



THE SOCIO- STRUCTURAL CUM ECONOMIC RELATIONSHIP BETWEEN CHINA AND NIGERIA

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ABSTRACT: The rise of China as a global economic powerhouse has significantly impacted various countries, particularly in Africa, where it has become a key player in shaping the economic landscape. This research examines the relationship between Nigeria and China, focusing on the socio-economic and political dimensions of their interactions, the study offers a holistic understanding of the challenges and opportunities within Nigeria-China relations, aiming to provide insights for sustainable economic development. The research adopts a qualitative approach, to explore key areas such as infrastructure, manufacturing, human capital development, and political leadership. As Nigeria emerges as Africa's largest economy, the influx of Chinese investment has played a pivotal role in driving its economic growth, particularly through infrastructure development, trade, and foreign direct investment (FDI). However, the relationship between the two nations is not without challenges. While Chinese involvement in sectors such as manufacturing, construction, and technology transfer has yielded significant benefits, concerns about its impact on local industries, trade imbalances, and political autonomy have emerged. The findings reveal that while the partnership holds great promise for the future of Nigeria, it is also essential for Nigerian policymakers to address the structural issues that hinder the potential for sustainable growth. The paper concludes by proposing strategic policy recommendations to optimize the benefits of the Nigeria-China relationship and ensure that Nigeria's long-term development is not compromised by over-reliance on foreign investments.

KEYWORDS: China, Fiscal, Monetary and Education

1. INTRODUCTION

The bond between Nigeria and China dates back to the 1971 when both countries established formal ambassadorial ties. The political relations between Nigeria and China were officially established in 1971, and a year later, in 1972, both countries signed an agreement on technical and methodical cooperation (Aremu & Duyile, 2018). However, it was in the following decades that their interactions expanded into broader economic, political, and strategic areas (Duyile, 2019).

Historically, China's engagement in Africa has been focused on political alliances and support for African independence movements, especially during the Cold War. However, China's modern engagement with African countries, including Nigeria, South Africa, and Kenya shifted towards economic assistance, with a focus on infrastructure growth, trade, and asset (Akpan, 2019). Over time, China's role in the African continent has grown significantly, and Nigeria, as Africa's most populous country and an economic powerhouse in West Africa, has become one of China's most important partners in the region.

The relationship between Nigeria and China has evolved significantly over the past few decades, with both countries benefiting from deepening economic, diplomatic, and military ties. China has evolved an essential role in driving Africa infrastructural development, while Nigeria has become one of China's most important trade partners in Africa, particularly in the oil sector. As both countries continue to grow and develop, their bilateral relationship is likely to evolve into an even more important partnership that will have broader implications for Africa's future economic and political landscape.

The present relationship between China and Africa, particularly Nigeria, is a reflection of the historical ties that have now been intensified by the drive for economic growth and expansion. Since the 21st century, China's fiscal presence in Africa has surged and fostered close financial ties. Trade between China and Nigeria has grown extensively, with Nigeria becoming one of China's major fiscal partners in Africa.

China's involvement in Nigeria is majorly focused on the petroleum sector and other mineral resources sectors, where Nigeria remains one of the largest oil exporters and raw materials resources where Nigeria has an advantage. China's demand for oil has led to momentous investments in Nigeria's oil sector. China has also been involved in large-scale infrastructural projects in Nigeria, including the construction of railways, stadiums, roads, and power plants. These projects are seen as part of China's strategy to strengthen its economic ties with Nigeria while also gaining access to vital resources needed to drive China's domestic growth. Added China has become an important source of fiscal financing for infrastructural upgrade for the Nigerian state. China's fiscal model, which often involves providing loans for infrastructure development in exchange for access to natural resources, has been a point of contention but also a major driver of fiscal economic activity in Nigeria. Diplomatic relations between China and Nigeria have also increased through the vehicles of The Forum on China-Africa Cooperation (FOCAC), launched in 2000. The forum has played a pivotal role in fostering closer ties between China and Nigeria. FOCAC has served as a platform for dialogue, where both sides have outlined their premeditated interests and agreements on economic, trade, and diplomatic matters.

One of the most significant outcomes of the FOCAC meetings has been the signing of trade agreements and the cancellation of debts owed by Nigeria. For instance, in 2006, China canceled over \$1.6 billion of debt owed by 31 African countries, including a nation like Nigeria. This scheme was part of China's broader stratagem to enhance its political and fiscal path in the Nigerian economy (FOCAC, 2006). The 21st Century has been frequent in diplomatic exchanges from both countries leaders engaging in mutual visits. Since 2000, there have been lots of diplomatic visits by Chinese officials to Nigeria. These visits have further solidified the political and diplomatic ties between Nigeria and China, underscoring their shared goals in economic development and mutual growth.

China's military involvement in Nigeria has been quite minimal, though less discussed compared to its economic and diplomatic activities, is an important aspect of the bilateral relationship

Fruition of Nigeria-China Trade Relations

Nigeria's trade relations with China have seen significant growth in recent years. Since the establishment of diplomatic ties, trade between Nigeria and China has grown from relatively modest levels to become one of the most significant trade partnerships in Africa and even the world. The relationship is a win-win diplomatic relations. Nigeria's trade with China has mainly revolved around Nigeria's oil exports, with China importing large quantities of crude oil from Nigeria. This trade dynamic has allowed China to secure a reliable source of energy while providing Nigeria with an essential trade partner.

However, the trade balance has largely been in favor of China, with Nigeria predominantly exporting raw materials such as oil and importing finished goods like machinery, electronics, and textiles. This trade imbalance has been a subject of discussion, as Nigeria has often found itself at a disadvantage due to the structural differences in the monetary and fiscal economies of both nations.

The future of Nigeria-China fiscal and monetary relations looks promising, especially as both countries seek to vary their economies. For Nigeria, the challenge will be to shift its focus from being a raw material exporter to becoming a more competitive nation in the international manufacturing and trade. Education is undeniably a cornerstone for Nigeria's economic development. Through ongoing reforms and international partnerships, particularly with China, the country is making strides toward building a more educated and skilled workforce. However, significant obstacles remain, and it will take sustained effort from both the government and private sector to ensure that these didactic reforms deliver substantial results. By investing in academics, Nigeria can unlock the full potential of its human capital, laying the foundation for long-term economic growth and prosperity.

Didactic knowledge plays a pivotal role in the development of human resources, which is essential for driving innovation and economic success in nations worldwide (Federal Ministry of Education, 2020). For countries like Nigeria, a robust tutoring system is seen as a crucial engine for trade and industry growth. Over the years, Nigeria's didactic system has undergone numerous reforms, some of which have sparked public debate. While certain changes have been welcomed, others have raised questions about their relevance and effectiveness

(Oloyede, 2017). The need for a cohesive and future-oriented didactic policy in Nigeria remains paramount, as the country seeks to position itself as a leader in economic development in Africa.

In the face of these challenges, the Nigerian government has prioritized the improvement of education through its 10-year line of attack plan formulated by the Federal Ministry of Education ((Federal Ministry of Education, 2020)World Bank, 2019). This plan is designed to address the country's educational needs and promote quality education focused on skills acquisition, job creation, and poverty reduction. However, the current statistics in Nigeria tell a sobering tale: the primary net enrollment rate stands at approximately 61%, with an estimated 7 to 8 million children still out of school. Moreover, only about 35% of children in the germane age group attend junior secondary schools. These alarming figures highlight the urgency of addressing Nigeria's educational challenges and underscore the need for substantial reforms.

A significant aspect of the Nigerian government's educational reforms revolves around improving the structural outline of the education system. One of the key projects has been the concurrence between the Nigerian and Chinese governments to build rural primary schools in Nigeria. This partnership is part of a broader China-Africa partnership under the Forum on China-Africa Cooperation (FOCAC), which aims to strengthen educational ties between the two nations (China-Africa Cooperation, 2009). China has pledged to build over 100 rural primary schools across Africa, with Nigeria receiving the largest share—four schools, an unprecedented allocation for a single country (Federal Ministry of Education, 2020).

The significance of this mutual aid is multifaceted. Not only does it offer much-needed road, transport, communication and rail networks in the rural areas, but it also facilitates educational exchange between the two countries. Since the 1990s for instance, China has provided scholarships for Nigerian students to study in Chinese universities, and over time, this number has steadily grown. In 2003, 24 Nigerian students were studying courses in Chinese universities, benefitting from a didactic system that is renowned for its rigidity and scholarly excellence. By fostering such exchanges, Nigeria hopes to enhance the educational experience of its youth, ensuring they are well-equipped to contribute to the country's economic, socio-structural and technological advancement (Nwankwo, 2020).

The growing collaboration between Nigeria and China in education also extends to the realm of higher learning. Nigerian universities can benefit from partnering with their Chinese counterparts, which have a strong reputation for research and innovation. Although none of Nigeria's universities were ranked among the top 500 globally in 2009, collaborations with Chinese institutions could improve the scope and quality of academic programs available to Nigerian students. These partnerships could also lead to joint degree programs, where students can study at both Nigerian and Chinese universities, thereby gaining a broader and more diverse educational experience.

Nigeria's investment in education, particularly through these partnerships, aims to build a generation of highly skilled individuals who can contribute to the country's economic growth. Education is seen not only as a way to reduce poverty but also as a tool for promoting innovation and entrepreneurship (Ademola, 2021). With a population of over 200 million, a large portion of which is youthful, Nigeria has the potential to create a dynamic workforce capable of driving its industrial and technological development (Okeke C. , 2020).

The Chinese didactic model has served as an inspiration for Nigeria. China's success in developing its education system to support its economic boom has been a key factor in its rise as a global economic powerhouse. By adopting similar strategies—emphasizing technical and vocational training, as well as higher education in fields like engineering, science, and technology—Nigeria could potentially harness its human capital to spur growth in industries such as manufacturing, information technology, and agriculture. Nigeria's future economic success hinges on its ability to educate its population to meet the demands of the modern global economy.

Moreover, cultural exchange programs are a crucial component of this educational cooperation. Exposure to Chinese culture and language provides Nigerian students with a broader global perspective. This is vital for fostering international collaboration and breaking down ethnic and racial stereotypes. In today's globalized world, the ability to communicate and collaborate across cultural boundaries is a valuable skill, one that Nigerian students will increasingly need as they engage in global markets and international business.

Educational, Economic and Political Impacts of China Relations with Nigeria

Despite the promising outlook of the ongoing educational reforms, Nigeria faces significant challenges. The gap between urban and rural education quality remains wide, and the country struggles with issues such as

overcrowded classrooms, inadequate teaching materials, and insufficient funding. Furthermore, the recent insecurity in some regions has led to disruptions in schooling, particularly in the northern parts of the country. These challenges underscore the importance of maintaining a focus on educational infrastructure and ensuring that reforms are not only implemented at the policy level but are also felt at the grassroots level.

However, the partnership with China and other foreign educational collaborations offer hope. With continued investments in educational infrastructure and a focus on building human capital, Nigeria can address these challenges and create an education system that prepares its youth for the demands of a rapidly changing global economy. The future of Nigeria's education system lies in its ability to innovate, collaborate, and build a sustainable model that can meet the needs of its population.

Assessing the advantages and disadvantages of Chinese involvement in Nigeria requires an understanding of the complexities of the relationship. In recent years, Nigeria has seen significant economic growth, with some attributing this rise to Chinese investments. Notably, China's infrastructure development—such as roads, bridges, and dams—has been a key factor in boosting the country's infrastructure, thus contributing to overall national progress. However, while China's investments have brought short-term benefits, some argue that they have hindered progress in political and economic reforms within Nigeria, as the country becomes reliant on Chinese support (Adeleke, 2017).

Despite the long-term benefits, questions remain about whether China's aid, trade, and corporate social responsibility initiatives will significantly reduce Nigeria's poverty levels or stimulate sustained economic growth. Successful outcomes depend on variables such as policy choices, institutional development, human capital, entrepreneurial activity, and leadership. These factors are critical in determining Nigeria's future prospects for development.

A key element for achieving sustainable growth is human capital development. The strengthening of human capital improves a nation's ability to adapt to changes and make appropriate use of available resources. Although investment agreements between China and Nigeria include provisions for human capital development, the evidence suggests that many Chinese companies devote insufficient resources to this area, often importing Chinese expatriates rather than developing local expertise (Okeke, 2020). This issue underscores concerns that Nigeria is not reaping the full benefits of its partnership with China in terms of technological transfer and workforce development.

A full assessment of the economic impacts of Chinese involvement must take into account the Nigerian business environment, which remains challenging for local producers. High production costs, poor infrastructure, and access to financing contribute to the difficulty in competing with foreign goods. Despite this, Chinese investment has positively influenced Nigerian entrepreneurship, with some Nigerian businesses benefiting from Chinese models and joint ventures (Eme, 2014). The development of entrepreneurial skills has been essential for entrepreneurs who have learned to export and engage in international trade through collaborations with Chinese firms (Akinwale A and Akinola, 2020).

Entrepreneurship, as a driver of economic growth, allows individuals to reallocate resources in response to changing economic conditions. Education, training, and healthcare investments further support entrepreneurship, leading to improvements in both technical efficiency and business outcomes (Adeleke, 2017). While education and training have enhanced the technical capabilities of some Nigerian entrepreneurs, many face the challenge of high costs of production, which leads to the closure of local businesses and rising unemployment (Adeleke, 2017). Despite these challenges, foreign investments, particularly from China, are seen as essential to the Nigerian economy.

Leadership plays a crucial role in Nigeria's economic development, and the leadership dynamics between Nigeria and China offer a unique perspective on the strengths and weaknesses of their partnership. While Nigerian leaders prioritize engagement with China, it is clear that the leadership from the Chinese side is more assertive in steering the course of their relationship (Olukayode, 2016). This dynamic has led to progress in sectors such as infrastructure development, where Chinese firms have been involved in major construction projects (Ngobeni, 2019). However, the lack of a unified leadership strategy within Nigeria limits its capacity to fully capitalize on these investments.

Nigeria's routine obstacles, such as inefficient institutions and poor governance, further hinder economic development. Chinese companies operating in Nigeria have made notable contributions to the country's infrastructure, but these efforts are often marred by the lack of institutional capacity to manage and sustain such

large-scale projects (Akinwale A and Akinola, 2020). For instance, local industries struggle to compete with Chinese imports due to favorable conditions such as reduced production costs and easier access to financing, creating an uneven playing field for Nigerian firms (Okeke, 2020).

One of the contentious issues in the Nigeria-China trade relationship is the imbalance in trade. In 2005, the trade value between the two countries was highly skewed, with Nigeria's exports amounting to just \$400 million, compared to China's \$2.1 billion (Alli J. , 2022). This trade imbalance has been a significant concern for Nigerian policymakers, who have attempted to address it through various initiatives, including the promotion of agricultural exports to China (Alli, A).

Despite the significant economic growth driven by Chinese investments, local industries, especially in textiles, have been negatively impacted by China's low-cost goods. The flooding of the Nigerian market with cheap Chinese products has led to the collapse of several local businesses, creating further challenges for Nigeria's domestic industries (Eme, 2014).

Several challenges persist in the economic cooperation between Nigeria and China. A major issue is the state of Nigeria's infrastructure, particularly in areas such as power, rail networks, and communication systems, which remain underdeveloped and insufficient for supporting large-scale industrial growth (Olukayode, 2016). Until these infrastructural deficits are addressed, foreign investment will continue to face barriers in Nigeria.

Another significant challenge is the trade imbalance. In 2005, Nigeria's exports to China totaled only \$400 million, while imports from China amounted to \$2.1 billion, underscoring the unsustainable nature of the trade relationship (Alli). Additionally, Nigerian policymakers have expressed concerns about the role of Chinese firms in technological transfer, as many Chinese companies bring in finished goods and equipment along with their technicians, limiting the potential for local skill development (Okeke, 2020).

Insecurity in Nigeria also presents a major obstacle to foreign investments. The rise of social violence, including ethnic conflicts and kidnappings, has led to concerns among foreign investors, including those from China. The Niger Delta area had always been core and a backbone to Nigeria's wealth as postulated in Duyile's paper, 'Contexting and Historicizing European and Riverine Nationalities Patterns of Seamanship and Waterborne Warfare Prior Colonial Nigeria (Duyile W. , 2019)' in today's context for instance, in 2006, the Movement for the Emancipation of the Niger Delta issued a warning to Chinese investors, accusing them of exploiting Nigeria's resources without adequate consideration for local communities (Adeleke, 2017). This persistent insecurity, combined with poor policy implementation, remains a critical issue for the future of Nigeria-China relations.

2. CONCLUSION

In conclusion, while the Nigeria-China relationship has brought several benefits, such as infrastructure development and increased foreign investment, it has also been fraught with challenges. The trade imbalance, poor local industrial competitiveness, and security concerns are major hurdles that need to be addressed. To ensure that the relationship benefits Nigeria in the long term, policymakers must focus on developing coherent strategies that support local industries, foster technology transfer, and address the infrastructural challenges that continue to hinder economic growth. Moreover, fostering cooperation between Nigerian and Chinese entrepreneurs will be key to achieving a more sustainable and mutually beneficial relationship.

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