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RESEARCH ARTICLE

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## CHINA-AFRICA (NIGERIA) TRADE RELATIONS: NAVIGATING OPPORTUNITIES AND CHALLENGES FOR SUSTAINABLE DEVELOPMENT

\*Zuaira Abdullahi Garba

Department of International Development, Community and Environment, Clark University, Worcester, MA, USA

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#### \*Corresponding Author:

Zuaira Abdullahi Garba

### ABSTRACT

This study examines the evolving trade relations between China and Nigeria within the broader framework of China-Africa partnerships, exploring their potential as drivers of sustainable development. With China's trade and investment in Nigeria growing rapidly, this relationship offers significant opportunities but also raises challenges related to environmental sustainability, labor rights, and corporate social responsibility. Using a mixed-methods approach grounded in Dependency theory, the research gathered data through 204 questionnaires to assess the perceptions of stakeholders. Findings reveal areas for improvement, such as weak adherence to environmental regulations by Chinese enterprises and the displacement of local industries. However, the partnership also provides opportunities for knowledge transfer, capacity building, and economic growth if managed collaboratively. The study underscores the importance of fostering equitable practices, enhancing local industry support, and encouraging compliance with ethical standards. By addressing these challenges, the China-Nigeria trade relationship can transition into a model for mutual prosperity and sustainable development.

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## INTRODUCTION

World trade as a basic economic concept involving buying and selling of goods and services has grown steadily across international boundaries over the years. This has ensured compensations in forms of exchange of goods and services between and among parties. In the recent years, goods and services worth about \$7.6 trillion flow across national borders each year (Shuan and Taylor, 2012). This has attracted the interests of scholars in international trade system to investigate how the "political battle between the relations of global economic exchange shapes the creation, operation, and consequences of the World Trade Organization-centered system and the emerging regional trading frameworks" (Shuan and Taylor, 2012). Similarly, China's interest in Africa's raw materials resulted in trade growth of 700 percent during the 1990s. With the establishment of the China-Nigeria Cooperation Forum in 2000, trade increased even further, quadrupling since the dawn of the twenty-first century. By 2005, annual China-Africa trade reached \$40 billion (Chris, 2015). While the volume of trade between Nigeria and the United States also increased during this period, from \$26.9 billion in 1999 to more than \$80 billion in 2005, it has not been growing as fast as China-Nigeria trade, which has grown by an average rate of 50 percent annually since 2002. Given the large numbers of Nigerians in need of inexpensive basic goods, it is not surprising that China surpassed the United States in exports to Nigeria beginning in 2003 (Chen *et al.*, 2016, 2006).

China's foreign direct investment (FDI) of more than \$900 million places it ahead of former colonial powers like the United Kingdom and behind only the United States and France (Pan, 2006). According to Beijing (2020), more than 600 Chinese-funded companies have been established in Africa in the last ten years. The evolving relationship between China and Africa has garnered significant interest among scholars and longstanding allies of Africa, such as the USA, the European Union, and Japan. While some scholars interpret China's engagement in Africa as an opportunity for enhanced collaboration and development, others express concern about potential challenges associated with this growing partnership, including competition over the continent's abundant natural resources. This study examines trends in China-Africa (specifically Nigeria) trade relations, focusing on their potential as a partnership for development. With the rapid increase in Chinese-funded enterprises in Africa, challenges such as environmental sustainability, labor rights, and corporate social responsibility have emerged, reflecting areas that require attention and improvement to optimize the partnership. These considerations drive this study, which aims to identify strategies for environmental protection by Chinese enterprises in Nigeria, evaluate their labor practices, explore their social responsibility initiatives, and assess the long-term prospects of a mutually beneficial China-Africa (Nigeria) trade partnership. This case study seeks to explore the multifaceted dimensions of China-Nigeria trade relations, focusing on opportunities for collaboration and areas for improvement. It aims to identify the environmental protection strategies employed by Chinese enterprises in Nigeria and

assess their effectiveness in promoting sustainability. Additionally, the study examines the labor rights practices of these enterprises, with an emphasis on adherence to ethical and legal standards that prioritize the welfare of Nigerian workers. Furthermore, it investigates the dimensions of corporate social responsibility exhibited by Chinese enterprises, evaluating their contributions to community development and socio-economic progress. Finally, this research endeavors to uncover the prospects of the China-Nigeria trade partnership, highlighting pathways to enhance mutual benefits and foster long-term, equitable growth between both nations. This study employed a mixed-methods approach to data collection, grounded in the Dependency theory, to explore China-Africa (specifically Nigeria) trade relations. A total of 204 questionnaires were distributed to gather respondents' views on this relationship. The findings revealed areas requiring improvement, particularly regarding the environmental protection strategies of Chinese enterprises in Nigeria. The data showed that these strategies often fall short of expectations, with 72.5% of respondents agreeing or strongly agreeing that environmental regulations are frequently overlooked by Chinese firms. Concerns about ecological degradation, such as the destruction of forests, water bodies, and farmlands were noted by 93.1% and 83.3% of respondents, respectively, underscoring the importance of strengthening environmental stewardship in these partnerships. The study highlights the need to balance economic cooperation with sustainability, emphasizing that China-Nigeria trade relations hold immense potential as a development partnership if challenges are addressed collaboratively. While the influx of Chinese products has posed challenges to local industries and contractors, this shift also presents an opportunity for knowledge transfer, capacity building, and joint ventures. By fostering equitable practices and prioritizing local engagement, the partnership can evolve into a model for sustainable development and mutual prosperity. This study recommends that the government adopt a proactive approach by regularly engaging with Chinese industries to assess and encourage compliance with regulations on local content development in Nigeria.

Collaborative initiatives between government agencies and civil society groups should focus on raising awareness within Nigerian communities about the value of supporting locally produced goods as an alternative to imported items. To bolster local industries, African governments are encouraged to provide broad-based support aimed at enhancing production capacity. This could include measures such as investing in stable power supply, developing high-quality road networks, and offering subsidies or other financial incentives to empower businesses. Furthermore, business individuals and groups can benefit from consistent governmental backing, which fosters resilience and innovation in local enterprises. The study also underscores the importance of establishing more professional bodies and engaging technocrats to actively guide Nigeria's relations with China. By leveraging expertise and fostering strategic partnerships, these efforts can ensure that trade relations contribute meaningfully to Nigeria's sustainable development and economic growth.

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