(FUWJSS)

Volume4 Number 1
March, 2025

CHANGING DYNAMICS OF NIGERIA-CHINA ECONOMIC RELATIONS

Amos Asongo Jev
Victor Yusuf Obadiah
Isa Muhammed
Auwal Chul
Tukur Jibo
Department of Political Science and International Relations
Taraba State University, Jalingo, Nigeria
Email: *amosjev@yahoo.com, obadiahvic@gmail.com, mohammedisa678@gmail.com, ihsanchul@gmail.com, jibotukura@gmail.com*

Abstract

The study assesses dynamics of Nigerian-China economic relations x-raying the various implications and opportunities that abounds between the two countries. Nigeria-China bilateral relations have changed dramatically with the establishment of diplomatic ties in 1971, covering commerce, investments and political partnership. The study relied on secondary sources of data to generate information used to analyze the issues under investigation. The dependency theory was adopted as the theoretical framework of analysis. The study's findings established trade imbalance and economic dependence in Nigeria-China economic relations. The study concludes that the bilateral trade and economic relationship between Nigeria and China is not premised on a win-win strategic partnership, as there is persistent trade imbalances in favour of China right from the beginning of the bilateral engagements between Nigeria and China. The study recommends a total review of the major components of the Nigeria-China bilateral engagements that have shown to be exploitative and lessen the danger of trade imbalance. Also, there is need to diversify Nigeria's trade partners, maintain openness in investments agreements between Nigeria and China.

Keywords: Economic relations, investments, bilateral trade, development, Nigeria-China

Introduction

It is undisputable fact that, for over time, the world's economies have become much more intertwined through trade and other forms of international interconnectedness. Idrees et tal (2024) submits that, the reality that various countries have diverse resources, endowments, tastes, technical capabilities, levels of output, and capacity for growth and development provides the framework for this integration and mutual interdependence. The scholars argued further that, to secure the free flow of international money, which is accelerated and enabled by the super sonic progress in information technology, all national obstacles must be eliminated (Idrees, et al 2024). The implication of this is that trade barriers are gradually being eliminated, and global market is becoming more integrated, as evidenced by the promotion of free market economy, liberal democracy, good governance, gender equality and environmental sustainability among other all-encompassing values (Nwokolobia and Ikenga, 2023). This interconnectedness has been attributed to a move towards interdependent global economy, where countries rely on each other for trade and investment oppoturnities (Idrees et al, 2024). As a result, policies that promote cooperation and collaboration among nations are essential for fostering economic growth and stability in the interconnected world.

The increasing level of economic relations has been attributed to the diminishing ideological divide between capitalism and socialism which has created oppoturnities for countries to begin to form partnership driven by economic propagation and mutual interest (Adebayo, 2012). This shift had a profound impact on the relationship between Nigeria and China, two prominent players in their respective region enabling them to have established strong bilateral relations over time. This relationship is based on shared economic interests and other forms of diplomatic collaborations with both nations benefitting from trade deals and cultural exchanges (Idrees et al, 2024). Nigeria the most populous country in Africa, sought to leverage its natural resources and strategic location to attract foreign investment and boost economic development. On the other hand, China sees Nigeria as an important partner in growing its influence in Africa; an engagement which dates back to the 1950s. Scholars have attributed this period to a time that African countries began to liberate themselves from colonialism. As a result, China's connection with Africa in modern times has been attributed to the former's backing of liberalization movements that were at the time in critical phase, culminating in the liberation of the bulk of African states from colonial domination in the 1960s. The initial motivation for China's backing were ideological, but this would shift over the next few decades (Nwachukwu, 2017, Adigbwo, 2021, Idrees, et al, 2024).

China's involvement in Africa and Nigeria in particular has since involved to include economic investment, infrastructural development, as well as trade partnership, there by solidifying its position as a key player in the African continent (Ibrahim & Sali 2019: Adigbuo, 2021; Abiodun 2023). Today, China's presence in Africa (Nigeria) continues to increase with both positive and negative impacts on the continent's development and geopolitical landscape. Scholars such as Zainab and Shariff (2018) Nwokolobia and Ikenga (2023) and Idrees et al (2024) have all agreed that China's growing interest in Africa (Nigeria) has to do with its desire to increase its economic and political might which is desirious of resources to satisfy her increasing economic investment and infrastructural development. The intensity of China's involvement aligns with Nigeria's policy orientation. Zainab and Shariff (2018) corroborated this view point that since her independence, nigeria's successive administration's foreign policy, have correctly acknowledged the place of bilateral and multilateral trades and economic engagements, making China to be one of Nigeria's biggest trade partners. According to this scholars, unofficial connection between the two nations began in the 1950s , but most notably in 1957. This relationship has grown significantly over the years with China becoming one of Nigeria's largest trading partners and investors. The two countries have also collaborated on various infrastructure projects and development innitiatives to further strengthen these ties (Idrees et al, 2024).

The benefits of Nigeria's connection with China has finally become clear. Nigeria provides China with a market for its products as well as massive undeveloped resources such as oil. Also, the Nigerian government has recently discovered that Chinese enterprises are more responsive to economic issues than their Western counterparts (Nwachukwu, 2017; Idrees et al 2024). This explained the increasing level of Chinese investment in Nigeria, particularly in infrastructure projects. Additionally, the relationship between Nigeria and China has raised several concerns about the potential economic and political influence from China in the continent (Osimen, et al, 2022: Nwokolobia, Ikenga, 2023: Idrees et al 2024).

Undoubtedly, Nigeria foreign trade contacts have become more extensive and intense, reflecting the country's rise as a significant middle power in an increasing asymmetrical and interconnected global economic system. Ojo and Adebayo (2014) are of the view that the organization of the home economy as well as changes to the global economic landscape have always influenced how Nigeria conducts its foreign economic relations despite the perceived symbiotic relations that characterized this bilateralism, the complex dynamics underscoring that (some what unequal) relationship between Nigeria and china have made China have made scholars inquire on one hand, whether this interaction can be likened to a tale of two great powers or, on the other hand, whether it is a tale where, Nigeria one of many small third world powers serves to sustain the interest and status of China, a great power (Oluwabiyi & Dunyi, 2021; Idrees et al 2024).

Consequently an interrogation into this relationship structure particularly as it concerns trade, investment, political influence and diplomatic dynamics, will help reveal to an appreciable extent the impact of the same economic relations on Nigeria's quest for sustainable development, This study therefore interrogates Nigeria-China economic trade relations dynamics from the point of view of bilateral relations, trade, infrastructure investment and geopolitical influence.

Nigeria-China's Bilateral Relations

Nigeria and China's bilateral relations did not begin on a sound footing. This is based on the fact that Nigeria adopted generally pro-western orientation after independence, which is said to have greatly hampered her external economic relations with China (Idrees et al 2024). Evidently in 1964, Nigeria rejected a China-proposed bilateral relations, implying that, unlike some of her African counterpart, who had embraced China, Nigeria turned a blind eye to the infrastructure and other benefit associated with relations with China (Utomi, 2008; Bukarambe, 2005). Additionally, China who had supported Biafra during the civil war, terminated the existing tie between it and Nigeria. However, this alliance did not last long as the tables reversed in the years following Biafra's defeat which marked the end of the war in 1970 (Porter, 1986 cited in Idrees et al 2024). China's decision to support Nigeria after the defeat of Biafra led to a restoration of diplomatic relations between the two countries. This shift in alliance highlights the complex and ever changing dynamics of international politics.

The diplomatic relationship between Nigeria and China dates back to February 1971. In August 1972, a six man delegation led by Nigerian commissioner of Reconstruction and Development , Adebayo Adedeji, visited Beijing, resulting in agreements on economic and technical cooperation including trade. Since then, their commercial links have increased rapidly. According to Ibrahim and Sani (2019) Nigeria and China commercial relationship which has grown from early collaboration in science and technology to other areas is one of the best in Africa since Nigeria serves as a viable market to China. China's investments in Nigeria has expanded beyond infrastructure projects to include telecommunications, agriculture and manufacturing. The two countries have also strengthened their diplomatic ties through mutual visits and cooperation in international forums.

Even during the period of informal ties, Nigeria-China commercial relations experienced significant growth, with Nigeria becoming the third-largest market for Chinese exports in Africa. The value of Nigeria-China trade, which stood at 2.3 million pounds in 1969, rose to 10.3 million pounds in 1971 (Akpan,2020). However, this upward trend in trade volume experienced a progressive decline in the following years. For instance, while the value of trade was 35.7 million naira in 1981, it declined to 17.8 million naira in 1982, and further plunged to 8.0 million naira and 2.6 million naira in 1983 and 1984, respectively. This declining trend could be attributed to the austerity measures of the Federal Military Government, which brought about foreign exchange restrictions and a ban on imports (Akpan, 2020).

Uche (2015) and Akpan (2020) revealed in their separate studies that for over forty years, Nigeria-China relations have accelerated, providing a scope for examining their development trajectories especially in the area of economic relations. According to Uche (2015) the analysis of economic relations between the two nations takes its antecedence from the post-Cold War era, following China's adjustments aimed at forging external ties. On his part, Akpan (2020) argues that, China's departure from strict communism and socialism, aiming at forming external relations with both Eastern and Western Europe, positioned it as a world player in international affairs by reducing arms trade and nuclear threats and fostering economic ties (World bank, 2019). Further more, China has developed several enterprises in Nigeria bolstering bilateral ties (Ibrahim and Sani, 2019). In similar vein, Nigeria's strong links with China, Particularly in terms of oil exports have re-enforced the country's relationship with other international blocs such as the BRICS, a conglomeration of economic power houses that includes China (Abiodun, 2011;Oke et al 2019). This strategic partnership has also led to an increase in Chinese investments in Nigeria's infrastructure contributing to the country's economic development. Additionally Nigeria has benefitted from China's expertise in technology and manufacturing further enhancing their bilateral trade and diplomatic relations (Idrees, et al 2024).

The new orientation in Chinese foreign policy in the late 20th century reinforced its assertiveness in managing relationships with Africa, especially with African countries offering opportunities for trade, cultural exchanges, industrialization, and large markets for Chinese goods. Initially, Chinese interest in Africa was driven by its aspiration to promote communism/socialism during and after the Cold War era. However, this vision shifted with the realization that Africa presented great opportunities for commerce, trade, and economic relations (Akpan, 2020).

Nigeria-China Economic Relations

The economic reforms initiated by Deng Xiaoping in the late 1970s transformed China into a manufacturing powerhouse, with a voracious appetite for natural resources to fuel its rapid industrialization. China's growing economic clout and its search for new markets and resources made Nigeria, with its abundant oil reserves, an attractive partner (Naughton, 2007). Since 2004, commercial transaction between the two countries has continued to increase by about 300 percent peaking at 7.2 billion in 2008 trade between the two nations totaled $7.3 billion in 2009 and $7.7 billion in

2010. Nigeria is currently Africa's second largest commercial partner with China, after South Africa. Nigeria's increased imports of Chinese goods relative to its export to China has resulted in a trade deficit with China which is expected to grow significantly as trade relations improve, until Nigeria can offer its industrial producers domestic alternatives, of comparable quality at competitive prices, (Nwokolobia & Ikenga, 2023; Idrees et al 2024).

While others (Thompson & Olusegun,2014) see Nigeria-China economic relations from the point of exploitation, others see it as an opportunity that offers a more balanced kind of contact than the West. Nonetheless others question the feasibility of Nigeria's relationship with China (Ibrahim & Sani, 2019; Idrees et al 2024). Both Nigeria and China are giants in their own rights yet one's strength may outweigh the other; for example, Nigeria is the most populous country in the African continent , while China is the most populous country in the globe. Again, Nigeria and China both have strong economic capacities in their own continents, but when it comes to proportional size, China economy vastly outperforms Nigeria's. To put things in perspective, whereas Nigeria's GDP was $448.12 billion in 2019 Chinese GDP was $14.343 trillion in the same fiscal year (World Bank Group, 2020; Nwokolobia and Ikenga, 2023: Idrees et al 2024).

Both Nigeria and China shared a desire to strengthen South-South cooperation, promoting economic ties among developing nations. This shared interest, coupled with a history of diplomatic relations dating back to Nigeria's recognition of the People's Republic of China in 1971, has provided a solid foundation for enhanced economic cooperation (Uche, 2015). The post-Cold War era witnessed the rise of globalization and the integration of economies through trade liberalization and investment agreements. Nigeria, recognizing the potential benefits, sought to diversify its economic partners beyond traditional Western countries, and China presented an attractive alternative (Adebayo, 2012). The economic relations between Nigeria and China in recent times, have been characterized by a significant expansion and diversification. Bilateral trade between Nigeria and China has grown exponentially. China has become Nigeria's largest trading partner, with trade volume increasing from $2.8 billion in 2003 to over $18 billion in 2021 (World Bank, 2022). Nigerian exports to China are dominated by crude oil and minerals, while Chinese exports to Nigeria include machinery, electronics, and manufactured goods (Trade Map, 2022). Chinese companies have also played a pivotal role in Nigeria's infrastructure development. Major projects include the Lagos-Kano railway, the Mambilla hydroelectric power project, and the Lekki deep seaport (Onyejekwe, 2019). Chinese loans and financing have been instrumental in these projects, raising concerns about Nigeria's debt sustainability (Fitch Ratings, 2020).

Chinese investment in Nigeria's manufacturing sector have a significant impact with Chinese companies setting up factories for textiles, footwear, and consumer goods, creating jobs and contributing to local industrialization. However, this has also led to concerns about the decline of local industries and the influx of cheap Chinese imports (Renne, 2015). Nigeria's oil industry has been a key area of cooperation. Chinese companies, such as the China National Offshore Oil Corporation (CNOOC) and Sinopec, have invested in oil exploration, production, and refining in Nigeria. This has provided much-needed capital and technology for Nigeria's oil sector (Nnadozie, 2017).

The changing dynamics of Nigeria-China economic relations has had wide-ranging implications for both countries. Chinese investment has addressed critical infrastructure gaps in Nigeria, improving transportation networks and power generation capacity. This has the potential to boost Nigeria's economic growth and attract further foreign investment (World Bank, 2019).

The reliance on Chinese loans for infrastructure projects has raised concerns about Nigeria's debt sustainability. As of 2022, Nigeria's total debt to China was estimated at $3.5 billion, accounting for a significant portion of its external debt (Debt Management Office Nigeria, 2022). The influx of Chinese goods and investment has had mixed effects on local industries. While it has increased competition and lowered prices for consumers, it has also led to deindustrialization and job losses, particularly in the textile and footwear sectors (Ajakaiye, 2018). The growing economic ties have enhanced China's geopolitical influence in Africa, providing it with strategic access to resources and markets. This has prompted discussions about the balance of power on the continent and the potential challenges for traditional Western powers (Alden, 2020).

Theoretical Framework

The analytical framework adopted for this study is the dependency theory (DT). Dependency theory (Offiong, 1980) is a situation in which a country or group of countries have their economy negatively impacted by the development and economic expansion in another country to which the former is subject. This theory was made popular as a framework of analysis within the context of development and underdevelopment. The theory was a reaction to the modernization theory propounded by classical economist in which they posited that all societies progress through linear stage of development and that developed economies were once in the stage of underdevelopment in the past (Ocholi et al 2019). Based on their analysis these scholars prescribed acceleration of investment, technology transfer, loans with stiff conditionalities, and stronger integration into the world market as a panacea to help underdeveloped nations out of poverty into modernization.

The proponents of dependency theory among whom are Andre Gunder Frank, Walter Rodney, Samir Amin, Dos Santos, and Claude Ake. These scholars on the contrary argued that underdevelopment in poor nations is caused by resource flow from the poor nations classified as "pheriphery" to wealthy nations which are labeled as "core states". The outflow of such resources from poor nations to the wealthy states according to these scholars creates wealth in these countries at the expense of the poor (pheriphery) states. It is in this context that Hans Singer and Raul Presbisch (Richard, 2013) observed that, terms of trade between developed and underdeveloped countries has over time deteriorated due to the exploitative nature of the economic engagements between the two worlds.

Despite the fact that, Nigeria and China are seen as two giants, there is power gap between them. For example, Nigeria's economy is classified as a third world economy, while China's economy is ajudged to be second largest and leading economy in the world today after United State of America (World bank group, 2023 CNN, 2011, Peters 2013). Emerging trends and patterns of trade between China and Nigeria tend to suggest that China is attempting to condition Nigeria's development through trade imbalance, huge Chinese loans given seemingly "without conditions", dumping of cheap manufactured products that are creating closure of local industries and manufacturing companies and job losses. This development is described as "sinking Nigeria into the abyss of debts" (Peter, 2013, P.41).

Results and Discussions

Before the advent of China-Nigeria economic engagements, USA, Europe and Canada dominated trade and investment in the country. Adeolu et al (2019), argued that even though these countries have a long history of economic relations in Nigeria, the relationship was more exploitative and did not contribute to Nigeria's quest for development. It is in the light of this that scholars like Ogunkola (2021) and Utomi (2018) underscored Nigeria-China economic engagements as a more beneficial alternative based on favourable investment conditions, comparative advantage products and market expansion (Ocholi et al 2019). It is in this regard that Egbula and Zheng (2011), noted that Nigeria remains one of the investment beneficiary from China. China has become the fastest investor in Nigeria.

Data from debt management office (2017) reveal that oil and mineral resources account for 98% of inflow. On the other hand, Nigeria's imports of Chinese goods is higher against Nigeria's export. Thereby resulting in trade deficit with China. The above data also revealed that in 2016, for instance, Nigeria's import expenditure from China was about 1.57 trillion naira as compared to 157.5 billion receipts from exports to China. Given this trade pattern, the World Bank (2019) reported that China recorded a $3.3 billion trade surplus against Nigeria in 2017. It is evident that while China is interested in Nigeria as a source of energy, and market for its industrial production activities, Nigeria seeks strategic partnership with China (Ocholi, et al 2019).

China has made substantial investments in Nigeria's power infrastructure, for instance, Chinese-funded projects such as the Zungeru power plant have added approximately 700 megawatts to Nigeria's power grid. Overall, Chinese investments contribute about 1,829 megawatts to Nigeria's total power generation, which represents over 40% of Nigeria's power capacity. In 2017, Nigeria secured a $7.5 billion loan from China to develop its rail infrastructure. This project aims to enhance Nigeria's transportation network, facilitating economic activities and regional integration (Adamu, 2017). Chinese companies have established entities in Nigerian free trade zones, such as Lekki and Ogun, in Lagos and Ogun states respectively. These investments are expected to stimulate local manufacturing and provide new job opportunities (Economic and Commercial Counselor's Office in Nigeria, 2018). While the impact is limited, some technology transfer has occurred through Chinese investments, particularly in servicing and maintenance, which helps in enhancing local capabilities (Chen et al., 2016). Chinese investments in power generation have contributed significantly to improving Nigeria's power supply. The development of hydropower projects, such as the planned $5.8 billion investment on the Mambilla hydropower plant, is set to further augment Nigeria's energy capacity (Reuters, 2017).

On the other hand, China has benefited from a favorable trade balance with Nigeria over the years of its trade relations, for example, Nigeria exports primarily raw materials such as cocoa, beans, and cashew nuts to China, which supports Chinese manufacturing and consumption (UNCTAD, 2018). China's exports of manufactured goods to Nigeria support its industrial base and provide a substantial market for its products. This trade relationship helps China maintain and expand its export markets while at same time negatively impacting on Nigeria's industrial growth and trade relations (UNCTAD, 2018). For instance, between 2002-2010, the value of trade in-balance in favour of China stood at USD 5,775.0 (WTO,2012;Ocholi et al 2019).

Nigerian projects funded by China align with the broader objectives of the BRI **(Belt and Road Initiative),** which aims to enhance China's global influence through strategic infrastructure investments. This involvement helps China solidify its position in Africa (Sun et al., 2017). By investing in Nigeria, China enhances its soft power and diplomatic influence in Africa, contributing to its broader geopolitical and economic strategy (Ramani, 2016). The table below underscores the years of Nigeria-China trade relations and its growing significance:

Trade Statistics Between Nigeria And China

YEAR	TOTAL TRADE (IN BILLION US DOLLARS)	CHINA'S EXPORT TO NIGERIA (IN BILLION US DOLLARS)	NIGERIA'S EXPORT TO CHINA (IN BILLION US DOLLARS)
2023	20.6	18.99	1.61
2022	22.9	21.4	1.52
2021	19.9	17.4	3.4
2020	12.8	9.9	2.9
2019	19.2	15.9	3.3
2018	18.9	15.7	3.2
2017	14.9	11.9	3
2016	11.1	8.3	2.8
2015	13.8	11.1	2.7
2014	14.3	11.2	3.1
2013	14.6	11.3	3.3
2012	14.3	11.3	3
2011	12.3	9.3	3
2010	10.9	8.2	2.7
2009	7.7	5.7	2
2008	8.3	5.6	3.1
2007	7.1	4.7	2.4
2006	8.3	4.5	2.2
2005	5.1	3.4	1.7
2004	3.3	2.1	1.2
2003	2.2	1.5	0.732.5
2002	1.7	1	0.67
2001	1.1	0.72	0.42
2000	1.1	0.71	0.41
1999	0.93	0.56	0.37

Source: Adapted from UN Commodity trade statistics database (2024)

The above table illustrates the volume of trade between Nigeria and China which is unequal, with Chinese imports to Nigeria dominating Nigeria's export with a vast difference.

The trade imbalance between Nigeria and China remains significant. Data from 1999 to 2023 indicates a substantial trade deficit for Nigeria, consistently favoring China (WTO,2012;Ocholi et al, 2019; UN Commodity Data Base 2024). In recent years, the imbalance has ranged from 75% to 92% of total trade, showing that Nigeria imports significantly more from China than it exports to China (UNCTAD, 2018). This imbalance highlights

Nigeria's dependency on Chinese manufactured goods, which dominate over 90% of Nigerian imports, while also exhibiting the critique aspect of the dependency theory outlined earlier, which stated that one country tends to benefit more from international trade at the expense of the other, contrasting with a more balanced trade profile that should be obtainable while trading with other global partners. For instance, data from South African Institute of International Affairs (SAILA, 2018) revealed that Nigeria imported goods worth 1.57 trillion naira from China while its export to China, same year was 157.5 billion naira showing that Nigeria imported ten times more than it exported to china. NBS, (2022) shows that by year 2021 the value of trade imbalance has risen to USD 23 billion in favour of China. This persistent trade imbalance lends credence to the call for the re-examination of the structure of tariff and non-tariff barriers militating against Nigeria's export to China and the constraints being encountered by Nigerian business men, from taking advantage of trade oppoturnities within the context of Nigeria-China strategic partnership engagement.

Nigeria's exports to China are predominantly primary commodities, especially fuels. Despite some fluctuations, primary commodities have accounted for more than 95% of Nigerian exports to China in most years (UNCTAD, 2018). Manufacturing exports from Nigeria to China have remained minimal, ranging from 1% to 3% of total exports. By 2016, absolute manufacturing exports had declined by approximately 50% compared to 2012-13 levels, underscoring the limited value-added in Nigeria's exports. (World Bank Group, 2023).

The Nigerian textile industry, once a significant sector, has experienced severe decline. By the late 2000s, the number of operational textile companies in Nigeria had plummeted from 175 in the 1980s to only 26 in 2007, with employment dropping from 250,000 to around 24,000 (Muhammad et al., 2017). The influx of inexpensive Chinese textiles, combined with internal challenges such as poor infrastructure and inconsistent industrial policies, contributed to this decline. Chinese imports, particularly machinery, dominate Nigerian imports from China, exceeding 90% of the total import share. While machinery has the potential for technology transfer and enhancing local manufacturing capabilities, evidence suggests that cost considerations often overshadow durability and long-term benefits. Chen et al. (2016) report that while some technology transfer occurs in servicing and maintenance, the overall impact on Nigeria's industrial capacity remains limited.

Environmental and Social Challenges in Nigeria-China Economic Relations

Despite the benefits, Chinese investments in Nigeria's energy sector come with substantial environmental costs. A 2023 report by the Boston University Global Development Policy Center (2023) reveals that many Chinese-funded projects in Nigeria, including those in the Lekki Free Trade Zone, do not meet the environmental standards outlined in China’s Green Development Guidance for Belt and Road Initiative (BRI) projects. The environmental concerns are exacerbated by issues such as inadequate resettlement plans and poor local consultation, resulting in significant ecological damage and social disruptions.

The environmental impact of Chinese-financed power plants in Nigeria is evident in cumulative emissions data, which shows an upward trend in emissions over time. The MW capacity to emission ratio for some plants suggests high combustion systems, raising concerns about air quality and long-term environmental sustainability (Boston University Global Development Policy Center, 2023). Although China pledged in 2021 to no longer finance new coal-fired power plants, older and less environmentally friendly projects continue to contribute to pollution. The social implications of Chinese investments are also significant. Issues such as inadequate compensation for displaced residents, poor working conditions, and human rights abuses have been reported. For example, the Zungeru power plant project led to the displacement of thousands of residents and the submersion of farmlands, resulting in poor living conditions for affected communities. Reports of undocumented Chinese companies, neglect of workers’ welfare, and exploitation of child labor further illustrate the broader social challenges associated with Chinese investments in Nigeria. The regulatory environment in Nigeria, characterized by weak enforcement of environmental and social standards, contributes to these issues. The absence of a dedicated agency for monitoring Environmental, Social, and Governance (ESG) compliance and widespread corruption undermine efforts to address the negative impacts of Chinese investments. This lack of effective oversight allows for regulatory arbitrage, where Chinese companies exploit regulatory gaps to circumvent local laws and standards (Sustainability and ESG: Governance Factor, Harvard Law School, 2023).

Illegal mining activities by Chinese nationals in Nigeria have exacerbated communal conflicts and environmental degradation. In states such as Taraba, Jos, Zamfara and Niger state respectively these activities have undermined the potential of the mining industry and caused significant environmental damage (ENACT,2020). In Niger State, the Zungeru power plant project has led to community displacement and inadequate compensation, exacerbating socio-economic hardships for displaced residents and contributing to regional instability.

The Nigeria-China economic relationship, particularly in the energy and power sectors, reflects a complex interplay of benefits and costs. While Chinese investments have significantly contributed to Nigeria's power infrastructure, they have also introduced environmental and social challenges (Idrees et al, 2024). Addressing these issues requires a comprehensive approach to regulatory oversight, improved community engagement, and stricter adherence to environmental and social standards. Strengthening these areas is crucial for ensuring that the relationship between Nigeria and China remains mutually beneficial and sustainable.

Despite the benefits, Nigeria-China economic relations face several challenges and criticisms. These include concerns over debt sustainability, the quality of Chinese-built infrastructure, trade imbalances, and the impact on local industries (Utomi, 2017; World Bank Group 2023). The growing reliance on Chinese loans by Nigeria has raised concerns about a potential "debt trap," a situation where a borrowing country struggles to meet repayment obligations, risking the forfeiture of critical national assets. Such fears are heightened by past events, such as Uganda's Entebbe International Airport in 2021, where failure to repay loans reportedly placed the facility under the threat of Chinese control. Critics argue that this dynamic poor economic and governance structure undermines sovereignty, as strategic infrastructure could fall into foreign hands, thereby impacting national security and economic dependence (Idrees, et al 2024).

There have been instances where the quality of Chinese-built infrastructure has been questioned. Additionally, labor practices on Chinese-led projects have sometimes led to tensions, with local workers alleging poor working conditions and unfair treatment. The influx of inexpensive Chinese goods into Nigeria has drawn criticism for its negative impact on local industries. These products, often sold at lower prices than domestically made alternatives, make it challenging for Nigerian manufacturers to remain competitive. This has contributed to the decline of local production, particularly in textiles, footwear, and small-scale manufacturing, leading to deindustrialization and job losses. The situation underscores the need for policies that balance trade relations while protecting and promoting local industries through incentives, tariffs, or stricter import regulations (Daniel, 2020). The future of Nigeria-China economic relations will likely continue to be shaped by global economic trends, domestic policies, and the evolving geopolitical landscape. Areas such as technology transfer, renewable energy, and digital economy present new opportunities for collaboration.

Nigeria aims to diversify its economy and reduce its dependency on oil. China's expertise in manufacturing and technology can play a vital role in supporting Nigeria's industrialization efforts. As Nigeria looks to address its energy challenges and transition to sustainable energy sources, cooperation with China in renewable energy and green technology could be pivotal. The digital economy offers new avenues for cooperation. China's advancements in telecommunications and digital infrastructure can support Nigeria's ambitions to become a digital hub in Africa.

Conclusion and Recommendations

China-Nigeria economic relations and diplomatic engagements was anchored on strategic partnership. Scholars have argued that the underpinning principle of such relationship is premised on a win-win situation. However in reality as indicated in several places in the discussion, the balance of trade has consistently been in favour of China due to its high volume of export of substandard manufactured products to Nigeria in contrasts to its low level of imports of raw materials from Nigeria (Idrees et al 2024; Nwokolobia and Ikenga 2023; Daniel, 2020). The essence of Nigeria entering into partnership with China is to increase both manufacturing and other economic capacities. However, the prevailing indices tend to suggest that the political and economic engagement between China and Nigeria is being driven solely by China's need for raw materials and petro-energy resources (Ocholi et al 2023). This study is in agreement with scholars (Utomi, 2017; Sanusi;2013, Taylor2017and Gaye,2017) that view China's dominance of Nigeria's economic environment (both Micro and Macro) as Chinese form of imperialism dressed in the form of economic strategic partnership. While scholars such as Taylor (2012) argued that China, through the high volume of loans given to Nigeria and the high profile dominance of Chinese companies in critical areas of Nigerian economy, China is simply seeking to overwhelm Nigeria's economy and strangulate her (Nigeria) economic growth. Ocholi et al, (2023), Taylor (2012), and Gaye, (2017) are of the view that, the closed activities of Chinese company's operations, dumping of substandard products in the Nigerian markets, illegal business operations in the areas of aluminum and steel products, has impacted negatively on the Nigerian economy thereby eroding the win-win situation. This is in addition to the issue of huge Chinese loans which Nigerian Debt Management Office (DMD, 2021) indicated a debt profile of USD 18 billion without any significant performance mile stones on the ground. It is in this regard that this study disagrees with Odeh (2019) conclusion that China-Nigeria strategic partnership is a win-win engagement. This study within the context of the foregoing analysis, submit that instead of being a strategic partner in a win-win economic and trade engagement, China has become a significant contributor to Nigeria's underdevelopment and de-industrialization. This trend if not checked will eventually open the path way for sino-economic and political imperialism, leaving huge debts implication on Nigeria instead of complex interdependence and strategic partnership.

On a final note, this study submit that Nigeria and China relations dynamics includes commerce, investments and political collaboration. While both nations gains from the collaboration, there are certain underlying issues and inequalities that must be addressed. Nigeria's reliance on imported Chinese commodities, along with its trade imbalance, underlines the country's economic weakness structurally. Furthermore, the level of Chinese investments raises concerns about Nigeria's economic sovereignty and long term viability. However, there is no gain saying that diplomatic and political as well as economic partnership between the two countries have become stronger reflecting shared interest and aspiration on a global scale.

Based on the findings of this study, the following recommendations are made in order to correct the current narrative that China-Nigeria bilateral trade, economic and diplomatic engagement is a "win-win" strategic partnership.

Nigeria should review the major components that underpins the bilateral economic and trade agreements especially in the areas of trade that has proven to be exploitative and lessen the danger of imbalances. The persistent and chronic unfavourable trade imbalances recorded against Nigeria must be reversed by the Nigerian government, taking concrete steps to scale up industrialization, while citizens must change their habits of using substandard products from China and embrace locally manufactured products.

Nigeria should make the most of its bilateral agreements with China by ensuring that negotiations are not parasitic but mutually beneficial to both parties, this can be done by meticulously examining contents of bilateral agreements and weighing their long time implications before ratifying them. To achieve mutual and long term benefits, Nigeria and China should stress openness and accountability in their investment agreements. Nigeria's export to China which primarily consists of raw materials can be enhanced through transfer of technology from China. Industrial clusters can be established so as to enable raw materials processed in Nigeria so as to enhance value chain for the benefits of Nigeria.

References

Abiodun, A. (2011) Nigeria and the BRICS; Diplomatic, Trade, Cultural and Military Relations, Johannesburg: *South African Institute of International Affairs*

Adebajo, A. (2012). *The Curse of Berlin: Africa After the Cold War*. London: Zed Books.

Adeolu, O., Adeniyi, S and Abiodun, S (2019) China-Nigeria Economic Relations, *Journal of Policy Research and Training Program* (JPRTP)

Adigbuo, F.O (2021) *China: The Emerging Giant*, New Delhi: Palgrave Publication

Agnew, C. R., Van Lange, P. A. M., Rusbult, C. E., & Langston, C. A. (1998). Cognitive interdependence: Commitment and the mental representation of close relationships. *Journal of Personality and Social Psychology, 74*(4), 939–954.

Ajakaiye, O. (2018). *The Impact of Chinese Imports on Nigeria's Manufacturing Sector*. Lagos: Nigerian Economic Summit Group.

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes, 50*(2), 179–211.

Akpan, N. E. (2020). *The changing pattern of Nigeria-China economic relations in the post-Cold War era*. University of Calabar Press.

Alden, C. (2020). *China in Africa: A New Era of South-South Cooperation or Neo-Colonialism?* Oxford: Oxford University Press.

Andersen, S. M., & Chen, S. (2002). The relational self: An interpersonal social-cognitive theory. *Psychological Review, 109*(4), 619–645.

Axelrod, R., & Keohane, R. O. (1985). Achieving cooperation under anarchy: Strategies and institutions. *World Politics, 38*(1), 226–254.

Chen, Y., Jayaram, K., & Kassiri, O. (2016). Learning from China? Manufacturing, investment, and technology transfer in Nigeria (Working Paper 2). *SAIS-CARI*.

Dappa, T. N., Akpan, E. O., & Ojong, F. C. (2021). Trade imbalances and interdependence theory: Lessons from Nigeria-China relations. *African Journal of Economic Policy, 28*(4), 45–60.

Debt Management Office Nigeria. (2022). *Nigeria's External Debt Stock as at March 31, 2022*. Retrieved from https://dmo.gov.ng/our-debts/external-debt

Egbola and Zheng (2011) Friends and Interest: Chinese Distinctive Links with Africa: Journal of African studies review, 50(3)

ENACT. (2020). *Addressing illegal gold mining in Nigeria: Policy brief*. Institute for Security Studies. Retrieved from http://enact-africa.s3.amazonaws.com/site/uploads/2020-11-19-illegal-mining-policy-brief.pdf

Fitch Ratings. (2020). *China is Nigeria's Biggest Bilateral Creditor but Debt Sustainability Concerns Remain*. Retrieved from https://www.fitchratings.com/research/sovereigns/china-is-nigerias-biggest-bilateral-creditor-but-debt-sustainability-concerns-remain-22-06-2020

Gaye, A., (2017) Is Chinese Investment Good for Africa? http://data.worldbank.ng/china/chinese-investment-good-for-africa/p112690

Harvard Law School Forum on Corporate Governance. (2023). *Sustainability and ESG: The governance factor and what it means for businesses*. Retrieved from https://corpgov.law.harvard.edu

Holmes, J. G., & Rempel, J. K. (1989). Trust in close relationships. In C. Hendrick (Ed.), *Review of Personality and Social Psychology* (Vol. 10, pp. 187–220). London, UK: Sage.

Ibrahim, K.H., and Sani, D.W (2019) Nigeria-China: an examination of recent bilateral trade relations. International Journal of Applied Research in Social sciences, 1(5), 172-184

Idrees, M.G, Bashir, A.A, Zurkallaini, A.M., Abubakar, S.D and Fauziyya, M.R. (2024) Nigeria-China Bilateral Relations: Trade, Investment and Political Influence, *Kashere Journal of Politics and International Relations*, Vol 2, Issue 2, December.

Jereome, A. (2013). *Industrial policy, institutions and mechanisms in Africa: The case of Nigeria: Synthesis report*. UNECA.

Kelley, H. H. (1983). The situational origins of human tendencies: A further reason for the formal analysis of structures. *Personality and Social Psychology Bulletin*, *9*(1), 8–30.

Kelley, H. H., & Thibaut, J. W. (1978). *Interpersonal Relations: A Theory of Interdependence*. New York, NY: Wiley.

Kelley, H. H., Holmes, J. G., Kerr, N. L., Reis, H. T., Rusbult, C. E., & Van Lange, P. A. M. (2003). *An Atlas of Interpersonal Situations*. New York, NY: Cambridge.

Keohane, R. O., & Nye, J. S. (1977). *Power and Interdependence: World Politics in Transition*. Little, Brown.

Madushir, I. (2010, December 19). Hopeful ex-workers besiege UNTL, Kaduna for a new lease of life. *Sunday Trust*.

Muhammad, M., Mukhtar, M., & Lola, G. (2017). The impact of Chinese textile imperialism on Nigeria's textile industry and trade: 1960–2015. *Review of African Political Economy*, *44*(154), 673–682. https://doi.org/10.1080/03056244.2017.1341189

Naughton, B. (2007). *The Chinese Economy: Transitions and Growth*. Cambridge, MA: MIT Press.

Nnadozie, I. (2017). *China-Africa Trade and Investment Relations: Challenges and Opportunities*. Abuja: African Export-Import Bank.

Nwachukwu, L.C (2017) The Political Economy Of Nigeria-China Bilateral Relations, International Journal of Social Sciences and Humanities Review 7(2), 127-135.

Nwachukwu, L.C., (2017) The Political Economy of Nigeria-China Bilateral Relations: *International Journal of Social Sciences and Humanities*, Review, 7(2), 127-135

Nwokolobia, A.C. and Ikenga, F.A. (2023) China and Nigeria Relations in a multi-Polar World, *Journal of Public Administration, Finance and Law, 299-315*

Ocholi, I., and Okonkwo, N.S (2023) China-Nigeria Bilateral, Political and Economic Engagements: strategic partnership or sino-imperialism, *Zamfara Journal Of Politics And Development,* Vol. 3, No 11, P 1-11

Offiong, D (1980) *Imperialism and Dependency*, Enugu: Fourth Dimension Publishers.

Ogunkola, A.I (2018) Nigeria-China Trade Relations: The Yawning Gaps, *Zenith Economic Quarterly*

Ojo, T.W., and Adebayo, A.A. (2017) Nigeria's foreign Economic Relations (1998-2014) *Scientific Journal Of Accounting, Management, And Finance*, Department Of History And International Studies, Federal University, Oye Ekiti, 263-273.

Oluwabiyi, A.D and Duruji, M.M, (2021) The Implication Of Nigeria-China Relations On The Actualization Of Sustainable Food Security In Nigeria, Relations Internations. Acta Universities Danubius 14(1), 51-61

Onyejekwe, C. (2019). *China and Infrastructure Development in Nigeria: A Critical Analysis*. London: Routledge.

Osimhen, G.U, and Micah, E.E.M., (2022) Nigeria-China Economic Relations: Matters Arising, Global Journal of Political Science and Administration, 10(3), 43-54

Oyejide, T. (2006). *Nigeria's Economic Reforms: Progress and Challenges*. New York: Nova Science Publishers.

Peter, E (2013) *Trade Gap Between Nigeria And China*, Beying: flower press

Ramani, S. (2016, July 12). China-Nigeria relations: A success story for Beijing's soft power. *The Diplomat*.

Renne, E. (2015). The changing contexts of Chinese-Nigerian textile production and trade 1900–2015. *Textile, 13*(3), 212–233.

Renne, E. (2015). *The Political Economy of Chinese Engagement in Nigeria's Oil Sector*. Rochester, NY: University of Rochester Press.

Rusbult, C. E. (1983). A longitudinal test of the investment model: The development (and deterioration) of satisfaction and commitment in heterosexual involvements. *Journal of Personality and Social Psychology, 45*(1), 101–117.

Rusbult, C. E., Verette, J., Whitney, G. A., Slovik, L. F., & Lipkus, I. (1991). Accommodation processes in close relationships: Theory and preliminary empirical evidence. *Journal of Personality and Social Psychology, 60*(1), 53–78.

South African Institute Of International Affairs Nigeria. China Bilateral Trade SAIIA

Stein, H. (2012). Africa, industrial policy and export processing zones: Lessons from Asia. In A. Noman, K. Botchwey, & J. Stein (Eds.), *Good Growth and Governance in Africa: Rethinking Development Strategies* (pp. 322–344). Oxford University Press.

Tamuno, D. G., Akpan, N. E., Ikem, O. C., & Joseph, N. C. (2021). *Fundamental theories in political science*. University of Calabar Press.

The Guardian Lagos. (1985, May 31).

Trade Map. (2022). *Nigeria - China Trade*. Retrieved from https://www.trademap.org/Country/NG/Show/China

Uche, O. (2015). *South-South Cooperation: The Case of Nigeria and China*. Abuja: National Institute for Legislative and Democratic Studies.

UNCTAD. (2018). On-line stats. Retrieved from http://unctad.org/en/Pages/Statistics.aspx

United Nations. (2024). *Commodity trade statistics database (COMTRADE)*. Retrieved from https://comtrade.un.org/

Van Lange, P. A. M., Rusbult, C. E., Drigotas, S. M., Arriaga, X. B., Witcher, B. S., & Cox, C. L. (1997). Willingness to sacrifice in close relationships. *Journal of Personality and Social Psychology, 72*(6), 1373–1395.

Wieselquist, J., Rusbult, C. E., Foster, C. A., & Agnew, C. R. (1999). Commitment, pro-relationship behavior, and trust in close relationships. *Journal of Personality and Social Psychology*, *77*(5), 942–966.

World Bank Group (2020) GDP (current USD)-Nigeria Retrieved http://data.worldbank.ng/indicator/NY.GDP.MKTP.CD?

World Bank. (2019). *Nigeria: Economic Update - Investing in Social and Physical Infrastructure*. Washington, DC: World Bank Group.

World Bank. (2022). *Nigeria Trade Summary*. Retrieved from https://www.worldbank.org/en/country/nigeria/overview#trade

Zainab, G. and Sheriff, G.I., (2018) China-Nigeria Economic Relations: The need for greater Resource Management for Development, International Journal of Trend in Scientific Research, and Development, 2(3), 176-188