ASSESSMENT OF NIGERIA'S ECONOMIC INTEREST IN ITS BILATERAL RELATIONS WITH THE UNITED STATES, 2012-2022

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ABSTRACT
This paper investigates Nigeria's economic interest in its bilateral relations with the United States, 2012-2022. It explores the historical antecedents that have shaped Nigeria's interest, and post-independence economic policies, which have led to a mono-economy centred around oil exports. The historical and exploratory research method was employed through secondary sources such as textbooks, journals, government publications, conference and seminar lecture materials, and the Internet. While Nigeria has benefited from U.S. investments, market access, and technological transfers, these advantages have often come with significant drawbacks such as reduced policy autonomy and vulnerability to external economic shocks. The research adopted the dependency theory as the theoretical framework for analysis. The findings underscore the need for Nigeria to diversify its economy, strengthen regional trade partnerships, and improve governance to mitigate these challenges. It concludes that although the economic relationship with the U.S. has provided short-term gains, it has compromised Nigeria's long-term national interests, highlighting the importance of pursuing a more balanced and self-reliant economic strategy. The paper recommended that through economic diversification and regional integration, Nigeria can enhance its resilience and align its economic policies more closely with its national interests.

Introduction

The growing complexity and dynamism of the world state system, inevitably aided by growing global interrelationship, interconnectedness, and interdependency, relations among states whether small or big, rich or poor, strong or weak, democracy or non-democracy have become not only compelling but inevitable. Thus, the compulsive need to interact with one another has given rise to the imperative for states to consciously initiate, formulate, and implement foreign policies to attain national objectives and project core values. Due to growing domestic needs and challenges, states have made national economic interest objectives in their foreign policy implementation to achieve economic development in their interaction with others. According to Ukhami (2018), in the quest to formulate and design policies that would enable the state to attain its national interest, ideological goals, and economic prosperity, the act of foreign policy

becomes inevitably and compellingly necessary to every nation-state in the international system.

Nigeria (of about 200 million people) is the most populated country and the largest economy in Africa, with a Gross Domestic Product (GDP) of over $400 billion in 2021, and it is one of the most resource-rich countries in the world. The country holds the distinction of being called the "Giant of Africa," however, the country's economic growth has been hindered by various challenges, including persistent poverty, corruption, poor infrastructure, underdevelopment, and insecurity. As a result, Nigeria's economic performance is heavily reliant on the global oil market, which accounts for over 80% of the country's export earnings and 70% of government revenue. The country's oil industry is dominated by multinational corporations, many of which are based in the Great Powers such as the United States, China, and the United Kingdom. Nigeria's reliance on foreign aid and investment from the great powers to support its economic development cannot be underestimated.

Relations between Nigeria and the United States have historically been marked by cooperation and a degree of affinity. This started in the late 1960s and early 1970s when the United States' primary interest in Nigeria was oil. As of 1974 to be precise, Nigeria has been known to be the largest exporters of crude oil to the United States. The two countries have cooperated on various issues, including counterterrorism, peacekeeping, and economic development. Nigeria has also been a key recipient of U.S. foreign aid and investment, which have supported the country's economic growth and development. According to Tar and Ukhami (2018), these interest and economic benefits enjoyed by the two countries have prone American companies to have substantial investments and stakes in Shell, and Chevron in the Nigeria oil industry. Since then, Nigeria-US relations have metamorphosed into economic and diplomatic ties which Nigeria also values to improve its image among the comity of nations.

Nigeria's economic dependency on the U.S. has some implications for its national interest and foreign policy choices. Nigeria has long sought to establish itself as a leader in Africa and a major player on the global stage, but its economic reliance has limited its ability to pursue an independent foreign policy. Moreover, Nigeria's relations with the U.S. have been shaped by various factors, including geopolitical interests, economic interests, and historical ties. However, Nigeria's economic relations with the U.S. have also faced challenges and uncertainties. For example, the global economic slowdown and the COVID-19 pandemic have led to fluctuations in oil prices and reduced demand for Nigerian exports. In addition, geopolitical tensions between the United States and China have created new uncertainties for Nigeria, as the country seeks to balance its relations with both powers. According to Akinyemi (2017), Nigeria has a long history of economic dependence on foreign aid and investment from the U.S. This dependence has led to debates about the extent to which Nigeria's foreign policy decisions align with its national interest. Additionally, Iroegbu (2016) argues that Nigeria's economic dependence limits its ability to pursue policies that might be in its national interest but could conflict with the interests of the U.S.

The period from 2012 to 2022 has been marked by significant changes and developments in Nigeria's economic and foreign policy landscape. The country experienced a recession in 2016-2017 due to falling oil prices and has since embarked on a series of economic reforms and diversification efforts. Nigeria also faced a range of security challenges during this period, including the rise of Boko Haram and other extremist groups, as well as ethnic and religious conflicts in various parts of the country. Against this backdrop, Nigeria's relations with the U.S. have continued to evolve, presenting new opportunities and challenges for the country's leaders and policymakers. Therefore, the study aims to explore the dynamics of Nigeria's economic interest in its relations with the U.S. between 2012 and 2022.

Conceptual Clarification

Economic Interest

Economic interest has been a subject of extensive study across various fields, including economics, political science, and international relations. It encompasses the pursuit of material gain and wealth, often driving individual and collective actions in both domestic and international contexts. Scholars have approached economic interest from different angles, with some emphasizing its foundational role in shaping human behavior and societal structures, while others critique its overemphasis, especially in policy-making. Adam

Smith, regarded as the father of modern economics, proposed that economic interest is an inherent force guiding market activities. He introduced the concept of the "invisible hand," suggesting that individuals, in pursuing their self-interest, inadvertently contribute to societal welfare (Smith, 1776). Sen (1999) integrates ethics with economics, stressing that economic interest should not only focus on wealth accumulation but also on expanding human capabilities and freedoms. This shift introduces a broader conception of economic interest, where societal well-being and individual empowerment are prioritized alongside material wealth.

Matusevich (2014) defines economic interests as the personified vital material and spiritual conditions of human existence, essentially the conscious economic needs of people. These needs serve as the motivation for socioeconomic actions and are the driving force behind economic reproduction. Babina and Lozova (2013) describe economic interest as a complex category that encompasses the motives and incentives of market actors, as well as the internal and external factors that shape economic interests and the goals they aim to achieve. Expanding on this, Didenko (2013) argues that these motives and incentives must be realistic, shaped by property relations and the principle of economic benefit. However, these definitions tend to be abstract, as they rely on broad terminology to describe the concept. Terms such as "spiritual conditions of human existence," "the driving force of social economic reproduction," "internal and external causes," and "realistic motives and incentives" remain vague and lack clear explanation when applied to economic interests.

National Interest

Even though the concept of interest resonated from the origin of man, scholars have not been able to come up with articulate and exact origins of national interests in the field of international relations. Frieden informed that these interests are determined by enduring subnational interests that dominate the formation of national interests (Frieden 1999, 59). More worrisome is the inability of some states to define what forms their national interest, which is why Agaba and Ukhami (2019) point out that a nation with no adequately defined national interest is a nation with no viable agenda for both domestic and foreign policies. For Nester (2001), national interest, therefore, can be said to be the broad goals that all states share - political independence, economic growth, cultural preservation, and peace - and the distinct goals each state pursues on specific goals.

Rouke & Boyer conceptualize national interest from the realist view. They pointed out that national interests are evoked to justify virtually every action of the state, from generosity to genocide. The most obvious national interest is self-preservation and the greatest threat to that basic interest is an enemy of invasion. Thus, the use of national interest as a cornerstone of foreign policy is a key element of the road more travelled by world politics. Realists contend that it is a wise basis for foreign policy (Rouke & Boyer, 2004). The concept of national interest has continued to play a significant role in the foreign policies of sovereign states. Since a state's foreign policy is not operated in a vacuum, there are always goals that a state wishes to accomplish in its interaction with other states (Ebegbulem, 2019). In Nigeria, what constitutes national interest has been constantly debated. This is so because, at some point, national interest varies due to the idiosyncrasies or personality of a leader at the helm of affairs. This makes it difficult to suggest that Nigeria has a defined, codified, and institutionalized national interest framework. Nigeria's domestic and foreign policy has been relatively dynamic, depending on the circumstances that emanate, but has constantly retained the Afrocentric policy that has not significantly favoured the country, which is why Ukhami and Kumapayi (2023) concluded that it is also difficult to suggest that Nigeria has an "internal oriented national interest". National interest, at times, is what the leaders say it is; even though it is contrary to public opinion, leaders have the instrumentality of state power to achieve personal interest in the form of "national interest". According to Ogwu (1986), national interest serves as a convenient base to encompass all strategies employed in the international interaction of states to ensure the preservation of the states and to ensure the preservation of the stated goals of society. Thus, national interest represents those values, goals, means, and beliefs that can ensure a nation's self–dignity and its security.

Foreign Policy

Foreign policy is a very important concept in the study and practice of international politics. As it is true that no nation of the world can live in isolation, there is a need for nation-states to

relate with one another in the international system. Thus, these relations could be bilateral or multilateral. The relationship could be positive or negative; it depends on the country's national interest. Foreign policy cannot be achieved in isolation of national interest (Agaba & Ukhami, 2019). It is a tool for achieving national interest across national boundaries. Galadima and Dallaji (2017) view foreign policy in broad terms as the pattern of behaviour that one State adopts while pursuing its interests in relation to other States. Sovereign States have always been guided by an articulated framework that keeps them focused and goal-oriented in their relationships with others in the international system. In their external engagements with other sovereign actors, States are guided by the principle of national interest. The national interest of sovereign States varies and is as dynamic as the international environment itself.

The national interest of a State, according to Nwoke (2013:77), is "the expected value it has to protect and garner in its international transactions, through the instruments of its foreign policy". Ota and Ecoma (2015) defined foreign policy as a strategy that is properly articulated and designed in a coordinated manner by institutionally designated decision-makers in a bid to manipulate the international environment to achieve identified national objectives. This conception presents foreign policy as an instrument of power via which states can react to events in the international environment by their actions or inactions for the purpose of advancing national goals. However, foreign policy is guided and influenced by domestic and external factors. The domestic factors include the personality of the leader, the economic strength of a nation, military capability, diplomatic sense, public opinion, and population, among others. The external factors include international law, treaty obligations, responsibilities in the international organization, the influence of international terrorism, and multinational corporations (MNCs). Surprisingly and unfortunately though, the outbreak of Coronavirus Disease (COVID-19) in 2019 is a global pandemic that changed the dynamics of global politics. The outbreak of the virus started in China and spread to other countries of the world, which made it difficult for states (at that point) to physically carry out their foreign policy as a result of social distancing within and across national boundaries. Nation-states simply had to close their borders to avoid the increase in the spread of the virus. This is a pointer that unexpected events and circumstances, whether good or bad, can determine the direction of a country's foreign policy.

Theoretical Framework

Dependency theory is considered appropriate for the subject under review.

Dependency Theory

Dependency theory holds that "the condition of underdevelopment is precisely the result of the incorporation of the Third World economies into the capitalist world system which is dominated by the West and North America" (Randall and Theobald 1998:120), hence in development studies, dependency implies a situation in which a particular country or region relies on another for support, "survival" and growth. The third world countries are the economically underdeveloped countries of Asia, Africa, Oceania, and Latin America, considered as an entity with common characteristics, such as poverty, high birthrates, and economic dependence on the advanced countries.

The perspective of dependency theory was chiefly developed and popularized by Andre Gunder Frank (1976, 1981) and Samir Amin (1976; 1974). According to Dos Santos (1970), dependency is a historical condition that shapes a certain structure of the world economy such that it favours some countries to the detriment of others and limits the development possibilities of the subordinate economies...a situation in which the economy of a certain group of countries is conditioned by the development and expansion of another economy, to which their own is subjected. In buttressing this, Ake (2002) posited that "an economy is dependent to the extent that its position and relations to other economies in the international system and articulation of its internal structure make it incapable of auto-centric development". In essence, economic dependency refers to the lack of capacity and inability of a country to control its productive processes such that the country's economy depends on the foreign economy for direction and control through regulations and foreign economic institutions which directly or indirectly regulate its growth or expansion.

Historically, third-world economic dependence is tied to Western European capitalist expansion and Imperialism.

Dependency theory argues that less developed countries like Nigeria are dependent on developed countries for their economic growth and development. In the context of Nigeria's relations with the U.S., dependency theory suggests that Nigeria's economic relations with the United States are characterized by unequal power relations, with this country using its economic influence to extract resources and markets from Nigeria. The theory predicts that this economic dependency will have negative consequences for Nigeria's national interest, as its economic policies will be influenced by the interests of the U.S. rather than its own development needs. Nigeria achieved political independence but not economic independence, this inability to achieve her economic independence intensifies her dependence with the consequent persistence of underdevelopment. The U.S. has also played a veritable role in the underdevelopment of Nigeria due to the loans and grants given to Nigeria from their financial institutions and government respectively. This country (among other great powers) largely determines the policies of governments through various conditionalities and influence. More so, Nigeria largely depends on the U.S. for the exportation and refining of her crude oil and the importation of their finished goods.

The global and domestic dimension of Nigeria's reliance on oil is manifested in the external debt crisis that began during the oil boom of the 1970s. Nigeria's external debt which is estimated at over 130 billion continued to rise because the windfalls from the oil receipts during the 1970s were used as welfare expenditures for wasteful projects that were not carefully planned, and in some instances were plundered by political leaders for personal gains. At the same time, the country continued to borrow money at a faster pace from foreign lending agencies such as the International Monetary Fund (IMF), the World Bank, and Private Banks in Europe and North America (Anunobi, 1992; Aborisade and Mundt, 1999). Consequently, the economic crisis in Nigeria as in other lending countries was further entrenched by the conditions set forth by these lending agencies. For example, Aborisade and Mundt (1999) asserted that the "servicing costs on foreign debt of over 125 billion equalled over 70 percent of Nigeria's annual export earnings". In principle, it means that Nigeria as a borrower does not possess the economic leverage for a favourable balance of payment because over 50 percent of its export earnings are used to service external debts. The implication for Nigeria has always been her lack of capacity to pursue and protect her national interest largely due to economic dependency.

History of Nigeria-U.S. Relations

The history of Nigeria-U.S. relations is characterized by a complex interplay of political, economic, and strategic interests dating back to Nigeria's independence in 1960. While diplomatic ties between the two countries officially began in 1960, the roots of their relationship can be traced back to the colonial era when Nigeria was a British colony and the USA played a role in supporting Nigeria's nationalist movements and aspirations for independence (Nwankwo, 2016). The first officially recognized contact between Nigeria and the United States was when Governor Nelson Rockefeller of New York represented President Eisenhower at Nigeria's independence ceremonies on October 1, 1960, to establish close relations with Nigeria. Between 1967 and 1970 which was the period of the Nigeria-Biafra war, Nigeria-US relations deteriorated. General Gowon in charge of the Nigeria Federal Government had requested weapons from the US to prosecute the war. The United States refused to honour the request, probably because the superpower was not sure how the war would end, bearing in mind her interest in the oil-rich Biafra (Stephen, 2012).

The highlight of bilateral cooperation between Nigeria and the United States during Babangida’s regime was the N488.1 million debt forgiveness that the United States extended to Nigeria as part of President Bush's pledge to provide $1 billion in development assistance to 16 African countries. However, the debt forgiveness did not include interest on those loans. The United States ambassador to Nigeria said that the action was prompted by Nigeria’s embrace of the Structural adjustment policy, emphasizing an open market (Olukotun,1990). The SAP policy of the Babangida administration, with the Second-tier Foreign Exchange Market (SFEM) as its nucleus, was an IMF agenda, which the US government had consistently recommended for Nigeria’s recovery (Ate, 1988). The US, since 1981 had been reluctant to support Nigeria’s application to the IMF for a standby until Nigeria accepted the Fund’s conditionalities, the most important being the devaluation of the Naira. However, with the introduction of SFEM, the Naira was effectively

devalued by between 66 and 75 percent (Stephen, 2012).

During the regime of Sani Abacha (1993-1998), Nigeria-U.S. relations were marked by significant tension and diplomatic strain. Abacha's military regime was criticized internationally for its poor human rights record, suppression of political opposition, and lack of democratic governance (Okonkwo, 2019). The USA imposed economic sanctions on Nigeria in response to Abacha's authoritarian rule, including restrictions on military sales and investment, and supported calls for the restoration of democracy and respect for human rights in Nigeria (Eze, 2018). Despite these tensions, Nigeria remained an important regional player in Africa, and the USA continued to engage with Nigeria on issues of mutual concern, such as counterterrorism, regional stability, and economic development, albeit with a focus on promoting democratic reform and accountability (Adewale, 2017). The strained relations during the Abacha era reflected broader international condemnation of authoritarian regimes and underscored the USA's commitment to promoting democracy and human rights globally.

During President Olusegun Obasanjo's tenure from 1999 to 2007, Nigeria-U.S. relations experienced a significant thaw and witnessed efforts to strengthen diplomatic ties, enhance bilateral cooperation, and address shared challenges. President Obasanjo's return to civilian rule marked a pivotal moment in Nigeria's democratic transition and presented an opportunity for the reinvigoration of Nigeria-U.S. relations (Obi, 2018). The USA, under President Bill Clinton and later President George W. Bush, sought to support Nigeria's democratic consolidation, promote good governance, and foster economic development in Africa's most populous nation (Adewale, 2020). President Obasanjo's administration embraced a reform agenda that included initiatives to combat corruption, improve governance, and promote human rights, aligning with key priorities of the USA in Africa (Okonkwo, 2021). Bilateral cooperation between Nigeria and the USA expanded across various sectors, including security, trade, and development assistance. The USA provided military training, equipment, and support to Nigeria to enhance its counterterrorism capabilities and strengthen regional security cooperation, particularly in combating the threat of Boko Haram insurgency (Ibrahim, 2020). Additionally, economic ties between the two countries flourished, with the USA serving as one of Nigeria's largest trading partners and a major destination for Nigerian exports, particularly oil (Eze, 2020). Moreover, educational and cultural exchanges flourished, fostering mutual understanding and people-to-people connections between Nigeria and the USA (Afolabi, 2024). Overall, Nigeria-U.S. relations under President Obasanjo were characterized by a deepening of cooperation, a strengthening of diplomatic ties, and a shared commitment to promoting democracy, security, and prosperity in Africa and beyond.

Despite the legitimacy crisis suffered by the administration of President Yar'Adua, Nigeria-U.S. relations experienced a continuation of cooperation across various fronts, albeit with some challenges. President Yar'Adua inherited a legacy of strong bilateral ties established during the Obasanjo administration, and his tenure saw efforts to build on this foundation while addressing emerging issues (Obi, 2018). Security cooperation remained a central aspect of the relationship, with both countries continuing to collaborate on counterterrorism efforts, particularly in combating the Boko Haram insurgency in northeastern Nigeria (Ibrahim, 2020). The USA provided military assistance, training, and intelligence support to Nigeria to bolster its counterterrorism capabilities and strengthen regional security cooperation (Adeniyi, 2021). Additionally, economic ties between Nigeria and the USA continued to grow, with trade and investment remaining significant components of bilateral relations (Eze, 2020). President Jonathan's administration also prioritized efforts to promote good governance, combat corruption, and advance human rights, aligning with key objectives of the USA in Africa (Obi, 2018). Despite occasional disagreements and challenges, Nigeria and the USA maintained a constructive and cooperative relationship under President Jonathan's leadership, reflecting the shared interests and priorities of both countries in promoting peace, stability, and prosperity in Nigeria and the broader West African region.

Under President Muhammadu Buhari's administration since 2015, Nigeria-U.S. relations have been characterized by a mix of cooperation and occasional tensions, particularly in the areas of security, trade, and human rights. Security cooperation has remained a key priority, with both countries continuing to collaborate on counterterrorism efforts, including the fight against Boko Haram and other extremist groups

(Adeniyi, 2021). The USA has provided military assistance, training, and intelligence support to Nigeria to bolster its counterterrorism capabilities and enhance regional security cooperation (Ibrahim, 2020). However, trade disputes, particularly in the oil sector, and concerns over governance, human rights, and democratic backsliding have strained relations at times (Eze, 2020). Despite these challenges, Nigeria and the USA have maintained diplomatic engagement and cooperation on issues of mutual concern, reflecting the importance of their relationship in addressing shared security challenges and promoting economic development and stability in Nigeria and the broader West African region.

Nigeria's National Interest and Its Economic Relations with the U.S.

Nigeria's national interest in its economic relations with the United States (U.S.) is multifaceted, reflecting the country's strategic objectives, economic priorities, and developmental aspirations. As Africa's largest economy and most populous nation, Nigeria seeks to leverage its economic potential and natural resources to promote sustainable development, enhance national prosperity, and improve the welfare of its citizens. In pursuit of these goals, Nigeria's economic relations with the U.S. are characterized by a range of strategic interests, including trade, investment, energy cooperation, and development assistance (Okonkwo, 2021). The following are Nigeria's national interests as regards to her economic relations with the US.

Trade and Investment: Trade and investment are crucial in the economic relationship between Nigeria and the United States, marked by the exchange of goods, services, and mutual interests in various sectors. Nigeria's exports to the U.S. are largely dominated by crude oil, which accounts for a significant portion of its foreign exchange earnings. Other exports include agricultural products like cocoa and rubber. In return, Nigeria imports machinery, equipment, and consumer goods from the U.S. Bilateral agreements, such as the Trade and Investment Framework Agreement (TIFA) signed in 2000, and the African Growth and Opportunity Act (AGOA), have facilitated this trade by reducing tariffs and enhancing market access, although Nigeria's AGOA benefits have been limited by challenges like product viability and registration complexities.

Investment from American companies, especially in oil, telecommunications, banking, and manufacturing, has contributed substantially to Nigeria's economy. Major U.S. corporations like ExxonMobil, Chevron, and CitiBank have established a presence, fostering job creation and technology transfer. The U.S. is one of Nigeria's largest sources of foreign direct investment (FDI), attracted by Nigeria's market potential and consumer base. Platforms such as trade missions and economic summits continue to strengthen these ties, creating networking and partnership opportunities that support both countries' economic goals.

Energy Cooperation: Energy cooperation between Nigeria and the United States (U.S.) is a crucial aspect of their bilateral relations, driven by Nigeria's significant role as a major oil producer and exporter and the U.S.'s energy needs and interests. Nigeria possesses vast reserves of crude oil and natural gas, making it one of the largest oil producers in Africa and a key player in the global energy market (Nwosu, 2021). The U.S. is a major importer of Nigerian crude oil and petroleum products, relying on these imports to meet its energy demand and support its economy (Nwosu, 2021). Energy cooperation between Nigeria and the U.S. encompasses a wide range of activities, including oil exploration and production, refining, infrastructure development, and technology transfer. Nigeria's oil and gas sector has attracted substantial investment from American energy companies, which play a significant role in Nigeria's oil production and export capabilities. Companies such as ExxonMobil, Chevron, and ConocoPhillips have established a strong presence in Nigeria, contributing to the development of oil fields, offshore drilling operations, and infrastructure projects (Nwosu, 2021).

Development Assistance: Development assistance is vital to the economic relationship between Nigeria and the United States, aligning with Nigeria's priorities to promote sustainable growth and alleviate poverty. The U.S. provides aid through bilateral programs, NGOs, and international agencies, covering sectors such as healthcare, education, agriculture, infrastructure, and governance. In healthcare, U.S. support targets essential areas like maternal health, HIV/AIDS, malaria, and vaccination programs, contributing to the improvement of public health systems and access to care. In education, scholarships, exchange programs, and partnerships with U.S. institutions help

develop Nigeria's human capital, equipping students and professionals with skills that support national development.

Infrastructure and governance are also key areas of U.S. assistance, addressing Nigeria's infrastructure deficit and promoting good governance and institutional transparency. U.S. funding and expertise support projects in transportation, energy, and water supply, fostering economic productivity and job creation. In governance, the U.S. aids Nigeria's democratic processes, civil society, and anti-corruption initiatives, building a framework for stability and inclusive growth. Additionally, U.S. humanitarian assistance provides essential relief to vulnerable populations affected by conflicts and crises, contributing to resilience and social cohesion across Nigeria.

Strategic Partnerships and Diplomatic Engagement: Strategic partnerships and diplomatic engagement form a vital part of the relationship between Nigeria and the United States, grounded in shared interests and efforts to address regional and global issues. As Africa's largest economy and most populous country, Nigeria is a central player in West African stability, economic growth, and security, making it a valuable partner for the U.S. Their strategic partnership spans multiple sectors, including security, counterterrorism, trade, and educational exchanges. Security cooperation is particularly significant, as both nations collaborate on initiatives to combat terrorism, piracy, and other regional threats. The U.S. supports Nigeria's security capabilities through military training, intelligence sharing, and aid, enhancing Nigeria's role in ECOWAS and the African Union's peacekeeping and crisis management efforts.

Diplomatic engagement between Nigeria and the U.S. involves regular consultations, high-level visits, and collaborative discussions on mutual interests, from regional stability to global concerns like climate change and economic development. They work closely on multilateral platforms, such as the UN and WTO, aligning on issues like human rights and international security. Additionally, cultural and educational exchanges strengthen people-to-people connections, fostering mutual understanding and cooperation. Educational programs and cultural partnerships not only contribute to Nigeria's human capital development but also promote cross-cultural appreciation and collaboration between Nigerian and American societies (Obi, 2018).

Benefits of Nigeria's Economic Dependence on the U.S.

Nigeria's economic dependence on the United States (U.S.) brings several benefits that contribute to the country's economic growth, stability, and development. These benefits stem from various aspects of the economic relationship between the two countries, including trade, investment, development assistance, and strategic partnerships. Here are some of the key benefits:

Market Access and Diversification: Market access and diversification are crucial components of Nigeria's economic relationship with the United States (U.S.), providing significant opportunities for growth, stability, and resilience in Nigeria's economy. Access to the U.S. market, one of the largest and most diverse in the world, enables Nigeria to export a variety of goods and services, thereby earning valuable foreign exchange and stimulating domestic production (Eze, 2020). The U.S. market is particularly important for Nigerian oil exports, as crude oil and petroleum products constitute a substantial portion of Nigeria's export revenues. By supplying oil to the U.S., Nigeria benefits from a stable and lucrative market, which helps to mitigate the impact of global oil price volatility on its economy (Okonkwo, 2021).

Beyond oil, the U.S. market offers opportunities for Nigerian exports in other sectors, including agriculture, textiles, and manufactured goods. Programs such as the African Growth and Opportunity Act (AGOA) have been instrumental in facilitating market access for a broader range of Nigerian products by providing duty-free entry to the U.S. for eligible goods. AGOA aims to promote economic development and diversification in African countries by enhancing their access to the U.S. market, thus supporting efforts to reduce dependence on a single commodity and encourage the growth of other sectors. For Nigeria, this has meant increased exports of agricultural products like cocoa, rubber, and nuts, which contribute to the diversification of its export base and the development of its agricultural sector (Eze, 2020).

Foreign Direct Investment (FDI) and Technology Transfer: Foreign Direct Investment (FDI) from the United States plays a significant role in Nigeria's economic development, bringing much-needed capital, technological expertise, and managerial skills to various sectors. American companies have established a substantial presence in Nigeria, particularly in the oil and gas industry, which remains a primary destination for FDI. Companies like ExxonMobil and Chevron have invested heavily in Nigeria's oil exploration and production activities, contributing to the country's status as one of the top oil producers globally (Adams, 2022). These investments are crucial for boosting production capacity, enhancing export revenues, and supporting the broader economy.

Beyond the oil sector, U.S. FDI extends to telecommunications, banking, agriculture, and manufacturing. For instance, American telecommunications firms have invested in infrastructure development, expanding Nigeria's digital connectivity and supporting the growth of the information technology sector. The banking sector has also benefited from FDI, with U.S. financial institutions providing capital and expertise that enhance the stability and efficiency of Nigeria's financial services (Okonkwo, 2021). Such investments contribute to job creation, economic diversification, and the development of competitive industries, which are essential for Nigeria's long-term economic stability and growth.

Development Assistance and Capacity Building: Development assistance and capacity building are critical components of Nigeria's relationship with the United States (U.S.), aimed at addressing socio-economic challenges and fostering sustainable development. The U.S. provides substantial development aid to Nigeria through various channels, including bilateral programs, multilateral initiatives, and partnerships with non-governmental organizations (NGOs). This assistance targets key areas such as healthcare, education, governance, and infrastructure, reflecting the diverse needs of Nigeria's development landscape (Adewale, 2020).

U.S. development assistance has been a major contributor to improving healthcare in Nigeria, particularly through disease prevention and system strengthening efforts. The President's Emergency Plan for AIDS Relief (PEPFAR) has played a central role in combating HIV/AIDS, providing extensive resources for treatment, prevention, and care services for millions. Additional U.S.-funded initiatives address malaria, tuberculosis, and vaccination coverage, significantly impacting public health outcomes. USAID and other agencies work to build robust healthcare systems, equipping Nigerian institutions to handle both ongoing and emerging health challenges.

In education, governance, and infrastructure, U.S. assistance has also been transformative. Educational programs enhance access, quality, and equity in education, with initiatives like the Young African Leaders Initiative (YALI) promoting leadership skills among youth. Governance support strengthens democratic institutions and the rule of law, with programs targeting electoral reforms and transparency, creating a more inclusive political landscape. U.S.-funded infrastructure projects improve essential services in transportation, energy, and telecommunications, which boost economic activity and quality of life. Finally, capacity-building initiatives across sectors—such as training in health and agriculture—equip individuals and institutions with skills for sustainable growth, ensuring long-term impact beyond immediate development goals.

Security Cooperation and Regional Stability: Security cooperation between Nigeria and the United States (U.S.) is a crucial element of their bilateral relationship, reflecting a mutual commitment to addressing common security challenges and enhancing regional stability. Nigeria, as a key player in West Africa, faces significant security threats such as terrorism, piracy, and organized crime. The U.S., recognizing Nigeria's strategic importance, provides substantial support to enhance Nigeria's security capabilities and promote regional stability (Ibrahim, 2020).

One of the primary areas of security cooperation is the fight against terrorism, particularly against Boko Haram and its offshoots, such as the Islamic State West Africa Province (ISWAP). The U.S. has been a steadfast partner in supporting Nigeria's counterterrorism efforts through various forms of assistance, including training, equipment, and intelligence sharing (Ibrahim, 2020). The U.S. military, through programs like the Joint Combined Exchange Training (JCET) and the Flintlock exercises, provides Nigerian security forces with specialized training in counterterrorism tactics, operations, and strategy. This training enhances the operational effectiveness of Nigerian forces

in combating insurgent groups and protecting civilian populations.

In addition, The U.S. supports Nigeria in addressing a range of security challenges, from counterterrorism to maritime threats in the Gulf of Guinea, which faces issues like piracy and illegal fishing. Through joint exercises, training, and the provision of equipment, initiatives such as the African Maritime Law Enforcement Partnership (AMLEP) enhance Nigeria's maritime security. Peacekeeping and regional stability are also key areas of collaboration, with the U.S. providing training and logistical support to Nigerian peacekeepers in UN missions. Additionally, platforms like the Trans-Sahara Counterterrorism Partnership (TSCTP) strengthen Nigeria's capacity to counter extremism and enhance regional cooperation. The U.S. also extends humanitarian assistance to communities affected by conflict, addressing root causes of instability and supporting internally displaced persons, thereby fostering conditions for sustainable peace and development.

Diplomatic Engagement and Global Influence: Diplomatic engagement between Nigeria and the United States (U.S.) is a cornerstone of their bilateral relationship, reflecting a commitment to collaboration on regional and global issues. This engagement is characterized by regular high-level visits, strategic dialogues, and participation in multilateral forums, which together strengthen mutual understanding and cooperation. Nigeria's diplomatic engagement with the U.S. is multifaceted, encompassing political, economic, security, and cultural dimensions, all of which enhance Nigeria's global influence and strategic position (Obi, 2018).

High-level visits and bilateral meetings are central to Nigeria-U.S. diplomatic engagement, providing platforms for discussing strategic priorities like security, trade, and development. Presidential visits between Washington, D.C., and Abuja demonstrate the importance both nations place on their partnership, often resulting in initiatives that strengthen economic cooperation and security ties. Additionally, Nigeria's active participation in multilateral forums like the UN, AU, and ECOWAS enables collaboration on global issues such as peacekeeping and climate change, enhancing Nigeria's diplomatic influence. Economic diplomacy, through trade missions and programs like the African Growth and Opportunity Act (AGOA), further strengthens economic ties, while security cooperation boosts Nigeria's capacity to address regional threats. Cultural and educational exchanges, including the Fulbright Program and the Young African Leaders Initiative (YALI), enrich bilateral relations, fostering personal connections that support ongoing collaboration and mutual understanding.

The Challenges of Nigeria's Economic Dependence on the U.S.

Nigeria's economic dependence on the United States (U.S.) presents several challenges that can impact its economic stability, policy autonomy, and development trajectory. These challenges include the following.

Aberration of Nigeria's National Interest: Nigeria's economic dependence on the United States creates a complex relationship that often diverges from Nigeria's national interests, resulting in compromises influenced by external pressures, particularly in trade and policy alignment. This dynamic reflects a power imbalance where Nigeria, reliant on U.S. trade and investment, sometimes faces concessions that may not fully support its independent economic goals. U.S. companies, especially in the oil sector, wield significant influence, with operations that drive U.S.-aligned policies while perpetuating Nigeria's dependency on oil exports. This dependence on oil, coupled with governance challenges like corruption and weak institutions, compounds vulnerabilities and hinders effective policy formulation. Additionally, economic imbalances—such as limited access to U.S. markets and unequal exchange terms—restrict Nigeria's economic autonomy, stifling diversification and long-term development.

Vulnerability to External Shocks: Nigeria's economic dependence on the United States heightens its vulnerability to external shocks, especially due to its reliance on oil exports to the U.S. market and the influence of U.S. economic policies. Fluctuations in global oil prices and U.S. energy policies have immediate effects on Nigeria's revenue and economic stability, as demonstrated by the 2014–2016 oil price crash, which triggered a recession and inflation in Nigeria. Additionally, U.S. monetary policies, like interest rate hikes, can drive capital outflows, weakening the Nigerian naira and increasing borrowing costs. Broader global economic trends, such as the COVID-19 pandemic and

geopolitical tensions, further exacerbate these vulnerabilities, disrupting trade and diminishing export revenues. These external shocks often lead to inflation, currency depreciation, and reduced public spending, impacting essential services, increasing poverty, and risking socio-economic stability in Nigeria.

Limited Policy Autonomy and Sovereignty: Nigeria's economic dependence on the United States constrains its policy autonomy and sovereignty, often compelling it to align with U.S. interests in ways that may diverge from its own strategic priorities. This influence is evident in trade, regulatory standards, and geopolitical alignments, where Nigeria might prioritize U.S. interests to maintain favorable relations and access resources, potentially sidelining its long-term development goals. Economic reliance also affects Nigeria's fiscal and monetary policies, as changes in U.S. interest rates and economic policies impact Nigeria's access to foreign investment, leading to adjustments that may not align with local needs. Geopolitically, Nigeria's alignment with U.S. positions on global issues can compromise its regional autonomy, sometimes creating tensions with other international partners. Furthermore, U.S.-linked conditionalities attached to foreign aid limit Nigeria's flexibility, often enforcing a standardized approach that may not fit its unique socio-economic context. This dependence also stifles local innovation, as the dominance of U.S. technologies and investments overshadows indigenous industries, impacting Nigeria's potential for economic diversification and technological sovereignty.

Dependence on a Narrow Economic Base: Nigeria's economic dependence on a narrow base, primarily dominated by oil exports, presents significant challenges and vulnerabilities that affect its overall economic stability and growth prospects. This dependence on a single commodity for the bulk of its revenue has profound implications for economic diversification, fiscal stability, and socio-economic development. According to Frynas and Paulo (2017), Nigeria's heavy reliance on oil exports makes its economy extremely vulnerable to fluctuations in global oil prices. This dependence means that any significant drop in oil prices can lead to substantial revenue losses, creating fiscal deficits and economic instability. For instance, the oil price crash of 2014-2016 severely impacted Nigeria's economy, leading to a recession, devaluation of the naira, and increased inflation (Frynas & Paulo, 2017).

Potential Neglect of Local Industries: Nigeria's reliance on oil exports has hindered economic diversification and led to the neglect of local industries, impacting sustainable growth, job creation, and self-sufficiency. This focus on oil has diverted attention and investment from sectors like manufacturing, agriculture, and services, which lack the infrastructure, policy incentives, and government support needed to thrive. Consequently, Nigeria's economy remains dependent on imports for goods ranging from food to machinery, which drains foreign exchange and stifles local producers who struggle to compete against cheaper, often higher-quality imports. This neglect of non-oil industries also restricts employment opportunities, contributing to high unemployment and underemployment rates, especially among young people, who may be driven to migrate or take low-paying jobs. Additionally, underinvestment in agriculture compromises Nigeria's food security and leaves it vulnerable to global price fluctuations and supply chain disruptions, limiting opportunities for job creation and value-added exports.

Influence on Domestic Policies: U.S. economic dependence shapes Nigeria's domestic policies, often aligning its governance, economic management, and social frameworks with U.S. expectations at times at the cost of local priorities. To attract U.S. investment, Nigeria frequently adopts business-friendly and liberalized policies that may benefit multinational corporations over local businesses, creating an uneven economic landscape. U.S. influence extends to Nigeria's fiscal and monetary policies, sometimes pressuring it into conservative measures like austerity, which can limit spending on crucial sectors and deepen socio-economic inequalities. U.S. aid and development assistance often come with conditions on social policies, which may not always fit Nigeria's specific needs, thus limiting policy flexibility. Nigeria's security policies are also influenced by its reliance on U.S. military support, sometimes prioritizing U.S. strategic goals over regional security needs. In governance and anti-corruption, U.S. pressure drives Nigeria to adopt reforms that may focus on meeting external benchmarks rather than fostering sustainable, locally-adapted solutions.

Conclusion

The exploration of Nigeria's economic dependency on the United States from 2012 to 2022 reveals a complex interplay between

substantial benefits and significant challenges. Throughout this period, Nigeria has reaped various economic advantages from its relationship with the U.S., including critical investments, technological advancements, and enhanced market access under initiatives such as the African Growth and Opportunity Act (AGOA). These benefits have contributed to Nigeria's economic growth, particularly in the oil sector, which has been a significant driver of the nation's GDP. However, these economic gains have often come with considerable trade-offs, including reduced policy autonomy and heightened vulnerability to external economic shocks.

The heavy reliance on U.S. investments and aid has created a dependency that limits Nigeria's ability to independently pursue its national interests and long-term development goals. This dependency is rooted in historical antecedents and has been perpetuated by policies that prioritize short-term economic gains over sustainable development. The dominance of U.S. businesses in key sectors, particularly oil, has overshadowed local industries, inhibiting diversification and making the Nigerian economy susceptible to fluctuations in global markets and changes in U.S. policies. This situation underscores the need for Nigeria to reassess its economic strategies and seek a more balanced approach to international relations.

To reduce economic dependency on the U.S., Nigeria should diversify its trade partnerships by exploring markets in Asia, Latin America, and other regions. It should also pursue more balanced bilateral agreements with the U.S. that focus on mutual benefits, such as technology transfer and investment facilitation. Promoting domestic industries, particularly in agriculture, manufacturing, and technology, can help Nigeria decrease reliance on imports and build economic self-sufficiency. Investing in critical infrastructure and human capital will further bolster productivity and attract foreign investment. Finally, Nigeria should engage in regional economic integration, like the African Continental Free Trade Area (AfCFTA), to access larger markets, strengthen trade relations, and reduce vulnerability to external shocks.

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