

Nigeria-Israel Relations: Prospects For A Diversified And Integrated Economic Development

Nwogbaga, David M. E.

Department of Political Science

Ebonyi State University, Abakaliki

Abstract

The essence of Nigeria-Israel relations has been questioned since the two countries established diplomatic ties; little wonder then that Nigeria's foreign policies towards Israel scarcely gains national consensus, instead, they are dichotomized along diverse interests. This paper was an attempt to critically examine the factors that determine Nigeria-Israel relation, the impacts of the bilateral relation on the Nigerian economy, and the prospects for a diversified and integrated economic development. The paper argued that though Nigeria-Israel relation is partly shaped by diplomatic and ethno-religious influences, economic interest is paramount. Besides, notwithstanding that Nigeria recorded trade deficits within the period under review, it made invaluable gains in aid and investment relations. Meanwhile, the bilateral relation has been beneficial to both economies especially as their activities are more or less production oriented. The paper further averred that given the contributions and potentials of Israel's economic activities towards developing the non-oil sectors, the bilateral relation holds positive prospects for diversifying and integrating the Nigerian economy.

Introduction

The Nigerian economy has for long been described as mono-cultural, rentier and disarticulated. This assertion draws respectively from the facts that, first, the economy is not diversified but mainly depends on oil resources; second, Nigeria's revenue derive mainly from rents and royalties of companies operating in the country; and third, the various sectors of the economy have little or no interdependence as to enhance the benefits of multiplier effects in the production processes. Consequently, any market misfortune in the oil sector threatens Nigeria's economic survival because it cannot fall back on any other sector for sustenance. This calls for serious concern and considerations in our external relations with other countries especially those ones interested in developing the non-oil sectors which have higher potentials for a diversified and integrated economic development in Nigeria.

The bilateral relation between Nigeria and Israel provides viable economic opportunities outside the oil sector which can enhance diversified and integrated economic development. This study is therefore poised to examine the bilateral relation and the prospects for a diversified and integrated economic development in Nigeria. Besides, the work will identify and examine the determinants of Nigeria-Israel relation to ascertain the extent to which they strengthen or weaken

the bilateral relation. Importantly, the study will also highlight the impacts of the bilateral relation on the trade, aid and investment between the two countries as a way of giving insight into the prospects for the future. Hence, apart from contributing to the debate on the essence of Nigeria-Israel relation, the study will advance alternatives towards diversifying and integrating the economy to reduce overdependence on the oil revenue as well as minimize the associated effects on Nigerian government and politics.

Essentially, the political economy approach is considered the appropriate method of analysis. The political economy approach is founded on dialectical materialism which emphasizes three core principles: the primacy of material conditions, the dynamic character of reality and the interrelatedness of the different elements in the society (Ake, 1981:4). The primacy of material conditions gives priority to economic factors as the basis for international relations. In other words, states like Nigeria and Israel interact in efforts to satisfy their basic economic needs. Hence, the economic assets and constraints of Nigeria and Israel inform the essence, extent and areas of their bilateral relation. The dynamic character of reality looks at international relation not in terms of simple harmonious and irreconcilable contrasts but as being characterized by conflicts and contradictions over incompatible national interests which result in improved and stronger ties if reconciled. This explains that Nigeria's severance of diplomatic relation with Israel from 1973 to 1992 is not an abnormal occurrence in international relation but an opportunity to re-establish stronger bilateral ties. The interrelatedness of the different elements in a society suggests the existence of crisscrossing relationship among the culture, religion, education, economy and politics. The principle will not only explain how ethno-religious sentiments influence Nigeria-Israel relation but also explore how the interrelatedness of the diverse sectors can be exploited to enhance integrated economic development in "Nigeria.

2. The Evolution of Nigeria-Israel Relation

Nigeria-Israel relation began in the late 1950s when important contacts were established between the officials of the two countries through their joint participation in the meetings of the labour and socialist movements (Ojo, 1986). Israel was relatively cultivating the friendship of the then emergent third world countries in order to stem the tide of her diplomatic exclusion from the third (Curtis and Gitelson, 1976).

In the process of cultivating the friendship of the third world countries, Israel developed closer ties with southern Nigeria much more than the northern Nigeria. This followed the constitutional provision for the regional governments to develop contacts with foreign governments in pursuit of social and industrial development of their regions. At the inception, the North exhibited hostility towards Israel and wanted closer interactions with Muslim countries based on their perception that they are part and parcel of the Muslim world. Hence, the northerners agitated for closer affinity with the Arab countries. However, the creation of states which broke the north into many states provided Israel with an opportunity to extend her activities to the northern states (Ojo, 1986). As at 1971, the Israeli Ambassador to Nigeria had not only visited most of the northern states (especially Sokoto and Maiduguri) from where he was forbidden on religious grounds in the early 1960s, but had also extended technical assistance to the then states of Kwara, North Eastern, North Central and Plateau. Besides, Ironsi's military

administration unified foreign policy issues thereby abrogating the previous autonomy granted to regional governments to independently determine external relations with other countries; as a result, foreign policies towards Israel became the concern of the national government.

Notwithstanding the fact that foreign policy issues had become the concern of the national government, there had been heated controversy since 1960 over the essence of Nigeria's relation with Israel (Nereus, 1993). The controversy was polarised between the muslim-Hausa/Fulani dominated north and the Christian-Igbo/Yoruba dominated south. This dichotomy made it difficult for the national government to harmonize Nigeria's foreign policy towards Israel without reflecting the diametrically opposed ethno-religious divides in the country.

On the 25th of October 1973, Nigeria broke diplomatic relation with Israel under the auspices of the then Organization of African Unity's (OAU's) decision to boycott the later because it occupied Egypt's Suez Canal and the eventual war that ensued between the two countries. The break in diplomatic relations lasted for 19years (October25, 1973 May4,1992).

The journey towards Nigeria's restoration of diplomatic relation with Israel started in the 1980s due to certain developments. Notably, the currents of global events had rendered Nigeria's rigid position to isolate Israel untenable. In the first instance, there was growing anti-Egyptian discontent within the ranks of the nation's foreign policy elite and intelligentsia who observed that neither Nigeria nor any of the poor African countries that showed solidarity with the Arab cause benefited in any way from the Arab world. Instead, they were also forced to endure the crippling oil prices hike of the 1970s. It was Nigeria that came to the rescue of the poor countries by selling crude oil to them at less than OPEC stipulated prices (Aluko, 1976). Second, it was argued that Africans were snubbed by Egypt because it unilaterally re-established diplomatic relations with Israel after the Camp David Accord of 1979 without considerations for the African States that supported their cause. As a result of Egypt's disdainful treatment, many African states reestablished their diplomatic relation with Israel, and Nigeria itself had run out of excuses to keep isolating Israel. The rapprochement between the Arab States and Israel also increased and further exposed the futility of Nigeria's continued boycott of Israel. Following these developments, it became vital for Nigeria to adopt a flexible behaviour in the international environment. Meanwhile, Nigeria restored diplomatic relations with Israel May 1992 under Ibrahim Babangida's regime. While Israel's Embassy resumed operation in September, Nigeria established its Embassy in Israel for the first time in April 1993.

3. The Determinants of Nigeria-Israel Relation

The bilateral relation between Nigeria and Israel is shaped by some factors which tend to make or mar the cooperation. These factors that determine Nigeria-Israel relation are classified under three main themes', diplomatic interests, economic interests and ethno-religious interests.

(i) *Diplomatic Interest*: It is the opinion of some scholars that Israel's major agenda in Africa is for diplomatic reasons. Hence, Israel's search for bilateral relation in countries of Africa like Nigeria is to look for allies that might help not only to encircle her (Arab) enemies with a ring of

friends, but also to garner supports or at least neutrality in the international community. This submission is supported by Mitchell (1987) when he asserted that “just as Africa was the scene of a battle of influence among the superpower, so too has it been a battle field for Israel and the Arabs”. Corroborating the view, Fawole (2003) stated that “Israel used every opportunity to lobby Nigeria to its side because of its stature as Africa’s most populous nation whose decision could have band wagon effect on the continent”. In the same context, the Muslim Students Society of Nigeria in a press release the restoration of diplomatic relation with Israel stated that the later was only trying to use Nigeria as an indispensable spring board for full re-entry into Africa. Essentially, Israel’s interest in Africa was to cultivate the friendship of some countries to stem the tide of her diplomatic exclusion from the third world.

(ii) *Economic Interest:* Nigeria-Israel relation is also determined by the economic interests of the two countries. Nigeria’s bilateral relation with Israel is because the later presented itself as a country believing neither to the capitalist west nor the communist east, but with development and progress potentials (Papp, 1988). This position lends credence to the earlier submission of Rivkin (1959) that Israel’s primary reason for establishing relation with African States especially Nigeria are to (a) develop fruitful economic ties in terms of both markets for her manufactured goods and source of raw materials for her processing and manufacturing industries and of agricultural products; (b) develop investment opportunities for her technicians, provide a return of capital invested as well as achieve savings in foreign exchange; (c) provide economic and technical aid for Africa. Yair (2006) buttressed economic reasons as the basis for Nigeria-Israel relation when he posited that Israel and Nigeria share a common history of close economic and commercial ties which have proven throughout the years to be solid and to prevail over political crises. Similarly, Birai (1996) observed in spite of the fact that Nigeria and Israel maintained no diplomatic ties from 1973 to 1992, trade has been active between them. However, Nigeria had been on the losing side with huge deficits; Birai (1996) observed that:

In 1988, while Israel’s exports to Nigeria amounted to

13%, imports from Nigeria were less than 1%....In

1989, there were no imports from Nigeria, but exports

through non-governmental concerns amounted to

19.8%. In 1991 exports from Israel was put at 22.9%

while imports from Nigeria was only 0.7%... This suggests that the economic basis of Nigeria-Israel relation endures much more than political reasons. Besides, Nigeria had been losing in rather unofficial economic relations with Israel enabled by the country’s private business interests,

(iii) *Ethno-Religious Interest:* There are two perspectives to ethno-religious interest as a determinant of Nigeria-Israel relation: the Jewish-Igbo affinity and the religious affinity. The

Jewish-Igbo affinity draws from the contention of Dowty (1999) that Israel's relation with other nations have often been affected by the interests of the local Jewish communities; its attitudes towards other nations has in fact been greatly influenced by whether ongoing close relationships with Jews within that nation are possible. In essence, Israel's relation with Nigeria is arguably to enhance further closeness with the Igbo community of Nigeria believed to be Jews in Diaspora. However, it is of interest to note that Israel's interest in enhancing closeness with Jews in Diaspora is not on the basis of mere filial sentiments but as a way of establishing reliable alliance for diplomatic support and advancing her economic interests. This submission found expression in two events: Israel's support for Biafra during the Nigerian Civil War and the immigration of Jews in Diaspora into Israel. Clarifying the allegations before and during the Nigerian Civil War that Israel was assisting the secessionist Biafra, Ojo (1986) that:

Such suspicion was only logical. After all, the conflict was portrayed at that stage as an Ibo (East) Hausa/Fulani (North) conflict. The Ibos had been good friends of the Israelis with whom they developed close technical and personal ties. On the other hand, the northern leadership had been implacably hostile towards Israel. A defeat of the Ibo could mean the political neutralization of a reliable ally on the Nigeria political scene and the consequent ascendancy of Arab influence in Nigeria.

Quoting the then Israeli Prime Minister, Abba Eban, Ojo (1986) posited that Israel had exerted itself to such an extent in providing aid to the former secessionist regime that if a dozen or twenty other countries had done the same, the result of the war would have been different.

The other event is the cherished impacts of Jewish immigration into Israel predominantly from the countries of former USSR on the economy. The over one million immigrants with highly skilled manpower constituted 16% of Israel's 6.5 million populations (<http://en.wikipedia.org>). The successful absorption into Israeli society and its labour force, the skills they brought and the added demand as consumers boosted the country's economy. In other words, Israel's closeness with a nation largely draws from the economic potentials envisaged in the country's population especially the Jewish communities.

On the other hand, religious sentiments are also significant in Nigeria-Israel relation. Divergent cultural and religious dispositions have constrained the evolution of a realistic and mutually beneficial pattern of relations between the two countries since independence (Birai, 1993). In particular, divisive religious perspectives pulling in opposite directions complicated the issue of restoration of diplomatic ties between Nigeria and Israel (Birai, 1993). To substantiate the argument, Sir Ahmadu Bello was credited with a public pronouncement expressing hostility towards Israel at the world Islamic League thus:

...they offered us a sizeable amount of loan to the Federation of Nigeria. The offer was accepted by all the governments except we in the North who rejected it outright. I made it vividly clear at the time that Nigeria would prefer to go without development rather than receiving an Israeli loan to aid. We took this step only in good faith as Muslims.

Ahmadu Bello's statement (cited in Pandem, 1986) buttressed the submission of Ambe-Uva and Adegboyega (2007) that the Northern Oligarchy displayed disdainful attitude towards Israel and preferred contact with Muslim countries.

Without prejudice to the aforementioned factors that shape Nigeria-Israel relation, there are other schools of thought on the matter. One school holds that Israel's relation with Nigeria is based on historical antecedents and common experience with Africa along the path of discrimination, sorrow and pain (Skinner, 1975). As a result, peoples that shared common experiences have no option than to work together and cooperate as a team because, like Africa, Israel had shaken off foreign rule and needed to teach Africans how to rebuild nations. In the other school, scholars opined that Israel's relations with the countries of Africa rest on her positive, if not Messianic ideas for the black continent. In this light, Skinner (1975) referred to the policy as a *mix culture of enlightened self-interest and altruism*. This implies that Israel's relation with African countries like Nigeria is first to pursue her national interest and second, to help primitive and backward people to develop,

A nitty-gritty examination of the foregoing exposition on the factors that really inform Israel's basis for Nigeria-Israel relation shows that Israel's foreign policy decisions and external relation largely draw from realism. In Israel's foreign policy and external relation, national security, survival and economic interests are paramount while such other factors as common historical antecedents, altruism, and affinity with Jews in Diaspora are instruments of propaganda to attain their core objectives. Nigeria on the other hand abandoned the substances of national interests and economic development to pursue ethno-religious sentiments and interests of an ungrateful nation like Egypt. Notably, the diplomatic isolation of Israel for 19 year neither advanced the political interests nor enhanced the economic benefits of Nigeria. We shall now look at the impacts of the bilateral relation on their trade, aid, and investments.

4. Evaluating the impacts of the Bilateral Relation on Trade, Aid and Investment

Irrespective of the setbacks caused by the severance of diplomatic relation, the level of political and economic interactions between Nigeria and Israel has been appreciable especially from 1990. Israel's economic activities touch on virtually every sector of the economy and the security of the nation. But the strongest presence of Israel's companies is felt in agriculture where they are involved in partnership with big capitalist farmers Birai (1996). Essentially, we shall examine the effects of the bilateral relation on their trade, aid and investment.

(i) *Bilateral Trade*: The 2003 Draft of the bilateral trade agreement between Nigeria and Israel provided that the trade relation is on the basis of *equality and mutual benefits*. Article 6: *Rules of Origin*, provided that goods and commodities to be exchanged shall only be those originating in their countries either by production; or by transformation of unfinished goods and commodities imported from other countries. In respect of their desire to strengthen their bilateral trade relation, Article 15 provided for the establishment of Joint Trade Committee charged to: (a) ensure the development of trade relation (b) suggest measures of expanding the trade relation and economic cooperation between the two countries (c) serve as a medium for the exchange of relevant information on the possibilities of delivering goods and commodities originating from

the two countries (d) compare trade statistics on yearly basis in order to assist in the reduction of trade imbalance. Similarly, Article 7 provided for the freedom of transit of goods, trade information and facilities for the expansion of trade and commercial activities. These provisions' have been the terms of the sustenance of trade relation between ^Nigeria and Israel.

The trading activities are facilitated mainly by the Israeli Export and International Cooperation Institute, the Nigeria-Israeli Chamber of Commerce (NICC), Nigeria Federal Ministry of Commerce and Industry, the Nigeria Export Promotion Council (NEPC) and the Israeli-African Chamber of Commerce (IACC). The table below presents a clearer picture of Nigeria's trade transactions with Israel from January 1990 to June 2007.

Table 1; Trade Between Nigeria and Israel: 1990-2007

Year	Value of Nigeria's Imports from Israel (N)	Value of Nigeria's Exports to Israel (N)	Total (N)	Trade Balance (N)
1990	294,189,926	2,165,329	296,355,255	-292,024,597
1991	309,537,835	5,228,774	314,766,609	-304,309,061
1992	525,348,500	2,123,276	527,471,776	-523,225,224
1993	1,264,692,645	1,691,815	1,266,384,460	-1,263,000,830
1994	512,719,175	290,650	513,009,825	-512,428,525
1995	738,364,995	18,451,750	756,816,745	-719,913,245
1996	1,146,000	210,000	1,356,000	-936,000
1997	2,388,621	–	2,388,621	-2,388,621
1998	1,402,732	1,409	1,404,141	-1,401,323
1999	1,878,885	43,018	1,921,903	-1,835,867
2000	1,294,700 1,683,600	– –	1,294,700	-1,294,700
2001	1,683,600	4,683,600		
2002	1,495,800	–	1,495,800	4,945,800
2003	1,881,147,458	305,795	1,881,453,253	4,880,841,663
2004	3,602,802	500,158	4,102,961	-3,102,644

2005	5,628,839	439,085	6,067,924	-5,189,754
2006	51,239,205	4,586,865	55,826,070	-46,652,340
2007	12,882,627	15,097,896	27,980,613	2,215,359
Total	5,610,644,345	51,135,910	5,661,780,256	-5,559,508,435

Sources: 1990-2003: National Bureau of Statistics; Foreign Trade Section, Abuja; 2004-2005: Nigeria Export Promotions Council; Marketing Section, Abuja; 2006-2007: The Embassy of Israel; Economic Assistance Unit, Abuja.

Basically, Nigeria imported the following commodities from Israel: life animals/animal products, prepared foodstuff, textile/textile articles, foot wear/Head gear, precious stones/metals, agro-industrial machinery, transport equipment and optical medical equipment; while it exported the following to Israel: mineral products, chemical products, rubber/plastic, hides/leather, and non-metallic mineral product. The following items are both exported to as well as imported from Israel depending on the stage of production and need: plants/vegetable products, wood/wood products, paper/paper products and base metals.

Significantly, the balance of trade remained deficit for Nigeria from 1990 to 2006 but recorded surplus in the first half of 2007, Within the period reviewed, Nigeria's export to Israel was in 1995 when it recorded an export value of N18, 451,750 (6248% increase) which is very minimal compared to the value of imports that amounted to N738, 364,995 with a deficit of N-719,913,245. After a serious decline from 1996-2005, it recorded a rise in 2006, which was appreciably sustained in the first half of 2007 (January-June). Nigeria recorded the highest deficit in 2003 with -125,642% increases from the 2002 record. The increased deficit could be blamed on increased importation from Israel following the 2002 trade Memorandum of Understanding signed by the two countries. The trade deficit however declined in 2004,2005 and had some increase of -799% in 2006. The decline in the trade deficit in 2004-2006 compared to 2003 was due to (a) the general ban and restrictions on the importation of certain goods and commodities which had constituted a substantial part of Israel's trade items with Nigeria like textile materials (b) the diversified export base resulting from Israel's technical assistance/training programmes especially in the agro-industrial sector. In essence, the trade between Nigeria and Israel as at June 2007 was increasing after the preceding declines. This indicates improved political and economic cooperation which needs to be sustained for the mutual benefits of the two countries.

Observably, the trade composition is dominated by agro-industrial commodities. The composition of the exchange commodities further shows that the bilateral trade is more oriented towards production than consumption. The exchange commodities comprise both productive imports (e.g., base metals, machinery and transport equipment etc.) and consumption imports (e.g., prepared foodstuff, life animals/animal products, vegetable products etc.). On the other hand, exports comprise both industrial exports (e.g., chemical products) and non-industrial exports (e.g. food items). It should be noted that very many of the manufacturing concerns in Nigeria depend critically on imported raw materials, plants, machinery and other input components; while industrial production in Nigeria depend heavily and critically on imported

inputs. Hence, to weigh influence in international political and economic relations, the economy should not be import-dependent, and if it is, productive imports should outweigh consumption imports while exports should comprise more of industrial than non-industrial exports. Although “Nigeria’s and Israel’s economies are import-dependent based on the selected items listed above, the percentage distribution of imports and exports show that productive imports outweigh consumption imports while industrial exports outweigh non-industrial exports: between January 2006-June 2007, the productive imports (base metal, machinery, and optical/medical) amounted to \$130,440 while the consumption imports (life animals/animal products, textile/textile articles and footwear/head gear) amounted to \$35,360 (The Embassy of Israel, 2007). Also, from January 2006-June 2007, the industrial exports (Chemical products and machinery) amounted to \$ 13 5,460 while the non-industrial exports (prepared foodstuff and base metals) amounted to \$26,900 only (The Embassy of Israel, 2007). Essentially, the trade transaction is favourable to both economies because productive imports for “Nigeria constitute industrial exports for Israel.

(ii) *Foreign Investment*: The trade between Nigeria and Israel on mutual protection of investments engineered many Israeli companies to invest in the “Nigeria Economy through joint ventures, subsidiaries and corporations. Many of the companies operate in the fields of construction, infrastructure, Hi-Tech, communication and information technology, agriculture and water resources management (Yair, 2007). The number of Israeli companies operating in Nigeria has been on the increase from 40 companies in 1983 to 100 companies in 1991 (Birai, 1996), 259 companies in 2004 and 337 companies in 2005 (Yair, 2007). Hence, even without diplomatic cooperation between Nigeria and Israel, the latter has been able to penetrate the nooks and crannies of the country’s economy virtually touching all the sub-sectors. Meanwhile, it appears proper to state that the severance of diplomatic relation does not deter Israel from advancing its economic and commercial interests through unofficial means. The table below further highlights the degree of Israel’s involvement in Nigeria’s economy.

Table 2: *List of some prominent Israeli Companies operating in the Strategic Sectors of the Nigerian Economy and Security*

S/No	Company
1	Afro Continental The Largest, and specialized in commodity business, hotel and agriculture. It has 12 Branches. It is handling the National ID Card Project; share holder in NICON NOGA Hilton Hotel, Abuja; building a N5 00 million Hilton Hotel in Lagos.
2	Aprro Firm Specialized in Electrification and Water Projects

all over the country.

3 Dizengolf (W.A.) Ltd Deals in agricultural machinery ,
chemicals and

Irrigation technology. It also deals in Air conditioning

and refrigeration. Its product is Frederick Air

Conditioner.

4DizPharm Deals in drugs and Hospital equipment in the
Nigerian

Health Sector

5 EJCO (Nig.) Ltd. Specialized in Structural Plumbing and
Electrical Engineering

work. Agro-based Company

6 Herouth (Nig) Ltd Agro-based Company

7HEP Engineering Specialized in office and residential building and land

reclamation.

8 IGI General Business and Merchandising Group.

9 Motorola Major supplier of Walkie -Talkies to the
Nigeria Police,

Navy, Army and Air force. Involved in the installation

of Telephone in Dodan Barracks.

10 Nigeria Water Deals in Water Projects extensively in most
parts of

Resources Company Nigeria.

11	Road and Building Company (RBC)	Specialized in roads and housing constructions.
12	RynoVds Construction Eastern Company (RCC)	A major road construction firm mostly based in States.
13	Strabag Construction in the (Nig) Ltd.	A construction company with strong presence Federal Capital Territory, Abuja.
14	Solel Boneh Overseas (Nig) Ltd	Major link in the network of Israel's construction and engineering companies. Has been engaging in engineering and management activities since 1959.
15	Gadish Group	<i>not available</i>
16	Ashtrom Group Ltd	<i>not available</i>
17	TAHAL Group	Housing and Construction
18	Housing and Construction Holding	Housing and Construction

Sources:1-14: Birai, U.M. (1996): *Domestic Constraints on Foreign Policy: The Role of Religion in Nigeria-Israel Relations, 1960-1996*. Kaduna: Sahab Press. 15-18: *The Jerusalem News*: October 2007. UNN: Nsukka.

On the contrary, there are no sufficient data to substantiate Israel's deep involvement in Nigeria's investment sector. The data made available by the Research and Intelligence Unit of the Nigerian Investment Promotion Commission, Abuja from 1999 to 2006 on Nigeria-Middle/Far East Foreign Direct Investment Statistics, only showed \$0.97 million for Israel in 1999 which suggests a very insignificant investment compared to the number and viability of Israeli companies operating in Nigeria. Besides, there was no indication as to which sector the capital was invested. But table 2 indicates that Israel's investment activities in Nigeria revolve around the non-oil sectors: agriculture, communication/information technology, housing and construction, security and services.

(iii) *Foreign Aid*: Israel’s economy is not so strong as to demonstrate flamboyance in foreign aid. Nevertheless, though Israel’s economy is comparatively small, it has high potentials in terms of technical capabilities (Papp, 1988). As result, after U.S., USSR and China, Israel has comparative advantage over nations to offer technical aid where it has accumulated expertise (Papp, 1988). Israel has always to the aid of Nigeria in times of distress. In March 2006, Israel donated 8 tons of emergency medical supplies to combat avian flu in Nigeria; also, in September 2006, Israel donated bags of cement for the construction of Communal Mosque for the Fulani Muslim tribe (Katz, 2006).

Most of the Israeli aid to Nigeria comes in the forms of technical assistance and cooperation. This is evident in the various human capacity building training programmes either wholly or partly organised or sponsored by Israel through the Embassy, Israeli firms and the Israeli Institute for International Cooperation, MASHAV. The training programmes which hold in Israel or Nigeria under the full or co-sponsorship of the former are designed to improve human capacities in economic development, cooperative management and other managerial issues (Katz, 2006). The various training programmes derive from collaborations between Israel and Nigeria either at the level national governments, state governments, government agencies or private sector firms. Israel’s aid to Nigeria is made clearer in table 3 below.

Table 3: Israeli-sponsored Training Programmes and Technical Assistance for Nigeria: 1990-2007

Date	Aid
1-2 September, 1990	On-the-spot training courses on Beekeeping in Ogbomosho at the Ladoke Akintola University of Technology.
10-24 December, 1990 of National	Consultancy, technical assistance to some staff
Agricultural Land Development Authority (NALDA) on:	
(a) nursery establishment and management techniques (b)	
citrus production, agronomy and integrated pest control	
under nursery and field conditions.	
1991-1993	(a) Nigeria trainees on cooperatives and trade union course.
(b)Nigeria trainees for medical courses (c) Nigeria trainees on	

miscellaneous courses (d) environmental sanitation and
nature conservation (e) agricultural programmes (f) rural
development

19 April, 1994 On

On-the-spot courses on tropical aquaculture

1047 March, 1994

Transportation and Cooperative Management

23 June -16 August,
Council Industrial

Raw Material Research and Development

1994
Development in

Training Programme'. A Course on Industrial

Rural Areas.

October, 1994
(b) farm animal

(a) New concepts in agricultural engineering

training/technical assistance

production and management (c)

on Israel system of agricultural technology.

July-August, 1996
mushroom production

Advising government on the national

and establishment of mushroom farm

25 Nov.-19 Dec. 1997
Umudike (b)

(a) Aquaculture workshop in Kano and

Beekeeping workshop in Jos, Delta and Lagos; in collaboration

with Aquaculture workshop, ADP5 and Ministry of

Agriculture, the Lagos Chamber of Commerce (c) Workshop

on Income Generation Projects in Lagos.

planning and marketing; intensive dairy production, poultry production and management at MAITC – Maizube Abu-Turab International Training Centre (b) Practical seminar on Cat Fish Farming in Ota, Ogun State (c) Aquaculture training programmes at the Oguta Fingerlings in Imo State.

Match 2007 (V) MASHAV two -week training programme on International marketing and Farm Planning Course in Minna, Niger State:

Organised by the Embassy of Israel in conjunction with Maizube Abu -Turab International Training Centre (MAITC) and Niger State Government: Participants trained on:

(a) introduction to world trade (b) developing a new product (c) marketing channels (d) information in marketing (e) the modern markets for fruits and vegetables (f) cost analysis (g) considerations for fresh products in export process and field study visits.

(2) Intensive and sustainable vegetable production under Drip Irrigation, covering: (a) introduction to modern vegetables production (b) Green House Technology (c) Irrigation and Fertilization with Drip System (d) monitoring of moisture and fertilizers (e) growing tomatoes, peppers, egg plants, melons

and water melons.

(3) Mango and Citrus Orchards Growing and Management,

covering: (a) introduction to mango and citrus production (b)

Botanic and Morphology (c) Cultivars (d) Orchard

maintenance (e) Fertigation – Fertilization and Irrigation (f)

marketing of mango and citrus at the global fruit market.

(4) Two -week MASHAV International Course on Pest

Management and plant production, at the Maizube Abu

Turab International Training Centre (MAITC) in Minna, Niger State.

7-17 July, 2007 Development of SME and Entrepreneurship promotion.

21-31 July, 2007 Agile-Business Project Development and Technology

2-11 September, 2007 Support systems for economic development and service delivery.

15-24 October, 2007 Human Resources Development

November, 2007 (a) Anti -Terrorism Training in Israel (b) Creativity,

Technology and Competitiveness

10-19 December, 2007 Municipal planning and services delivery

Source: *Nigeria Federal Ministry of Foreign Affairs, Multi-lateral Economic Division; Trade and Investment Section, Abuja*

Based on the available data within the period reviewed, 1990-2007, the number of trainees was fifty thousand, five hundred and eleven persons while the estimated cost of each training programme per participant was \$2,250. This suggests that the amount spent on human capacity building through Israel technical assistance programmes is \$113,649,750 from 1990 to 2007. The Israeli aid to Nigeria has therefore increased and improved Nigeria Labour force in various

sectors of the economy but with bias for the agricultural sector where Israel has accumulated expertise.

5. Prospects for a Diversified and Integrated Economic Development

The Nigerian economy needs a diversified and integrated economic development to salvage itself from the adverse effects of rentier, monocultural and disarticulated structure. Diversifying the economy entails developing a wider range of products business interests and skills in order to make the economy more viable and productive. In other words, economic diversification here suggests developing the non-oil sectors of the Nigerian economy as a way of not only increasing the variety of products for commercial and consumption purposes but also expanding the revenue sources for the country. Diversifying the Nigerian economy depends heavily on exploring the non-oil sectors especially the agricultural sector which was ab initio the mainstay. Although developing the agricultural sector is technically demanding in Nigeria, the foregoing expositions show that Israel has the potentials to exploit the sector for their mutual benefits. Essentially, Israel's economic activities in Nigeria today touch on virtually every sector of the economy and security of the nation. But the strongest presence of Israeli companies is felt in agriculture where they have the professional skills and expertise. Meanwhile, Israel's economic activities revolve around hotel and tourism, security (information control and intelligence gathering), power and water projects, agriculture: agro-industry, agro-meteorology, aquaculture, horticulture and animal husbandry etc; all these constitute the productive and sustainable but neglected sub-sectors of the Nigerian economy that require little initial capital investment yet with high potentials for diversifying the export base and revenue sources for the country.

Economic integration on the other hand denotes varying degrees of economic merging, cooperation, mingling and mix either among the sectors of an economy or the economies of other countries in a number of areas such as trade, mobility of labour and capital payments, fiscal and monetary policies, social welfare provisions and coordination of investment plans (Anyanwu et al, 1997). Economic integration here is viewed from two perspectives: the domestic and international perspectives. The domestic perspective of economic integration entails that each of the non-oil sectors explored by Israel in Nigeria has spill-over and multiplier effects that stimulate development in the other sectors. In other words, the various sectors being exploited by Israel have strong nexus of economic interdependence that none can develop without the others. Take for instance, apart from the fact that such sub-sectors like mushroom production, beekeeping and fish farming have food values they, still serve as raw materials for industries (hence, products and byproducts from the agro-industry can serve as raw materials for the pharmaceutical industry).

At the international level, economic integration looks at certain degrees of cooperation in trade, custom duties, movement of factors of production, economic policies and total unification of economic activities through the establishment of supra-national agencies whose decisions are binding on concerned countries. However, considering the trade composition of Nigeria-Israel relation, factor integration and policy integration are preferable to the other forms of integration. Factor integration involves the abolition of trade restrictions and impediments to factor

movements between or among countries, Given that Nigeria-Israel trade relation is more or less production oriented, there is need to allow free movements of the crucial factors or production such as raw materials, capital and human resources. This calls for the consolidation of the training, learning and technical assistance programmes between Nigeria and Israel especially in the area of agriculture not only as a way of advancing sustainable economic development but also to diversify revenue sources and reduces the heat converging around the oil sector.

In the area of policy integration, Nigeria and Israel stand to gain from combining the abolition of restrictions on both commodity and factor movements with some degree of harmonisation of national economic policies. This will encourage the coordination of investment plans.

Essentially, the trade between Nigeria and Israel is dominated by capital goods while final goods are minimal. This indicates that both economies are relatively productive and have the potentials to produce domestically required goods and services over time. This is further explained in the facts that Nigeria's industrial exports constitute Israel's productive imports while Israel's industrial exports constitute Nigeria's productive imports. This is very beneficial to both economies on the ground that the trade relation is more or less production oriented than consumption oriented. In view of the fact that Nigeria-Israel economic relation is complimentary, there is need to enhance and sustain factor and policy integration to allow free flow of the factors of production, promote harmonised investment plans for articulated economic growth and development through a common market.

Conclusion

Relying on the discussion and analysis of the available data, the bilateral relation has been on the basis of equality and mutual benefits. Essentially, since the restoration of the diplomatic cooperation in 1992, the bilateral relation has been cordial. However, it should be noted that though the bilateral relation is partly hinged on the diplomatic and ethno-religious interests of Nigeria and Israel, their economic interests are paramount. Hence, bilateral economic activities have survived even periods of political crisis between the two countries. More so, though Israel's economic activities touch virtually on all the non-oil sectors of the economy, the greatest presence of Israeli companies is felt in the agricultural sector: Significantly, irrespective of the fact that the balance of trade and payments remained deficit throughout 1990-2006, it is logical to state the bilateral relation strengthens the economic potentials of both countries given that the trade, aid and investment activities are production oriented. Besides, the bilateral relation is largely contributing to the diversification and articulation of the Nigerian economy through the various schemes in small and medium scale enterprises development; also, Israel's technical assistance and training programmes immensely improve the quality of Nigeria's labour force. Nevertheless, a successful diversification and integration of the economies heavily depend on the abilities of Nigeria and Israel to play down on sentiments arising from ethno-religious factors and the Middle East crisis, in favour of core economic interests.

References

Ake, C. (1981): *A Political Economy of Africa*. Nigeria: Longman

Nigeria Pic.

Aluko, O. (1976): *Foreign Policies of African States*. London: Holder

Stoughton.

Ambe-Uva, T. U. and Adegboyega, K. M. (2007); *The Impacts of*

Domestic Factors on Foreign Policy: Nigeria/Israel

Relations. In: *Turkish Journal of International Relations*.

Vol.6, No. 3 and 4. Fall and Winter.

Anyanwu, J. et al (1997): *The Structure of Nigerian Economy*.

Onitsha: Joanee Educational Publishers Ltd.

Birai, U.M. (1996): *Domestic Constraints on Foreign Policy: The*

Role of Religion in Nigeria-Israel Relations, 1960-1996.

Kaduna: Sahab Press.

Curtis, M. and Gitelson, S. A. (eds) (1976): *Israel in the Third World*.

New Brunswick: N.J. Transaction Books.

Dowty (1999): *Israeli Foreign Policy and the Jewish Question*. Online:

<http://meria.idc.ac.il>

Embassy of Israel, Economic Assistance Unit, Abuja (2007) Fawole, W. A. (2003): *Nigeria External Relations and Foreign Policy*

under Military Rule (1966-1999). Ile-Ife: Obafemi Awolowo

University Press Ltd.

Katz, N. (2006): *Nigeria-Israel Cooperation on Agriculture*.

Online: <http://abuja.mfa.gov.il>

Mitchel, G. B. (1987): *The Waters Edge and Beyond: Defining the Limits to Domestic Influences on U.S. Middle East Policy*.

(Unpublished Ph.D. Dissertation, UCLA, p. 591-637).

National Bureau of Statistics; Foreign Trade Section, Abuja.

Nereus, N. (1993): *Influence of Domestic Factors on Nigeria-Israeli Rapprochement. Annals of the Social Sciences Council of*

Nigeria; p. 5-16 Nigeria and Israel (2003): Draft of

Nigeria-Israeli Bilateral Trade

Agreement.

Nigeria Federal Ministry of Foreign Affairs, Multi-lateral Economic

Division: Trade and Investment Section, Abuja

Nigeria Export Promotions Council; Marketing Section, Abuja.

Nigeria Investment Promotions Commission; Research and Intelligence Unit; Abuja.

Ojo, O. (1986): *Nigeria and Israel*. In: Olusanya, G. O. and Akindele,

R. A. (eds)(1986): *Nigeria's External Relations: The First 255 Years*. Ibadan: University Press Ltd.

Papp, D. S. (1988): *Contemporary International Relations:*

Frame-work for Analysis. New York: Macmillan Publishing Company.

Pandem, J. N. (1986): *Ahmadu Bello Sarduana of Sokoto: Values and Leadership in Nigeria*. Zaria: Hadattuda.

Rivkin, A. (1959): *Israel and the Afro-Asian World*. In: *Foreign Affairs*, 37, No. 3

Skinner, E. P. (1975): *African Studies*. Vol. 2, No. 1; Spring.

The Jerusalem News: October 2007. UNN:Nsukka.

Yair, F. (2006): *Israel, Nigeria agree to Collaborate on Space Technology*. On-line: <http://english.peopledaily.com.cn>.

Yair, F. (2007): *Israeli-Nigeria Economic and Trade Relations An Overview*. On-line: <http://abuia.mfa.eov.il>