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Navigating Trade Imbalances in Nigeria-South Africa Relations: Economic Diplomacy Modelling for Redefining Regional Economic Power Dynamics in Africa

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Abstract: This study examines the trade relations between Nigeria and South Africa, focusing on the role of economic diplomacy in addressing trade imbalances and fostering regional integration. Drawing on primary data from 15 key informant interviews and a systematic literature review, the study identifies significant structural and geopolitical factors influencing bilateral relations. Persistent trade imbalances, driven by South Africa's industrial advantage and Nigeria's reliance on crude oil exports, were highlighted as central challenges. Geopolitical tensions, including xenophobic violence and diplomatic disputes, further strain bilateral ties, undermining trust and collaborative potential. However, regional frameworks such as the African Continental Free Trade Area (AfCFTA) and NEPAD present viable opportunities for harmonizing trade policies and advancing integration. The study's conceptual model emphasizes the centrality of economic diplomacy in navigating these complexities and highlights the emerging role of citizen diplomacy in complementing state-driven initiatives. This study contributes to the discourse on economic diplomacy and regional integration, offering practical insights for policymakers and stakeholders. Future research should explore the roles of technology, global economic trends, and grassroots initiatives in enhancing bilateral and regional cooperation.

Keywords: *Economic Diplomacy, Trade Imbalances, Regional Integration, Nigeria-South Africa Relations, Citizen Diplomacy.*

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I. INTRODUCTION

Trade relations between Nigeria and South Africa, two of Africa's largest economies, are pivotal for regional integration and economic growth on the continent. Despite their economic potential, the bilateral relationship has been characterized by persistent trade imbalances, geopolitical tensions, and competing aspirations for regional dominance (Umezurike & Isike, 2018; Oloruntoba, 2018). South Africa's diversified economy and industrial base provide it with a competitive edge in exporting high-value goods, while Nigeria remains predominantly reliant on crude oil exports, exacerbating trade disparities (Bonga-Bonga, 2017; Thaver et al., 2012). These structural economic differences not only hinder equitable trade but also challenge efforts to achieve sustainable regional integration under frameworks like the African Continental Free Trade Area (AfCFTA) (Mhonyera & Meyer, 2023). Geopolitical tensions, including xenophobic attacks in South Africa and diplomatic disputes such as the yellow fever certificate incident, further complicate relations between the two countries (Ogunnubi & Aja, 2022; Oloruntoba, 2018). Such issues strain bilateral ties and undermine trust, thereby limiting opportunities for collaborative regional initiatives. While both nations have shown commitment to regional frameworks like NEPAD, their competing hegemonic aspirations often lead to rivalries that overshadow the potential for synergy (Seteolu & Okuneye, 2017; Gebrewold, 2014). This complex interplay of economic and diplomatic factors underscores the need for a comprehensive understanding of their trade relations and the role of economic diplomacy in addressing these challenges.

The purpose of this study is to examine the dynamics of Nigeria-South Africa trade relations through the lens of economic diplomacy, exploring how it can mitigate trade imbalances and foster regional integration. This study aims to provide nuanced insights into the structural, geopolitical, and institutional factors shaping bilateral relations. Furthermore, the study contributes to the discourse on economic diplomacy by highlighting the role of citizen diplomacy and grassroots engagement in complementing state-driven initiatives.

The significance of this study lies in its potential to inform policy and practice in Nigeria, South Africa, and across the continent. Addressing trade imbalances and fostering mutual trust between these nations is crucial for advancing the objectives of AfCFTA and achieving sustainable regional development. Additionally, the findings of this study offer valuable insights for policymakers, diplomats, and scholars seeking to navigate the complexities of bilateral and regional economic relations. This paper is structured into six key sections. Following this introduction, the literature review provides an overview of relevant studies and theoretical underpinnings. The conceptual framework outlines the interconnected dynamics of trade imbalances, hegemonic rivalry, and regional collaboration. The methodology details the mixed-methods approach employed in data collection and analysis. The results and discussion present and contextualize the study's findings, while the conclusion and recommendation offer actionable insights for policy and practice.

II. LITERATURE REVIEW

➢ *Historical Context of Nigeria-South Africa Trade Relations*

The trade relations between Nigeria and South Africa have evolved significantly over time, shaped by historical, political, and economic factors. This review delves into the historical trajectory of these relations, highlighting key events and trends that have defined their bilateral engagements. Nigeria's early foreign policy towards South Africa was strongly influenced by its commitment to African liberation, which led to a stance of non-engagement during South Africa's apartheid era. Nigeria's leadership in the anti-apartheid movement symbolized its dedication to pan-African solidarity, which set the tone for cautious relations between the two countries during this period (Ebegbulem, 2013). The post-apartheid era marked a shift as South Africa re-entered the global system, paving the way for diplomatic and economic cooperation with Nigeria. The end of apartheid in 1994 significantly redefined South Africa's position on the African continent, enabling the establishment of formal economic and diplomatic relations with Nigeria. The creation of the South Africa-Nigeria Bilateral Commission in 1999 under the leadership of Presidents Olusegun Obasanjo and Thabo Mbeki exemplified this renewed cooperation (Banjo, 2010). However, this period also witnessed the emergence of trade imbalances favoring South Africa due to its more diversified economy and robust industrial base (Umezurike & Isike, 2018).

The disparity in economic structures between Nigeria and South Africa has been a recurring theme in their bilateral trade relations. South Africa's diversified economy, characterized by a strong industrial and manufacturing base, contrasts sharply with Nigeria's oil-dependent economy, leading to trade dynamics that predominantly favor South Africa. This asymmetry has often underscored the broader economic and political tensions between the two nations (Umezurike & Isike, 2018; Ebegbulem, 2013). Nigeria and South Africa have frequently competed for hegemonic influence on the African continent, resulting in a complex mix of collaboration and rivalry. While both nations have played pivotal roles in regional initiatives, such as peacekeeping and climate change negotiations, their competing ambitions have periodically strained relations (Oloruntoba, 2018). Episodes of xenophobia in South Africa and Nigeria's vocal criticisms have further complicated diplomatic ties (Ogunnubi & Aja, 2022).

Migration patterns between Nigeria and South Africa reflect the broader socio-economic interactions that influence their relationship. Nigerian migrants in South Africa contribute to the latter's economy but have also been subject to xenophobic attacks, highlighting underlying socio-economic and political challenges (Ogunnubi & Aja, 2022). These issues underscore the intersection of economic diplomacy with societal dynamics. Nigeria's economic boom in 2014 briefly reshaped the dynamics of its relationship with South Africa, enhancing its position in regional trade and promoting intra-African trade. However, persistent structural challenges and trade imbalances continue to hinder equitable economic relations (Sega & Lekaba, 2014; Umezurike & Isike, 2018). The historical context of Nigeria-South Africa trade relations reveals a multifaceted and evolving partnership marked by cooperation and contention. While the post-apartheid era opened avenues for collaboration, trade imbalances, geopolitical rivalries, and socio-economic challenges remain persistent issues. Understanding this historical trajectory provides critical insights into the complexities of fostering sustainable bilateral relations.

➢ *Economic Diplomacy and Regional Power Dynamics in Africa*

The dynamics of economic diplomacy in Africa underscore the geopolitical rivalry and strategic ambitions of regional powers like Nigeria and South Africa, whose bilateral relations reflect a mix of competition and collaboration. Scholars have noted that Nigeria's Pan-African ideals often lead to vocal and direct interventions on continental issues, whereas South Africa's diplomacy is more pragmatic and economically focused, emphasizing calculated strategies to bolster its influence (Felix et al., 2013; Ogunnubi & Aja, 2022). These contrasting approaches have shaped their responses to regional challenges, with Nigeria leveraging its ideological stance and South Africa deploying its economic strength.

Persistent xenophobic tensions in South Africa have further tested the resilience of Nigeria-South Africa relations. These incidents highlight deep societal and political rifts, complicating their diplomatic efforts. Studies suggest that while Nigeria's citizen diplomacy initiatives have sought to address these issues, they have underscored the fragility of the partnership (Big-Alabo, 2019; Ogunnubi & Aja, 2022). This fragility is also evident in their competition for global representation, such as their bids for United Nations Security Council membership. Both nations aspire to act as the definitive African voice internationally, but their competing ambitions often create friction rather than unity (Omoruyi et al., 2020). Economic diplomacy is also influenced by their roles as regional hegemons within ECOWAS and SADC. Nigeria's leadership in West Africa often focuses on

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promoting stability through its oil wealth, while South Africa's advanced industrial base gives it a unique influence in Southern Africa. However, these roles are frequently constrained by domestic challenges, such as political instability in Nigeria and perceptions of economic exploitation by South Africa (Aleyomi, 2021; Umezurike & Isike, 2018). Scholars argue that these domestic limitations undermine their ability to fully project power and achieve their regional aspirations (Akinola, 2018; Gebrewold, 2014).

The rivalry between the two is particularly visible in trade relations. South Africa's industrialized economy has historically dominated, reinforcing trade imbalances and perceptions of inequity. Nigeria, with its oil-dependent economy, has struggled to diversify, exacerbating these imbalances (Umezurike & Isike, 2018; Bonga-Bonga, 2017). Despite these challenges, joint initiatives, such as climate change collaborations, reveal that their mutual interests occasionally align, demonstrating potential for coordinated action (Olutola, 2018; Sega & Lekaba, 2014). Ultimately, the legitimacy of both nations as regional leaders hinges on their ability to balance domestic priorities with regional responsibilities. Scholars emphasize the necessity of economic reforms and inclusive strategies to foster trust among African counterparts and enhance their diplomatic credibility (Ebegbulem, 2013; Aleyomi, 2021). So, through redefining their bilateral relationship to prioritize collaboration over rivalry, Nigeria and South Africa could better support the continent's broader integration and development objectives.

- *Causes and Consequences of Trade Imbalances Between Nigeria and South Africa*

Trade imbalances between Nigeria and South Africa are deeply rooted in the structural differences of their economies, which several scholars attribute to varying levels of industrialization and economic diversification. South Africa's well-established industrial base, supported by a diversified economy, has consistently provided it with a trade advantage over Nigeria, whose economy remains heavily reliant on oil exports (Ebegbulem, 2013; Umezurike & Isike, 2018). This disparity has created a dynamic where South Africa exports high-value manufactured goods to Nigeria while importing low-value raw materials, perpetuating an asymmetric trade relationship (Bonga-Bonga, 2017; Umezurike & Isike, 2018). The role of currency dynamics in trade imbalances has also been highlighted. Scholars have observed that currency appreciations in both Nigeria and South Africa significantly impact their trade balances, though in different ways. For instance, Bonga-Bonga (2017) noted that South Africa's diversified exports help cushion the effects of currency fluctuations, while Nigeria's reliance on oil revenues exacerbates its vulnerability to external shocks. This divergence underscores the systemic challenges faced by Nigeria in achieving trade balance, especially given its limited export diversification (Mesagan, Ayoola, & Ikoh, 2018).

Economic policies and their alignment with trade strategies also play a crucial role. Scholars like Sega and Lekaba (2014) argue that Nigeria's economic policies have historically been reactive rather than proactive, focusing on addressing trade deficits without adequately diversifying its economy. In contrast, South Africa's policy frameworks, such as New Partnership for Africa's Development (NEPAD) and Growth, Employment, and Redistribution (GEAR), have contributed to its economic resilience, albeit with mixed outcomes in bilateral trade (Thaver, Ekanayake, & Plante, 2012). The geopolitical implications of these trade imbalances further complicate Nigeria-South Africa relations. Umezurike and Isike (2018) highlighted how South Africa's economic dominance has fueled perceptions of exploitation, affecting its diplomatic relations with Nigeria. This sentiment is echoed in studies that point to Nigeria's periodic economic booms, such as in 2014, which temporarily shifted trade dynamics but failed to address the underlying structural issues (Sega & Lekaba, 2014). Scholars have emphasized that these imbalances not only strain bilateral relations but also hinder broader regional integration efforts under frameworks like the African Continental Free Trade Area (AfCFTA) (Mhonyera & Meyer, 2023).

Environmental considerations add another layer of complexity to the trade relationship. Huang et al. (2017) explored the environmental trade-offs inherent in Nigeria and South Africa's economic interactions, noting that Nigeria's export of raw materials and South Africa's focus on manufactured goods contribute to unequal environmental burdens. This aspect underscores the need for sustainable trade practices to mitigate the long-term consequences of such imbalances. Scholars argue that the consequences of these trade imbalances extend beyond economic metrics to affect regional power dynamics and economic stability. For instance, Ncanywa, Mongale, and Ralarala (2020) highlighted how global trade disruptions, such as the US-China trade war, exacerbated these imbalances by altering foreign direct investment patterns in both countries. Similarly, the lack of robust climate change cooperation between Nigeria and South Africa has been identified as a missed opportunity for addressing shared vulnerabilities (Olutola, 2018).

The systemic causes and far-reaching consequences of trade imbalances between Nigeria and South Africa necessitate a multifaceted approach. Scholars consistently advocate for policy reforms aimed at diversifying Nigeria's economy and fostering equitable trade practices to reduce dependency on raw material exports (Ebegbulem, 2013; Ekesiobi et al., 2011). Equally, South Africa's economic strategies must account for the need to balance its regional dominance with equitable partnerships to ensure sustainable and mutually beneficial outcomes.

- *Modelling Economic Diplomacy for Regional Integration*

Economic diplomacy is recognized as a crucial tool for addressing trade imbalances and fostering regional integration in Africa. For instance, Ekor, Adeniyi, and Saka (2014) highlight how strategic implementation of economic diplomacy enhances trade intensity within frameworks like BRICS, with Nigeria's trade relations with Brazil showcasing potential improvements through focused diplomacy. Similarly, Chidozie (2014) emphasizes the harmonization of

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foreign policies between Nigeria and South Africa as pivotal for advancing continental development and addressing long-standing trade imbalances, suggesting that collaboration can mitigate these disparities. The African Continental Free Trade Area (AfCFTA) has been widely identified as a platform to model economic diplomacy for integration. Mhonyera and Meyer (2023) argue that its benefits hinge on infrastructural improvements and export-oriented policies in Nigeria and South Africa, aligning with Onuka and Oroboghae's (2020) view that structural challenges limiting intra-African trade must be addressed for AfCFTA's success. These scholars collectively agree that building robust frameworks through economic diplomacy can ensure equitable participation and benefit-sharing across member states.

Policy frameworks such as NEPAD and GEAR have also influenced South Africa's economic diplomacy, with Thaver, Ekanayake, and Plante (2012) noting their success in attracting foreign investment. However, these frameworks have limitations in resolving trade disparities with Nigeria. Umezurike and Isike (2018) add that South Africa's strategic dominance often fosters perceptions of imbalance, complicating collaborative efforts between the two nations and highlighting the need for a more inclusive approach. China's engagement in Africa further complicates economic diplomacy's role in fostering regional integration. While Huang et al. (2017) note that China's involvement expands market access for African countries, Pay and Nwosu (2020) caution against dependency and rentierism arising from such engagements. These findings collectively underscore the necessity of promoting diversified trade strategies that mitigate over-reliance on single markets while fostering sustainability in trade relations.

Regional hegemony is another critical factor in economic diplomacy. Seteolu and Okuneye (2017) argue that leadership competition between Nigeria and South Africa undermines collaborative regional initiatives. Gebrewold (2014) expands this discussion, asserting that addressing domestic challenges is key to legitimizing leadership on the continent. Balanced power dynamics, as Cheru (1994) contends, are essential for fostering trust and cooperation among African nations, emphasizing that equitable trade policies play a central role in these dynamics. Economic partnership agreements with external actors also influence the effectiveness of regional integration efforts. Perez and Karingi (2007) highlight challenges stemming from agreements that prioritize external interests over intra-African trade, calling for unified strategies to negotiate equitable terms. Such agreements reflect the broader necessity of leveraging economic diplomacy to support regional goals.

Innovative models of economic diplomacy consistently emerge as vital to regional integration. Regissahui (2019) advocates for diversified trade structures that align national strategies for collective growth, a view echoed by Ekesiobi et al. (2011), who propose redefining trade policies to focus on long-term developmental goals. Together, these perspectives reinforce the need for reforms and cooperative strategies in economic diplomacy to advance sustainable regional integration.

➢ *Conceptual Model Development*

- *Economic Diplomacy for Integration Model (EDIM)*

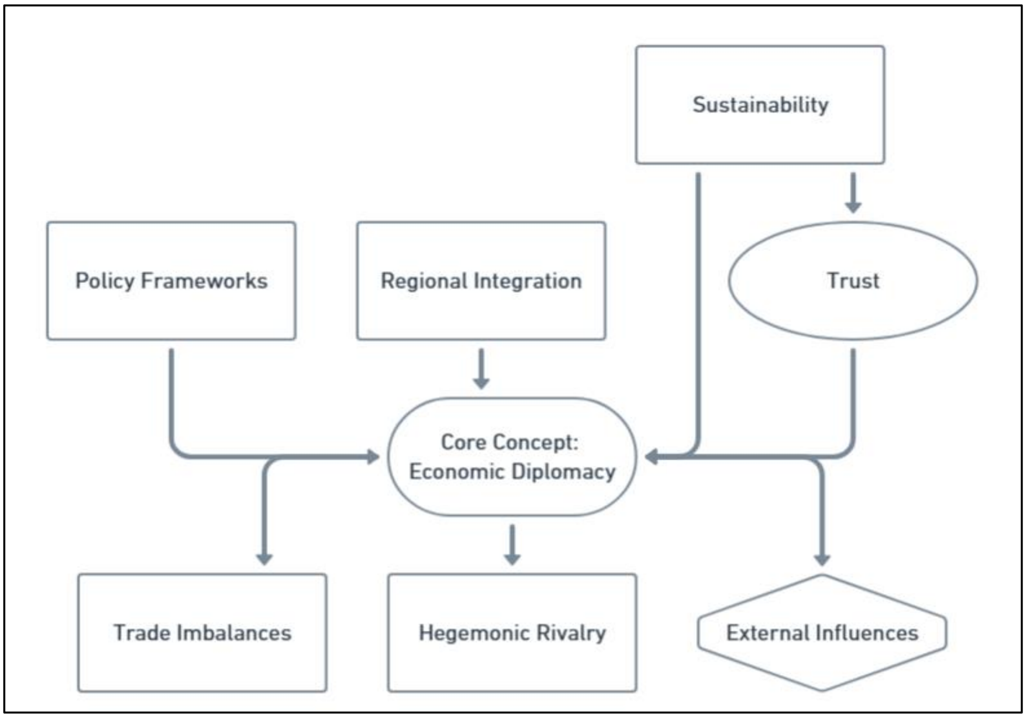

Fig 1 Author's Conceptualisation

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➢ *Model Explication*

This model illustrates (Figure 1) the interconnected dynamics of economic diplomacy as a central tool for addressing trade imbalances and promoting regional integration in Africa. Economic diplomacy is positioned as the core mechanism driving interactions between trade, policy frameworks, and regional collaboration. The model identifies key challenges such as trade imbalances, hegemonic rivalry, and external influences that complicate the integration process. For instance, Umezurike and Isike (2018) emphasize that trade disparities between Nigeria and South Africa stem from structural economic differences, requiring diplomatic interventions to promote balanced trade relations.

Policy frameworks like AfCFTA, NEPAD, and GEAR are highlighted as enablers that can support economic diplomacy in addressing these challenges. Mhonyera and Meyer (2023) argue that AfCFTA's success depends on infrastructural and policy advancements, aligning with Chidozie's (2014) assertion that harmonized policies between Nigeria and South Africa are critical for advancing regional goals. The role of external actors, including China and the EU, adds complexity to the model, as Huang et al. (2017) caution about the risks of dependency and rentierism, suggesting that diversified trade strategies are essential for sustainable outcomes.

Sustainability and trust are overarching themes in the model, reflecting the need for long-term, equitable relationships to ensure the effectiveness of economic diplomacy. Cheru (1994) contends that trust is a prerequisite for fostering cooperation and reducing hegemonic tensions, while Regissahui (2019) advocates for diversification to achieve sustainability in trade and integration efforts. The feedback loops between these components highlight the cyclical nature of economic diplomacy, with each element influencing and being influenced by the others. This conceptualization underscores the importance of a multifaceted approach to economic diplomacy, where regional collaboration, balanced trade practices, and sustainable strategies converge to drive integration and development across Africa.

III. METHODOLOGY

This study adopted both primary and secondary sources of data to provide comprehensive insights into Nigeria-South Africa trade relations and the role of economic diplomacy in addressing trade imbalances and fostering regional integration. A systematic approach was employed to ensure the rigor and reliability of the research process. The secondary data component involved a systematic literature review to extract insights from existing studies. Themes were drawn from the study's core focus, and these themes guided the literature search process. Literature that offered in-depth insights and was sourced from reputable publishers was included. There was no restriction on the year of publication, recognizing that the historical dimensions of the study necessitated the inclusion of both recent and older sources. This approach allowed the study to draw relevant insights across different periods, which might have otherwise been overlooked. Conversely, literature that did not address the research questions or identified themes was excluded from the review. The thematic analysis of secondary data supported and complemented the findings from primary data. Insights in the literature informed the development of conceptual model that offers more analytical and systematic insights into the study providing further contribution to existing literature and findings.

For the primary data, the study utilized Key Informant Interviews (KII) to gather in-depth insights from 15 stakeholders. These included officers from the Ministry of Foreign Affairs, representatives from the South African Embassy in Nigeria, and officials from the Nigerian Institute of International Affairs (NIIA). Purposive sampling was employed to select respondents with direct knowledge and experience relevant to the study's objectives. This ensured that the data collected was rich and contextually grounded.

The interviews were conducted under strict ethical guidelines. Respondent anonymity was maintained, and informed consent was obtained before the interviews commenced. Some insights shared by the respondents were presented verbatim to preserve their authenticity, while others were paraphrased to align with the study's language and analytical goals. The interviews were manually coded and analyzed using a thematic approach, enabling the identification of patterns and key themes related to Nigeria-South Africa trade relations, economic diplomacy, and associated challenges. The study ensured a robust analytical framework that captured historical trends, contemporary dynamics, and expert perspectives, thus enhancing the depth and reliability of the findings by integrating primary and secondary data.

IV. LIMITATIONS OF THE STUDY

The study's integration of both primary and secondary data allowed for a comprehensive, multi-dimensional analysis, offering a balanced perspective on trade relations between Nigeria and South Africa. Targeted interviews with experienced stakeholders provided context-specific, nuanced insights into economic diplomacy and bilateral challenges, drawing on the expertise of individuals occupying strategic positions in institutions central to the study's subject matter. Furthermore, the inclusion of a tailored conceptual model offered a structured approach to understanding and addressing trade and diplomatic complexities, resulting in actionable insights for policymakers.

Although the study's small sample size for key informant interviews (15 respondents) may limit the diversity of perspectives, it is offset by the strategic selection of participants. These individuals were chosen for their deep experience and institutional roles, ensuring that the data collected was both relevant and insightful. While the focus on Nigeria-South Africa relations may reduce the applicability of findings to other African bilateral contexts, it enabled a highly detailed exploration of the subject, creating a strong foundation for comparative studies.

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The use of manual thematic analysis, while subject to potential researcher bias, allowed for a flexible and interpretive exploration of the data, capturing subtleties and patterns that automated methods might overlook. Additionally, the inclusion of older literature, although potentially less reflective of rapid economic changes, was critical in providing historical depth and contextual understanding. Contemporary primary data complemented this by ensuring the study's findings remain relevant to current realities. Despite minor limitations, the study makes a significant and original contribution to the discourse on economic diplomacy and trade relations in Africa.

➢ *Findings*

The findings of this study, drawn from the thematic analysis of both primary and secondary data, reveal critical insights into Nigeria-South Africa trade relations and the role of economic diplomacy in addressing challenges and fostering regional integration. Key themes that emerged from the analysis include trade imbalances, diplomatic tensions, regional collaboration, and the role of citizen diplomacy. Interview responses and secondary data provided a comprehensive understanding of these issues.

➢ *Trade Imbalances*

Analysis of trade relations highlighted significant imbalances favoring South Africa. This was supported by secondary data showing that South Africa's industrialized economy consistently exports high-value manufactured goods to Nigeria, while Nigeria primarily exports crude oil.

"South Africa's industrial base gives it a significant trade advantage over Nigeria, which remains overly reliant on oil exports." (Officer, Ministry of Foreign Affairs)

"The lack of diversification in Nigeria's export profile is the root cause of trade imbalances with South Africa." (Representative, South African Embassy)

"South African firms dominate multiple sectors in Nigeria, but the reverse is not the case." (Official, NIIA)

➢ *Diplomatic Tensions*

Recurring diplomatic tensions, fueled by xenophobic violence and incidents such as the yellow fever certificate dispute, have hindered bilateral relations. Secondary sources indicated that these incidents strain diplomatic ties and overshadow collaborative efforts.

"Xenophobic attacks in South Africa have been a recurring issue, affecting trust and diplomatic goodwill." (Officer, Ministry of Foreign Affairs)

"Both nations have failed to address these tensions through effective diplomatic frameworks." (Official, NIIA)

"The yellow fever deportation incident was a low point in bilateral relations, but apologies have helped mend ties." (Representative, South African Embassy)

➢ *Regional Collaboration*

Despite tensions, both nations play pivotal roles in regional initiatives like the African Continental Free Trade Area (AfCFTA) and NEPAD. These platforms have potential to foster stronger economic ties, though challenges remain.

"AfCFTA is a promising framework, but both nations must resolve bilateral issues to fully leverage its benefits." (Officer, Ministry of Foreign Affairs)

"Collaboration in initiatives like NEPAD has shown that Nigeria and South Africa can work together when mutual interests align." (Official, NIIA)

"Regional integration efforts require stronger political will and alignment of trade policies between the two countries." (Representative, South African Embassy)

➢ *Role of Citizen Diplomacy*

Citizen diplomacy emerged as a critical theme, particularly in addressing issues related to xenophobia and improving people-to-people relations. Secondary data highlighted Nigeria's efforts to adopt citizen-centric foreign policies, while interviews underscored mixed results.

"Citizen diplomacy is underutilized as a tool for improving Nigeria-South Africa relations." (Official, NIIA)

"Public engagement and grassroots initiatives could help mitigate xenophobic sentiments." (Officer, Ministry of Foreign Affairs)

"Citizen-focused policies must prioritize welfare and reciprocal actions to build trust." (Representative, South African Embassy)

➢ *Summary of Findings*

The study revealed that trade imbalances, diplomatic tensions, and limited collaboration hinder optimal relations between Nigeria and South Africa. However, regional initiatives and citizen diplomacy provide opportunities for improving ties. Addressing these challenges requires comprehensive policy reforms, strengthened diplomatic frameworks, and increased efforts to foster mutual trust and collaboration.

V. DISCUSSION

The findings of this study provide valuable insights into the complex dynamics of Nigeria-South Africa trade relations, revealing underlying structural issues, recurrent tensions, and opportunities for collaboration. These findings are contextualized within existing literature, highlighting areas of alignment, divergence, and novelty. The discussion also explores the relevance of the conceptual model developed in this study and considers its implications for policy and practice.

The identified trade imbalances, favoring South Africa, are consistent with earlier literature that underscores the structural economic disparities between the two countries.

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Scholars like Umezurike and Isike (2018) and Bonga-Bonga (2017) have previously noted that South Africa's diversified industrial base positions it as a dominant exporter of high-value goods, while Nigeria's reliance on crude oil exports limits its trade competitiveness. This study's primary findings, particularly stakeholders' perspectives on Nigeria's need for export diversification, reiterate these conclusions. However, the emphasis placed by respondents on the dominance of South African firms in Nigeria's retail and telecom sectors adds a layer of specificity that has been underexplored in the literature. This observation suggests that South Africa's economic influence extends beyond trade imbalances into broader market penetration, raising questions about equitable economic engagement.

Diplomatic tensions, highlighted in both the findings and literature, remain a significant barrier to robust bilateral relations. Xenophobic violence in South Africa, often targeting Nigerian nationals, is a recurring issue that has been widely documented (Ogunnubi & Aja, 2022). The primary data, however, reveals nuanced insights into how these incidents affect not only interpersonal relationships but also diplomatic frameworks. Respondents pointed to the inadequacy of existing diplomatic mechanisms in resolving these crises effectively, which aligns with Oloruntoba's (2018) critique of weak institutional responses. What emerges as novel is the suggestion from stakeholders that citizen diplomacy could play a more proactive role in bridging gaps at the grassroots level. This perspective shifts the focus from state-driven solutions to people-centered strategies, offering an innovative angle to addressing xenophobia.

Regional collaboration remains a cornerstone of both the findings and existing literature. Frameworks like the African Continental Free Trade Area (AfCFTA) and NEPAD are consistently cited as avenues for fostering integration (Mhonyera & Meyer, 2023; Thaver et al., 2012). The study's findings corroborate these perspectives, with respondents emphasizing the potential of AfCFTA to harmonize trade policies and boost intra-African trade. However, stakeholders' concerns about the lack of political will and policy alignment add a critical layer to this discussion. While the literature often assumes that regional frameworks inherently promote integration, the primary data underscores the operational challenges that hinder their effectiveness. This highlights the need for stronger bilateral commitments between Nigeria and South Africa as a prerequisite for leveraging regional frameworks.

The study's conceptual model, emphasizing economic diplomacy as a central mechanism for addressing trade imbalances and fostering integration, proves highly relevant in contextualizing these findings. The model's interconnected components—trade imbalances, hegemonic rivalry, policy frameworks, and sustainability—capture the multifaceted nature of Nigeria-South Africa relations. The primary data not only validates these connections but also underscores their cyclical nature. For instance, trade imbalances fuel perceptions of dominance, which in turn strain diplomatic relations, thereby limiting the effectiveness of policy frameworks like AfCFTA. Situating economic diplomacy at the center allows the model to provide a holistic approach to understanding and addressing these interrelated issues.

One notable contribution of this study is its exploration of citizen diplomacy, a theme that has received limited attention in the literature. While most studies focus on state-led initiatives, the primary findings suggest that grassroots engagement could be instrumental in mitigating diplomatic tensions and fostering trust. Respondents highlighted the importance of public education campaigns and cultural exchanges in addressing xenophobia, providing a bottom-up complement to traditional top-down diplomatic efforts. This insight expands the discourse on economic diplomacy by integrating the role of non-state actors, offering a more inclusive framework for bilateral engagement.

The policy implications of these findings are substantial. For Nigeria, the study highlights the urgency of diversifying its economy to reduce dependency on oil exports. This requires targeted investments in sectors like agriculture, manufacturing, and technology, alongside reforms to improve the ease of doing business. For South Africa, addressing perceptions of economic exploitation requires fostering more inclusive trade relationships that prioritize mutual benefits. Both countries must also strengthen their diplomatic frameworks to address recurring tensions effectively. This includes establishing joint mechanisms for crisis management and conflict resolution, as well as leveraging regional platforms like AfCFTA to align their trade policies.

From a practical perspective, this study underscores the need for capacity-building initiatives to support economic diplomacy. Training programs for diplomats, trade officials, and other stakeholders should focus on negotiation skills, regional integration strategies, and the role of citizen diplomacy. Additionally, fostering partnerships between academic institutions and policymakers can facilitate evidence-based decision-making, ensuring that trade and diplomatic strategies are informed by robust research.

This study provides a nuanced understanding of Nigeria-South Africa trade relations, highlighting both challenges and opportunities. It offers a comprehensive framework for addressing trade imbalances and fostering regional integration by integrating primary and secondary data. The conceptual model developed herein serves as a valuable tool for policymakers and practitioners, emphasizing the centrality of economic diplomacy in navigating the complexities of bilateral and regional engagement. Future research could build on these insights by exploring the role of technology and innovation in enhancing trade relations, as well as examining the impact of emerging global trends on Nigeria-South Africa diplomacy.

VI. CONCLUSION

This study has provided an in-depth exploration of the trade relations between Nigeria and South Africa, focusing on the role of economic diplomacy in addressing trade imbalances and fostering regional integration. It identified key structural and geopolitical factors shaping these relations, including South Africa's industrial advantage and Nigeria's reliance on crude oil exports, both of which contribute to persistent trade disparities. Additionally, recurrent diplomatic tensions, such as xenophobic violence and unresolved bilateral disputes, have been shown to undermine mutual trust and hinder collaborative efforts. Despite these challenges, regional frameworks like AfCFTA and NEPAD present opportunities for harmonizing trade policies and advancing integration if effectively leveraged.

The findings underscore the critical role of economic diplomacy as a central mechanism in navigating these complexities. Economic diplomacy emerges as a multifaceted tool for building sustainable and equitable bilateral relations through addressing trade imbalances, managing hegemonic rivalries, and fostering grassroots citizen diplomacy. Moreover, the study highlights the significance of citizen engagement, a relatively underexplored area, in complementing state-driven initiatives to mitigate tensions and build trust. The conceptual model developed in this study provides a valuable framework for understanding the interconnected dynamics of trade, diplomacy, and regional collaboration, offering actionable insights for policymakers and stakeholders.

In conclusion, while Nigeria and South Africa face substantial challenges in their bilateral relations, there remains significant potential for cooperation that can drive regional economic development. Achieving this requires comprehensive policy reforms, sustained political will, and an inclusive approach that incorporates both state and non-state actors. The findings of this study contribute to the broader discourse on economic diplomacy and regional integration, providing a foundation for future research and practical interventions.

SUGGESTIONS FOR FURTHER STUDIES

Building on the insights of this study, future research could delve deeper into several areas to expand the understanding of Nigeria-South Africa trade relations and economic diplomacy. First, there is a need for longitudinal studies that examine the evolution of these relations over extended periods. Such research would provide a historical perspective, highlighting trends, policy impacts, and the long-term effects of trade imbalances and diplomatic strategies.

Second, future studies could explore the role of technology and digital innovation in enhancing trade relations and integration. With the increasing digitization of trade and economic activities, understanding how technological advancements, such as blockchain and e-commerce platforms, can facilitate more equitable and efficient trade between Nigeria and South Africa is critical. Additionally, the potential of technology to address structural issues, such as export diversification and supply chain management, warrants further investigation.

Third, there is a significant gap in understanding the socio-political dimensions of citizen diplomacy. Future research could focus on how grassroots initiatives, cultural exchanges, and public diplomacy campaigns influence perceptions and trust between citizens of both countries. Comparative studies examining similar dynamics in other African bilateral relations could provide valuable insights into best practices for citizen engagement in economic diplomacy.

Finally, future research should consider the impact of global economic trends and external actors on Nigeria-South Africa trade relations. Studies could analyze how shifts in global trade policies, such as those resulting from U.S.-China trade dynamics or Brexit, affect Africa's intra-regional trade. Similarly, the role of external powers, including China and the European Union, in shaping bilateral and regional policies, could offer a broader understanding of external influences on Africa's economic integration.

When all these are addressed, future studies can contribute to a more comprehensive and nuanced understanding of the dynamics at play in Nigeria-South Africa trade relations and economic diplomacy, thereby informing both academic discourse and practical policymaking.

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