

## **THE EFFECTS OF COVID-19 ON THE ECONOMIC AND DIPLOMATIC RELATIONS BETWEEN NIGERIA AND CHINA**

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### **Abstract**

The paper examines the relationship between Nigeria and China which has evolved significantly over the years, marked by a burgeoning economic partnership intertwined with complex national security dynamics. This paper aims to delve into the multifaceted aspects of Nigeria-China relations, examining how Nigeria navigates the delicate balance between pursuing economic growth through Chinese investments while safeguarding its national security interests. It argues that COVID-19 impacts Nigeria-China relations. The study adopts qualitative descriptive research design using content analysis by the use of secondary sources of data. The theoretical framework used in the study is economic interdependence. Discussion. The impact of Chinese investments on Nigeria's economy, the implications for national security, and strategies for achieving a harmonious balance between economic cooperation and safeguarding sovereignty.

**Keywords:** Covid-19, Diplomatic Relations, China, Nigeria

### **Introduction**

Nigeria-China relations stand at a crossroads, shaped by the intricate interplay of economic aspirations and national security imperatives. Over the years, the bilateral ties between these two nations have deepened, driven primarily by China's economic expansion and Nigeria's quest for development. However, amidst the economic opportunities lie complex challenges related to sovereignty, security, and strategic autonomy.

The purpose of this paper is to dissect the multifaceted nature of Nigeria-China relations, with a specific focus on navigating the delicate balance between economic interests and national security concerns. As we embark on this exploration, it is crucial to understand the historical context that has shaped the relationship and the contemporary dynamics that influence its trajectory.

Historically, Nigeria and China share a relatively recent but rapidly evolving relationship. While diplomatic ties were established in 1971, it was not until the early 2000s that bilateral cooperation gained momentum, particularly in the economic realm. China's emergence as a global economic powerhouse fueled its appetite for resources and investment opportunities, leading to a surge in engagement with resource-rich African countries like Nigeria. Economic interests have been the primary driver of the Nigeria-China relationship. China's investments in Nigeria span various sectors, including infrastructure, energy, telecommunications, and manufacturing. These investments have contributed to Nigeria's economic growth, infrastructure development, and job creation. However, they have also raised concerns about dependency, debt sustainability, and the influx of Chinese labor.

Concurrently, Nigeria grapples with pressing national security challenges, ranging from terrorism and insurgency to maritime piracy and communal conflicts. Against this backdrop, the implications of deepening economic ties with China on Nigeria's national security cannot be

overlooked. Questions arise regarding the potential strategic implications of Chinese investments, the vulnerability of critical infrastructure, and the risk of external influence on domestic affairs. As Nigeria seeks to harness the economic benefits of its relationship with China, it must tread cautiously to safeguard its sovereignty, autonomy, and long-term national interests. Balancing economic cooperation with China while addressing national security concerns requires a nuanced approach that takes into account geopolitical realities, domestic imperatives, and international norms. Throughout this seminar, we will delve deeper into the economic dimensions of Nigeria-China relations, examining the opportunities and challenges presented by Chinese investments. Simultaneously, we will explore the intricate nexus between economic interests and national security imperatives, identifying strategies for achieving a harmonious balance. By engaging in constructive dialogue and critical analysis, we aim to contribute to a better understanding of this complex relationship and provide insights that inform policy decisions and academic discourse.

In the subsequent sessions, we will delve into specific aspects of Nigeria-China relations, including the economic significance of Chinese investments, the implications for national security, and strategies for navigating the evolving landscape. Through collaborative engagement and interdisciplinary perspectives, we endeavor to illuminate the path forward for Nigeria as it seeks to navigate the intricate terrain of international relations in the 21st century.

#### **Research Objectives**

- i. To analyze the historical evolution of Nigeria-China diplomatic relations.
- ii. To assess the economic significance of Chinese investments in Nigeria
- iii. To examine how COVID-19 affects Nigeria-China economic relations

To propose strategies for Nigeria to effectively manage its relationship with China while safeguarding its sovereignty and national security.

#### **Economic Dimension: Chinese Investments in Nigeria**

Chinese investments in Nigeria encompass a wide array of sectors, reflecting China's strategic interests and Nigeria's development needs. The scope of these investments has expanded significantly over the past two decades, driven by China's Belt and Road Initiative (BRI) and Nigeria's status as Africa's largest economy and most populous nation. Understanding the scope and sectors of Chinese investments is essential for assessing their economic impact and implications for Nigeria's development trajectory.

#### **Scope and Sectors:**

- **Infrastructure Development:** Chinese investments in infrastructure projects form a significant portion of their engagement with Nigeria. This includes investments in roads, railways, ports, airports, and energy infrastructure. Projects such as the Abuja-Kaduna railway, the Lagos-Ibadan Expressway, and the Mambilla Hydroelectric Power Project highlight China's involvement in Nigeria's infrastructure development.
- **Energy Sector:** China has made substantial investments in Nigeria's energy sector, particularly in oil and gas exploration and production. Chinese companies have secured contracts for oil blocks and invested in refinery upgrades and gas infrastructure

projects. Additionally, China has supported Nigeria's renewable energy initiatives, such as solar and hydroelectric projects.

- **Manufacturing and Industrialization:** Chinese investments have played a role in Nigeria's efforts to promote industrialization and diversify its economy. Chinese firms have invested in manufacturing facilities, industrial parks, and special economic zones, contributing to job creation and technology transfer.
- **Telecommunications and Technology:** China's telecommunications companies have made inroads into Nigeria's market, providing infrastructure, equipment, and services. Chinese tech firms have also invested in Nigeria's digital economy, supporting initiatives related to e-commerce, fintech, and mobile payments.

#### **Economic Benefits:**

- **Infrastructure Development:** Chinese investments in infrastructure projects address Nigeria's infrastructure deficit, enhancing connectivity, transportation efficiency, and trade facilitation. Improved infrastructure supports economic growth, productivity, and competitiveness.
- **Job Creation and Skills Transfer:** Chinese investments contribute to job creation across various sectors, including construction, manufacturing, and services. Additionally, Chinese firms often transfer skills, knowledge, and technology to local employees, fostering human capital development.

#### ➤ **Economic Growth and Diversification:**

Chinese investments stimulate economic growth and diversification by catalyzing investments in strategic sectors, fostering industrialization, and boosting productivity. This contributes to Nigeria's long-term development objectives and reduces reliance on oil revenue.

#### **Economic Challenges:**

- **Debt Sustainability:** Concerns have been raised about Nigeria's growing indebtedness to China due to loans obtained for infrastructure projects. Ensuring debt sustainability and managing repayment obligations is crucial to avoid potential financial risks and dependency.
- **Dependency on Chinese Imports:** Nigeria's increasing reliance on Chinese imports, particularly in sectors like manufacturing and consumer goods, raises questions about the country's trade balance, industrial competitiveness, and self-sufficiency.
- **Environmental and Social Impact:** Large-scale infrastructure projects and industrial activities associated with Chinese investments may have adverse environmental and social consequences, including land degradation, pollution, displacement, and community grievances. Mitigating these impacts requires robust environmental and social safeguards.
- **Competition with Local Businesses:** Chinese investments in sectors like manufacturing and retailing may pose challenges to local businesses, leading to market saturation, unfair competition, and displacement of indigenous enterprises. Balancing the interests

of foreign investors with those of domestic stakeholders is essential for promoting inclusive growth and economic empowerment.

Navigating the complexities of Chinese investments in Nigeria requires careful planning, strategic oversight, and effective governance mechanisms. While these investments offer significant economic opportunities, addressing the associated challenges is imperative to ensure sustainable and inclusive development that benefits all segments of Nigerian society.

### **Theoretical Framework of Analysis**

The paper is anchored on economic interdependence theory describes the mutual reliance and interconnectedness of national economies through trade, investment, and other economic interactions. Economic interdependence theory is associated with several scholars, but its development is particularly linked to Richard Cooper and Robert Keohane. Cooper developed an early theory of economic interdependence in the late 1960s and early 1970s, while Keohane, along with Joseph Nye, popularized the concept of complex interdependence in the 1970s.

It suggests that countries become increasingly dependent on each other for goods, services, capital, and technology, creating a complex web of relationships. This theory is relevant to globalization and its impact on international relations, particularly in the context of potential conflict and cooperation. The COVID-19 pandemic tested the impact of diplomacy between Nigeria-China. However, China sent medical equipment and drugs to assist Nigeria to fight the emergency pandemic.

### **Key Assumptions of Economic Interdependence Theory:**

**Rational Actors:** States are assumed to be rational actors who seek to maximize their gains and minimize their losses.

**Mutual Benefit of Trade:** Economic interdependence, particularly through trade, is generally assumed to be mutually beneficial, leading to increased prosperity for all involved.

**Reduced Conflict:** Some interpretations of the theory suggest that increased economic interdependence can reduce the likelihood of conflict between states, as the costs of war become too high.

**Potential for Conflict:** However, other perspectives acknowledge that economic interdependence can also exacerbate existing tensions or create new ones, especially if there are concerns about relative gains or unfair trade practices.

**Impact of Domestic Policies:** The theory also recognizes that domestic policies, such as trade regulations, tariffs, and sanctions, can significantly impact the nature and extent of economic interdependence.

**Role of International Institutions:** International organizations are seen as playing a crucial role in facilitating and managing economic interdependence, by creating norms, enforcing rules, and providing platforms for cooperation.

### **National Economics Security Implications of Nigeria-China Relations**

#### **Strategic Partnerships and Geopolitical Considerations**

- **Strategic Alliances:** Nigeria's engagement with China has strategic implications, as it aligns with broader geopolitical shifts and alignments. China's growing influence in

- Africa, including Nigeria, challenges traditional power dynamics and shapes regional and global politics.
- **Diversification of Partnerships:** Nigeria's pursuit of strategic partnerships with China reflects its efforts to diversify its international relations and reduce dependence on traditional allies. By engaging with China, Nigeria aims to access alternative sources of investment, technology, and geopolitical support.
  - **Balancing Act:** Nigeria must navigate a delicate balance between its relationships with China and other global powers, such as the United States and European Union. Managing divergent interests and maintaining autonomy in decision-making are essential to safeguarding Nigeria's national security and sovereignty.

### **Security Challenges Posed by Chinese Investments**

- **Critical Infrastructure Vulnerability:** Chinese investments in critical infrastructure, including ports, railways, and energy facilities, raise concerns about the vulnerability of these assets to security threats. Sabotage, cyber attacks, and terrorist activities targeting Chinese-built infrastructure could disrupt essential services and undermine national security.
- **Surveillance and Data Security:** Chinese involvement in Nigeria's telecommunications sector raises concerns about surveillance, data privacy, and cybersecurity. Chinese companies' access to sensitive data and infrastructure could compromise Nigeria's national security interests, leading to espionage and information warfare risks.
- **Resource Exploitation and Environmental Degradation:** Chinese investments in Nigeria's natural resource sectors, such as oil and mining, may exacerbate environmental degradation and resource conflicts. Exploitative practices, illegal mining activities, and environmental pollution associated with Chinese investments could fuel social unrest and undermine stability.
- **Influence Operations and Soft Power:** China's use of soft power tactics, such as cultural exchanges, media outreach, and educational programs, can shape perceptions and influence public opinion in Nigeria. This soft power projection could undermine democratic governance, promote authoritarian values, and weaken Nigeria's resilience against external interference.
- **Maritime Security Risks:** Chinese investments in Nigeria's maritime infrastructure, including ports and shipping terminals, raise concerns about maritime security risks. Illegal fishing, piracy, and maritime territorial disputes in the Gulf of Guinea could threaten regional stability and disrupt maritime trade routes vital to Nigeria's economy.

Addressing the security challenges posed by Chinese investments requires a comprehensive approach that integrates diplomatic, economic, and security considerations. Nigeria must prioritize national security interests while fostering constructive engagement with China to maximize the benefits of bilateral cooperation and mitigate potential risks. Effective governance mechanisms, transparency, and accountability are essential to ensure that Chinese

investments contribute to sustainable development and enhance Nigeria's resilience against emerging security threats in the 21st century.

#### Balancing Economic Interests and National Security Concerns: Policy Considerations and Diplomatic Strategies

- **Comprehensive Risk Assessment:** Conducting a thorough risk assessment of Chinese investments to identify potential national security implications, including vulnerabilities in critical infrastructure, cybersecurity risks, and geopolitical implications. This assessment should inform policy decisions regarding the approval, regulation, and oversight of Chinese investments in strategic sectors.
- **Enhanced Regulatory Framework:** Strengthening regulatory frameworks and oversight mechanisms to ensure transparency, accountability, and compliance with national security requirements. This may involve enacting legislation or regulations that impose stringent standards for foreign investments, particularly in sensitive sectors like telecommunications, energy, and transportation.
- **Strategic Investment Screening:** Implementing a robust investment screening mechanism to evaluate the national security implications of proposed Chinese investments and mitigate potential risks. This screening process should involve inter-agency coordination, stakeholder consultation, and consideration of geopolitical factors to safeguard critical assets and technologies.
- **Engagement and Dialogue:** Engaging in constructive dialogue with Chinese authorities to address mutual concerns and promote transparency in bilateral economic cooperation. Regular diplomatic engagements, high-level dialogues, and joint working groups can facilitate communication, build trust, and resolve disputes diplomatically.
- **Economic Diversification:** Pursuing economic diversification strategies to reduce dependence on specific sectors or foreign partners, mitigating vulnerabilities associated with overreliance on Chinese investments. Diversifying sources of investment, trade partners, and export markets can enhance resilience and reduce exposure to economic coercion.
- **Strengthened Bilateral Agreements:** Negotiating and implementing bilateral agreements, including investment treaties, trade agreements, and security arrangements, to safeguard Nigeria's sovereignty, autonomy, and national security interests. These agreements should include provisions for dispute resolution, risk mitigation, and mutual cooperation in areas of common interest.
- **Capacity Building and Technology Transfer:** Prioritizing capacity building and technology transfer initiatives to enhance Nigeria's indigenous capabilities and reduce dependence on foreign expertise. Collaborating with Chinese partners to develop local talent, transfer knowledge, and promote technology localization can foster economic empowerment and self-reliance.
- **Public Awareness and Engagement:** Enhancing public awareness and stakeholder engagement on the implications of Nigeria-China economic relations for national

security and sovereignty. Promoting transparency, accountability, and public participation in decision-making processes can build public trust and ensure that policies reflect the interests of Nigerian citizens.

### **China Investments in Nigeria Case Studies and Examples**

**Railway Projects:** Highlighting the Abuja-Kaduna railway and the Lagos-Ibadan Expressway projects, showcasing Chinese investments in critical infrastructure and their impact on connectivity and economic development.

**Oil and Gas Sector:** Examining Chinese involvement in Nigeria's oil and gas industry, including joint ventures, infrastructure investments, and technology transfer agreements, and assessing the implications for energy security and resource governance.

**Telecommunications Sector:** Exploring Chinese telecom companies' entry into the Nigerian market, their role in expanding access to mobile services, and concerns regarding data security, surveillance, and competition with local providers.

**Port Infrastructure:** Discussing Chinese investments in port infrastructure, such as the Lagos Deep Offshore Logistics Base (LADOL), and analyzing their implications for maritime security, trade facilitation, and regional connectivity.

### **Lessons Learned and Best Practices**

**Transparency and Accountability:** Emphasizing the importance of transparency and accountability in managing China-Nigeria relations, including disclosure of terms and conditions of agreements, rigorous project assessment, and public oversight mechanisms.

**Capacity Building and Technology Transfer:** Highlighting the value of capacity building initiatives and technology transfer agreements to enhance Nigeria's indigenous capabilities and promote sustainable development.

**Risk Mitigation Strategies:** Identifying best practices for mitigating risks associated with Chinese investments, such as diversifying funding sources, conducting thorough due diligence, and negotiating favorable terms.

### **Panel Discussion: Stakeholder Perspectives**

**Government Officials:** Discussing the government's role in formulating policies, negotiating agreements, and ensuring national security considerations are integrated into economic cooperation with China.

**Business Leaders:** Sharing insights into opportunities and challenges faced by Nigerian businesses in engaging with Chinese partners, including competition, intellectual property rights, and market access issues.

**Academia:** Providing scholarly analysis and research findings on Nigeria-China relations, including economic impacts, security implications, and policy recommendations.

**Civil Society Representatives:** Advocating for transparency, accountability, and public participation in decision-making processes related to Chinese investments, and highlighting concerns regarding social and environmental impacts.

### Recommendations

- i. Prioritize national security imperatives while leveraging economic opportunities offered by China.
- ii. Strengthen regulatory frameworks to ensure transparency, accountability, and compliance.
- iii. Promote diversification of economic partnerships and investment sources to reduce dependency risks.

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