, Nigerian banks are only allowed to operate retail banking services in South Africa (Proshare Markets, 2005)

First Bank of Nigeria's representative office in South Africa was set up to capture trade-related business between geographical areas. The bank was not given a license to give full financial services in South Africa. Profit making for this becomes very hard, let alone competing with the other top South African Banks. This is applicable to other Nigerian Banks like UBA and Union Bank in South Africa. Nebolisa (2017) observed that First Bank established its representative office at Johannesburg in 2004 only to render direct services to customers without exchange, transfer, or assets and of course no profit.

B. GLOBACOM NIGERIA LIMITED (GLO)

Globacom Nigeria Limited is a Nigerian multinational telecommunication company. It is a private-owned telecommunication industry that has its headquarters in Lagos, Nigeria. The founder and chairman of Globacom Nigeria Limited is Mr. Mike Adenuga. It started its operations on 29 August, 2003 in Nigeria and has expanded to Republic of Benin, Ghana and Cote d'Ivoire. Globacom had a total revenue of \$1.178 billion in 2013. Globacom does not have a license to establish in South Africa (Ngcareers, 2013).

Globacom Nigeria limited revealed that GLO is not in South Africa. Only GLO roaming is made available there. Roaming allows prepaid customers to make and receive calls on GLO number outside Nigeria depending on the roaming agreement. This is unlike MTN which is fully internalized into Nigerian communication system and has taken a lead among other networks in the country. In fact, South Africa's MTN has obviously dominated Nigeria's telecommunication sector Globacom cited in Nebolisa (2017).

C. DANGOTE GROUP

Dangote group of companies is a Nigerian multinational industry founded by Aliko Dangote in 1981, with headquarters in Lagos, Nigeria. The company stands as the largest corporation in West Africa and one of the largest on the African continent. Its products include cement, salt, sugar, flour, steel, oil and gas, and packaging. Dangote cement is the largest cement production company in Africa. It has subsidiaries in Benin, Cameroon, Nigeria, South Africa and Zambia. Dangote Cement was founded in 1992. Dangote Cement Company, with its extension to South Africa, entered into joint venture with JSE-listed Sephaku cement in South Africa. Dangote cement owns 64% of the project, with Sephaku Holdings owning the remaining 36% share. The total share of Dangote Group originally was 19.76% until 15 October 2010 when the share was increased to 64% after the concluded deal of the Sephaku Stakeholders' meeting. Proshare Markets (2005) observed that Dangote industries limited (DIL) has formally increased its stake in Sephaku Cement (Pty) limited which is based in South Africa from 19.76% to 64%. The transaction, which comprises a R779 million investment into Sephaku Cement by Dangote, is the largest ever foreign direct investment (FDI) by an African company in South Africa. This indicates that Dangote Cement wields enough influence in South Africa cement industry.

D. OANDO PLC

Oando is an African indigenous energy company operating in the upstream, midstream and downstream. It was founded in 1956 and has its headquarters in Lagos, Nigeria. The origin of Oando could be traced to the formation of Esso Africa in 1956. Esso Africa was petroleum marketing company and a subsidiary of Exxon Corporation of USA. Its establishment was to increase availability of petroleum products in the hinterland. In 1976, the Nigerian government purchased a controlling stake in the company as Unipetrol Nigeria.

Oando products include oil petroleum, natural gas, petrochemical, fuel and lubricant. Oando has its primary listing on the Nigerian Stock Exchange and a secondary listing on the South African Stock Exchange. Oando is the first African company to have a cross-border inward listing on the Johannesburg Stock Exchange. Oando is the largest indigenous oil company with a production output of 42,000 BOEPD, enterprise value of N520 billion and market capitalization value of N5.1 billion.

In its quest for expansion, it enlisted in South African Stock Exchange and has its office located at Sandton Guatang

in South Africa. Oando was registered as an external company in South Africa on 1st November 2005. The company stands to comply fully with the listing requirements of the JSE on an ongoing basis; save such requirements contravene the Companies and Allied Matters Act Cap C20 laws of the Federal Republic of Nigeria 1990, as amended (Oando, 2005). The reasons for the secondary listing in the JSE was to enhance South African investors' awareness of Oando for an enlargement of Oando's potential investor base and increase trade in its shares, facilitate direct investment in Oando by South Africans, among other reasons.

VIII. NIGERIA-SOUTH AFRICA UNEQUAL INVESTMENT

Here, unequal investment indicates imbalance in the investment between Nigeria and South Africa. It is a disparity or inequality in investment relations of the two countries. Imbalance between states' businesses could be measured through the number of investments they have and how well and successful these investments are doing. The success is measured by profit. Unequal investment relations, especially as they concern two countries, have been an issue that draws concerns in international relations. Below is the imbalance in Nigeria – South Africa investment.

Industry	S. A. Investments in Nigeria	Nigerian investments in S.A.
Communication (Telecommunication and TV Pay)	In communication industry, S.A. has MTN as a strong network provider in Nigeria Telecommunication Industry. MTN has a total of 60,391,959 mobile subscribers against its Nigerian-owned Globacom contender that has a total of 37,391,959 mobile subscribers in march 2017.	The only Nigerian communication company that was supposed to exist in South Africa is Globacom , though it was not given an operating license, rather it is only its roaming service that exists in South Africa. Roaming only enables Nigerian subscribers in South Africa to make and receive calls. Of course, no gain or loss
	MultiChoice (DSTV) dominates in Nigeria Pay television Sector with more than 90% of Nigerian TV subscribers patronizing them. Its contribution to Nigerian GDP in 2014/15 as \$322.0m	
Banking	Stambic IBTC Bank is a South African bank that was given a franchise to operate in Nigeria as a merchant bank. In 2015, it made a total operating income of N104, 418,000, with a profit after tax of N15, 367,000. This made it stand a chance of	First Bank of Nigeria, which has its representative office in South Africa has no such franchise to provide banking services in South Africa. It has and sells no products and no gain. It just exists to facilitate business activities of both countries by providing

	competing with its counterparts in Nigeria.	direct services.
Oil and Gas	Nil	Oando oil company has its branch in South Africa. JSE is its secondary stock exchange after Nigeria which is the first in the listing.
Retail	South African Shoprite dominates the Nigerian retail industry. Nigerians patronize Shoprite more than any other store in the country. It is the Nigerians' first choice in terms of foodstuffs and other retail services.	Nil
Building Materials	Nil	Dangote Cement industry became pronounced and waxed strong in South Africa. It dominates its partnership with South African cement company called Sephaku cement company with 64% share, while the South Africa's has the remaining 36%.

Source: Authors' extracts from First Bank Nigeria (2018), MTN (2010), Nebolisa, (2017) Proshare (2018) and Standbic IBTCs (2018).

Figure 1

The above table is a comparative breakdown of the South African investments in Nigeria and Nigerian investments in South Africa. The table shows that Nigerian investments in South Africa generally enjoy no such freedom and business franchise as South African investments in Nigeria do. It is only Dangote Cement industry that is doing favorably well in South Africa, seconded by Oando oil company. The situation is so due to the following factors:

IX. FACTORS THAT CREATED SOUTH AFRICA-NIGERIA UNEQUAL INVESTMENTS

A. GOVERNMENT FOREIGN POLICIES

Nigerian foreign policies are made subtle and friendly to accept foreign direct investments. On the other hand, South Africa has become more restrictive towards foreign investors.

B. POPULATION FACTOR

Investments in Nigeria enjoy the advantage of Nigeria's high population and fertile nature of Nigerian market to flourish. South African population is relatively small compared with Nigerian population, and as such does not attract investors as Nigeria does.

C. NATURE OF NIGERIA-SOUTH AFRICA ECONOMIES

Nigeria's mono-dependence on oil narrowed domestic expansion of production and created room for the

establishment and expansion of foreign investments. On the contrary, South Africa's economy is multi-sector productive and this narrowed the gap for foreign investment and expansion.

D. INNOVATIVE NATURE OF SOUTH AFRICAN INVESTMENTS IN NIGERIA

South African companies in Nigeria offer more innovative businesses and services to Nigerians compared to what they met on ground. This, therefore, attracted impressive patronage from Nigerians. For instance, Shoprite offers multiplicity of items for sale in a shop and uses POS and other services to facilitate purchases.

E. SOCIAL ENVIRONMENTS

Nigerians are more friendly and receptive to foreigners than South Africans. Xenophobia against Nigerians in South Africa is an epitome of hostile social environment. Social discrimination in South African has not died completely. Racism/Apartheid has created a discriminatory character that may take time to disappear.

X. CONCLUSION

It is evident that Nigeria-South Africa investments are purely and apparently unequal and imbalanced. Though Nigeria might have helped South Africa so much in its struggle against apartheid, with the emergence of South Africa as one of the contending forces in Africa, that relationship did not remain the same. Rather, Nigeria-South Africa investments and general relations assumed realist theoretical colouration where struggle for power to achieve foreign policy objectives became the determining factor. Unfortunately, Nigeria's application of this theory in South Africa lack strength to make headway unlike South Africa that paved its way through Nigeria's foreign policy and economic machineries and enjoys better investment and business atmospheres. This paper investigated the disparity in the relations. It is obvious that factors which orchestrated the imbalance are multidimensional. While some are natural, others are socio-economic and political issues. The paper cannot overemphasize the dynamics of government policies and socio-economic realities of the two countries that played major roles in creating the imbalance. Nigeria records deficit both in investment and profit generation when compared with South Africa.

However, the impact of South African investments in Nigeria is not totally bad or negative. This is obvious as Nigerian citizens find South African companies interesting and have chosen to patronize them. The companies also help to minimize unemployment in the country by employing some Nigerian citizens in their companies. It is also worthy of note that Nigerians' choice of South African companies for patronage is partly as a result of not having Nigerian equivalents of such companies.

On the natural aspect, Nigeria's population, as the largest in Africa, created fertile advantage for South African

companies for profit making, and as such Nigeria become an attractive place for investment and many South African companies utilize the investment opportunity.

XI. RECOMMENDATIONS

Having presented and analyzed relevant data on the issues under investigation, the study made the following recommendations as corrective measures to Nigeria's investment deficits:

- ✓ Quality of governance in Nigeria needs to be improved to curb corruption, build infrastructure, and diversify indigenous economic production.
- ✓ Nigeria-South Africa Trade and Investment relations policies and agreements need to be reviewed to embody reciprocal gesture and enhance mutual cooperation and interaction.
- ✓ Nigeria's clamour for Foreign Direct Investments needs to be minimized and establishment of indigenous companies encouraged.
- ✓ Nigerian government should assist Nigerian companies to overcome the challenges of South Africa's restrictive investment policies. As such, reciprocal policies should be encouraged in the Nigeria-South Africa investment relations.
- ✓ Finally, Nigeria has to embrace global best practices and standard in investment, governance, production and international relations with great focus on improving varying sectors of Nigerian economy and culture.

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