Dependency Theory: A Case of Nigerian – Chinese Business Relationship

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Abstract: *In spite of the functional relationship between Nigeria and China, the benefits from the socio-economic interaction between the two countries have been subjected to diverse opinions by scholars and analysts, with concerns raised specifically over the seemingly lop-sidedness of the business in favour the Asian country. It is against this backdrop that this study did a case study of the business relationship between Nigeria and China in the context of the dependency theory. The study carried out secondary data analysis from data sourced historical and work done by previous writers. The aim of this study is to evaluate the impact of the existing business relationship between China, an industrial and technologically advanced economy and Nigeria. The study concluded that Nigeria and China have benefitted from their business relations but the relationship has not only tilted towards China but the imbalanced relationship between the two countries has increased the dependency of the Nigerian economy on China thereby undermining former's economic security and resources. It was recommended that for optimal benefit from its economic relationship with China, Nigeria needs to build up its internal productive capacity through regular training and manpower development with the advantage of the Chinese technological innovation. That Nigeria has all the potential to diversify it development by maintaining a balance between its business relationship China and its Western counterparts.*

Keywords: Dependency, underdevelopment, investment, relationship, economic, un-development,

1.0 Introduction

The philosophical drive of China's relations with Africa currently is more of an economic interest rather than political domination. The incidence of China's opening up and redirecting its relationship with Africa more importantly coincided with a time when African nations were deeply enmeshed in poor economic performances as a result of various conflicts, government mismanagement and also a series of flawed Western neoliberal structural adjustment programs. During this time, China introduced African nations to a wide range of viable alternative economic development formulas that can uplift the social and political outlook of African nations. Soon enough, African governments, while being frustrated with the donor policies of the colonial masters with its neoliberal policies and agenda started to appreciate the alternatives presented by China in a world that is multipolar by nature (Tull 2006).

Dependency theory emerged in the late 1950's in response to concerns of the gap between rich and poor countries and that economic growth in the advanced industrialised countries did not lead to growth in the poorer countries (Sautman, et al 2015). Dependency theory thus became an important tool to analyse development and underdevelopment in the international political economy (Caruso, et al. 2016). Dependency theory is the conception that resources flow from a "periphery" of poor and underdeveloped states to a "core" of wealthy states, enriching the latter at the expense of the former. It is a central contention of dependency theory that poor states are impoverished and rich ones enriched by the way poor states are integrated into the "world system". According to Eme and Emeh (2012), the theory arose as a response to modernization theory, an earlier theory of development which held that all societies progress through similar stages of development, that today's underdeveloped areas are thus in a similar situation to that of today's developed areas at some time in the past, and that, therefore, the task of helping the underdeveloped areas out of poverty is to accelerate them along this supposed common path of development, by various means such as technology transfers and closer integration into the world market.

Calabrese, Linda (2016) also were of the opinion that the modernization perspective maintains that developing societies are going to catch up with the developed societies of the world, the more they become integrated into the latter's economies. The relationships between the indigenous social formations of African countries and the penetrating capitalist formations are interpreted as being functional and stable. It is assumed that with the diffusion of modernization influences from the West African societies would display similar features already exhibited by the developed economies during their transition to modernity. The development of these societies is therefore interpreted in terms of the transition from one Parsonian pattern variable to the other. Little wonder did Karl Marx argued that "countries of the world that are developed only show the less developed countries the images of their own future" (Olurode, 2017)

According to Okosun, et al (2016), "there is no single coherent body of thought that can be described as 'dependency'" theory. Instead various theorists stress the key notion that some countries are conditioned in their development by their dependence on other countries (or

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economies)". Evaluating Brown's perspective 30 years later it is realistic to still think that, despite the rich intellectual ideas, debates and writings from dependency theorists of different leanings, there is still no single unified theory of dependency.

Notwithstanding the intellectual disagreements among dependency theorists there remains some basic agreements among them, namely the view that the world is divided into two parts, the centre-industrialised countries and the periphery/the underdeveloped countries, and that this structure also exists within a state, while they do not all employ the use of the term centre/periphery, their approach to the structure of the international system remains the same (Brautigam, 2016). They argue that trade between the centre and periphery is characterised by unequal exchange, which has resulted in underdevelopment of the periphery. They agree that underdevelopment in third world countries can be linked to the expansion of the world capitalist system. In order to shed more light on the diversity of ideas that constitute dependency theory, a breakdown of dependency theory seems appropriate. This will be done by separating the theory into two strands: the Marxist and non-Marxist frameworks.

China's trade and political involvement with Africa started in early 1950s, which coincidentally marked the beginning of the agitations by African countries to break the yoke of colonialism. Entering into the 1960s, China's relationship with Africa manifested in the form of a support for the liberation of African countries from the colonial manacles by the European empires. At the onset, China's involvement in Africa was as a result of ideological motivation but this soon changed over time. The dynamics of China-Africa relations encountered a major shift in the 1980s with the Asian nation embarking on its opening-up reforms, which included a wide range of policies that gave birth to the China of today standing strong amongst the superpowers.

Over the years, China has been relating to Nigeria through trade, aid and investments while Nigeria has equally be exploring trading opportunities in China. The Sino-Nigeria relation also has its basis on the premise of exploring their economic comparative advantages for mutual benefits. The Sino-Nigeria trade has also increased as China's growing economy requires more raw material resources from Nigeria; including crude oil to propel its industries. China is also taking advantage of Nigeria's huge population, which is estimated at around 150 million people (Nigeria Population Census 2006) to generate extraterritorial markets for China's manufactured goods. Due to its huge population, the most populous country in Africa, rich in natural resources, Chinese investments in Nigeria have become a trending issue in the 21st century as more than 200 Chinese companies are currently operating in Nigeria, thus making the country the largest recipient of Chinese Foreign Direct Investment (FDI) - about $15 billion out of its $26.5 billion investments in Africa as of 2016.

In spite of the functional relationship between Nigeria and China, the benefits from the socio-economic interaction between the two countries have been subjected to diverse opinions by scholars and analysts, in which Chinese investments in Nigeria attracted resentment and criticisms. Concerns have been raised specifically over the impact of Chinese investments in Nigeria's economic security, which is substantially affected by the dumping of inferior Chinese industrial products into the country, lack of technology transfer from China to Nigeria, fewer opportunities for the survival of Nigeria's investments in China, visa and employment restrictions to Nigerians to explore business opportunities in the country (Ogunsanwo 2018).

2.0 Review of Literature

2.1 Historical background of Nigeria-China Relations

Nigeria's first contact with China took place in 1960 when a Chinese Delegation, on the invitation of the Nigerian government, attended Nigeria's independence celebrations (Ogunsanwo 2018). The delegation brought a message from Chinese leaders congratulating Nigeria on the victory won by the Nigerian people in their struggle against colonialism. In February, 1971, Nigeria finally established a diplomatic tie with China, more than a decade after independence. Both countries opened embassies in each other's capital within the year. Ever since then, the China-Nigeria bilateral relations have developed rather slowly over the years.

Right from the time General Gowon, who as military Head of State first paid an official visit to China in 1974 to seek its financial assistance for the post-war reconstruction programs, shortly after the Nigerian civil war, in which China supported the Biafra (Chen, et al 2015). General Abacha also supported China in the wake of the crackdown of Chinese political oppositions in Tiananmen Square, in Beijing, that led to China's international isolation in 1989. The then Chinese premier, Li Peng, also visited Nigeria in 1997 to boost China's renewed interest in the country, aimed at reversing the decline in China's trade with Nigeria (Chen, et al 2016).

In 2001, Olusegun Obasanjo, the then Nigerian President, undertook a visit to China, primarily to woo China's industrialists to come and invest in the Nigerian economy. The bilateral agreement reached between the two countries during the visit harped on economic agreements over the petroleum sector, which culminated in the active participation of Chinese firms in the upstream and downstream sector of Nigeria's oil, gas and petrochemicals industries. In fact, Obasanjo offered the Right of First Refusal (RFR) on oil blocs to China at discounted rates in exchanged for their mandatory investments in the oil downstream and transportation sectors, especially in the areas of oil exploration and construction of roads and rail lines respectively. When an oil block bidding round was held in 2006, China's National Petroleum Commission (CNPC) was awarded 4 oil blocs and 2 oil production licenses in return for China's commitment to invest $2 billion to rehabilitate Kaduna's oiling refinery in Nigeria. There was also the Oil for Infrastructure exchange program between the two countries, where China was contracted for road and rail construction worth $5 billion and collected crude oil equivalent to the cost.

Nigeria and China also established a strategic partnership in 2006, which allows both countries' goods and services free access to each other's markets. The high degree of corruption in the bidding process for oil and poor or non-execution of projects by many Chinese investors led to the cancellation of the oil for infrastructure program and its replacement with Oil for Cash policies, which allows China to pay the equivalent cash of oil imported from Nigeria, while the oil for infrastructure projects were executed under the public- private arrangement between Nigeria and some private enterprise in China, including the one between the Nigeria National Oil Corporation (NNPC), a Nigerian public enterprise in the oil sector, and the China State Construction Engineering Corporation (CSCEC). The two companies jointly executed a $23 billion contract for the refurbishment of three Nigeria refineries and the construction of crude oil refined fuel complex, financed with $8 billion by Sinosure and China Exim Bank. The CSCEC provided 80 per cent of the costs, with NNPC releasing the remaining 20 per cent counterpart funding. The Chinese Company also helped Nigeria build the NIGCOMSAT-i satellite that was launched in 2007.

Umar Musa Yar'Adua, who succeeded Obasanjo as President on the 29th of May 2007 reviewed the 'oil for infrastructure' agreements between Nigeria and China, which led to the suspension of the contracts because the Chatham House report revealed that Nigeria lost up to $6 billion in failed oil deals with China as no follow-up mechanisms to enforce the deals were put in place, leading to partial implementation or outright abandonment of many projects under the "Oil for Infrastructure" deal by Chinese investors in Nigeria.

Furthermore, the investigative committee's report revealed that much of the oil blocs were awarded to Chinese bidders who were well connected to the corridor of political power in Nigeria, but with little industry experience.

Though the Chinese requested the Yar'adua administration to sell a large number of oil and gas assets, estimated to contain six barrels of oil reserves, with an offer of $50 billion as an alternative funding for infrastructural development in Nigeria, the government refused (This Day 2010). The China Petroleum and Chemical Corporation (SINOPEC) equally bought Canada Addax, which was one of the largest oil producers in West Africa, with expansive offshore operations in Nigeria.

During the Goodluck Jonathan Administration, Nigeria signed three loan agreements with China's Exim Bank. The agreement are the $500 million for Abuja Light Rail Project, the $500 million contract for the construction of 4 airports terminals in the country, and $100 million contract for galaxy backbone expansion of connectivity among government ministries in Nigeria (NICAF, 2013). The state visit of Goodluck Jonathan to the People's Republic of China in 2013 expressed interest for over $25 billion worth of investment by Chinese companies in Nigeria, including the $20 billion Memorandum of Understanding signed between the Ministry of Energy in China and the Ministry of Energy, to generate for Nigeria 20,000 megawatts of electricity. China has also offered a $6 billion loan to Nigeria for infrastructural development projects during the administration of Muhammadu Buhari and a loan of $1.5 billion for the development of infrastructure in Nigeria, including the expansion of four airports at Lagos, Kano, Abuja and Port Harcourt, while the Buhari government also signed a currency swap agreement between Nigeria and China, in which the Nigeria' Naira is exchanged directly with China's Yuan at their real value, instead of first converting them to dollar for their import and export business transaction. The effort has actually reduced the cost of importation from China to Nigeria and vice-versa, thus reducing the selling price of goods in both countries.

2.2 Implications of Chinese Investments for Nigeria's Economic Security

From the findings of this paper, Chinese investments in Nigeria are more pronounced in the oil, gas and road sectors. Other Chinese investment interests cover rail construction, power and telecommunications, with the SINOPEC, CNPC and CNOON being the major Chinese investors in the Nigerian oil and gas sectors with a total amount of about US$713.4 billion investments as of 2015. The Chinese investments in the construction sector in Nigeria, which is valued at about $115.41 billion, is dominated by 4 major companies; CCECC, CGC, SINOMA and CSCEC. The CCECC is into the construction of railways, housing, highway, bridges and housing, while the CGC is into construction of airports and water supply projects such as dams. SINOMA is into cement production while CSCEC is into building of real estate. The ZTE and Huawei are the major companies in the Telecommunication sector which accounted for about USD55 billion in Chinese investments in 2015. SEPCO is a major investor in the Nigerian power sector with about USD40.9 billion investments. The findings indicate that Chinese investments in the oil and gas sector have taken the lead over the years. Nigeria's exports to China include crude oil, beverages, animal skin, arts materials, which total around $12 billion.

It can be deduced from the foregoing that Chinese investments in Nigeria are huge and on growing, while Nigeria's investment in China is far smaller, partly because of its inability to compete with Chinese products in China, thus undermining its economic security against China's dominance. Nigeria needs to build up its internal capacity to measure up to the competitive environment in China. Though, the magnitude of Chinese investments is large in Nigeria but its developmental contribution to the country is what remains questionable, as much of the gains made from its investment in Nigeria are not re-invested, but rather repatriated to China to further its economic growth, while undermining the survival of Nigeria's economy. Chinese investments in the oil and gas, power, telecommunication, and construction sectors have also increased Nigeria's reliance on China for its telecommunication gadgets instead of facilitating made-in-Nigeria ICTs, through technology transfer, leading to a lack of creativity and diversification of the Nigerian economy, and thus undermining its economic security under the aspect of self-reliance. The fact that the oil sector, which is the main stay of the Nigerian economy and from where the country earns 80 per cent of its foreign trade, is mainly managed by foreigners, including Chinese, amount to undermining Nigeria's economic security because it gives them privileged access to information on the source of the relative success upon which Nigeria's oil economy is premised, and on how such economy could be compromised if need be.

The study found that Chinese investments have continued to expand in Nigeria, with increasing competition between local manufacturing industries and foreign investments in the country. All the above negative scenarios expose the Nigerian economy to the dangers of stunted growth and undermine its nascent industries because of stronger competitors from China. There is also the dependency of the Nigerian economy on China, as 60 per cent of Nigeria's electronic imports are currently from China, because those goods are relatively cheaper than those being imported from Europe. Many of the Nigerian middle range industries are unable to sell their products in the markets because of higher cost of production, high overhead cost and dilapidated production infrastructure in Nigeria, thus undermining the security of local companies from imminent collapse in the face of strong competition by imported goods from China. Corruption in Nigeria also undermines its economic security as many tax agencies in Nigeria, including the Federal Inland Revenue, sometimes undervalue the Chinese company taxes', thus leading to the loss of huge accruable revenue to Nigeria. Inhuman treatment of Nigerian workers in Chinese companies also undermines their personal economic security as many of them are disengaged without entitlement while others are overworked and underpaid.

Increased influx of Chinese business into Nigeria has largely pushed many nascent local industries out of business, leading to job loss and personal economic insecurity for those workers. In Kano state for instance, the presence of Chinese textile companies has rendered many Nigerians jobless, because the company forced many local companies to close down, owing to the fact that they could not compete with the companies. Nigeria has also remained a huge market for Chinese products, which in turn has continued to boost China's economy rather than Nigeria's, thus weakening the latter's economic security. The Chinese Embassy in Nigeria also undermines its economic security, by mainly granting visas to Nigerians who want to import from China, which created the opportunity for many Nigerians to patronize relatively cheap Chinese products instead of the locally made, which led to the gradual collapse of local industries. Many Chinese companies, including ZTE, do not produce in Nigeria, as most of their products are imported from China with complete equipment and Chinese technicians, thus undermining job security for many Nigerians.

2.3 The Nigeria-China case

There seems to be a serious pitfall which Nigeria as a developing country needs to watch very closely in the much talked about win-win relationship with China. The existence of a magnanimous trade imbalance that continues to grow in favour of China should be a source of worry for the Nigerian leadership. Although it has been said in some quarters that Nigeria intends to reduce the vast trade imbalance by increasing exports of other products aside crude oil to China, how this plays out is still left much to the imagination. Reliable data reveals that while China's export to Nigeria is currently estimated to be in the region of $3 billion, the reversal of such case gives Nigeria only $1 billion opening up a trade gap of $2 billion (Peter 2013). This monumental deficit is a concern for Nigeria leaders and the private sector too if we are to believe the various deliberations of the Nigeria-China Joint Planning Commission.

Nigeria should beware of being turned to a dumping site of cheap Chinese goods most especially textiles, because of the fact that the existing trade imbalance might continue to increase between the two countries much to the favour of China and to the detriment of Nigeria as it might lead to more job losses within the Nigerian economy. According to John (2012), Nigeria's Trade Unions are already blaming the loss of over 300,000 manufacturing jobs in the textile sector to Chinese imports. Something of this nature happened in South Africa in 2006 which led the country to impose a two-year import restriction on some Chinese textile materials. In the same year in Nigeria, NAFDAC banned pharmaceutical products from some Chinese and Indian companies as a result of flooding the market with substandard medical goods (Idris, 2007)

Therefore, while it is actually true to some extent that Nigeria's relationship with China has been beneficial to the former infrastructure-wise, it is evident that the relationship has been built in such a way that major mercantile transactions happen only to benefit the Nigerian elite businessmen and politicians.

In Nigeria, and likewise Africa in general, China has set up huge operations. They have built infrastructure which has been done by using equipment and labour from their own country without transferring the requisite skills to local communities. Hence, it is a situation of China taking raw materials from Nigeria and Africa while transferring manufactured goods in return. This relationship indirectly equips China with more technological skills while leaving the African countries with none. This situation is not really different from what was applicable during the colonial era when the British came to Nigeria to pick up raw materials while also bringing finished goods. The present relations with China as evident in the chart below shows that Nigeria is unknowingly and unconsciously opening up its shores to a new form of colonialism (Sino-imperialism) (Agubamah, 2014).

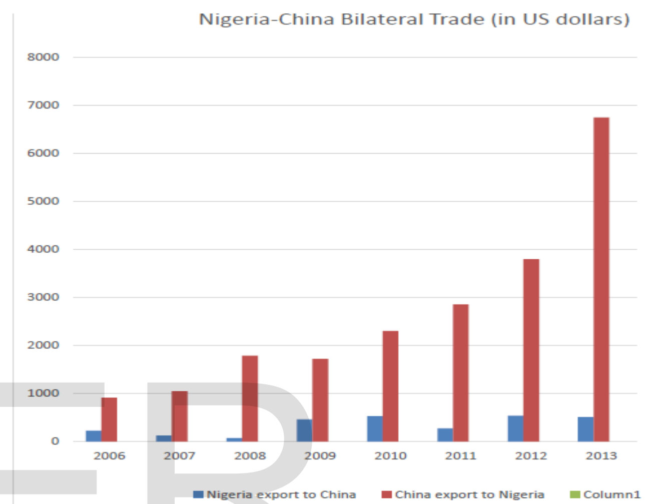

Figure 1. Nigeria-China Bilateral Trade (In US dollars)

Source: South African Institute of International Affairs (2018).

The olden days of Non-Aligned Movement which served as a united front against colonialism are over and long gone. China should not be viewed the same way it was viewed in times past as a fellow underdeveloped economy. China is now the second-biggest economy in the world that is capable of exploiting other weaker countries as the West. Further analysis of the chart shows that China can confidently be regarded as a significant contributor to Nigeria's deindustrialization because of Nigeria's overdependence on Chinese goods and services.

2.4 The Policy Implications of Dependency Analysis

If one accepts the analysis of dependency theory, then the questions of how poor economies develop become quite different from the traditional questions concerning comparative advantage, capital accumulation, and import/export strategies. Some of the most important new issues include:

1. The success of the advanced industrial economies does not serve as a model for the currently developing economies. When economic development became a focused area of study, the analytical strategy (and ideological preference) was quite clear: all nations need to emulate the patterns used by the rich countries. Indeed, in the 1950s and 1960s there was a paradigmatic consensus that growth strategies were universally applicable, a consensus best articulated by Walt Rostow in his book, *The Stages of Economic Growth.* Dependency theory suggests that the success of the richer countries was a highly contingent and specific episode in global economic history, one dominated by the highly exploitative colonial relationships of the European powers. A repeat of those relationships is not now highly likely for the poor countries of the world.
2. Dependency theory repudiates the central distributive mechanism of the neoclassical model, what is usually called "trickle-down" economics. The neoclassical model of economic growth pays relatively little attention to the question of distribution of wealth. Its primary concern is on efficient production and assumes that the market will allocate the rewards of efficient production in a rational and unbiased manner. This assumption may be valid for a well-integrated, economically fluid economy where people can quickly adjust to economic changes and where consumption patterns are not distorted by non-economic forces such as racial, ethnic, or gender bias. These conditions are not pervasive in the developing economies, and dependency theorists argue that economic activity is not easily disseminated in poor economies. For these structural reasons, dependency theorists argue that the market alone is not a sufficient distributive mechanism.
3. Since the market only rewards productivity, dependency theorists discount aggregate measures of economic growth such as the GDP or trade indices. Dependency theorists do not deny that economic activity occurs within a dependent state. They do make a very important distinction, however, between economic growth and economic development. For example, there is a greater concern within the dependency framework for whether the economic activity is actually benefitting the nation as a whole. Therefore, far greater attention is paid to indices such as life expectancy, literacy, infant mortality, education, and the like. Dependency theorists clearly emphasize social indicators far more than economic indicators.
4. Dependent states, therefore, should attempt to pursue policies of self-reliance. Contrary to the neo-classical models endorsed by the International Monetary Fund and the World Bank, greater integration into the global economy is not necessarily a good choice for poor countries. Often this policy perspective is viewed as an endorsement of a policy of autarky, and there have been some experiments with such a policy such as China's Great Leap Forward or Tanzania's policy of *Ujamaa*. The failures of these policies are clear, and the failures suggest that autarky is not a good choice. Rather a policy of self-reliance should be interpreted as endorsing a policy of controlled interactions with the world economy: poor countries should only endorse interactions on terms that promise to improve the social and economic welfare of the larger citizenry.

3.0 Theoretical Review

3.1 Central Propositions of Dependency Theory

There are a number of propositions, all of which are contestable, which form the core of dependency theory. These propositions include:

1. Underdevelopment is a condition fundamentally different from un-development. The latter term simply refers to a condition in which resources are not being used. For example, the European colonists viewed the North American continent as an undeveloped area: the land was not actively cultivated on a scale consistent with its potential. Underdevelopment refers to a situation in which resources are being actively used, but used in a way which benefits dominant states and not the poorer states in which the resources are found.
2. The distinction between underdevelopment and un-development places the poorer countries of the world in a profoundly different historical context. These countries are not "behind" or "catching up" to the richer countries of the world. They are not poor because they lagged behind the scientific transformations or the Enlightenment values of the European states. They are poor because they were coercively integrated into the European economic system only as producers of raw materials or to

serve as repositories of cheap labour, and were denied the opportunity to market their resources in any way that competed with dominant states.

3. Dependency theory suggests that alternative uses of resources are preferable to the resource usage patterns imposed by dominant states. There is no clear definition of what these preferred patterns might be, but some criteria are invoked. For example, one of the dominant state practices most often criticized by dependency theorists is export agriculture. The criticism is that many poor economies experience rather high rates of malnutrition even though they produce great amounts of food for export. Many dependency theorists would argue that those agricultural lands should be used for domestic food production in order to reduce the rates of malnutrition.
4. The preceding proposition can be amplified: dependency theorists rely upon a belief that there exists a clear "national" economic interest which can and should be articulated for each country. In this respect, dependency theory actually shares a similar theoretical concern with realism. What distinguishes the dependency perspective is that its proponents believe that this national interest can only be satisfied by addressing the needs of the poor within a society, rather than through the satisfaction of corporate or governmental needs. Trying to determine what is "best" for the poor is a difficult analytical problem over the long run. Dependency theorists have not yet articulated an operational definition of the national economic interest.
5. The diversion of resources over time (and one must remember that dependent relationships have persisted since the European expansion beginning in the fifteenth century) is maintained not only by the power of dominant states, but also through the power of elites in the dependent states. Dependency theorists argue that these elites maintain a dependent relationship because their own private interests coincide with the interests of the dominant states. These elites are typically trained in the dominant states and share similar values and culture with the elites in dominant states. Thus, in a very real sense, a dependency relationship is a "voluntary" relationship. One need not argue that the elites in a dependent state are consciously betraying the interests of their poor; the elites sincerely believe that the key to economic development lies in following the prescriptions of liberal economic doctrine.

4.0 Empirical Review

In the study of Chinese Investments in the Nigerian Oil, Gas and Power Sectors, Ogunrinu (2017) concludes that since the Chinese government initiated the "Go global" strategy for capturing global markets through both public and private Chinese enterprises in 1998, its FDI has been increasing in Africa through its investment strategies in the continent, which center on building the necessary infrastructure to explore African oil and gas for China's industrial growth.

Enuka (2010) investigated The Forum of China-Africa Cooperation (FOCAC): A Framework of the 21st Century. It concluded that the FDI from China has heightened Nigeria's dependence on the Chinese economy, thus undermining its own economic security. Specifically, the paper traces the background of the Nigeria-China relations, examines the main thrusts and strategic importance of the relationship. The study also identifies the key sectors of Chinese investments in the Nigerian economy and discusses the implications of their relationship for the Nigerian economy.

Calabrese (2016) examines the Dependency and Third World Underdevelopment: Examining Production-Consumption Disarticulation in Nigeria. It was concluded in the study that if this trend of dependency is not done away with, the overall socio-economic development of Nigeria will continually be compromised and remain elusive. On Nwabia (2018) investigation of China: Africa's New Economic Partner or Coloniser? A Case Study of Nigeria-China Relations, it was concluded that Nigeria and Africa as a whole should embark on a thorough comprehension of China's economic dynamics and philosophy in order to ascertain policies that have actually been of benefit in the long run and which areas need to be improved upon. African countries will require thoughtful examination of USA's relations with China and as much as possible replicate the successful policies.

5.0 Conclusion

Findings from this research were that Nigeria and China have benefitted from their diplomatic relations but the relationship is not mutually rewarding, having been tilted towards China. The unequal relationship between the two countries has increased the dependency of the Nigerian economy on China and undermines its economic security and resources. Findings also revealed that China is a global

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model of rapid socio-economic transformation that Nigeria could study to enhance optimal performance for its economy. The study concluded that, for Nigeria to benefit optimally from its competitive economic relations with China, the country needs to build up its internal productive capacity through regular training of its workforce.

Moreover, one of the most significant findings to emerge from this study is that Nigeria and by extension Africa should place more focus on ways they can harness China's engagement in Africa to fit into the broader global engagement. Nigeria, in particular, has all the potentials to diversify its development by maintaining a balance between Chinese assistance and that of its Western counterparts. For this balance to happen, the Nigerian economic policy makers have to understand how each type of aid from each power bloc can be of benefit, and to which particular sectors to be able to implement a successful strategy. In particular, Nigeria can take a cue from China in the area of curbing corruption while also looking towards the USA's commitment to human rights and transparency, in the area of rule of law.

However, the research has also shown that Nigeria's major priority lies on the move to develop the capacity to manage its own policies in engaging with China. Africa needs to realise that China's engagement with the continent would continue to favour the Asians if there is no conscious effort on the part of African countries to expand its development and also establish a workable strategy that would address the long-term benefits rather than leaning on China for the supposed short-term benefits.

In addition, from the dependency point of view, we opine that China-Africa relationship suggests a case of growing interdependency. A new direction for future research should be from a viewpoint of increasing interdependency between systems and its implications for development.

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