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IMPACT OF ECONOMIC DIPLOMACY ON NIGERIA'S TRADE RELATIONS

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ABSTRACT

Nigeria's sustained economic diplomacy efforts over decades have struggled to translate into substantial improvements in trade relations. Despite persistent endeavors, the anticipated impact on trade outcomes has not been commensurate, posing significant ongoing challenges. This paper examines the impact of economic diplomacy on Nigeria's trade relations. The paper is anchored on dependency theory as its point of departure. Data for the paper were collected through survey method. Findings reveal a notable trend of proactive engagement in promoting trade agreements and partnerships. However, empirical evidence suggests that these efforts have not consistently translated into significant measurable impacts on trade outcomes. As a result, while economic diplomacy remains a crucial tool for international engagement, its transformative effects on Nigeria's trade relations appeared constrained by both internal and external complexities. The study recommends the need for comprehensive reforms in domestic policies and regulatory frameworks to create a more conducive environment for trade and investment. This includes streamlining bureaucratic procedures, improving infrastructure, and harmonizing trade-related regulations to reduce transaction costs and enhance predictability for investors and traders alike. Secondly, the study advocates for capacity-building initiatives for diplomatic personnel involved in trade negotiations. This involves equipping them with enhanced negotiation skills, economic analysis capabilities, and a deeper understanding of global trade dynamics.

Keywords: Trade Relations, Economic Diplomacy, Foreign Policy, Export Growth, Bilateral Agreements

INTRODUCTION

The concept of economic diplomacy has become increasingly significant in the context of global trade relations. Economic diplomacy refers to the use of economic tools, policies, and strategies by a country to achieve its international objectives. It encompasses a broad range of activities including trade negotiations, Foreign Direct Investment (FDI) facilitation, and the promotion of exports. The role of economic diplomacy has been particularly pivotal in an era characterized by globalization, where nations are more interconnected than ever before, and trade barriers continue to diminish. For developing countries like Nigeria, economic diplomacy is crucial in enhancing trade relations, attracting foreign investments, and fostering economic growth. Globally, economic diplomacy has been instrumental in

shaping the trade landscape. Major economies such as the United States, China, and the European Union have long leveraged economic diplomacy to bolster their trade networks and secure advantageous positions in the international market. For instance, China's Belt and Road Initiative (BRI) is a prime example of economic diplomacy in action, aiming to create extensive trade routes and investment opportunities across Asia, Europe, and Africa (Lin, 2023). Through such initiatives, China has significantly expanded its trade footprint and strengthened its geopolitical influence. Similarly, the United States employs economic diplomacy through various trade agreements and economic partnerships, ensuring its presence and competitiveness in global markets (Lin, 2023).

In Africa, economic diplomacy has also played a critical role in shaping trade relations among states. The African Continental Free Trade Area (AfCFTA), which came into effect in January 2021, is a landmark achievement in this regard. The AfCFTA aims to create a single market for goods and services, facilitating the movement of capital and people, and paving the way for economic integration across the continent (Adebayo, 2023). By reducing tariffs and non-tariff barriers, the agreement seeks to enhance intra-African trade, which has historically been low compared to trade with external partners. Economic diplomacy among African states is essential in negotiating the terms of such agreements and ensuring their successful implementation (Adebayo, 2023).

In the case of Nigeria, a country with vast natural resources and a strategic geopolitical position, economic diplomacy has been instrumental in enhancing its trade relations with various states. Nigeria, Africa's largest economy and most populous country, has consistently sought to leverage its economic diplomacy to boost trade relations. Economic diplomacy involves the use of the full spectrum of economic tools available to a country, including trade negotiations, investment policies, and development aid, to achieve its international economic objectives. For Nigeria, economic diplomacy has been a means to diversify its economy, reduce dependence on oil exports, and foster sustainable economic growth.

One of the critical areas where Nigeria's economic diplomacy has shown significant impact is in its trade relations with China. Over the past decade, China has become Nigeria's largest trading partner, with bilateral trade volumes reaching approximately \$19.27 billion in 2021, up from \$12 billion in 2015 (National Bureau of Statistics, Nigeria, 2022). This increase is attributed to the numerous bilateral agreements and partnerships facilitated through economic diplomacy. China's investment in Nigeria spans various sectors, including oil and gas, manufacturing, and infrastructure development, further cementing the trade relationship between the two countries. Nigeria's economic diplomacy has also strengthened its trade relations with the European Union (EU). The EU is one of Nigeria's largest trading partners, with trade between the two entities valued at around €25 billion in 2021 (Eurostat, 2022). The EU's Economic Partnership Agreement (EPA) with West African countries, including Nigeria, aims to enhance trade by removing barriers and providing Nigerian goods with better access to European markets. Although Nigeria has not fully implemented the EPA, the ongoing dialogue and negotiations reflect the importance of economic diplomacy in shaping trade policies and relations.

Intra-African trade has been another focal point of Nigeria's economic diplomacy. The African Continental Free Trade Area (AfCFTA) agreement, which Nigeria signed in 2019, aims to create a single continental market for goods and services, facilitating free movement of

businesspersons and investments. Nigeria's active participation in AfCFTA negotiations and its commitment to the agreement are expected to significantly boost intra-African trade. According to the African Export-Import Bank (Afreximbank, 2022), the implementation of AfCFTA could increase Nigeria's intra-African trade by over 50% in the next decade, providing substantial economic benefits. Furthermore, Nigeria's economic diplomacy extends to enhancing trade relations with the United States. The U.S. remains a vital trading partner for Nigeria, with bilateral trade amounting to \$5.6 billion in 2021 (U.S. Census Bureau, 2022). The U.S.-Nigeria Trade and Investment Framework Agreement (TIFA) facilitates dialogue on trade and investment issues, helping to address trade barriers and improve the business environment. Additionally, the African Growth and Opportunity Act (AGOA) provides Nigerian exporters with tariff-free access to the U.S. market, promoting trade in non-oil sectors.

Nigeria's engagement in economic diplomacy has also led to significant progress in attracting Foreign Direct Investment (FDI). According to the United Nations Conference on Trade and Development (UNCTAD, 2022), Nigeria attracted \$3.3 billion in FDI in 2021, a significant increase from \$2.3 billion in 2020. This growth can be attributed to various diplomatic efforts to create a conducive environment for investment, including reforms in the regulatory framework, improvement in ease of doing business, and investment in critical infrastructure. Scholars have extensively analyzed the impact of economic diplomacy on Nigeria's trade relations. According to Olokoshi (2022), Nigeria's proactive engagement in economic diplomacy has enabled it to secure favorable trade agreements and partnerships, fostering economic growth and diversification. Similarly, Eze (2022) highlights that economic diplomacy has been instrumental in addressing trade barriers and enhancing Nigeria's competitiveness in the global market.

Despite the progress made, Nigeria faces several challenges in its economic diplomacy efforts. Issues such as infrastructural deficits, corruption, and political instability hinder the effectiveness of trade policies and diplomatic engagements. In the light of the above therefore, this paper examines the impact of economic diplomacy on Nigeria's trade relations, with a view to address the obstacles to fully realizing the potential of economic diplomacy.

Statement of the Problem

Nigeria's economic diplomacy, aimed at leveraging international economic relations to foster national development, faces significant challenges, particularly in trade relations. Despite efforts to promote favorable trade policies and attract foreign investment, the outcomes have often fallen short of expectations, revealing several practical challenges. One major challenge is the inconsistency and unpredictability of Nigeria's trade policies. Frequent changes in regulations, tariffs, and trade agreements create an unstable environment for both domestic and international investors. This unpredictability discourages long-term investments and undermines the confidence of trading partners. According to Ikenna and Amadi (2023), the lack of a coherent trade policy framework has been a significant impediment to achieving sustainable trade relations.

Corruption and bureaucratic inefficiencies further compound the difficulties. The World Bank's Ease of Doing Business report (2022) highlights that Nigeria ranks 131 out of 190 countries, with significant delays in customs procedures and the high cost of logistics. These issues create barriers to trade, reducing the competitiveness of Nigerian goods in the

international market. Furthermore, the Nigerian Ports Authority reported in 2023 that port congestion and inefficiencies resulted in an estimated loss of \$1 billion in trade revenue. Moreover, Nigeria's infrastructure deficits significantly hinder trade relations. Poor road networks, inadequate power supply, and inefficient ports increase the cost of doing business and delay the movement of goods. A study by Adewale and Johnson (2022) indicates that inadequate infrastructure contributes to a 30% increase in production costs for Nigerian exporters, making their products less competitive globally.

Nigeria's trade relations are also adversely affected by its over-reliance on crude oil exports. This dependence on a single commodity exposes the economy to global oil price fluctuations, which can destabilize trade revenues. According to the National Bureau of Statistics (2023), crude oil accounted for 76% of Nigeria's export revenue, highlighting the lack of diversification in the trade portfolio. This lack of diversification limits the country's ability to develop robust trade relations across various sectors. Furthermore, regional trade relations within Africa present their own set of challenges. Nigeria's reluctance to fully embrace the African Continental Free Trade Area (AfCFTA) has limited its potential benefits. Despite being a signatory, Nigeria's protectionist measures and concerns about the influx of foreign goods have stalled the full implementation of AfCFTA agreements (Nwosu & Ekong, 2023). This hesitation prevents Nigeria from taking advantage of the vast African market, which could significantly boost trade relations. The International Trade Centre (2023) reports that Nigeria's total trade volume increased by a mere 2% between 2020 and 2022, a period during which many emerging markets saw substantial growth. Furthermore, Nigeria's trade deficit widened to \$5 billion in 2023, reflecting the country's inability to balance its imports and exports effectively.

Research Questions

1. How has the nature of Nigeria's economic diplomacy evolved over the past decade?
2. What impact has Nigeria's economic diplomacy had on its trade relations

Objectives of the Study

1. To examine the evolution of Nigeria's economic diplomacy over the past decade.
2. To assess the impact of Nigeria's economic diplomacy on its trade relations.

LITERATURE REVIEW

Conceptual Framework

Economic Diplomacy

Economic diplomacy refers to the use of a country's economic resources, including trade, investment, and financial flows, to achieve its international diplomatic objectives. It involves a blend of traditional diplomatic practices and economic policy measures aimed at fostering economic relations and promoting national interests globally. Economic diplomacy operates at multiple levels, including bilateral, regional, and multilateral engagements, and encompasses a wide range of activities such as negotiating trade agreements, fostering economic cooperation, and addressing global economic challenges. Scholarly perspectives emphasize that economic diplomacy is increasingly significant in a globalized world where economic power often translates into geopolitical influence. For instance, Van Bergeijk (2021) discusses how countries leverage economic tools to secure strategic advantages and enhance their global standing. This can include measures like sanctions, trade negotiations, and investment policies designed to influence other nations' behavior and create favorable

economic conditions for the home country. The strategic deployment of economic resources can strengthen alliances, open new markets, and protect domestic industries from unfair competition.

Economic diplomacy also plays a crucial role in international trade and investment. According to Bayne and Woolcock (2017), trade agreements are not merely about reducing tariffs but also about establishing rules that govern international commerce, such as intellectual property rights, environmental standards, and labor laws. These agreements can create stable and predictable trading environments, which are essential for businesses to thrive in foreign markets. Furthermore, economic diplomacy involves promoting Foreign Direct Investment (FDI) by creating attractive conditions for investors, which can lead to job creation and technological advancements in the host country. In addition to promoting trade and investment, economic diplomacy addresses global challenges such as climate change, financial instability, and development issues. Nations use economic diplomacy to build coalitions and foster cooperation in tackling these challenges. For example, initiatives like the Paris Agreement on climate change involve significant economic diplomacy efforts to align the interests of diverse countries towards common environmental goals (Abbott & Snidal, 2019).

Furthermore, economic diplomacy is increasingly intertwined with digital transformation and innovation. The digital economy presents new opportunities and challenges for countries, necessitating diplomatic engagement to establish global standards and frameworks that facilitate digital trade and cyber security. Baldwin (2020) highlights the importance of economic diplomacy in navigating the complexities of the digital age, where economic policies must adapt to rapidly evolving technologies and global supply chains.

Trade Relations

Trade relations is the interactions and agreements between countries or entities regarding the exchange of goods, services, and resources. These relationships are governed by policies, regulations, and agreements designed to facilitate smooth and mutually beneficial trade activities. Trade relations can significantly impact economic growth, political stability, and diplomatic ties between nations. Trade relations is regarded as the principle of comparative advantage, which suggests that countries should specialize in producing goods where they have a lower opportunity cost, and trade for others. This principle, originally proposed by David Ricardo in the 19th century, continues to underpin modern trade theories (Ricardo, 1817). Trade relations are further shaped by various factors, including tariffs, quotas, trade agreements, and economic policies. Modern trade relations are often guided by multilateral agreements facilitated by international organizations like the World Trade Organization (WTO). These agreements aim to reduce trade barriers, promote fair competition, and resolve disputes (WTO, 2023). Bilateral and regional trade agreements, such as the North American Free Trade Agreement (NAFTA) and the European Union (EU), also play significant roles in shaping trade dynamics. These agreements help streamline processes, reduce tariffs, and foster economic cooperation among member states.

Trade relations have evolved with globalization, leading to more interconnected economies. Global supply chains illustrate this interconnectedness, where production processes are spread across multiple countries. For instance, the production of a single smartphone might involve raw materials from Africa, assembly in Asia, and design in the

United States. This global division of labor enhances efficiency and reduces costs but also makes economies more vulnerable to disruptions (Smith, 2022).

In recent years, trade relations have been influenced by geopolitical tensions and economic nationalism. Trade wars, like the one between the United States and China, highlight how political factors can impact economic interactions. These conflicts often result in increased tariffs, reduced trade volumes, and strained diplomatic relations (Brown, 2021). Additionally, the COVID-19 pandemic has exposed vulnerabilities in global supply chains, prompting countries to reconsider their dependence on foreign goods and seek more resilient trade strategies (Johnson, 2022).

Digital trade has emerged as a significant component of modern trade relations. The rise of e-commerce, digital services, and cross-border data flows has transformed traditional trade paradigms. International agreements are increasingly addressing issues related to data privacy, cyber security, and the regulation of digital platforms (Green, 2023).

Empirical Review of Related Literature

This study review empirical investigations into Nigeria's economic diplomacy and its impact on trade relations. Notably, Eke (2022) examines the role of Economic Diplomacy in Enhancing Nigeria's Trade Relations. The study relied on econometric modeling to analyze trade patterns before and after the implementation of key economic diplomatic policies. The finding reveal that economic diplomacy initiatives, particularly those focused on improving trade infrastructure and reducing tariff barriers, have had a positive impact on Nigeria's export and import activities. The study emphasizes the importance of addressing non-tariff barriers that hinder trade, such as bureaucratic inefficiencies and infrastructural deficits. The study recommends that Nigeria should invest in modernizing its ports and transportation networks to facilitate smoother trade flows. Moreover, there is a scarcity of research on the impact of Nigeria's economic diplomacy on intra-African trade. With the advent of the African Continental Free Trade Area (AfCFTA), understanding how Nigeria's diplomatic strategies influence trade within the continent is crucial. This represents a significant gap that this study aims to fill by exploring the intersection of Nigeria's economic diplomacy and its intra-African trade relations. Another area that requires further investigation in this study is the impact of digital diplomacy on trade relations. In an increasingly digital world, the role of technology in facilitating diplomatic engagements and trade negotiations is becoming more prominent. Present study explore how Nigeria can leverage digital platforms to enhance its economic diplomacy and improve trade relations.

Adeola's (2021) study titled "Economic Diplomacy and Trade Relations: A Case Study of Nigeria" utilized a mixed-methods approach, combining qualitative interviews with key policymakers and quantitative analysis of trade data from the Nigerian Bureau of Statistics. This dual approach allowed for a comprehensive understanding of the nuances of Nigeria's diplomatic strategies and their direct and indirect effects on trade. The study discovered that Nigeria's engagement in economic diplomacy has led to an increase in bilateral trade agreements, resulting in a marked improvement in trade volumes with partner countries. Specifically, the study found that trade with countries such as China, India, and South Africa increased by an average of 15% annually following the signing of strategic economic partnerships. The author recommends that Nigeria should focus on diversifying its economic partnerships to reduce over-reliance on a few trading partners. The study suggests enhancing diplomatic ties with emerging markets in Latin America and Southeast Asia.

Furthermore, the study advocates for strengthening domestic production capacities to ensure that Nigeria can meet the demands of its trade agreements. Despite the insightful findings and recommendations provided by these studies, there remain several gaps in the literature that present studies seek to fill. One notable gap is the limited exploration of the long-term sustainability of Nigeria's economic diplomacy initiatives. While existing research predominantly focuses on short to medium-term impacts, there is a need for studies that analyze the long-term outcomes of these diplomatic efforts, particularly in terms of their sustainability and adaptability to changing global economic conditions, hence the need for this study.

Ogunkola and Bankole (2020) in their article "Nigeria's Economic Diplomacy and International Trade Relations." The authors employed mixed-methods approach, combining quantitative trade data analysis with qualitative interviews of key stakeholders in Nigeria's trade and foreign policy sectors. Their findings indicate that Nigeria's economic diplomacy is heavily influenced by its oil-dominated economy, which shapes its international trade policies and diplomatic engagements. The study reveals that while Nigeria has made strides in forming bilateral and multilateral trade agreements, the benefits of these agreements have not been evenly distributed across different sectors of the economy. The authors recommend diversifying the economy away from oil dependency and enhancing capacity-building initiatives to better negotiate favorable trade deals. Despite these valuable contributions, several gaps remain in the literature. One notable gap is the insufficient exploration of the role of non-state actors in Nigeria's economic diplomacy. Study by Ogunkola and Bankole (2020) primarily focus on state-driven initiatives and policies. However, non-state actors such as multinational corporations, non-governmental organizations (NGOs), and diaspora communities also play a crucial role in shaping economic diplomacy outcomes. The present study seeks to fill this gap by examining the influence of these actors on Nigeria's economic diplomacy, particularly in terms of their contributions to trade negotiations, investment flows, and development projects.

Aremu and Ogunrinola (2019) in their study titled "Challenges and Prospects of Nigeria's Economic Diplomacy," utilized a case study methodology focusing on Nigeria's diplomatic relations with China. Through detailed analysis of trade agreements, foreign direct investment (FDI) flows, and diplomatic exchanges, the study highlights the growing influence of China in Nigeria's economic landscape. The findings suggest that while Chinese investments have contributed to infrastructure development, they have also led to concerns about debt sustainability and economic sovereignty. The authors recommend strengthening institutional frameworks to ensure that foreign investments align with Nigeria's long-term economic goals and mitigate potential adverse impacts. However, there is a lack of comprehensive analysis on the impact of regional economic integration on Nigeria's economic diplomacy. While existing study acknowledge Nigeria's participation in regional organizations such as the Economic Community of West African States (ECOWAS), they do not thoroughly investigate how regional integration efforts influence Nigeria's economic policies and diplomatic strategies. The present study aims to address this gap by exploring the interplay between Nigeria's regional commitments and its broader economic diplomacy objectives. This includes analyzing how regional trade agreements and economic partnerships within West Africa affect Nigeria's engagement with global trade partners.

Ogunsanwo (2019) examines Nigeria's Economic Diplomacy: Trends and Challenges. The author adopts mixed-methods approach, combining quantitative data analysis with

qualitative case studies. This research delves into the historical trajectory of Nigeria's economic diplomacy and identifies key trends and challenges. The findings suggest that Nigeria's economic diplomacy has been characterized by a series of strategic shifts, often influenced by changing global economic dynamics and domestic political pressures. The study highlights Nigeria's efforts to diversify its economic partners beyond its traditional Western allies, with increasing engagements with China, India, and other emerging economies. However, this study recorded insufficient attention to the impact of domestic political instability and governance challenges on Nigeria's economic diplomacy. The study acknowledges the influence of political factors but do not fully analyze how issues such as corruption, policy inconsistency, and security concerns affect Nigeria's ability to effectively engage in economic diplomacy. Addressing these internal challenges is crucial for enhancing Nigeria's credibility and effectiveness on the international stage. Furthermore, there is a lack of comprehensive analysis on the regional dimension of Nigeria's economic diplomacy. As the largest economy in Africa, Nigeria plays a pivotal role in regional economic organizations such as the Economic Community of West African States (ECOWAS). However, the existing literature does not sufficiently examine how Nigeria leverages its economic diplomacy to foster regional integration and cooperation. Understanding Nigeria's regional economic diplomacy is essential for assessing its broader impact on continental economic dynamics and development. In light of these gaps, the present study seeks to contribute to the literature by providing a more holistic analysis of Nigeria's economic diplomacy.

Onuoha and Ezirim (2013), investigates Economic Diplomacy and Nigeria's Foreign Policy. The authors employ a qualitative methodology, utilizing document analysis and expert interviews to investigate the impact of Nigeria's economic diplomacy on its foreign policy objectives. Their findings indicate that Nigeria has consistently used its oil wealth as a tool to gain influence on the international stage. The study also highlights the strategic partnerships Nigeria has formed with major global economies, particularly in the context of the Organization of Petroleum Exporting Countries (OPEC), which have been instrumental in shaping its economic policies and diplomatic engagements. The authors underscore the critical role of oil in Nigeria's economic diplomacy. They note that Nigeria's oil wealth has been a double-edged sword, providing substantial economic benefits but also exposing the country to vulnerabilities such as fluctuating oil prices and over-reliance on a single commodity. This dependence on oil has often constrained Nigeria's ability to pursue a more diversified and sustainable economic diplomacy strategy. Despite these insights, several gaps remain in the existing literature. One notable gap is the limited focus on the role of non-oil sectors in Nigeria's economic diplomacy. While oil has undoubtedly been the cornerstone of Nigeria's economic interactions, there is a growing recognition of the need to diversify the economy. Sectors such as agriculture, telecommunications, and fintech are emerging as important components of Nigeria's economic landscape, yet their potential roles in shaping economic diplomacy remain underexplored, hence the need for this study.

Theoretical Framework

This paper utilized dependency theory as its framework of analysis. Dependency theory emerged in the late 1950s and 1960s as a critique of modernization theory and its simplistic view of development. Key proponents, such as Paul Baran, André Gunder Frank, and later, Fernando Henrique Cardoso and Enzo Faletto, argued that economic development and underdevelopment are the result of historical processes of capitalist expansion and imperialism. Baran's seminal work, "The Political Economy of Growth" (1957), laid the

groundwork for these ideas, while Frank's "The Development of Underdevelopment" (1966) further elaborated on the mechanisms through which wealthy nations exploit poorer ones.

Dependency theory posits that global capitalism leads to a division of labor between core and periphery nations, where core nations (developed countries) exploit the periphery (developing countries) for raw materials and cheap labor. This relationship perpetuates a cycle of dependency, where the economic growth of periphery nations is stunted due to their subservient role in the global economy. The theory challenges the notion that developing nations can simply follow the same path to development as the now-developed countries did, emphasizing the structural constraints imposed by global capitalism (Frank, 1966; Cardoso & Faletto, 1979).

In analyzing the impact of economic diplomacy on Nigeria's trade relations, dependency theory provides a critical lens to understand the persistent economic challenges the country faces. Nigeria's trade relations are often characterized by the export of raw materials and import of finished goods, a pattern that reflects its dependent status. Economic diplomacy, which involves strategic negotiations and partnerships to advance national economic interests, could either mitigate or exacerbate this dependency, depending on how it is managed. For instance, Nigeria's involvement in organizations such as the Economic Community of West African States (ECOWAS) and the African Continental Free Trade Area (AfCFTA) can be seen as efforts to redefine its economic diplomacy. These platforms aim to boost intra-African trade and reduce dependency on external markets. However, dependency theory would caution that unless these efforts lead to substantial industrialization and diversification of the Nigerian economy, they might only shift the dynamics of dependency rather than eliminate them (Amin, 1976).

Dependency theory is highly relevant when analyzing Nigeria's economic diplomacy and trade relations. Nigeria, like many other developing countries, has a history of colonial exploitation and a post-colonial economy heavily reliant on the export of raw materials, particularly oil. This reliance on a single commodity makes Nigeria vulnerable to global market fluctuations and perpetuates a dependent economic structure. The application of dependency theory helps to understand how Nigeria's trade relations are shaped by its peripheral status in the global economy.

Economic diplomacy in Nigeria involves the use of diplomatic methods to promote the country's economic interests, such as attracting foreign investment, securing favorable trade terms, and protecting national industries. Dependency theory provides a critical framework to assess the impact of these efforts. For instance, Nigeria's engagement with foreign investors and multinational corporations often reflects the dependency dynamics described by the theory. While Foreign Direct Investment (FDI) brings capital and technology, it can also reinforce dependency by prioritizing the interests of foreign investors over national development goals. Moreover, dependency theory sheds light on the limitations of Nigeria's economic diplomacy in altering its position in the global economic hierarchy. Efforts to diversify the economy and promote industrialization often face structural barriers imposed by the global economic system. Trade agreements and partnerships with core countries may offer some benefits but often come with conditions that sustain the dependent relationship, such as trade imbalances and technology transfer restrictions.

METHODOLOGY

The study population consisted of 553 individuals, drawn from various institutions including the Department for Culture and Protocol of the Ministry of Foreign Affairs, the National Institute for Policy and Strategic Studies (NIPSS), and the Nigerian Institute of International Affairs (NIIA). These participants were selected for their expertise in economic diplomacy, foreign trade, and related fields. The sample size for the study was determined to be 227 using the Krejcie and Morgan formula, ensuring a representative subset of the larger population. Data collection was facilitated through the distribution of 277 questionnaires among the selected respondents, out of which 211 were retrieved for analysis. These questionnaires were designed to gather insights and opinions pertinent to the study's research questions. The analysis of the collected data utilized simple statistical methods such as percentages and frequencies. This approach enabled the researcher to quantify and interpret the responses effectively, providing a clear understanding of the perspectives and viewpoints of the participants.

DATA ANALYSIS

Table 1: Respondent's view on the nature of Nigeria's economic diplomacy

Responses	SA	A	U	D	SD	Total
Nigeria's economic diplomacy has become more proactive in promoting trade agreements and partnerships.	101 (47.9%)	80 (37.9%)	2 (0.9%)	16 (7.9%)	12 (5.7%)	211 (100%)
There has been a noticeable increase in Nigeria's international investment activities due to improved economic diplomacy.	12 (5.7%)	14 (6.6%)	3 (1.4%)	83 (39.3%)	99 (46.9%)	211 (100%)
Nigerian diplomatic efforts have effectively diversified trade relationships beyond traditional partners.	18 (8.5%)	14 (6.6%)	– (0%)	83 (39.3%)	99 (46.9%)	211 (100%)
There has been a significant improvement in leveraging Nigeria's natural resources for economic diplomacy purposes.	7 (3.3%)	11 (5.2%)	2 (0.9%)	133 (53.6%)	58 (27.5%)	211 (100%)
Nigerian diplomats have demonstrated increased expertise and capacity in negotiating favorable economic agreements.	24 (11.4%)	33 (15.6%)	5 (2.4%)	61 (28.9%)	88 (41.7%)	211 (100%)

Source: Field Survey, 2024

Table 4.1 above represents the opinion on how the nature of Nigeria's economic diplomacy evolved over the past decade. Based on the survey data, it is evident that a significant majority of respondents, comprising 47.9% who strongly agree and 37.9% who agree, perceive Nigeria's economic diplomacy to have become more proactive in promoting trade agreements and partnerships. Only a small percentage, 0.9%, are undecided, while 7.9% disagree and 5.7% strongly disagree with this assertion. This indicates a generally

positive outlook among the respondents regarding Nigeria's efforts in economic diplomacy, suggesting a perceived improvement in its approach to fostering trade relationships. The implications of these findings suggest that there is overall support for Nigeria's current diplomatic strategies, potentially encouraging further efforts in promoting trade and economic partnerships on an international scale.

Secondly, 12 respondents (5.7%) strongly agree and 14 respondents (6.6%) agree that there has been a noticeable increase in Nigeria's international investment activities due to improved economic diplomacy. A small proportion, 3 respondents (1.4%), were undecided on this matter. However, a significant majority expressed skepticism or disagreement: 83 respondents (39.3%) disagreed, and 99 respondents (46.9%) strongly disagreed with the statement. This indicates a prevailing sentiment of skepticism or outright disagreement among the respondents regarding the assertion that improved economic diplomacy has led to increased international investment activities for Nigeria. The implications of this analysis suggest that despite efforts to enhance economic diplomacy, the perceived impact on attracting international investments remains largely negative or uncertain among the surveyed population. This could influence policy considerations and strategies aimed at bolstering Nigeria's international investment profile, potentially highlighting areas needing improvement in economic diplomacy or public perception management.

Based on the responses from the 3rd row, it is evident that a significant majority, comprising 83 respondents (39.3%), disagree, while 99 respondents (46.9%) strongly disagree that Nigerian diplomatic efforts have effectively diversified trade relationships beyond traditional partners. Conversely, only 18 respondents (8.5%) strongly agree, and 14 respondents (6.6%) agree with this statement. The implication of this analysis suggests a widespread perception among the respondents that Nigerian diplomatic efforts have not successfully broadened the country's trade relationships beyond its traditional partners. This perception indicates potential challenges in Nigeria's diplomatic strategies aimed at expanding its global trade networks, highlighting areas that require reassessment or improvement to achieve greater diversification in trade partnerships.

Similarly, the analysis reveals mixed perception regarding Nigeria's utilization of natural resources for economic diplomacy. A majority, comprising 53.6% who disagree and 27.5% who strongly disagree, indicates a significant skepticism or dissatisfaction with the current leveraging of natural resources for diplomatic gains. Conversely, 8.5% (3.3% strongly agree and 5.2% agree) express positive views, suggesting some recognition of improvement. However, the overwhelming negative sentiment among nearly 81.1% of respondents who disagree or strongly disagree highlights a profound concern about the effectiveness or benefits derived from Nigeria's natural resource diplomacy efforts. This could imply potential challenges in enhancing international relations or economic benefits through these resources, necessitating a reevaluation or reformulation of strategies to align better with national interests and international perceptions.

In addition, based on the responses, it is evident that a significant portion of the respondents (57%) either disagree or strongly disagree that Nigerian diplomats have demonstrated increased expertise and capacity in negotiating favorable economic agreements. Only 27% of respondents agree or strongly agree with this assertion, while a small minority (2.4%) are undecided. This distribution suggests a prevalent skepticism or dissatisfaction among the respondents regarding the perceived capabilities of Nigerian

diplomats in economic negotiations. The implications of this analysis indicate a potential lack of confidence in Nigeria's diplomatic efficacy in securing favorable economic agreements, which could impact international relations, economic partnerships, and perceptions of Nigeria's negotiating prowess on the global stage.

Table 2: Respondent's opinion on the impact of Nigeria's economic diplomacy on its trade relations

Responses	SA	A	U	D	SD	Total
Nigeria's economic diplomacy enhances the country's global market competitiveness.	34 (16.1%)	38 (18%)	– (0%)	78 (37%)	61 (28.9%)	211 (100%)
Nigeria's diplomatic engagements help in overcoming trade barriers effectively.	11 (5.2%)	15 (7.1%)	4 (1.9%)	111 (52.6%)	70 (33.2%)	211 (100%)
Nigeria's economic diplomacy strengthens bilateral trade relationships with key partner countries.	77 (36.5%)	69 (32.7%)	2 (0.9%)	35 (16.6%)	28 (13.3%)	211 (100%)
The outcomes of Nigeria's economic diplomacy initiatives lead to increased foreign direct investment (FDI).	35 (16.6%)	23 (10.9%)	1 (0.5%)	88 (41.7%)	64 (30.3%)	211 (100%)
Nigeria's economic diplomacy fosters a favorable trade environment for domestic businesses.	41 (19.4%)	30 (14.2%)	3 (1.4%)	62 (29.4%)	75 (35.5%)	211 (100%)

Source: Field Survey, 2024

The table above seeks to examine the impact of Nigeria's economic diplomacy on its trade relations. From the data presented above, it is evident that there is a significant divergence in opinions regarding whether Nigeria's economic diplomacy enhances the country's global market competitiveness. A notable portion, comprising 16.1% of respondents, strongly agree with this notion, while 18% agree to a lesser extent. Conversely, a substantial majority, totaling 65.9% (37% undecided, 28.9% strongly disagree), holds reservations or outright disagrees with the statement. This indicates a lack of consensus among respondents on the effectiveness of Nigeria's economic diplomacy in improving global market competitiveness. The implications of this analysis suggest that there is a critical need for Nigeria to reevaluate and possibly reformulate its economic diplomacy strategies to garner more support and confidence domestically and internationally. Addressing the concerns and doubts expressed by a significant portion of respondents could potentially enhance Nigeria's ability to leverage its diplomatic efforts for greater global market competitiveness. This analysis also underscores the importance of transparency, effectiveness, and communication in shaping perceptions and achieving broader consensus on national economic strategies.

Based on the survey data in table 1.2, it is evident that a significant majority of respondents (85.8%) either disagree or strongly disagree that Nigeria's diplomatic

engagements effectively overcome trade barriers. Only a small proportion (12.3%) agree or strongly agree with this statement, with a minor portion (1.9%) undecided. This stark division suggests a widespread skepticism among respondents regarding the efficacy of Nigeria's diplomatic efforts in trade barrier resolution. The implications of this analysis indicate a critical need for Nigeria to reassess and possibly reformulate its diplomatic strategies to enhance effectiveness in addressing trade barriers, potentially through more robust bilateral agreements, proactive negotiation tactics, or enhanced diplomatic outreach to key trading partners. Addressing these concerns could not only improve trade relations but also bolster Nigeria's economic growth prospects in the global market.

On the other hand, 69.2% of respondents either strongly agree or agree that Nigeria's economic diplomacy strengthens bilateral trade relationships with key partner countries. This suggests a generally positive perception among a significant majority. However, there is also a notable proportion (16.6%) who disagree or strongly disagree, indicating some skepticism or dissatisfaction with Nigeria's economic diplomacy efforts. The implications of this analysis suggest that while there is substantial support for the effectiveness of Nigeria's economic diplomacy in enhancing bilateral trade, addressing concerns and skepticism among the dissenting minority could potentially strengthen overall confidence and consensus in Nigeria's diplomatic strategies, potentially leading to more unified and effective international trade partnerships.

The survey results indicate a varied spectrum of opinions on whether Nigeria's economic diplomacy initiatives effectively increase Foreign Direct Investment (FDI). Only a minority strongly agree, comprising 16.6%, while 10.9% agree to a lesser extent. Conversely, a significant portion, 41.7%, strongly disagrees with this assertion, and 30.3% express strong disagreement. The implications suggest a lack of consensus and widespread skepticism among respondents regarding the efficacy of Nigeria's economic diplomacy in attracting FDI. This underscores potential challenges in leveraging diplomatic efforts to significantly boost foreign investment, highlighting a need for reassessment or reformulation of diplomatic strategies to better align with economic goals and stakeholder expectations.

The survey reveals mixed perception regarding Nigeria's economic diplomacy and its impact on domestic businesses. A significant portion of respondents, comprising 33.6% (combined Strongly Agree and Agree responses), believe that Nigeria's economic diplomacy contributes positively to fostering a favorable trade environment for domestic businesses. However, a substantial 64.9% (combined Disagree and Strongly Disagree responses) express skepticism or outright disagreement with this assertion. The implications suggest a critical need for reassessment and potential reforms in Nigeria's economic diplomacy strategies to better align with the expectations and needs of domestic businesses, aiming to enhance confidence and support among stakeholders in the country's trade policies and practices.

DISCUSSION OF FINDINGS

The first objective of this study seeks to examine how the nature of Nigeria's economic diplomacy evolved over the past decade. The study highlights that Nigeria's efforts in economic diplomacy have led to an increase in the number of trade agreements and partnerships established in recent years. These initiatives demonstrate a proactive approach by the Nigerian government to foster international trade relationships. However, despite these efforts, the study finds that the actual impact on Nigeria's trade outcomes has not been commensurate with the scale of diplomatic engagements. The study agrees with

the one conducted by Adeola (2021) who found that that trade with countries such as China, India, and South Africa increased by an average of 15% annually following the signing of strategic economic partnerships. It is also clear from the table that a large majority of respondents, with 47.9% strongly agreeing and 37.9% agreeing, believe that Nigeria's economic diplomacy has become more proactive in fostering trade agreements and partnerships.

Secondly, the study on the 'Impact of Economic Diplomacy on Nigeria's Trade Relations' highlighted several key observations. Despite diplomatic efforts aimed at fostering international trade relationships, the actual impact on Nigeria's trade outcomes appeared limited. Economic diplomacy initiatives, such as bilateral agreements and trade missions, often faced challenges like bureaucratic inefficiencies and inconsistent policy frameworks within Nigeria. These internal constraints frequently outweighed the potential benefits of diplomatic engagements, resulting in minimal tangible improvements in trade metrics like export volumes or market diversification. Moreover, external factors like global economic fluctuations and trade barriers posed additional hurdles, undermining the anticipated positive impacts of diplomatic initiatives. As a result, while economic diplomacy remains a crucial tool for international engagement, its transformative effects on Nigeria's trade relations appeared constrained by both internal and external complexities. This finding aligns with the study conducted by Ogunkola and Bankole (2020) whose study indicate that Nigeria's economic diplomacy is heavily influenced by its oil-dominated economy, which shapes its international trade policies and diplomatic engagements. The study reveals that while Nigeria has made strides in forming bilateral and multilateral trade agreements, the benefits of these agreements have not been evenly distributed across different sectors of the economy. However, analysis from the table suggest that despite efforts to enhance economic diplomacy, the perceived impact on attracting international investments remains largely negative or uncertain among the surveyed population with 83 respondents (39.3%) disagreed, and 99 respondents (46.9%) strongly disagreed with the statement.

CONCLUSION

The study on the 'Impact of Economic Diplomacy on Nigeria's Trade Relations' underscores a critical examination of Nigeria's evolving strategies in fostering international trade agreements and partnerships. Over recent years, Nigeria has increasingly engaged in economic diplomacy as a proactive tool to enhance its trade relations globally. This approach reflects a strategic shift towards leveraging diplomatic channels to secure favorable trade terms, attract foreign investments, and expand market access for Nigerian goods and services. Despite these efforts, the study reveals a reality where the expected impacts on Nigeria's trade landscape have not been fully realized. While economic diplomacy has facilitated the signing of numerous trade agreements and partnerships, translating these commitments into tangible economic gains has proven challenging. Key barriers such as infrastructural deficiencies, bureaucratic inefficiencies, and inconsistent policy frameworks continue to hinder the effective implementation and realization of the intended benefits from these agreements.

Moreover, Nigeria's economic diplomacy initiatives often face competition from other global actors with more established trade networks and resources. This competitive landscape underscores the necessity for Nigeria to not only initiate agreements but also to

strengthen its institutional capacities, streamline regulatory frameworks, and address domestic challenges that affect its international competitiveness. Additionally, the study highlights the importance of strategic alignment between economic diplomacy efforts and domestic economic policies. A cohesive approach that integrates diplomatic initiatives with domestic reforms and infrastructure development is crucial for enhancing Nigeria's capacity to fully harness the potential benefits of international trade partnerships. This includes fostering a conducive business environment, improving trade facilitation mechanisms, and investing in human capital development to enhance productivity and competitiveness across sectors.

RECOMMENDATIONS

Based on these findings, the study offers recommendations aimed at enhancing the effectiveness of Nigeria's economic diplomacy efforts.

1. Firstly, the study suggests the need for comprehensive reforms in domestic policies and regulatory frameworks to create a more conducive environment for trade and investment. This includes streamlining bureaucratic procedures, improving infrastructure, and harmonizing trade-related regulations to reduce transaction costs and enhance predictability for investors and traders alike.
2. Secondly, the study recommends strengthening capacity-building initiatives for diplomatic personnel involved in trade negotiations. This involves equipping them with enhanced negotiation skills, economic analysis capabilities, and a deeper understanding of global trade dynamics. Such capacity-building efforts are crucial to ensuring that Nigerian diplomats can effectively represent national interests and negotiate favorable trade terms that translate into tangible economic gains for the country.

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