

CHINA-NIGERIAN ECONOMIC RELATIONS DURING THE BUHARIADMINISTRATION, 2015 - 2023

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Abstract

This study investigates the evolving dynamics of Sino-Nigerian economic relations during the administration of President Muhammadu Buhari (2015–2023), a period marked by intensified bilateral cooperation in trade, infrastructure, energy, and finance. The central problem addressed is the paradox of growing Chinese investment alongside increasing concerns over trade imbalances, rising debt levels, and potential threats to Nigeria's economic sovereignty. The objective is to critically

assess the motivations, outcomes, and long-term implications of this partnership on Nigeria's economic development. Adopting a qualitative research methodology, the study draws on policy documents, trade data, and scholarly analyses to evaluate the nature and impact of Chinese engagements. The theoretical framework combines dependency theory and institutional liberalism to offer a nuanced understanding of the asymmetrical power relations and the institutional mechanisms shaping this bilateral relationship. The study is significant in highlighting how strategic economic diplomacy with China has redefined Nigeria's development trajectory, yet also exposed vulnerabilities in governance and negotiation capacity. Findings reveal that while China has contributed to infrastructure development and financial inflows, Nigeria faces persistent challenges in balancing national interests with foreign economic influence. The study concludes that without a strategic realignment, Nigeria risks deepening its economic dependence on China. It recommends strengthening institutional capacity, promoting transparency in loan agreements, and enhancing local content in joint ventures to safeguard sovereignty and maximize developmental gains. Through these measures, Nigeria can better position itself to extract sustainable benefits from its partnership with China.

Keywords: Economic Diplomacy, Infrastructure Diplomacy, South-South Cooperation, Debt Diplomacy

Introduction

The diplomatic and economic relationship between Nigeria and China, formally established in 1971, has undergone significant transformation, especially in the 21st century. Under the administration of President Muhammadu Buhari (2015–2023), this relationship witnessed unprecedented expansion, with China emerging as one of Nigeria’s most influential economic partners. Buhari’s strategic “look East” policy served as a turning point, prioritizing engagement with Asian economies, particularly China, to address Nigeria’s infrastructural deficits and economic challenges¹.

This renewed focus on Sino-Nigerian ties manifested in multiple dimensions, including large-scale infrastructural development, enhanced trade relations, and financial agreements aimed at funding capital-intensive projects. Notable ventures such as railway construction, power generation projects, and road infrastructure were largely supported by Chinese funding and executed by Chinese firms. Trade volumes between the two countries also grew, with China becoming one of Nigeria’s top import sources and a key export destination.

While this partnership has been lauded as a practical example of South-South cooperation, it has also sparked intense debates regarding its implications. Critics argue that Nigeria’s increasing reliance on Chinese loans and imports could foster a new form of economic dependency, undermining national sovereignty and long-term development objectives. Concerns over

transparency in loan agreements, limited technology transfer, and the impact on local industries have intensified scrutiny of the Buhari administration's economic engagement with Beijing.

Thus, the trajectory of Sino-Nigerian relations under President Buhari presents a complex narrative—one that reflects both the opportunities and vulnerabilities inherent in global South partnerships shaped by asymmetrical power dynamics.

Conceptual Clarifications

Economic Diplomacy

Economic diplomacy refers to the strategic use of diplomatic channels to advance a nation's economic goals and interests². It involves the integration of trade, investment, foreign aid, and other forms of economic collaboration into a country's foreign policy to secure favorable economic outcomes. Governments employ economic diplomacy to promote exports, attract foreign direct investment, secure loans for infrastructure projects, and influence international economic policies. Economic diplomacy is often driven by the need to build and maintain relationships with other nations, ensuring access to markets, resources, and technologies crucial for national development. In the case of Nigeria, economic diplomacy has been vital in its efforts to diversify the economy, modernize infrastructure, and create economic opportunities through strategic international partnerships, particularly with emerging economies like China.

Infrastructure Diplomacy

Infrastructure diplomacy refers to the use of infrastructure development as a key component of a nation's foreign policy, often as a tool for fostering bilateral or multilateral cooperation³. In the context of Sino-Nigerian relations, infrastructure diplomacy has been a central element, with China leveraging large-scale infrastructure projects to strengthen its economic and political influence in Africa. This form of diplomacy typically involves the provision of loans, technical assistance, and the execution of major projects such as roads, bridges, and railways, which are crucial for the development of the host country's economy. By offering financing and expertise in infrastructure, China has positioned itself as a key partner for countries like Nigeria, using such projects not only to support economic growth but also to build long-lasting geopolitical ties.

South-South Cooperation

South-South cooperation refers to the collaboration among countries in the Global South, particularly developing nations, to promote mutual economic, social, and political development⁴. This concept emphasizes solidarity and mutual assistance, with the aim of reducing dependency on the Global North. It involves sharing knowledge, resources, and technology, particularly in areas such as trade, development finance, and infrastructure. South-South cooperation has gained significant prominence in international relations, as countries in the Global South seek to create alternative

pathways for development outside the traditional dominance of Western powers. In the case of Nigeria and China, South-South cooperation has provided a platform for Nigeria to engage with China on issues of trade, investment, and infrastructure development, presenting opportunities for both countries to pursue their development goals in a more equitable manner.

Debt Diplomacy

Debt diplomacy refers to the strategic use of loans and financial assistance as a tool to strengthen international relations, often in exchange for political, economic, or strategic concessions⁵. In the context of Sino-Nigerian relations, China has employed debt diplomacy by providing substantial loans to fund infrastructure projects across Nigeria. These loans, often offered at favorable terms compared to those from Western creditors, have enabled Nigeria to finance critical projects that might otherwise be unattainable. However, critics argue that such financial support could lead to over-dependence on China and result in an unsustainable debt burden for Nigeria. The increasing debt to China has raised concerns about the long-term implications for Nigeria's fiscal health and sovereignty. As debt diplomacy becomes a common tool in global South-South engagements, its role in shaping the economic and political landscape warrants careful examination.

Theoretical Framework

This study is anchored in two key theoretical frameworks: dependency theory and liberal

institutionalism, which provide contrasting yet complementary lenses to understand Sino-Nigerian economic relations.

Dependency Theory

Dependency theory serves as a critical tool for analyzing the economic dynamics between developed and developing nations. It argues that developing countries often become dependent on wealthier nations through a system of unequal economic exchange. This theory critiques the global economic system where resources flow from peripheral nations (like Nigeria) to core nations (such as China), exacerbating disparities in wealth and development. In the context of Sino-Nigerian relations, dependency theory highlights the power asymmetry at play, where China gains access to Nigeria's natural resources, including oil and minerals, while Nigeria becomes increasingly reliant on Chinese loans and imported manufactured goods⁶. This situation creates a cycle of dependency, as Nigeria's domestic industries struggle to compete with the influx of cheap Chinese imports, and the nation's growing debt to China further limits its autonomy. The framework underscores the risks of exacerbating dependency and the long-term challenges this poses to Nigeria's economic sovereignty⁷.

Liberal Institutionalism

In contrast, liberal institutionalism emphasizes the importance of international institutions and cooperation in fostering mutual benefits and reducing the risks of

conflict between nations. According to this theory, countries are more likely to engage in peaceful and productive relationships when they have well-established institutions that facilitate cooperation. In the case of Nigeria and China, platforms such as the Forum on China-Africa Cooperation (FOCAC) and bilateral commissions have been instrumental in institutionalizing their partnership. These forums have allowed both countries to align their economic priorities, collaborate on infrastructure projects, and reduce their dependence on Western economic models⁸. Liberal institutionalism suggests that through such institutional frameworks, Sino-Nigerian relations could lead to sustainable development, as both parties work together to overcome shared challenges and capitalize on mutual opportunities. By formalizing their interactions, Nigeria and China aim to promote economic development in ways that benefit both sides, mitigating the risks of exploitation inherent in asymmetrical power relations.

These theoretical perspectives offer valuable insights into the nature of Sino-Nigerian relations, highlighting both the opportunities for cooperation and the risks of dependency that need to be carefully managed.

Trade and Investment Dynamics

Under the administration of President Muhammadu Buhari, the economic relationship between Nigeria and China blossomed, with trade and investment emerging as pivotal components of this bilateral engagement. By 2022, China had solidified its position as one of

Nigeria's top trading partners, with trade volumes surpassing \$26 billion, a figure overwhelmingly in China's favor⁹. This trade imbalance is a key element when viewed through the lens of dependency theory, which posits that developing nations become economically subordinated through such asymmetrical trade relationships. China imports raw materials from Nigeria, particularly crude oil and minerals, which are crucial to fueling its industrial growth. In turn, Nigeria imports a variety of manufactured goods, machinery, and electronics, a significant portion of which come from China¹⁰. These exchanges reinforce Nigeria's role as a supplier of natural resources while limiting the diversification of its industrial base, as it remains heavily reliant on imports for its consumer and capital goods.

China's Foreign Direct Investment (FDI) in Nigeria has expanded significantly in sectors ranging from telecommunications to oil and gas. For example, Chinese tech giants like Huawei have invested heavily in Nigeria's telecommunications infrastructure, providing both hardware and software while training Nigerian ICT professionals¹¹. This foreign investment, while beneficial in terms of infrastructure development, can be seen as perpetuating a dependency model where Nigeria's technological advancement is driven by foreign capital and expertise. Such investments are also often accompanied by the flow of Chinese goods into Nigeria, further entrenching the trade imbalance and the dependency relationship.

From the perspective of liberal institutionalism, the trade and investment dynamics can be viewed as part of a larger institutionalized framework of cooperation. Institutions like the Forum on China-Africa Cooperation (FOCAC) have played a significant role in formalizing these trade relationships, helping both nations to navigate their economic engagement in a structured manner. By participating in multilateral forums, Nigeria and China have set the stage for more cooperative interactions that are not merely transactional but also aimed at fostering long-term development. However, the imbalance in trade and the growing dependency on Chinese capital raise questions about the sustainability of this partnership for Nigeria in the long run.

Infrastructure and Loans

China's Belt and Road Initiative (BRI) has been a central framework for the transformation of Nigeria's infrastructure, marking a period of significant infrastructural development under Buhari's leadership. Key projects include the \$1 billion Abuja-Kaduna railway and the \$1.5 billion Lagos-Ibadan standard gauge railway, among other significant infrastructure projects such as airport terminals, road networks, and hydro-power projects¹². These projects have been largely financed by loans from China's Exim Bank, which has provided favorable terms for their implementation. While these projects have undoubtedly contributed to the modernization of Nigeria's infrastructure, they have also raised critical concerns about Nigeria's growing debt burden and the implications for its fiscal sovereignty.

Viewed through the dependency theory framework, this reliance on Chinese loans represents a new form of economic dependency. Nigeria's increasing debt to China can be seen as a mechanism of control, where infrastructure development is funded by loans that must be repaid, often with significant interest¹³. This deepening debt trap can lead to the erosion of Nigeria's economic autonomy, as its ability to make independent economic decisions becomes increasingly constrained by the need to service foreign debt. The loans from China are not only financial commitments but also tools of geopolitical influence, wherein China uses the promise of infrastructural development to expand its political and economic footprint in Nigeria and across Africa.

From the liberal institutionalist perspective, these infrastructural projects are an outcome of institutionalized cooperation between China and Nigeria. Platforms such as FOCAC and bilateral agreements have created the conditions for these infrastructure projects to come to fruition. Through such institutional mechanisms, Nigeria has been able to secure financing and expertise to modernize its infrastructure, potentially contributing to long-term economic growth. However, while these developments may benefit Nigeria in the short term, the reliance on Chinese financing raises questions about the long-term sustainability of such investments without adequate mechanisms in place to manage the growing debt burden.

Energy and Technology Cooperation

Under President Buhari, Nigeria expanded its cooperation with China in the fields of energy and technology, signing numerous Memorandums of Understanding (MoUs) that targeted sectors like oil exploration, refining, and alternative energy development. China's involvement in Nigeria's energy sector has been profound, as Chinese companies have engaged in various exploration and refining projects, aiming to bolster Nigeria's energy security. Additionally, China has facilitated the development of alternative energy sources, with a focus on solar energy and other renewable resources, contributing to Nigeria's quest to diversify its energy sources and reduce reliance on fossil fuels.

China's role in Nigeria's telecommunications sector, spearheaded by Huawei and ZTE, has been another major area of technological cooperation. These companies have not only provided cutting-edge infrastructure but have also been instrumental in training thousands of Nigerian ICT personnel¹⁴. This cooperation in technology is an extension of China's broader diplomatic and economic engagement with Nigeria, which has increasingly leaned toward technological diplomacy. The partnership between Nigeria and China in the digital economy and e-commerce also reflects a shift in global power dynamics, where China's technological prowess is positioning it as a key player in shaping Nigeria's digital future¹⁵.

From a dependency theory perspective, this technological cooperation could be seen as reinforcing Nigeria's dependency on Chinese expertise and technology. While the training of Nigerian professionals and the development of telecommunications infrastructure are undeniably beneficial, they may also create a long-term reliance on Chinese technology, leaving Nigeria vulnerable to future technological and economic shifts. The influx of Chinese technological products and services further entrenches Nigeria's dependence on China, both as a source of capital and as a supplier of advanced technology.

On the other hand, liberal institutionalism emphasizes the role of institutions in facilitating and regulating such cooperative efforts. The partnerships between Nigeria and China in technology and energy have been framed through institutionalized agreements that aim to bring mutual benefits. These institutional frameworks provide a platform for both countries to collaborate on issues of energy security and technological advancement, aligning their economic and strategic interests in the process. By institutionalizing such cooperation, both nations can address global challenges such as climate change and digital transformation in a way that benefits their mutual development goals.

Strategic Interests and Diplomatic Engagements

China's engagement with Nigeria extends beyond mere economic cooperation; it is also deeply strategic. Nigeria is a key player in China's broader Africa strategy, not

only due to its vast oil reserves and geopolitical position but also because of its large and growing consumer market. Buhari's administration has been keen to cultivate stronger ties with Beijing, and this has been exemplified through multiple engagements at high-level forums such as the Forum on China-Africa Cooperation (FOCAC). Nigeria's endorsement of the "One China" policy and its reciprocal support for China in international platforms demonstrate the alignment of diplomatic interests between the two nations.

Through these diplomatic engagements, China has sought to enhance its influence in Africa, with Nigeria being a pivotal partner in this broader geopolitical strategy. Nigeria, in turn, benefits from China's support on the international stage, especially in areas of trade, development, and political alignment. By participating in such institutionalized engagements, Nigeria has been able to secure strategic advantages, including access to Chinese financing and participation in multilateral platforms that shape global economic and political landscapes.

From a dependency theory perspective, Nigeria's alignment with China on international platforms could be seen as a sign of its growing political and economic dependence. While these diplomatic engagements provide Nigeria with access to strategic resources and global influence, they also come with the risk of Nigeria becoming a subordinate partner in a broader Chinese-led geopolitical strategy. From the liberal institutionalism

perspective, however, these diplomatic engagements are indicative of a robust framework of cooperation that enables both nations to address global challenges and further their respective strategic interests in a structured and institutionalized manner. Through such diplomatic and institutionalized cooperation, both countries aim to achieve long-term developmental and geopolitical objectives, though Nigeria must be cautious of the risks of over-reliance on China's growing global influence.

Sino-Nigerian Relations

Sino-Nigerian relations under President Muhammadu Buhari witnessed a significant deepening of economic engagement, shaped largely by the administration's strategic alignment with China's global economic vision. This period was characterized by expanded trade, increased foreign direct investment (FDI), and large-scale infrastructural development driven by Chinese financing. Nigeria, as Africa's largest economy and one of its most populous nations, became a focal point for China's strategic interest on the continent. China, in turn, emerged as a central actor in Nigeria's quest for modernization and economic revitalization, offering financial resources, technical expertise, and diplomatic support¹⁷.

From the perspective of dependency theory, the evolution of Sino-Nigerian relations during this period raises critical concerns. Dependency theory asserts that economic relationships between developed and developing nations often reproduce structural

inequalities that benefit the former while perpetuating the underdevelopment of the latter. In the case of Nigeria, while the influx of Chinese capital and technology provided short-term developmental gains, it also entrenched patterns of dependency. Chinese loans, often tied to specific infrastructure projects such as railways, airports, and energy facilities, created a financial reliance that threatens Nigeria's long-term fiscal autonomy. These loans, largely sourced from institutions such as China's Exim Bank, often came with conditions that prioritized Chinese contractors and labor, thereby limiting local content and reducing the opportunity for technology transfer and indigenous capacity building.

Moreover, the trade relationship remained heavily skewed in China's favor. China imported crude oil and raw materials from Nigeria, while Nigeria imported high-value manufactured goods, electronics, machinery, and consumer products. This trade imbalance not only widened Nigeria's trade deficit but also reinforced its position as a supplier of unprocessed commodities and a consumer of foreign manufactured goods. This dynamic aligns with dependency theorists' concerns that such relationships stunt local industrial development and limit a country's ability to diversify its economy. The reliance on Chinese imports further constrained the growth of domestic manufacturing, undermining efforts to achieve self-reliance and long-term economic resilience.

Despite these concerns, liberal institutionalism offers a more optimistic interpretation of the bilateral relationship. This theory emphasizes the role of international cooperation and institutional frameworks in facilitating mutual gains among states. From this viewpoint, the Sino-Nigerian partnership is seen not as a form of neo-colonial exploitation but as a strategic alignment between two sovereign states seeking to enhance their developmental goals through collaboration. Institutions such as the Forum on China-Africa Cooperation (FOCAC), as well as bilateral economic commissions and memoranda of understanding, have played a crucial role in institutionalizing the relationship. These platforms provide Nigeria with the opportunity to negotiate more favorable terms, access global markets, and leverage Chinese support for domestic priorities such as infrastructure development, energy expansion, and digital transformation.

Furthermore, under Buhari, Nigeria's participation in China's Belt and Road Initiative (BRI) positioned the country as a critical node in China's transcontinental development strategy. Through this partnership, Nigeria accessed funding for large-scale projects such as the Abuja-Kaduna and Lagos-Ibadan railways, airport renovations, and energy infrastructure. From the liberal institutionalist angle, these projects are evidence of how structured international cooperation can bring tangible developmental benefits to emerging economies.

Nonetheless, even within the framework of liberal institutionalism, questions remain about the effectiveness of institutional safeguards, the balance of negotiating power, and the sustainability of the cooperation. The lack of transparency in some loan agreements, limited involvement of local firms, and weak regulatory oversight challenge the notion of equal partnership and suggest that institutional mechanisms must be strengthened to ensure that Nigeria derives long-term, inclusive benefits.

Conclusion

Sino-Nigerian economic relations under President Muhammadu Buhari's administration (2015–2023) marked a significant chapter in Nigeria's external economic engagements. Anchored on infrastructure development, trade expansion, and financial cooperation, the partnership deepened Nigeria's ties with China and aligned with the broader South-South cooperation narrative. While these engagements brought about notable improvements in sectors such as transportation, energy, and telecommunications, they also exposed Nigeria to critical challenges including trade imbalances, rising debt levels, and growing dependency on Chinese imports and financing.

From a dependency theory standpoint, the relationship reflects asymmetries that risk entrenching Nigeria's subordinate position in the global economic order. However, through the lens of liberal institutionalism, it also presents opportunities for structured cooperation,

knowledge transfer, and development financing that could be harnessed for mutual benefit. Ultimately, the success of Sino-Nigerian relations will depend on Nigeria's ability to strategically manage this partnership—by enhancing domestic production capacity, ensuring transparency in loan agreements, and prioritizing local content and long-term economic diversification. Only through such proactive measures can the relationship move beyond dependency toward a more balanced and sustainable model of engagement.

Recommendations

1. **Promote Local Content Laws:** Ensure Chinese investments adhere to local content and technology transfer laws.
2. **Diversify Exports:** Shift trade beyond crude oil to include agricultural and manufactured products.
3. **Audit Debt Agreements:** Improve transparency and renegotiate loan terms where necessary to avoid sovereign risks.
4. **Strengthen Institutions:** Build stronger institutions to regulate and monitor foreign investments and ensure accountability.
5. **Engage in Multilateral Diplomacy:** Use African Union and ECOWAS frameworks to negotiate better trade deals with China.

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