

EMERGING ISSUES IN POST-BREXIT BRITAIN AND NIGERIA RELATIONS

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Abstract

In recent Times, President Muhammadu Buhari and a great lot of Nigerian people, especially Nigerians in the Diaspora alike hoped for golden times of rediscovered but deeper and partner-like post-Brexit relations. Nigerians in diaspora considered Brexit as an opportunity for Nigeria to harness human capital development in Britain. it is open to question what UK could offer which other competitors such as USA, Russia, France, China and India do not have already on their agenda. Brexit favours economic nationalism, mercantilist doctrines of protectionism and an emphasis on national interest over international interest. It has consequences which suggest a resurgence of political realism; this is contrary to the liberal undertones of the European Union. It is against this backdrop that this paper addresses emerging issues in post-Brexit Britain and Nigeria relations. The paper adopted qualitative research design as data were collected from secondary sources. The technique of content analysis was applied to analyze the data collected which helped us to make interpretations coherently. This paper adopted the contagion effect theory as theoretical framework of analysis. The paper concludes that Brexit decision is fraught with political, economic, immigration and security implications that would spread far beyond its borders. The paper therefore recommends among others that Nigerian government should ensure mutual interest in the post-Brexit trade relations to be negotiated and a more liberal attitude on all fronts is required to promote progressive trade partnership between Nigeria and Britain.

Keywords: Brexit, Britain, Nigeria, European Union, trade partnership

Introduction

The major concern of Nigerian analyst and academic scholars is currently not Britain withdrawal from the European Union (EU), but the aftermath of the Brexit on the existing cultural, diplomatic and trade ties between the United Kingdom (UK) and EU, between the UK and the Commonwealth Nations as well as between UK and Nigeria. Thus, Britain-Nigeria relations in post-Brexit era constitute an interesting and important research era for Nigerian scholars because no other country has as much influence on Nigeria the way Britain does. Even though there have been instances of occasional misunderstanding and disagreement between the two nations over certain knotty issues, the fact remains that Britain is Nigeria's closest ally. According to Abuko (1986) pp 274-275), since 1860 when Britain granted political independence to Nigeria, "the Anglo-Nigeria relations have been characterized by some elements of continuity and change. Several factors account for the continuity in which sometimes strained and other times cordial relations between the two countries. These factors include cultural, economic, military, membership of the commonwealth and ideological orientation of the Nigerian ruling elite". In the area of cultural ties, Britain bequeathed to Nigeria the English language which has remained the lingua franca in the country up till today.

In August 2018, the then Prime Minister Theresa May, on her tour to Nigeria, Kenya and South Africa boasted of protesting nascent African industries with its post-Brexit policy in contrast to the EU's economic partnership agreements (EPAs). She unveiled in Abuja, Nigeria proposals to create the first UK-African Fintech partnership in Lagos, Nigeria. Britain is a leading global hub for financial Technology (Fintech) which contributed over \$5Billion to the UK economy yearly and Nigeria is at the forefront of the Fintech innovation in Africa. Also, at the UK-Africa investment summit in 2019, the UK announced investments worth over N150Billion on projects to improve Nigeria's physical infrastructure. Today, it's Department for International Development (DFID) listed over 46 active projects in Nigeria ranging from solar energy to humanitarian assistance in the North East geopolitical zone of Nigeria suffering from Boko Haram insurgency (Editorial, Business Traffic, 2020). However, Britain promised that least developing nations world get special preferential access to the UK post-Brexit, but the bilateral relations, especially with the most important African player (South African, Nigeria, Ghana and Kenya) have not been without tensions. For instance, a major issue of content with repercussions

up to date was the Britain protection of Shell-BP investment during the Nigeria civil war from 1969 to 1970 (Uche, 2008). Besides, Nigeria was not on the list of African countries to benefit from the special preferential access to the UK post-Brexit as is the case in the EU Now. Without doubt, the Great Britain will remain one of Nigeria's top foreign investors, but its promises might be a hard sell considering the long-standing and successful bilateral relations of the new entrants (China and India) with Nigeria. Therefore, it is open to question what UK could offer which other competitors such as USA, Russia, France, China and India do not have already on their agenda. Moreover, Brexit favours economic nationalism, mercantilist doctrines of protectionism and an emphasis on national interest over international interest, and its consequences suggest a resurgence of political realism which is contrary to the liberal undertones of the EU. It is against this background that this paper addresses emerging issues in the post-Brexit Britain and Nigeria relations.

Conceptual Framework

Brexit is "a coinage that signifies Britain's exit from the European Union (EU) to which it has been a member since 1973 during the conservative government of Prime Minister Edward Heath" (Dadu, 2019 cited in Igbini, Oluka & Oharisi, 2020, p. 2). Similarly, Ogbinyi and Okereke (2020, p. 306) conceptualize Brexit as "a working term used to describe the decision of Britain/UK to exit/leave the European Union (EU)". The EU is politico-economic Union of twenty-eight (28) countries that promote ease of trade and free movement of citizens between member states.

The member states include Britain (UK), Italy, Germany, Luxemburg, Belgium, France, Denmark, Greece, Netherland, Spain, Ireland, Finland, Cyprus, Estonia, Austria, Hungary, Sweden, Lithuania, Malta, Slovakia, Romania, Portugal, Bulgaria, Croatia, Poland, Latvia, Czech and Australia (Sraders, 2018). UK's membership of the EU can be traced back to her membership of the European Communities (EC) comprising of the European Coal and Steel Community (ECSC), European Atomic Energy Community (EEC).the Treaty of Rome in 1957 by 28 European counties established the EC. In 1961, Britain applied to be a member of the EC and by 1973 Britain was granted membership into the community. The Maastricht Treaty established the European Union in 1993. After its formation, particularly in 2009, the European

Union absorbed the European Communities institutions into her wider framework and the community ceased to exist. Therefore, Britain became a member of the European Union.

The European Union (EU) according to Ogbinyi and Okereke (2020, p. 307), was set up as “a leading agent of peace, an antidote to the extreme Mercantilism, Nationalism or Realism which pervaded Europe, causing bloody wars between neighbours, and which culminated in the second world war II. The philosophical root of the EU is liberalism, a doctrine of international political economics incubated by David Hume and later developed by Adams Smith in his ‘Wealth of the Nations’. For liberals, the goal of economic policy is to create a maximum total wealth by achieving optional efficiency”. Thus, the EU aims to develop an internal single market through a standardized system of laws and bring about political and economic integration, cooperation and interdependence among member states for the promotion of peace and the liberalization of trade. That is, opposing tariff barriers, sanctions, domestic subsidies and other economic tools that distort the free flow of trade and investment capital, a goal which was mutual with that of Britain.

However, Gadu, 2019 cited in Igbini *et al.* (2020, p. 2) affirms that “since Britain entry into the EU, its relations with the EU has been highly acrimonious due to some differences ranging from immigration, agriculture, financial and monetary to governance policies. As a permanent member of the UN Security Council (UNSC) and a prime mover of the commonwealth of English-speaking countries, Britain has always found itself being caged by European Union’s policies. Outlining its grievances upon Brexit, Britain stated immigration and economic control as the major reasons for exit”. On immigration, Daily Trust Nigeria (2020, p. 13) notes that “UK has often times experienced alarming growth or up surge of immigrants from eastern European countries who were taking advantage of EU to live and work in Britain which the British government argues that it has mounted pressure on the provisions of social amenities as well as creating unnecessary competition between its citizenry and the foreigners. On the economic front, the government felt constrained by the strict economic policies of the EU which limited UK’s ability to take advantage of emerging economic opportunities in a changing world”. Moreover, Dennison and Carl, (2006, p. 1) affirm that “there are more remote causes to the Brexit vote than the immediate causes such as xenophobia and dissatisfaction with Britain’s EU

membership presented by many analysts. They further explain that first, Britain is the least well-integrated EU member state, essentially the least European country and has a comparatively less European self-identity and lower trust in the EU. This is a fact that stems from certain historical features, namely, Britain is the only occupied during the second World War II, it has its own common law and legal system which contrasts with the civil law system of continental Europe; it has an established church which caused most Britain Christians to own their allegiance to a national institution headed by the Monarch, rather than to an international institution headed by the Pope and Britain is an island whose surrounding waters have partially isolated it from cultural development on the continent.

According to Irwin (2015, p. 6) and Ogbinyi and Okereke (2020, p. 312), “the impact of Brexit on Britain include but not limited to the following; “the UK becomes less attractive as a gateway to European, as a base for corporate Head Quarters and as a location for investment from European; the UK loses influence over EU regulation without gaining much freedom to regulate independently; the UK gains flexibility over industrial policy, but loses the benefits from scale and influence; the UK will find it harder to resolve trade disputes and the UK will lose the benefit of being able to influence both in and through the EU, impacting on economic and foreign policy interest”. Also, the UK may not participate in future steps that the EU takes towards deeper integration and the reduction of non-tariff barriers within the European Union and Brexit would lower Britain’s living standards in the nearest future. notwithstanding, Riley and Ghiles, 2016 cited in Ogbinyi and Okereke 2020, p. 312) argued that “Brexit may mark the beginning the end of the European Union as we have known it. The process of Britain exit from the union is likely to fragment union solidarity, opening up fissures that will be difficult to close”.

Post-Brexit Britain-Nigeria Relations: Emerging Issues

Nigeria has been actively involved in the negotiation for a new international economic order with a view to adequately address the economic plight of the peoples of the third world. Therefore, “Nigeria has been playing an active role in UNCTAD and in the various conferences of the now moribund non-aligned movement aimed at getting a better deal with the developed North at the world market. Among other things, the Third world is demanding the transfer of technology and

other resources from the developed world to their own areas, an abolition of discriminatory import restrictions of the manufactured goods of the south and justifiable prices for their primary products” (Osunyikanmi, 2019, p. 214). In the struggle for a new Nigeria and a just world order, Nigeria had expected UK to show sympathy for, and cooperation with the poor south. Although, economic exchange between Nigeria and Britain have so far been more beneficial to Britain, yet, it only goes to show that Nigeria’s political elites have a lot to do to be able to measure up to the development efforts and productive capacity of Britain, the Nigeria’s former colonial master.

In 2017, the UK government claims that it will protect nascent African industries with its post-Brexit trade policy which is supposed to stand in stark contrast to the EU’s economic partnership Agreements (RAS-APPG, 2017). However, Kohnert (2018, p.121) posits that in “the case of a hard or ‘no-deal’ Brexit, African countries will no longer have preferential access to the UK if London does not succeed in negotiating new bilateral agreements with African governments in advance. The exclusion from preferential access to the UK holds not just for signatories of the Economic partnership Agreements (EPAs), but trade agreement and the EU general system of preferences, including the duty-free and quota-free market access under the Everything but Arms Initiative (EBAI). Major adverse consequences are predicted for countries such as south Africa, Nigeria, Egypt, Kenya and Mauritius as the UK accounts for appositely 25 to 30 percent of their exports to the EU”. These include economic, political, security and immigration barriers.

Notwithstanding, a great lot of Nigerian people and the Nigerian in the Diaspora Commission (NIDCOM) sees Brexit as an opportunity for Nigeria to harness human capital for her development in the UK. According to them, Nigeria should key into this by sending trade delegations to Britain to bring her investments in human capital home (Taiwo-Obalonye, 2020). Also, on 20th January, 2020, President Muhammadu Buhari shared Johnson’s vision of unleashed trade within the commonwealth and with the UK. He maintained in an article titled “A New case for a commonwealth based on Trade’ that “the long-standing bilateral relations between Nigeria and Britain had been confirmed among others by the 2018 bilateral security pact and collaboration in anti-trafficking. A new free trade agreement would present new opportunities for both country, notably, because Nigeria’s economy would have a great deal of offer’ Nigeria’s

vast natural energy and mineral resources, unbarred through the ending of customs barriers, could help supply the much-needed growth stimulus for UK-companies. Nigeria, with her diverse traditions, languages, religious and historical backgrounds is naturally predisposed to a mixed economy like Britain's economy. Greater access to the UK would also give a stimulus to one of the world's fastest expanding consumer groups with considerable purchasing power, the Nigerian middle class. On the other hand, the greater engagement of the UK in Nigeria's economy would bring jobs to under-tapped sectors such as agriculture and manufacturing. Millions of highly skilled, English-speaking but underemployed young Nigerians, were eager to work but hitherto without the opportunities that foreign investment could bring to create jobs and build businesses" (Kohnert, 2020, p. 11). This provides for shared interests, aspirations and hopes between the two countries.

The UK-Africa Investment Summit (UAIS) in London in January 20, 2020 provided premier Johnson with the opportunity to explained his vision of an enhanced partnership with African countries in post -Brexit era. However, Nigeria and the UK are not close trading partners. Nigeria accounts for less than 0.5% of the UK's trade, and it receives less than 3-4% of Nigeria's goods trade. On the contrary, UK trade is dominated by China (15%), India (12%), Netherland (18%) and the US (8%) which also account for around 40% of Nigeria total goods trade. More so, Nigeria follows a strategy of import substitution and 'catching-up-development' and thus prefers to strengthen its manufacturing sector itself rather than to help UK to boost its manufacturing sector and exports within the framework of a post-colonial division of labour where the former colony would serve as supplier of raw materials, notably, oil and oil products which still accounts for 98% of Nigeria's exports to the UK. Now, Nigeria offers to extend its agricultural exports to the UK which languished about 2% up to now, but unfortunately, agriculture is probably the last sector to which the UK would be opening up its borders. It would rather continue to protect its farmers as it had done in the past of the long history of joint UK and EU agricultural protectionism within the framework of Common Agricultural policy (CAP). Although, UK promised that least developing countries would get special preferential access to the UK post-Brexit, but Nigeria was not on the list of African countries such as Benin, Senegal and Angola that was labelled as a least developing countries to which such a treatment would apply (Editorial, Business Traffic, 2020; Kohnert, 2020, p. p.).

However, Kohnert, 2018, p. 120) posits that “Brexit trade regime may result to increase ambiguity, but it may also increase resilience and generate new opportunities and investment for UK and its allies Africa Commonwealth countries, including Nigeria. Since UK provides the biggest, market for exports for African Commonwealth counties, there is the possibility that UK will enhance its trade relations with Nigeria”. In analyzing the possible salient challenges in post-Brexit relations between the Britain. The EU and Africa, Kohnert, (2020, p. 16) allude to “a change or shift in market access, foreign direct investment, aids, security and nature of the new partnership hat is likely to emerge as the major challenges in the post-Brexit times.!! In fact, Brexit constitutes a retrograde step in promoting a political and socio-cultural climate which could in the worst case become similar to that of Apartheid South Africa. For instance, in policing borders and forming a reserve-pool of migrant labourers which can be admitted or not, depending on the ‘national interest’, this depriving this globalizing ‘lumpen-proletariat’ of basic individual civilian rights, declassifying it terms of racist, religious and gender, and denying basic rules of the global free market of goods to human beings. The ultimate outcome of all this might very well include severe conflicts within the state and between states when radical right-wing nationalist start to defend their perceived legitimate interest with violent means, including neo-fascist militias like in pre-war Europe in the 1920s. the backlash will not be a long time coming. Activists among the segregated foreigners and infidels will turn to asymmetrical warfare, labeled as ‘terrorism’ by the populist majority (Frost, 2019, pp 196-197) unarguably, these emerging issues are likely to impact negatively on the existing ttrade relationships between Britain and Nigeria and to other EU member countries. This is because ‘self-preservation, not love, is the strongest force on earth.

Theoretical Framework

While there are several theories which might prove appropriate for a discourse of this nature, the contagion effect theory present us with a heuristic tool for interrogating the central issue of the paper. Based upon the work of Ogbinyi and Okereke (2020, p. 310), contagion effect theory rests on the assumption that there is “a possibility of the spread of market change or disturbances from one regional market to others; a diffusion of either economic booms or economic rises throughout a geographic region as a result of market interdependence. In economics and finance,

a contagion can be explained as a situation where a shock in a particular economy or region spreads out and affects other economic or regions by way of price movements (increase or decrease). Contagions are likely to occur among developing countries or emerging markets and is often exacerbated by ‘asymmetric information’. Asymmetric information refers to as information failure and it is present whenever one party to an economic transaction possess greater material knowledge than the other party”. This apparently manifests itself when the seller of a goods or services has greater knowledge than the buyer, and possibly vice versa. This is to say that the larger or more established markets are, the better able to deal with financial contagion than developing economics.

The phenomenon has been functionally evident in history, but “the term ‘contagion’ first emerged during the 1997 Asian financial market crisis when the Thai-baht collapsed and market shocks quickly spread to nearby East-Asian countries, resulting in widespread currency and market crisis in the region. Also, some of the instances of contagion surfaced in 1825, a banking crisis that originated in London in the Bank of England sparked a stock market crash that later spread to the rest of Europe and eventually Latin America. The contagion effect in an integrated global economy is also exemplified in the global great depression of 1930 caused by the 1929 US stock market crisis”. Another contagion effect in an integrated global economy is the corona crisis originated from China. Post-Brexit policies would offers fewer opportunities for commonwealth African nations’ trade position vis-à-vis European partners while opening up many potential hazards especially in Nigeria which is today a member of the British Commonwealth and equally the Britain’s second largest trading partner in Africa after South Africa. With this in mind therefore, it is not farfetched that he contagion effect follows Brexit to Nigeria. In fact, rebuilding economic incentives around mutual interests and reciprocity within the framework of a humane form of globalization would be one of the big themes of future post-Brexit relations between the UK, the EU and Africa, especially Nigeria because of her close economic ties with Britain and EU member states.

Conclusion and Recommendations

A partnership of equals between Nigeria and Britain and a win-win situation for both countries would be especially promising because both countries could better align regulations on

investment, certification and trade because member countries' national laws were built on the same principles of English jurisprudence. Whether Britain's ambitions concerning the opening-up of Africa markets with post-Brexit trade policy will be more promising is even more doubtful because the remaining EU-27 member state does not lie low. Besides, it is also doubtful if the Britain on its own could compete more successfully with other new trade interest like India and China, than within the EU partnership in the global run for Africa's resources, especially for Nigeria's oil and gas resources. Post-Brexit will not only challenge European integration, but will also put African regional integration efforts at risk because despite EU warnings, Britain was more or less relied connections to human right abuses, global corruption, money laundering and illicit financial flows. It is not to be excluded that this support will continue or even be reinforced in post-Brexit. The consequences of the Brexit vote will still take many years to be fully unfold. In conclusion therefore, Brexit decision is fraught with political, economic, immigration and security implications that would spread far beyond its borders because the exit of UK from UK would have hitherto widely disregarded implications for shared ethics which is more important for the cohesion of the union than political and economic motives. Based on the foregoing, this paper therefore recommends as follows:

1. Nigerian government should ensure mutual interest in the post-Brexit trade relations to be negotiated and a more liberal attitude on all fronts is required to promote progressive trade partnership between Nigeria and Britain.
2. Nigeria should intensify effort to diversify her economy and reduce her dependence on Britain for aid. Nigerian government should develop effective strategies that will solve Nigeria's economic challenges via Nigeria aid rather than foreign aid.
3. Nigeria government should intensify effort to ensure currency equilibrium in post-Brexit trade relations with Britain.

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