

# The Implication of Nigeria-China Economic Relations on Nigeria's National Development

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## **Abstract**

*Since the early 2000s, the relationship between China and Nigeria has emerged as a subject of significant scholarly and public discourse, primarily due to China's increasing efforts to consolidate its economic influence and market dominance within Nigeria. Scholars and commentators have expressed various opinions on the issue, some view the relationship as beneficial to China and detrimental to the overall development of Nigeria, others see it as the opportunity that Nigeria needs to develop and compete in the world market. This study adopted the dependency theory as its theoretical framework and made use of secondary sources of data collection from textbooks, journals, newspapers, magazines, government publications, internet materials, and other relevant works related to the study. The study revealed that Nigeria – China bilateral relations have benefited China more than Nigeria. This according to the study is evident in the fact that the balance of trade has remained in favour of China beginning from the era of informal ties till date. Accordingly, the paper argues that to foster a mutually beneficial economic relation, China and Nigeria should negotiate among other issues, investment in key sectors like agriculture and infrastructure, technology transfer and issues of trade imbalances. Nigeria as a nation must also improve on governance and democracy in the country so as to identify and pursue policies that will align with these areas that will contribute to growth and development in the country.*

**Keywords: Bilateral Trade, Economic Relations, National Development, Trade Imbalance, Technology Transfer**

## **Introduction**

In recent years, Nigeria-China economic relations have deepened through increased trade, loans, and development. While these engagements promise economic growth, they also raise questions about dependency and long-term sustainability. This interaction, is no exception to

the integrative forces of globalisation that have progressively brought and tied countries of the globe together over the course of several decades (Gimba & Ibrahim, 2018). The origin of recognized and actual bilateral relations between both countries could be traced back to 1971 (Oke, Oshinfolowokan & Okonoda, 2019). Within this period, Nigeria and China, have operated one of the largest bilateral relationship in Africa, with both parties providing a humongous market structure for each other, as trade between Nigeria and China expanded sharply from **US \$178 million in 1996** to **US \$2.83 billion in 2007**, demonstrating a steady growth in bilateral economic relations (Momoh, 2009), between 2021 and 2025, Nigeria-China trade grew significantly, reaching \$25.68 billion in 2021 and \$15.48 billion in the first half of 2025(Onje, 2025). Nigeria-China trade consistently ranked among the largest in Africa. Additionally, bilateral relations have been strengthened by the entry of numerous Chinese companies into the Nigerian economy, primarily through Foreign Direct Investments (FDIs). Nigeria has been a staunch ally of China since 1971, particularly in its advocacy for the One-China policy (Gimba & Ibrahim, 2018).

Nigeria's first official contact with the People's Republic of China came in 1960 when China was invited to Nigeria's independence celebrations. Congratulatory messages from Zhou Enlai and the late Vice-Premier, Marshall Chen Yi, were conveyed by China's delegation. The Chinese leaders praised the "great victory achieved by the Nigerian people in their resistance to colonialism" in their message. The delegation subsequently conducted a tour of various regions of the nation prior to their return to China. This gesture was reciprocated by Nigeria when it was admitted to the United Nations Organisation (UN) later that year, as she supported China's membership in the world body. This she did by voting against the anti - China American procedural motion on 8th October 1960 (Owoeye, 1986). Despite the foregoing development, it was obvious that the government of Prime Minister Tafawa Balewa had no plans to open diplomatic relations with China or any country of the Eastern bloc. The reasons for this are not really far fetched. At independence, Nigeria's political leadership was not only pro-west but also anti-communist. The resultant effect of this was diplomatic isolation between Nigeria and communist or socialist states of which China was one. Moreover, the Balewa regime got power from the colonialists on a platter of gold hence they had no grudge whatsoever against the British or their Western allies. Besides, by education and social disposition, Balewa and members of his government shared world views and ideologies similar to that of the erstwhile colonial masters. This is why according to Owoeye (1986), the Chinese posture as a vanguard of the proletarian nations against the bourgeois/imperialist nations made no impression on the conservative regime in Lagos.

Nevertheless, Nigeria and numerous other African nations responded to the Chinese Cultural Revolution and her admission to the United Nations Security Council in 1971 by acknowledging China as a significant global power. Consequently, they established diplomatic relations with her in a spirit of non-alignment. China and Nigeria formally established diplomatic relations on February 10th, 1971. China opened its embassy in Lagos on 6th April, 1971 while Nigeria reciprocated in October of that year. Thus a mutually, reinforcing and rewarding relationship between both countries began in earnest. The benefits of the Nigeria-China partnership are most visible in cities like **Lagos, Onitsha, Aba, and Kano**, where Chinese investments and trade have boosted infrastructure, commerce, and industrial activity. In nearly every Nigerian market, one can purchase a Chinese product, including textiles, food items, drugs, electronics, phones, computers, and cooking implements. Nigeria's communications satellite (NIMCOSAT 1) was designed, built and funded by China. The NIMCOSAT 1 was also launched in China and even the rail rehabilitation projects which at a point, bred controversies. Consequently, Nigeria is currently engaging in a significant amount of trade and investment activities with China. Nigeria provides China with a market for its products and an abundance of untapped resources, such as oil.

The economic ties between China and Nigeria have prompted significant debate, with scholars and policymakers expressing divergent perspectives on their implications. Some people view the relationship as beneficial to China and detrimental to the development of Nigeria, while others see it as the spring post or opportunity that Nigeria needs to develop and compete

in the world market. There are therefore, different shades of opinions or views on Nigeria-China engagement. It is in the light of the foregoing that this paper aims at making an important contribution to this all important debate.

## **Theoretical Approach**

### **Dependency Theory**

Dependency theory is a social science tool of explanation that is based on the idea that resources are transferred from a “periphery” of impoverished and underdeveloped states to “core” wealthy states, thereby enriching the latter at the expense of the former. Dependency theory originates from two papers published in 1949 one by Hans Singer, the other by Raul Prebisch in which the authors observe that the terms of trade for underdeveloped countries, relative to the developed, had deteriorated overtime because of the exploitative nature of the relationship between the two worlds. The theory arose as a reaction to the modernization theory; an earlier theory of development that posited that all societies progress through similar stages of development and that today’s underdeveloped areas are therefore in a similar situation to that of today’s developed areas sometime in the past. The best strategies to rescue underdeveloped countries from poverty are to accelerate them along this supposed path of development shared with the West through the acceptance of foreign direct investment, technology transfer, and closer integration into the world market.

The modernist perspective was rejected by dependency theorists, who instead posited that the exploitative relationships that have defined the interactions between developed and impoverished nations from colonial times to the present are the root causes of underdevelopment in these countries. The dependency theorists maintain that the disadvantaged integration of the former states into the world system results in the impoverishment of poor states and the enrichment of wealthy ones. Dos Santos views dependency as a situation in which a certain group of countries has its economy conditioned by the development and expansion of another, in which the former is subservient. The main African proponents of dependency theory are Theotonio Dos Santos, Walter Rodney, Samir Amin, and Claude Ake. Despite Nigeria and China’s cooperation for mutual economic benefits, the relationship between the two countries could be more effectively elucidated within the dependency theoretical foundation. In this framework, the trend of relations between the two countries favours China as the senior partner in the relationship. This position has been used to condition Nigeria’s development pattern to produce the raw materials necessary for China’s industrial growth in exchange for Nigeria’s reliance on imported goods from China instead of producing its own, resulting in balance of trade and balance of payment problems for Nigeria.

### **China’s emergence as a world super-power**

China was classified as one of the world’s most impoverished nations prior to 1980. The transformation of China from an impoverished, stagnant nation to a significant economic power over the past three decades has been characterised as one of the most remarkable economic success tales of the modern era. China’s economy maintained a centrally planned economy prior to 1979. The state directed and controlled a significant portion of the country’s economic output, setting production goals, controlling prices, and allocating resources throughout the majority of the economy. In an attempt to support rapid industrialization, the central government undertook large scale investments in physical and human capital. By 1978, nearly three-fourths of industrial production was produced by centrally controlled state – owned enterprises subject to centrally planned output targets. Private enterprises and foreign investment were nearly non-existent (Ayoola, 2013). A central goal of the Chinese government was to make China’s economy relatively self –sufficient.

Generally, foreign trade was restricted to the acquisition of goods that were not achievable in China. The Chinese government initiated a series of economic reforms in 1979, which included the importation of high-technology products into China, the establishment of special economic zones to attract foreign direct investment, price and ownership subsidies for farmers, and the

decentralisation of economic policymaking. According to Ayoola (2013), since the introduction of these economic reforms, China has grown from a poor country to a major economic power in the world and as the world's second largest economy with the potentials of being the largest within a decade from now. He further stipulated that, China's rule as the world super-power has been attributed to the following: (i) High Savings and Investment: China had a large accumulation of capital and vast improvements in productivity. Improved productivity increased growth and generated funds used for investment. The country also had large pool of domestic savings to draw from to finance investment. Savings as a percentage of GDP has risen above 52%; (ii) Foreign Direct Investment: China's trade and investment reforms led to a surge in foreign direct investment (FDI), which had been a major source of China's capital growth; (iii) Productivity Increase: Productivity gains have been a major cause of China's rapid economic growth since reforms were implemented. According to Goldman Sachs, the productivity gains were the result of China's extremely low starting point of economic development when reforms began and a profound evolution of government policies that have gradually but consistently reduced inefficiencies in the system; (iv) Increasing inputs of human and physical capital (for instance, investment in plant and equipment, education, infrastructure) and/or labour (i.e., growth in the labour force); (v) China invested heavily in their own proprietary national skills and this helped in developing high technology industrial sectors; and (vi) The country adopted an outward-oriented strategy which started with the utilization of their most abundant resource, unskilled labour, to produce labour-intensive manufactured products for exports because they had comparative advantage in them (Ayoola, 2013).

### **Nigeria - China Trade Relations**

Nigeria and China have maintained economic relations since 1971, when the two nations signed the Joint Communiqué on the Establishment of Diplomatic Relations. Over the past decade, trade relations between the two nations have evolved from limited and intermittent contact to an increasingly intricate and costly business relationship (Utomi, 2007). The volume of trade between Nigeria and China grew at low levels until rapid growth turned China in 1993 from a net exporter of crude oil to the second-largest importer of crude oil in the world (Utomi, 2007). According to Punchonline(2025) the trade volume between Nigeria and China expanded by nearly 300% since 2004, reaching **US \$7.2 billion in 2008, US \$7.3 billion in 2009, and US \$7.7 billion in 2010**. By **2023**, bilateral trade had grown further to approximately **US \$22.5 billion**, and from **January to July 2025**, it rose to **US \$15.48 billion**, marking a **34.7% year-on-year increase** and establishing Nigeria as **China's second-largest trading partner in Africa (Onje, 2025)**. Due to a substantial increase in Nigeria's imports of Chinese commodities in comparison to its exports to China, a trade deficit has been established with China. It is expected that this deficit will persist until Nigeria is capable of offering its industrial producers domestic alternatives of comparable quality at competitive prices.

The destruction of the local manufacturing sector has been significantly influenced by global institutions such as the World Trade Organisation (WTO), IMF, and World Bank. These institutions have mandated that Nigeria liberalise trade, freeze wages, devalue the currency, remove public subsidies, and implement other austerity measures, which have led to a greater under-utilisation of productive capacity. As a result of Nigeria's growing reliance on imported capital, consumer products, and services, the domestic economy sectors have been virtually paralysed. The local manufacturing firms have withered away as a result of the stiff competition from substandard products that target Nigerian markets. The volume of trade and investment between Nigeria and China remained at low levels until 1993, when rapid development transformed China from a net exporter of crude oil to the second-largest importer of crude oil in the world. The volume of trade and investment between China and Nigeria has increased in recent times as a result of the voracious demand for energy to fuel her flourishing economy.

Once the largest oil exporter in Asia, China became a net importer of oil in 1993. By 2045, China is projected to depend on imported oil for 45 percent of her energy needs. The country therefore, needs supplies from relatively low cost African or middle Eastern sources (Ezirim,

2007; Utomi, 2008; Onuoha, 2008). The foregoing situation has made China to embark on the strategy of "going out" and accordingly, trade and investment relations between her and Nigeria has been in steady increase. Nigeria and China have executed numerous "bilateral trade and investment agreements" in order to provide each other with preferential treatment. In accordance with this, the Chinese government has implemented a variety of measures to enhance trade and investment relations between she and Nigeria, such as:

- a. Taking positive measures to facilitate access African products to the Chinese market, and to give zero tariff treatment to part of exports from "least developing countries" in Africa, to enlarge the trade scale, and optimize the trading structure. China has signed free trade agreement or regional trade assignment with African countries and regional organisations.
- b. Africa is one of the regions the Chinese government encourages enterprises to make investment. Chinese government will formulate and perfect related policy, simplify investment procedures, enhance guide and service, and support powerful enterprises to invest in Africa. She will continue to sing and carry out "bilateral agreement to encourage and guarantee investment", and "avoiding double taxation" to safeguard the legal rights of investors.
- c. Encouraging China's financial institutions to setup branches in Africa, to provide effective financial service for China - Africa trade.
- d. Strengthening the information infrastructure to create favourable conditions for tapping into the African market(Onuoha, 2008).

The foregoing measures might have been responsible for the recent increase in the volume of China-Nigeria bilateral trade and investment relations. For instance, the volume of trade between Nigeria and China increased from US \$178 million in 1996 to US \$1.44 billion in December 2001. The trade figure for 2002 was US \$1.168 billion and it rose to US\$1.858 billion in 2003. In 2004 the figure rose to US \$2 billion and stood at US \$2.83 billion in 2007. China is one of Nigeria's top ten trading partners and it has set several companies (some solely owned, some jointly owned with Nigerians) in Nigeria. These companies are involved in construction, oil and gas, technology, service and education sectors of the Nigerian economy (Momoh, 2009).

### **National Development**

National development refers to the holistic progress of a country in economic, social, political, and technological terms as it encompasses improvements in infrastructure, human capital, industrialization, governance, and overall quality of life. According to Lawal and Oluwatoyin (2011) the pride of any government lies in achieving a higher level of development that fosters a genuine sense of belonging and connection among its citizens. However, for a nation to attain meaningful development, certain prerequisites must be in place most importantly, socio-political and economic stability. They described national development as the overall development or a collective socio-economic, political as well as religious advancement of a country or nation. This is best achieved through development planning, which can be described as the country's collection of strategies mapped out by the government.

The relationship between Nigeria and China encompasses trade, investment, financial aid, technical support, and large-scale infrastructure projects. China's presence spans key sectors like construction, energy, manufacturing, telecommunications, and mining, making it one of Nigeria's major trading partners. In theory, Chinese capital and expertise promise to boost economic activity, create jobs, and enhance technological capacity through infrastructure development and knowledge transfer. These collaborations could strengthen human capital and promote sustainable growth. However, in practice, challenges such as structural dependence, rising debt risks, and uneven development benefits have complicated the expected outcomes.

### **Issues and Challenges of Nigeria-China Economic Relations**

One of the challenges of Nigeria-China economic relations is low investment in the agricultural sector. China's initial investments in Nigeria's oil and manufacturing sectors were primarily

driven by the necessity to secure essential minerals for the country's economic expansion. Capital has continued to flow into more sectors that are favourable to the Chinese economy resulting in the gradual neglect of the agricultural sector (Daniel & Maiwada, 2015). Although Nigeria has large and fertile arable land, China's investments in agricultural sector of Nigeria has the lowest among other investments. Thus, China's investments in this sector contribute little to employment generation in Nigeria (Daniel and Maiwada, 2015). Few Chinese companies are active in agricultural sector investments. One of them is Ofada Vee Tee Rice Limited operating in Ogun State. The company collects paddy rice from Nigerian producers and processes it to manufacture premium-quality rice. The enterprise contributes to the domestic production of high-quality rice, thereby reducing the necessity for rice import. Consequently, it contributes to Nigeria's self-sufficiency and revenue generation by reducing imports. As of 2011, 30 thousand farmers were supposed to supply paddy rice to the company (Oyeranti et al., 2011).

Another Chinese investment in agricultural sector of Nigeria is The Green Agricultural West Africa Ltd (GAWA). The GAWA reached 500 hectares of yearly rice production in Nigeria. Later the GAWA made partnership with another Chinese company and expanded its investments in other areas of agricultural sectors, agricultural equipment, breeding, seeds, and agricultural research. The GAWA also trained local farmers (Nyiayaana & Jack, 2021). It will be thus beneficial to the development of Nigeria if more of agricultural investments are made in Nigeria, there will be provision of food and employment.

Another challenge with Nigeria-china economic relation, is the de-industrialization in Nigeria caused by China trade policies. The Structural Adjustment Programme (SAP) policies introduced in the late 1980s combined with Chinese imports brought about a major decline in the textile industry. The SAP-led trade liberalisation exposed local manufacturers to intense foreign competition without adequate government protection or infrastructure support. Consequently, the influx of cheaper Chinese textiles flooded Nigerian markets, making it nearly impossible for local producers to compete. This dual pressure from SAP reforms and low-cost Chinese imports has led to widespread factory closures, massive job losses, and the near collapse of Nigeria's textile sector, which once served as a cornerstone of the nation's industrial development. In Kano long regarded as the textile hub of northern Nigeria, approximately 28,000 workers lost their jobs in 2015 due to the influx of cheaper Chinese fabrics. While Nigeria continues to serve as a significant market for Chinese goods, this trade imbalance has largely benefited China's economy at the expense of Nigeria's, undermining the latter's economic stability and security.

While Chinese-owned factories have created new job opportunities across Nigeria, there is growing concern about who truly benefits from these ventures. Over the past decade, a significant influx of Chinese nationals into Nigeria has seen many of them occupy key positions in these enterprises, leaving limited opportunities for local workers. At the same time, the surge of inexpensive Chinese goods has overwhelmed Nigeria's struggling small and medium-sized businesses, many of which were already battling high production costs and weak infrastructure. According to local economic analysts, this increasing dominance of Chinese trade and investment has contributed to the loss of tens of thousands of Nigerian jobs and drained substantial revenue from the domestic economy. Although it is possible to contend that there are currently Chinese companies operating in Nigeria, the challenge is determining whose interests these companies are safeguarding, of course, not Nigeria's. In Nigeria, thousands of Chinese individuals arrived with visitor's visas, which are intended to prevent them from working. Still, what transpires? Chinese companies provide protection to these visiting Chinese individuals and provide them with employment opportunities that are intended for Nigerians. Nigerians are incarcerated in China for violating fundamental immigration laws; however, Nigeria is distinct in that each Chinese individual is an expatriate who must occasionally be protected with the assistance of the Nigerian immigration service. As dependable allies, should the Chinese be permitted to transgress fundamental Nigerian immigration laws?

Dumping has been identified as yet another problem associated with the Nigeria-China economic relations. It is a form of pricing discrimination that takes place when a manufacturer intentionally reduces the price of an item entering a foreign market to a level below what domestic buyers in the original country pay. This behaviour is believed to be intentional in

order to gain a competitive advantage in the importing market. When a country or corporation exports a product, the price in the foreign importing market is lower than the price in the exporter's local market. Nigeria's economy is frequently exposed to a significant amount of low-quality, low-cost, and substandard commodities due to the nature of Nigeria-Chinese relations (Ogunsanwo, 2008). This not only poses a threat to and displaces Nigerian industries, but it also effectively displaces workers from these industries, resulting in unemployment and restricting the ability of individuals to afford healthy and nutritious food (Campbell, 2011).

The competitiveness of Nigeria's already struggling manufacturing sector is being severely undermined by the growing influx of cheap products from Asian countries, particularly China. With China's population of 1.6 billion expanding rapidly, there is a constant need for new markets to distribute its industrial goods. Nigeria, as the most populous African nation with a substantial capacity to absorb these products, has naturally become a prime target for Chinese exporters. In response, this case will get worse if the Nigerian government fails to implement policies aimed at curbing the unchecked proliferation of Chinese industries and imports, such as trade tariffs, import restrictions, and incentives for local manufacturing. These measures are intended to protect domestic producers, preserve jobs, and restore a level of competitiveness to Nigeria's manufacturing sector that has been eroded by foreign product dumping.

Another significant strain on Nigeria-China economic relations arises from the poor treatment of Nigerian workers and the consistent non-fulfillment of trade agreements by Chinese firms. Nigerian employees are subjected to mistreatment by their Chinese employers. Mistreatment of these labourers has occurred on a number of occasions. For instance, the two Chinese individuals who owned and operate Oceanic Bakeries in the Wuse district of Abuja were apprehended for violating the rights of Nigerian employees at the bakery. The harsh and dehumanising conditions to which Nigerian workers are subjected by their foreign employers in major commercial cities of Nigeria are revealed by a circumstance in which they were compelled to beg their Chinese manager for water when thirsty, as they were trapped like animals beside an oven in the bakery. Additionally, Chinese corporations neglect to verify environmental compliance, engage in corruption schemes, and permit numerous violations of the rights of African workers.

The Chinese government is willing to increase profits by whatever means necessary while partnering with authoritarian regimes and accepting the lack of democracy and violations of human rights. This raises concerns about the Nigerian government's ability to adapt and enforce proper labour laws and perform frequent workplace inspections. It has been discovered that China has declined to transfer technology to Nigeria. This is due to the fact that, during the infrastructure construction process, China employs a greater number of its own personnel to assist in the construction of the infrastructure in Nigeria, rather than a small number of Chinese workers and a greater number of local workers. Additionally, they have declined because they are aware that by employing local workers and compensating them, they are merely fostering Nigeria's economic expansion and incurring losses. Consequently, they employ more of their own citizens and compensate them, thereby fostering their own economic expansion. China is only willing to launch Nigeria's satellite into orbit after it has paid certain fees. Nigeria's quest for a technological transfer through China, therefore, remains a dream and the foremost contemporary challenge in the China-Nigerian relation.

The influx of substandard products or service into Nigeria has also posed a great challenge to the Nigeria-china economic relation. Numerous Chinese products that are sold in Nigeria are counterfeit, and of inferior quality. Despite the fact that Nigerians continue to patronise them, this may be due to the inelastic demand for inexpensive products (cheap items are typically of poor quality). This is a concern that China must address, or else it risks losing a significant portion of the Nigerian market as the national income per person increases. Although the Nigerian government is frequently criticised for its failure to prohibit the importation of such products, others attribute the responsibility to Nigerian businessmen and women who import them despite their knowledge of their substandard quality. China and Nigeria must work together to generate value, regardless of the circumstances. Substandard or counterfeit medication poses a significant hazard to global health. Nearly one in five antimalarials in low- and middle-income countries are either substandard or fraudulent.

Another problem in Nigeria-China economic relations is unbalanced trade. The trade balance between Nigeria and China has been negative over time, with favours shifting towards China. In fact, the Nigeria-China relationship is characterised by the delivery of unprocessed resources to China and the importation of completed products from the same country, as Azaiki (2006) explains that in order to mitigate substantial imports from developed nations, China will endeavour to increase its African trade surplus, which will exacerbate the trade deficit. China has demonstrated a strategic intent to mitigate its trade deficit with Western nations by diversifying its trade partnerships, notably with non-Western countries like Nigeria. In 2022, Nigeria imported approximately \$22.3 billion worth of goods from China, while exporting only about \$1.6 billion to China, resulting in a significant trade imbalance (Omobola, 2023). This disparity underscores China's focus on maintaining robust trade relations with African nations, including Nigeria, to bolster its economic standing.

Furthermore, China has engaged in armament agreements with African nations as part of its foreign policy strategy, complementing commercial investments. These agreements often come without stringent human rights conditions, distinguishing China's approach from that of Western countries like the United States and European Union, which typically tie trade and aid to human rights considerations (Onuoha, 2008). Consequently, she is amenable to selling military equipment and weapons to virtually any individual. In fact, Beijing regards Africa as a prospective growth market for its military equipment. Beijing has dispatched Chinese military trainers to assist their African counterparts in the security of the energy supplies that China has actively discovered in Africa. This suggests that Africa will remain a region characterised by conflict and disaster for the foreseeable future. It also contradicts the African Union's endeavours to mitigate the proliferation or dissemination of small arms in the region. The consequences include destitution, militancy, military resurgence, and political insecurity.

The dynamics of foreign aid and loans from China have also significantly influenced Nigeria-China economic relations. China has provided substantial loans to Nigeria, financing major infrastructure and development projects across the country. However, this assistance is subject to a clause, similar to the Bretton Woods system, in which the IMF and World Bank impose conditions on African nations regarding the use of their borrowed funds. The Export-Import Bank of China, or Exim Bank, also imposes clauses when providing assistance to African countries, providing information on Chinese cultural values, and providing scholarships for Nigerians to study in China.

Another challenge is the provision of foreign aid, which may take the form of grants, low-interest loans, or other cultural advancements such as the instruction of the Chinese language in Nigerian institutions and the provision of scholarships to Nigerian students for study in China. China often presents its engagements with Nigeria as "aid," even when these interactions are fundamentally profit-driven business transactions. Rather than benefiting the Nigerian economy, the pattern of restricting the majority of the Chinese "aid" or grant to bilateral programs has significantly increased Chinese exports. The Chinese "aids," like the majority of Western aids, are worrisome because they are administered by government officials who are not directly involved in the operation of the Nigerian economy (Nwachukwu, 2017). These government officials are rife with allegations of corruption, rendering the "aids" counterproductive.

### **Recommendations**

First, Nigeria must do more than sell oil or depend on China for trade guarantees. The country should as a matter of urgency use its ongoing bilateral relations to leverage on the Chinese success and adapt the lessons to its own circumstances. The relationship must add to the basis for long term investment in education, research and technology and agriculture. Consequently, Nigeria's foremost objective is to enhance its ability to effectively manage its own policies in relation to China's engagement. Nigeria must recognise that China's engagement presents a distinctive opportunity to substantially advance its development and formulate a comprehensive strategy that meets its long-term requirements. In order to progress beyond arrangements that exclusively concentrate on the oil sector, the Nigerian government should refrain from engaging

in short-term fixes and front-loaded agreements with the Chinese. The true mechanism for sustainable development is the diversification of Nigeria's economy, which can be achieved through the temporary use of high commodity prices.

Secondly, Nigeria should draw lessons from the successes and failures of other states' relations with China and their policies towards development, in addition to learning from their own experiences. Nigeria should conduct a comprehensive assessment to determine which policies have been advantageous for its long-term development and which require enhancement. Nigeria should also conduct a more thorough examination of the United States' relationship with China and emulate successful policies. The United States has a lengthy history of trade disputes with China, challenging it in multilateral institutions such as the World Trade Organisation (WTO). Nigeria's capacity to confront China during its inundation with substandard products was demonstrated through its threat of a WTO complaint. It is uncertain whether Nigeria has gained any valuable insights from the U.S. experience; however, it could undoubtedly benefit from the extensive Western expertise on how to more effectively manage a challenging economic relationship and safeguard critical sectors of the economy from foreign competition.

Thirdly, Nigeria should pragmatically acquire the ability to establish institutions. It is evident that Nigeria is underperforming, despite the substantial revenue generated by high-priced crude oil exports. The Nigerian engagement with China has been hindered by a lack of robust institutions and a variety of bureaucratic obstacles, which have resulted in constrained progress in the areas of infrastructure and technology transfer. Nigeria is unlikely to establish a free market system that promotes investment, diversification, and competition until it establishes credible, accountable, and transparent institutions. Previous endeavours to establish institutions in Nigeria and other corrupt societies have demonstrated that the act of uprooting and transplanting institutions is ineffective. The process is evolutionary in nature and is contingent upon political will and strong leadership to effect the requisite changes. Nigeria can still make some small steps in the direction of constructing credible institutions, despite the fact that it typically takes time. Support for civil society organisations and social enterprises is one of the most critical components of institution building. This support is essential for the development of market institutions, transparent and accountable governance, and budget-monitoring mechanisms. Consequently, Nigerian civil society organisations should exert pressure on the Nigerian government to enhance the transparency of its processes.

Fourthly, the Nigerian government should prioritise the development of human capital, the elimination of language and cultural barriers, and the establishment of a more robust value system in order to facilitate the dissemination of knowledge and technology to a broader segment of the Nigerian populace. The accusation that Nigerian merchants have ordered the same substandard products that Nigerian citizens have complained about is indicative of the necessity for more robust values. Nigeria requires business leaders who are prepared to advocate for reform and promote the benefits of transparent business practices. Additionally, it is imperative that Nigerian merchants cultivate the ability to function as premier entrepreneurs without reliance on the Chinese. Consequently, Nigeria must provide greater support to world-class business institutions and public administration institutes that prioritise the development of leadership skills, entrepreneurial abilities, and values.

Finally, it is imperative to cultivate a culture of altruistic and ethical leadership within the nation. The absence of genuine leaders who are willing to standardise and articulate a comprehensive and long-term development strategy that will adequately address the requirements of Nigerians in relation to the country's engagement with China is a significant challenge. This is a painful realisation. Consequently, in order to capitalise on her bilateral relations with China, Nigeria must enhance its democracy and good governance. In Nigeria, democracy and good governance will contribute to the establishment of a culture of leadership that prioritises the enrichment of the country over personal gain when they are fully developed. Additionally, the government should establish a committee comprised of prominent officials, academicians, businessmen, scientists, technocrats, and representatives from civil society. This committee should be responsible for suggesting strategies for optimising Western and Chinese engagement.

## Conclusion

Findings from this paper were that Nigeria and China have benefitted from their diplomatic relations but the relationship is not mutually rewarding, having been tilted towards China. The unequal relationship between the two countries has increased the dependency of the Nigerian economy on China and undermined its economic security. Findings also revealed that China is a global model of rapid socio-economic transformation, that Nigeria could study to enhance optimal performance for its economy. The study concluded that, for Nigeria to benefit optimally from its competitive economic relations with China, the country needs to institute good governance and build up its internal productive capacity through regular training of its workforce.

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