



FOREIGN POLICY, ECONOMIC RELATIONS AND NATIONAL INTEREST: FURTHER ASSESSMENT ON NIGERIA-CHINA ECONOMIC RELATIONS DURING THE MUHAMMADU BUHARI ADMINISTRATION

Abdulmajid Muhammad Zaiyan¹ & Nura Bashir Shehu²

¹Department of Political Science, Sokoto State University, Sokoto

²Department of History and International Studies, Sokoto State University, Sokoto



Corresponding Author's Email: abdulmajidzaiyan15@gmail.com

Abstract

This study examines the dynamics of Nigeria-China Economic relations during the administration of President Muhammadu Buhari (2015-2023). Nigeria-China relations dated back to February 1971, when both nations established formal diplomatic ties through the signing of the joint communique on the formalization of their diplomatic relations. Since then, the relationship has evolved significantly, transforming from initial limited interaction to a complex and robust partnership, marked by increasing trade and bilateral engagements. President Muhammadu Buhari's administration came into power in 2015 when the nation was facing numerous challenges; domestic and foreign. However, Buhari's administration did not change the nature and pattern of Nigeria's strong bilateral relations with China, rather more efforts were intensified towards securing more investments, trade agreements and financial aid from China to finance infrastructural projects for economic growth and development. The study adopted qualitative approach deriving its data from both primary and secondary sources. Findings of this study will contribute significantly to the existing literature on Nigeria-China relations.

Keywords: Foreign Policy, Economic Relations, National Interest and Nigeria-China.

Introduction

States in international system are interdependent on one another, which suggest that no nation can survive and exist in isolation. Since Nigeria's independence in 1960, the country has been engaged in different kinds of relations between and among states in furtherance of its national interest. Multilaterally, Nigeria has been a member of many organizations at global, regional and sub-regional levels. The country has been one of the most respected members of the United Nations (UN) since its admission in 1960. At the regional level, Nigeria played an important role in the formation of the Organization of African Unity (OAU) and its transformation to African Union (AU).

Nigeria-China relations could be traced back to the formal diplomatic agreement in February 1971, when the two countries signed the Joint Communiqué on the formalization of Diplomatic relations and since then, bilateral relations on trade between them has been growing from strength to strength limited and intermittent contact to increasingly complex and expensive business engagements (Utomi, 2007).



Muhammadu Buhari's administration came into power in 2015 when the nation was being ravaged by Boko Haram insurgency, economic mismanagement and large-scale public sector corruption. The administration's first task in office was re-branding its foreign policy objectives in terms of seeking collaboration with neighboring African states in order to fight Boko Haram and other forms of insecurity. In terms of economic and infrastructural development, the Buhari's administration has not changed the nature and pattern of Nigeria's strong bilateral relations with China. Rather more efforts were intensified towards securing more investments, trade agreements, financial aid and loans from China to finance infrastructural projects for economic growth and development. China's economic success was an inspirational source for Nigeria's alternative form of economic growth.

This study examines the dynamics of Nigeria-China economic relations during Buhari's administration, focusing on the strategic goals, policy frameworks and outcomes. It explores how foreign policy shaped the economic ties between the two nations, particularly in areas such as trade, foreign direct investment (FDI), and infrastructure. Moreover, the study assesses the implications of these relations on Nigeria's national interest, economic growth and debt sustainability as well strategic geo-political position.

Conceptual Clarification

Foreign Policy

Foreign policy, according to Khan *et al.* (1970), entails the prescription and construction of a set of objectives, priorities, and processes that guide a state's behavior in its external relations in the international stage. According to Adeniran (1993) that the best way to describe foreign policy is to explain it as what it is. He asserts that foreign policy is made up of three fundamental units. First, it is a state's overall orientation, intentions and course of action toward another independent nation, and secondly, it is the goal or objective that a state seeks to achieve in its relations or interactions with other states, and finally, it remains a means by which that goal or objective is achieved.

Economic Relations

According to Law Insider, an economic relation refers to any relationship that provides income or an economic opportunity. This can include ownership interests in family-owned businesses and creditor-debtor relationship with third parties. Economic relations could also refer to the interactions and exchanges between individuals, groups, or societies in terms of their economic activities (Kowalczyk).

National Interest:

According to Obiozor (1998), national interest is both the foundation and the end of a state's foreign policy. It is used to formulate, explain or expatiates the origins or efficacy of a state's foreign policy. National interest can also be used to justify, criticize, or propose policies to be initiated by a state. National Interest further entails determining what is best for the state. What is best in this case involves adopting the best foreign policy for the state.

Nigeria-China

According to Chiedozi *et al.* (2024), Nigeria and China have a strategic and economic partnership that has developed since the 1970's. The two countries had great deal of influence in Africa and Asia respectively and strong potential for economic growth. Some aspects of the relationship between

Nigeria and China include: Mutual economic gain, infrastructure project, model for economic symbiosis and dependency.

Literature Review

There are many existing literatures on Nigeria-China economic relations; According to Deron, the development of China-Nigerian trade is most notable for its explosive growth. Political interests of China; since the founding of the People's Republic of China, Beijing's relations with Africa have been sphere headed by and dominated by political interests. Beijing recognized the newly independent African nations as a crucial group with which to unite in its search for allies in the bipolar Cold War international scene. In their respective regions, Nigeria and China are both geographically and demographically dominant. China is better ready than ever to expand its diplomatic spheres in a world political order that is constantly shifting. In the twenty-first century, when China's main concerns are economic and political rather than military, Nigeria is an African nation that cannot be ignored (Deron, 2020).

The benefits of Nigeria-China relations have become more evident, and African nations have discovered that their development partnerships with China are more directly advantageous and satisfying than their experiences with Western donor countries (Agah & Ikenga, 2023).

According to Bukarambe (2005), "from the time when actual functional contacts began, the pattern has been such that China exported manufactured and industrial items to Nigeria and imported unprocessed agricultural and mineral items from it. As time went on, China added mechanical and human expertise and investment capital to the list of items it exports to Nigeria". He further asserted that, "the continuation of the trend uninterrupted, unaltered and unabated indicate that China had a net industrial and developmental advantages over Nigeria from the beginning and the imbalance remained". However, the implication from this trade analysis is that the China-Nigeria trade which has increased since both countries started relations has largely been export of primary products to China and import of finished products to Nigeria, particularly, as Nigeria lacks the technological know-how to produce the finished goods (Akongbowa, 2008).

The era of Nigeria's return to civil democratic rule and the inauguration of the Fourth Republic in 1999, witnessed a deepening Sino-Nigeria economic relation which was aimed at mutual benefits. This could be attributed to China's change of orientation towards Africa in general and Nigeria in particular since 2000 (Odeh, 2010). This new orientation in Chinese foreign policy since the beginning of the 21st century reinforced its assertiveness to intensify her relationship with Nigeria which possesses opportunities for trade, investments, industrialization and large markets for Chinese goods (Okoro et al., 2011).

According to Chinese Ministry of Commerce, the main aim of the Chinese Government's policy towards Nigeria are: Firstly, to increase Chinese multinational companies in the Nigerian market share, secondly, to expand the Nigerian market for Chinese manufactured goods, and thirdly, to increase China's presence in Nigeria Oil and Gas sector and leverage its investment in Nigeria as a gateway for entering the Economic Community of West African States (ECOWAS) market (Izuchukwu & Ofori, 2014).

Theoretical Framework

This study adopts complex interdependence Theory. Complex interdependence in international relations and international political economy is a concept that was propounded by Robert Keohane and Joseph Nye in the 1970s to describe the emerging nature of the global political economy. The



concept entails that relations between states are becoming increasingly deep and complex. These increasingly complex webs of economic interdependence undermine state power and elevate the influence of transnational non-state actors. These complex relationships can be explored through both the liberal and realist lenses and can later explain the debate of power from complex interdependence (Farrell et. al., 2019).

International organizations and transnational corporations are key structures that drive this premise. According to Keohane and Nye (1977), the world is in an era of interdependence, where the nature and dynamism of interstate relations has taken the path of mutual interdependence. It occupies central part of the neoliberal school of thought.

Assumption of the Theory: Complex interdependence theory is assumed to provide a good explanation on closer trade and investment relations between and among actors in international relations. Every state has a comparative advantage over other states which calls for more interdependent relations.

According to the complex interdependence theorist, in foreign policy and domestic policies, the agenda of the state are not hierarchically prioritizing. Military and security issues are not always placed on top of the agenda of a state. Every issue has the probability of being given more priority at a given time and under different circumstances.

The theory also argues that relations between states nowadays are not only or even primarily relations between state leaders; there are relations on many different levels via many different actors and branches of government.

Relevance of the theory to the study: Interdependence theory will be of relevance to the study because; it will help highlight the shared interests and goals between Nigeria and China. Both countries cooperate in trade, investments, and infrastructure development. The theory will also help in revealing the power dynamics between Nigeria and China, and also highlight if there is any existence of imbalance and exploitation in the bilateral relations between the two nations.

Aim of the Study

The main aim of this paper is to investigate, examine and analyze the benefits and challenges of Nigeria-Sino economic relations under President Muhammadu Buhari's administration (2015-2023).

Methodology

This study adopts qualitative method to enable the researcher answer research questions under the study. A qualitative approach is a research methodology that focuses on gaining a deep understanding of a phenomenon or situation through non-numerical data, such as interviews, documents, participant observation and case studies. The secondary data used for the discussion in this study were primarily obtained from textbooks, journals, articles, educational websites and other relevant internet sources.



Results and Discussions

Benefits and Challenges of Nigeria-Sino Economic Relations

Nigeria-China economic relation has its challenges and paramount benefits to both nation's domestic economic developments. Below are some major areas of challenges and prospect of bilateral economic engagements between Nigeria and Republic of China:

Trade Balance

The investments of China in Nigeria, the relation between the two countries (Nigeria and China) is asymmetrical and lopsided one, as China gains more than Nigeria gain in the long run as billions of US Dollars flows through the tin-tanks of Nigerian economy consequently, leading to unbalance of trade, balance of payment issues, national debt, among others. Nigeria Exports to China was US\$1.77 Billion during 2020, according to the United Nations COMTRADE database on international trade. Though, Exports to Nigeria in China decreased to 2034320 USD THO in December from 2151824 USD THO in November of 2021 according to National Bureau of Statistics of China recently released in 2022. Trade data gleaned from the National Bureau of Statistics (NBS) and analyzed by The Guardian show that Nigeria has spent N19.12 trillion on imported commodities from China in less than four years – from January 2018 to September 2021. Economists have seen the deepening Chinese influence in the local market as a huge drain and cost on the ailing domestic economy as imports constitute leakages on any economy (Osimen & Micah, 2022).

Investment in Infrastructure

Nigeria-Sino economic relations has not always been one lopsided, the bilateral engagements have been of benefit and gains to both nations. For example, the Forum on China-Africa Cooperation (FOCAC) which took place in Beijing Summit in 2018, where Chinese government and Nigerian government signed a Memorandum of Understanding (MoU) on joint building the Belt and Road Initiative (BRI) which promoted the friendship between the two countries to the best period in history. In essence, it was from 2019 that Nigeria joined the BRI family of China. Nigeria has also benefitted from the BRI projects which included the Abuja/Kaduna Standard Gauge Rail Line linking the nation's capital Abuja to Kaduna, a Trade Centre and transportation hub in Northwestern Nigeria, the Lagos/Ibadan Standard Gauge Rail Line linking Lagos, Nigeria's economic capital to Ibadan, the former administrative capital of South-Western Nigeria, and the Lagos/Kano railway, which is an ambitious project connecting the two most populous cities in Southern and Northern Nigeria. Others include new international Airport terminals in Abuja, Port Harcourt in the Oil-rich Niger Delta region and the ancient city of Kano. Also, In December 2020, the latest of China's many industrial investments in Nigeria, the railway line between Lagos and Ibadan, became operational, running 156 kilometers long and costs some \$1.5 billion US dollars. Nigeria has also received support from China in terms of borrowing money and also military assistant to fight against its insurgents "Boko Haram". Altogether, Nigeria's debt to China has amounted up to \$3.402 billion as of march 31st 2010 according to the debt management Office. The amount covered 11 loan facilities from the China Exim Bank since 2010 (Osimen & Micah, 2022).

Detriment of Nigerian Industries

One of the detrimental effects of Chinese imports on Nigerian businesses, with textiles being the most prominent casualty. As of 2015, an estimated 28,000 Nigerians lost their jobs due to Chinese imports in Kano, which is regarded one of the biggest textile's cities in northern Nigeria. Nigeria has also maintained a sizable market for Chinese commodities, which has benefited China's economy



rather than Nigeria's, jeopardizing the latter's economic security. While new jobs are being created across Africa as a result of various Chinese factories, one should not be deceived as to who they are intended for: about a million Chinese people have arrived to Africa in the previous decade, and they now occupy the lion's share of the newly created positions. Furthermore, the surge of low-cost Chinese imports has proven to be an impossible opponent for local small firms, who were already struggling without the danger. As a result, African Globe experts estimate that the African economy has suffered a loss of about \$1 billion. According to specialists from the African Globe, the increased Chinese penetration has resulted in the loss of approximately 75,000 jobs in the African economy (Osimen & Micah, 2022).

Foreign Aid

Nigeria's reliance on foreign aid from China poses several challenges. China provides aid in various forms, including grants, low-interest loans, and cultural exchanges such as teaching Chinese in Nigerian schools and offering scholarships to study in China. However, Nigeria's dependence on foreign funding makes it difficult to negotiate favorable terms. Wealthy countries like China often present their involvement with poor countries like Nigeria as "aid", even when it's primarily a profitable business deal. The majority of Chinese aid is limited to bilateral programs, which primarily benefits Chinese exports rather than supporting Nigeria's economic development. A significant concern is that this aid often passes through government officials who are not directly responsible for managing the economy. Unfortunately, corruption is widespread among these officials, which can render the aid counterproductive. As a result, Nigeria has accumulated significant debt from China, with the Debt Management Office reporting over \$3.4 billion in borrowings as of March. This situation highlights the need for greater transparency, accountability, and effective management of foreign aid to ensure it benefits Nigeria's economy and people.

Conclusion

The study concludes that the bilateral relations between Nigeria and China during President Muhammadu Buhari's administration has been of great benefit and also align with few challenges. In terms of Chinese investment in infrastructural development in Nigeria ranging from railways, roads, trade center and transportation hubs. These have played a major role in boosting the domestic economy and providing job opportunity to the teaming youths of Nigeria. And also, the study highlighted the trade imbalance between the two nations, in terms of imports and exports between Nigeria and China, which shows that the relations between the two nations has been one sided whereby China benefits more at the detriment of Nigeria local economy because Nigeria imports finished Chinese goods which always has devastating impact on its local industries and businesses. And lastly, the study concludes that Nigeria's engagement with the Republic of China is more advantageous than its bilateral relations with the western world in the sense that Chinese foreign aid are not tied to some certain conditions and also the non-interference of Chinese government in the affairs of any sovereign nation which is a cardinal principle of both Nigeria and China foreign policy.

References

- Adigbuo, E. (2021). *Nigeria China Relations: The Contemporary Challenges*. Retrieved 30 November 2021, from https://www.researchgate.net/publication/332877028_NigeriaChina_RelationsThe_Contemporary_Challenges .
- Akinterinwa, B. T. (2016). *Africa Today's Conference on Nigeria-China relations and Implications for Nigeria's Foreign Policy Concentricism*. This Day May, 8.
- Augustine, E. O. (2022). "Nigeria-China Bilateral Relations: The Current Challenges, 2015-2020." *Annals of Spiru Haret University. Economic Series*, 22(1), 283-299, doi: <https://doi.org/10.26458/2210>.
- Benedict, C., Sanjeev G., Alexander P. & Erwin R. (2004). Foreign-aAid-Grants-Versus-Loan <https://www.imf.org/external/pubs/ft/fandd/2004/09/pdf/clements.pdf>.
- Bert, J. (2011). A Dragon or Dove? A Comparative Overview of Chinese and European Trade Relations with Sub-Saharan Africa. *Journal of Current Chinese Affairs*, Vol. 40 (4), p.17-60.
- Bukarambe, B. (2005). Nigeria-China Relations: The Unacknowledged Sino-dynamics. In Ogwu, J. (Ed.), *New Horizon for Nigeria in World Affairs*. Lagos: NIIA Publication.
- Carsten, K. (2024). *International Economic Relations*. Tufts University. Fletcher.
- Chiedozie P. & Harrison, I. (2024). Nigeria-China & Economic Development. *Africa Journal of Politics and Administration*, Vol.17, No.1: 758-780.
- Dauda, S., Edward, A. I., & Lawretta, N. O. (2016). Nigeria-China Relations Under President Muhammadu Buhari with Particular Reference to "Financial Aid": *International Journal of Current Aspects*, ISSN 2616-6976, Volume 2, Issue 7, PP 94-108.
- Egbula, M. & Zheng, Q. (2011). *China and Nigeria: A Powerful South-South Alliance*. West African challenges (WAC), No 05. Nigeria: Sahel and West Africa Club Secretariat (SWAC/OECD).
- Emmanuel, T. T. & Koffi, L. R. (2020): *The Afrocentric Nature of Nigeria Foreign Policy and National Interest (2010-2020)*.
- Law Insider. (2024). *Economic Relations Definition*. Retrieved from www.lawinsider.com/dictionary/economic-relationship (accessed on 15 Nov., 2024).
- Li, A. (2007). China and Africa: Policy and Challenges: Nigeria Country Profile. *China Security*, Vol.3, No.3.
- Nigeria first, *Nigeria-China relations in Perspective 1999-2006*, May 15, 2006 <http://www.nigeriafirst.org/cgibin/artman/exec/view.cgi?archive=1&num=5899&printer=1> (Accessed Apr3rd, 2015).
- Nigeria First, *Nigeria-China to Boost Strategic Partnership*, April 27, 2006.
- Ogunkola E. O. & Adewiyi A. (2008), *China-Nigeria Economic Relations (revs)*. African. Economic Research Consortium, Ibadan: University of Ibadan.
- Ogunsanwo, A. (2008). *China's Policy in Africa*, 23-28. London: Cambridge University.
- Olawale, O. A., Aliiu, M., Wakili, K. & Abdullahi O. O. (2023): *Nigerian Foreign Policy under President Muhammadu Buhari: A Reflection*.



Oluwatosin, T. (2023). *Nigeria's Foreign Policy and Globalization*.
www.researchgate.net/publication/3726NigeriaForeignPolicy&Globalization.

Udeoji, E. A. (2022). OAU-Foreign Policy of the Great Powers:
<https://nou.edu.ng/coursewarecontent/FOREIGNPOLICY20THEGREPOWERS.pdf>.