

# Bilateral Economic Relations between Nigeria and United States: An Appraisal of Petroleum Resources

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**Abstract:**-In conducting diplomatic relations between countries, always national interests come first before the table of agreement. Relations where national interest cannot be projected that relation is said to be of no use, since the countries involved in the agreement cannot benefit. In Nigeria-United States relations, both the two countries benefit from one another that is why their relations is still in existence in the apex level. United States is interested in Nigeria's oil that is the reason that oil companies owned by United States existed in Nigeria. While on the Nigerian side, her citizens are employed, and it raises the demand of Nigerian oil by the United States. Data were gathered using primarily. This paper adopted theory of liberalism (from the intergovernmentalism aspect) which viewed the relations of states in the world from the side of cooperation, so that there will be no escalation of conflicts between or among states in the world. This paper made use of simple percentage in analysing the gathered data. The paper addresses the problem whether petroleum is the major commodity of economic relations between Nigeria and United States; also, it looked at whether Nigerian economy developed because of her relations with United States. From the gathered result, result has shown that there are other variables in the development of Nigeria's economy and not only because of her relations with United States. Lastly, the paper recommends that; there is need for Nigeria to place focal acquisition of skills, technologies and capital investment, and not to depend on exportation of primary commodities only.

## I. INTRODUCTION

Today in international system, every state goes into relations with another state in which its foreign policy towards the state can be protected and maintained in a good status. The foreign policy of every state is the projection of that state's national interest, so therefore every state (country) must be careful in choosing a friend on international plane that can play a role in promoting its national interest. If a country protects and maintain its national interests, its country's foreign policy is said to be a good foreign policy in the international system, this is because it is the national interest of a country that always give rise to foreign policy.

Ajaebili & Oyewole, (2011, p. 277) viewed foreign policy as an intention that government chooses in increasing its state interest and strategic goals in the international field. In international relations/ politics, countries (states) are being guided by diplomatic relations whether politically or economically; which is being viewed as the base or foundation of every states foreign policy; that is to create a diplomatic relation with other states in international system. In international relations, when we talk of economic relations,

we should take note that it is talking about the economic diplomacy. Other scholars refer to economic relations as economic diplomacy. So therefore, based on this, this research can be using the both the term economic relations and economic diplomacy which means the same thing.

In Nigeria, it is also the same. Nigeria's foreign relations (policy) is often more concerned on the conduct of state's political and diplomatic relations with other states, more especially the great powers (United States) in international system (Ubi & Akinkuoto, 2014, p. 415). Scholars have given thoughts that a country (state) that has good foreign policy, that country has good instrument of economic growth and development. In the pursuit of national interest, Nigeria's foreign policy more especially the economic foreign policy is in the both side of bilateral and multi-lateral relations which has reflection on its perception on international environment (Chau, 2007, p. 7-8).

In making discussions on state's relations in international system, we should know that it is difficult and almost not possible to divorce economics from politics, and so also it is difficult to disengage a country's foreign policy from its economic development. It is difficult to discuss the relations without mentioning economic diplomacy between the states in international system, this is because the economy of a country is its strong element of national interest, which give rise to a state's foreign policy on international arena (Blackwell, 2010). This is coming to the terms that in international relations; it is difficult to take away diplomatic relations from economic diplomacy. Economic development and economic growth of a state always make a strong bond between wealth and power, and in that aspect, it advances the nature and structure of international relations. It is also important to note that economic development is one of the key elements of state's power over others, more especially those that are called the great powers; what make them great is their economic growth and development (Odularu, 2008, p. 27). Also, economy of a country is a strong element of that country's national interest which a state uses in its relations (Agubamah, 2014, p. 63).

The notion of national interest of a state is comprised of those values that are expected to be well protected and gathered by a country in its relations with other states using the instrument of foreign policy. Ajaebili and Oyewole, (2011, p. 279) opined that economic relations (diplomacy) involved the process in which states tackle their outside world; that is their

external relations with other states to maximize their national interest. The arena of economic diplomacy encompasses international and domestic issues including the rule of economic relations between countries. Ajaebili also stated that because of the world shrinking into global village, economic diplomacy has gone deeper into a state's internal decision-making to contain policies related to production for economic development. Economic relations between states always lead to the promotion investment; it protects deals from inception to the award of contracts and in fact markets entire states as if it is a business outfit.

This paper tends to discover whether if there is connection between petroleum and economic relations between Nigeria and United States. In doing this, this paper will answer whether if the petroleum resource is the major factor in economic relations between Nigeria and United States. This paper gave three propositions; that in conducting international relations between Nigeria and United States, Nigeria do not benefit from the relations being conducted, secondly, that foreign investors invest in Nigeria because of the country's relations with United States, thirdly, that there is connection between petroleum and economic relations in the conducting Nigeria-United States relations. This paper was conducted qualitatively, with some elements of quantitative which includes simple percentage calculations. Questionnaires were distributed to experts in the field of international relations, economics, international businessmen and also students of international relations.

## II. THEORETICAL FRAMEWORK

Many theories in international relations can explain the economic relations between Nigeria and United states. According to some scholars, that in the relations between developing and developed countries dependency theory is always at the apex. Other theories that can be apply to this research include; Neo-functionalism, inter-governmentalism and liberalism.

Neo-functionalism in international system always desire to make a clarification on the reason and process of state cooperation where conflict can be resolve between each other, and gradually giving up a sovereignty to nation (Imam, Jibril, & Tijjani, 2017. P. 11). On the other hand, that theory of inter-governmentalism deals with cooperation between governments and declares the states are the main actors in the organizations. Governments in this approach are the one with strong and autonomous position, and bargain in order to get their interests. But for the better explanation of this paper, the theory of *liberalism* will be adopted to explain the economic relations between the two countries.

The theory of liberalism according to scholars has two major aspects which are; liberalism in politics, and liberalism in economy; where for the purpose of this research the focus will be on the economic aspect of liberalism (Pirtuna & Secarea, 2012. P. 103).

Liberalism from the political aspect tries to limit the power of state that a state can impose on her citizens because of the reason that people have their own interests, rights and ideas to practice. From the aspect of economy, scholars are of the point that tries to deny the state's intervention, and promote free market. Liberalists are considering that for the good and peaceful living of states in international system, states have to cooperate, and this interdependence will prevent states from attacking each other. Also, the interdependence of states will prevent the obliteration of economic properties, and also the interdependence of states leads to the holding of important role by organizations such as; International Monetary Fund that is being perceived as an entity and takes the charge of consolidating relationship between states. Liberalism on the other hand, is an opposition side with realism, which saw the community of international as jungle, while the liberalists see that community as a garden, that can be taken care of in order to promote global security. As a first case, where the influence by the then American president Wilson Woodrow suggested that a state in international relations should transfer their internal philosophy to the foreign policy in order to consolidate global security (Pirtuna & Secarea, 2012. P. 104).

Viewing from the economic perspective, this theory is the best theory of explaining the relations between Nigeria and United States because of the reason that; (1) the interdependence between the two countries will prevent any unwanted attitude toward themselves, also for security purpose Nigeria has to relates with United States so that global peace can be achieved. As the then American president suggested that states have to transfer their internal philosophy to foreign policy for better world; Nigeria is taking the same steps by having economic relations with United States for the better world of both of the countries, and as Kant stated that economic interdependence decreases international conflict.

## III. BRIEF HISTORY OF CRUDE OIL IN NIGERIA

Petroleum and crude oil are used interchangeably in this study. As Anye (1986) cited in Monday and Salihu (2017) that crude oil involves the combination of mixtures of many substances as petroleum that include elements of hydrogen and carbon that is known as hydrocarbon. The first discovery of petroleum resources in Nigeria is dated back to 1908, when German surveyors for Nigerian Bitumen Corporation began prospecting in the south-western region of the country. In the years 1956, Nigeria discovered its first oil in a place called Oloibiri in Niger-Delta; that is the south-south region of Nigeria, after years of exploitation by the colonial masters. The discovery was carried out by a group of company Shell D' Arcy (now Shell-BP), a British joint marketing venture between petroleum companies; Royal Dutch Shell and British petroleum (Odularu, 2008, p. 6). In the years 1958, Nigeria became part of ranks of producers of oil when its oil came on producing 5, 100 barrels per day in market field (Osisioma, 2012, p. 50). After the independence of Nigeria in 1960, the exploration rights in the areas that adjoined Niger-Delta were expanded to other companies from abroad (foreign

companies) (Oloruntegbe, Akinsete, & Odutiyi, 2009, p. 2135).

With the end of Nigerian civil war (Biafra) in 1970, Nigeria was lucky, considering the rise of petroleum price in the world market, and Nigeria was able to benefit maximally and reap instant rich with its oil production (Idemudia & Ite, 2006, p. 198). Looking at that, Nigeria in 1971 joined the organization of countries that export oil known as Organization of Petroleum Exporting Countries (OPEC); following that, Nigeria took the advantage and established a body (institution) in a country to guide petroleum companies, the institution is known as Nigerian National Petroleum Company (NNPC) in the year 1977 (Nwokeji, 2007, p. 15). After Shell D' Arcy (now Shell-BP) petroleum discovered oil in Oloibiri in the eastern part of Niger-Delta, production of petroleum began in 1958 from the company's field in the region. Nigeria had attained the productions of crude oil level of over two million (2, 000, 000) barrels per day in the sixties and seventies, although in eighties the production figures was dropped down due to the company slump of its economy (Odularu, 2008, p. 7). In the year 1961, other petroleum companies such as; Chevron, Agip, Safarap, Mobile and others, began the exploration activities for oil in onshore and offshore areas in Nigeria. The quantity of producing oil increased from an initial quantity of 5, 100 barrels per day to the quantity of doubled in the year 1972, where Nigeria was exporting 2 million barrels per day, and in 1979, the production raised from 2 million to 2.4 million barrels per day where Nigeria attained the rank of 6<sup>th</sup> position in oil production in the world (Anthony, 2010, p. 25). After Nigeria survived its civil war, Nigeria was able to recover primarily the huge benefits from oil sector in the year 1970s. For good three (3) years of oil boom, Nigeria accumulated a lot of money for herself from oil (Odularu, 2008, p. 7). After the years of oil boom, the years of oil shock follows starting from the years of 1973, where the entire world experienced an oil shock; that is falling in oil price which affected Nigeria and its entire economy looking at the fact that Nigeria export high amount of oil until mid-1980s.

### 3.1 The Response of Nigerian Government to Oil Discovery

In response to the oil discovery, the federal government of Nigeria took practical steps to maximize its oil wealth by adopting an open economic decision that allowed oil companies both domestic and external ones an equal rights and access to exploration and production in areas that have the oil in Nigeria (Ijaw; south-south region of Nigeria), in order to enhance great oil production (Manby, 2016). Following this policy by the federal government, a strong foundation is being laid for development and increased of petro-business in the country and also for the maximization of profit by the government. However indigenous oil companies like Niger petroleum company, Niger oil Resources, Henry Stephen Delta Oil were registered and obtained oil drilling licenses from the government for drilling oil in the petroleum ministry,

which they later became significant oil business venture in the country.

Despite the government highest share of oil proceeds, the expectation of production of oil in the oil ministry land and other oil field in the Niger-Delta region were not the federal government's priority, the federal government of Nigeria was expected to distribute the oil with fair among the oil region people and other non-oil region people of the country. With the oil discovery in the Oloibiri, Nigerian government viewed it as a prospect for life abundance, employment and massive development in the country (more especially the region of the region of the oil resources) (Ezeibe, 2017, p. 13).

Oil sector in Nigeria has been classified into three (3) main sub-section which are; (a) gas, (a) downstream and (c) upstream. The downstream sector gave problem over the years which are the arm of distribution and connection with the final consumer of petroleum product in national economy. In 2003, the government of Nigeria made the decision to deregulate the downstream sector, following the unpleasant violence in supplying, however the implementation of decision has been controversial because the decision viewed as it ignored economic realities in the country (Odularu, 2018, p. 8). About ninety five percent (95%) of Nigeria's oil production is being gotten by the Joint Ventures Companies, where Shell in Nigeria as the largest operators in the joint ventures in Nigeria with 55% of government interest through Nigerian National Petroleum Company (NNPC) produces about fifty percent (50%) of country's crude oil, the Exxon Mobil, Chevron Texaco, Agip and Total Fina ELF that operate joint venture with NNPC has sixty percent (60) stake (Ubani, Okutimiren, & Simeon, 2017, p. 24-25).

### 3.2 Contributions of Oil Companies to Nigeria

Oil companies in Nigeria for many years gave variety of contributions to Nigerian government and contribute to Nigerian economy. Odularu (2008) stated that oil companies in Nigeria for many years contributed to Nigerian government in the following field; creation of employment opportunities, local expenditure on goods and services, contributed to government revenue, contributed to gross domestic product, contributed to foreign reserve exchange, their contribution to supply of energy to industries and commerce is also not left behind. He went further to explain the points in brief explanation.

1. *Employment Opportunities:* This is one of the first and the most noticeable contribution of oil companies to Nigerian economy; that is creation of opportunities for Nigerian citizens to reduce unemployment in the country. From the time oil was discovered Nigerians were employed in areas of non-basic activities that include; construction of bridges, building of roads, the clearing of fields for drilling, also those with the commercial transport system were employed to transport working equipment and working materials for the building and construction.

When the companies began to progress, they employed Nigerians to seismic and drilling operations, and also employ Nigerians in supervisory and managerial functions.

2. *Contributions to local Expenditure on goods and services:* Another way of contribution of oil companies to Nigeria is the purchase of power by the oil companies through its local expenditure on goods and services. Apart from the contributions the oil companies were contributing to Nigeria, the companies take form of wages and salaries payment, payment of local contractors, and also buying of local goods and services.
3. *Contribution to the government revenues:* Oil companies in Nigeria contribute to Nigerian economy by the payment of due revenue to Nigerian government. Nigerian government benefits more by collecting revenue from the oil companies.
4. *Contributions to Foreign Exchange Reserve:* Many underdeveloped countries face serious problem from foreign exchange, more especially those that so much depend on primary commodities they face serious shortages of foreign exchange. But Nigeria has that advantage, where oil companies have substantial foreign exchange reserves, and it is in the good position which will be able to finance Nigeria's foreign exchange cost of her development programmes.
5. *Contribution to energy supply:* Oil companies in Nigeria contribute to Nigeria by providing cheap, readily available source of energy through operations of the local refineries and utilization of locally discovered natural gas. Energy is being supplied to commerce and industry sector through oil companies because of the huge reserves of natural gas provided by the oil companies.

The above brief information show that oil companies contribute in the development of Nigeria and Nigerian economy.

### 3.3 *The Role of Crude oil in Changing Nigeria's Foreign Policy Objectives*

Nations and states by their nature in international system have to interact with one another for good and maintenance of international relations. This interaction can take different dimension for it to happen and it will be influenced by different motives to happen (Monday & Salihu, 2017, p. 42). Foreign policy can be seen as calculated process taken by countries that they use in maximizing their benefits using the available opportunities outside their geographical boundaries (Mayall, 1976, p. 322). It can also be seen as a reaction to external reflection on national or domestic realities. Crude oil in the previous centuries more especially in 19<sup>th</sup> and 20<sup>th</sup> century has been the prior element to states in conducting their relations particularly economic relations (Adidpe, 2004, p. 6). One of the most important of crude oil to states

particularly the industrial and technological advanced states is that it is a source of energy to their industries, and by that they are highly interested in it (Monday & Salihu, 2017, p. 42). States use this energy to power their automobiles, their trucks, their aero plane, trains and ships are also included to move around the world. During manufacturing process in industries, energy is using to make the manufacture easier for the industries, is same energy is being used to provide light in the industry, heat and also air condition for domestic use (Omeje, 2017, p. 139).

In inter-states relations, international relations have only begun to consider oil and the role it plays in international system focusing primarily on its use in a foreign policy that is considering it as an element of foreign policy. Another important role of oil in changing states' foreign policy is that; the oil is use as an instrument of coercion in international relations, by using embargoes and import denial for political reasons or to protect interests, or to promote same interests (Al sarhan, 2017. P. 456). For example; oil embargoes was placed on Japan before the commencement of World War II (WW II), in the years 1960s there was embargoes on Soviet Union also (Onoh, 2017, p. 42). Arab oil producing states mostly the United States allies used the instrument of oil embargoes as a coercion against western states in the years 1956, 1967 and 1973 because of their interest of changing foreign policies of those states that supported Israel to change and put pressure on Israel for them to withdraw from its occupied territory during the years of 1967 (Jones, 2012. P. 210). Strong foreign policy of a state is being determined by the states' relations with powerful economic nations and this also determines coercive power nations in the world (Adedeji, Siddique, & Rahman, 2016, p. 68). With the discovery of oil as a source of energy, it has been accepted that oil affected international relations; it has changed the face of many states' foreign policy particularly United State as an example that changed its foreign policies towards oil producing countries to ensure supply continuity of commodities (Goldthau, 2016). Because of the Nigeria's reason to boost its vibrant foreign policy, Nigeria designated its trade relations with United States with the nature of democracy in the year 1999, with the optimization boosting Nigeria's economy, which is the central element of her foreign policy. On Nigeria's part in the years 1970 "during oil boom", Nigeria had over ninety-three percent (93%) of its oil exportation to United State and also most of its foreign policy implementation income from crude oil that were exported to United States as a major buyer (Monday & Salihu, 2017, p. 43).

## IV. DYNAMICS OF NIGERIA-UNITED STATES RELATIONS

Because of the abundance natural resources in Nigeria, western countries entered into relations with Nigeria with the name of assistance to Nigeria, trade, democracy, conflicts resolution among others (Ampiah, 2013). Trade, history, and language are elements that linked Nigeria and United States together. Many Americans are said to have traced their

heritage to Nigeria (Kumosuonyu, 2011. P. 41). Without a doubt Nigeria–United States have been entwined by the exchange of individuals throughout the decades and by profoundly held esteems, which they have since a long time ago shared. They likewise similarly share confidence in free economies as an approach to enhance the lives of individuals. The broad business and monetary ties between Nigeria – United States have advanced a trade of thoughts, assets, and advances which is said to be in the common interests. The administration of the two nations have likewise energized and upheld the foundation of private division association (Watt, 2004, p. 60).

The cooperation between Nigeria – U.S. originates before Nigeria's political independence in 1960. Truth be told, the connections between the two nations which could be followed to the pre-second World War conspicuously increment from that point. This educates the snappy acknowledgment of Nigeria's autonomy in 1960; the Unified States has risen rather significantly as the most dynamic part in the assurance of post-Pioneer Nigeria outside financial and political approaches. It was reported that from the Nigerian points of view, the advancing connection between Nigeria – U.S. has been dictated by consolidated prerequisites of progression, political security, financial progression and an apparent initiative commitment in the provincial decolonization development (Thurston, 2016). The enthusiasm of The U.S. in Nigeria developed significantly even with the Soviet Association challenge to Western control in Africa. He, in this way, compares the respective and political level of Nigeria – U.S binds keeping in mind the end goal to offer a basically reasonable clarification of the reason and consequence of the Nigeria – U.S. relations (Bamanga, Musa et al, 2016, p. 60).

Taking discernment of the harm of terrorist oppression had done to the United States and Nigeria; it is normal that since each general public is powerless against assault, there ought to be collaboration amongst Nigeria and United States in battling a typical foe. All the more along these lines, with Mutallab's endeavour at shelling Detroit bound plane that has put Nigeria on the terrorist list of nations in the world, it is normal that in Nigeria– United States efforts in fighting terrorism, United States ought not dither to make accessible the vital help and weapons for Nigeria in its counter-terrorist oppression endeavours. At that point, the inquiry is the reason would the United States prohibit Brazil and Israel from pitching to Nigeria US-influenced Cobra-combat helicopter in battling a typical foe? This ends up basic, particularly how this refusal influenced the relations between the two nations (Aliu, 2017, p. 569). For example, President Barack Obama upheld Nigeria's neighbouring countries with \$35 million worth of military and protection bolster administrations to Chad, Niger, and Mali directed through France keeping in mind the end goal to shore up the security of the three French-speaking countries that offer limits with Nigeria, while Nigeria at the focal point of strengthened Boko-Haram invasion was forgotten. Because of this, Nigeria suspended military preparing with the U.S. after Washington more than once

obstructed its push to purchase arms to battle the guerrillas in 2014. "At the demand of the Nigerian government, the United States will suspend its preparation of a Nigerian Army legion," the U.S. the administration said in an announcement through its embassy in Abuja (Aliu, 2017, p. 569).

#### *4.1 Nigeria- United States Relations during the Oil Boom*

It was in 1956 that Nigeria began its oil production when Shell D' Arcy (now Shell-BP) discovered oil in eastern part of the country. In the years 1964- 1965, Shell D' Arcy (now Shell-BP) and Gulf oil were able to be producing oil, where the former from the onshore in the east, and later in the mid-western region where offshore located. Apart from the two companies, five other companies had stuck oil and they were in their early steps of development. They companies include; Mobil, Amoseas, Philips Petroleum Company, Azienda Generale Italiana Petroli and Societe Africaine des Petroles (AFRAP). The oil boom atmosphere of Port Harcourt was cited as the benchmark of development of Nigeria to move forward from a marginal procedure to a world oil major producer, where its output was increased from 84, 000 barrels per day as of January 194 to 301, 352 barrels per day as of August 1965 (Klieman, 2012, p. 157).

The most enormous importance of Nigeria- United States relations deserves to be buttressed. Firstly, United States overtook Britain as the major recipient in 1973, and also Nigeria-US relations were determined by crude oil (Stephen, 2012, p. 31). Nigeria also became the most important and major supplier of oil to United States, and also there was expansion of United States, investment in Nigeria in the oil sector by American companies which include; Philips, Exxon Mobil, Gulf, to mention but few of them (Stephen, 2012, p. 31). Nigeria began to experience some financial difficulties during Shagari's administration (regime) because of his monopolization of economy to crude oil, following the fall in price of crude oil in global market, and also huge levels of corruptions and wastage of government (public) fund. This crisis gave negative effect on Nigeria-US relations on the following fields; (a) Nigeria's oil in United States' market became overpriced perhaps for this reason some companies in United States began to patronize British, Mexican, Saudi Arabia and other states' oil at the expense of Nigeria's oil (Dibua, 2017). Because of that reason, Nigeria was moved down to seventh (7<sup>th</sup>) position as a major oil supplier to the United States' market. (b) another negative of this crisis on Nigeria-US economic relations is that the trade balance which favored Nigeria became unfavourable in the year 1982 (Osigwe & Arawomo, 2015, p. 409). Following that, Nigeria found herself in a situation of high debt country in the global financial circle, where the country was unable to meet even her short-term credit obligations to her trading partner, also Nigeria found herself in a situation of serious dependent on a large-scale importation of foods items more especially from the United States (Stephen, 2012. P. 32). In recent years, United States was a largest importer of Nigeria's crude oil, but

the trend has changed following the United States' production that is largely displaced imports of light and sweet crude oil.

In the years 2012, United States fell from the rank of largest and major importer of Nigeria's oil, and again fell up to 10<sup>th</sup> position of major Nigeria's oil importer in the years 2015. From the perspective of supply of oil, Nigeria fell from its position of 5<sup>th</sup> position of foreign oil supplier to US in 2011. US imported between the percentage of nine (9%) and eleven percent (11%) respectively prior to the year 2012 from Nigeria. With the declined of oil export from Nigeria to United States over the past few years, Nigeria had sought further field to market its crude oil, which made the country to shift its market to Europe and Asia. In the years of 2015, Nigeria took advantage of exporting over 1.90 million barrels per day, and the country exported up to 800, 000 barrels per day of its crude oil to Europe (Dickovick, 2016, p. 75).

#### 4.2 *The Politics of Sanction between Nigeria and United States*

The response of the United States to Nigeria's political event that happened in 1993, where there was political crisis in Nigeria was the imposition of limited sanction to Nigeria. In 1993, Presidential elections were cancelled, the United States cancelled \$11 million in assistance intended as budgetary support to Nigeria's Ministry of Health; terminated development assistance, except humanitarian aid through nongovernmental organization; ended military assistance and export of defence-related materials, denied entry into the United States of Nigerians who formulate and implement policies that hinder transition to democracy; decertified Nigeria for not doing enough to counter trafficking by its citizens in illegal drugs; and requested the withdrawal of Nigeria's defence attaché in Washington, D.C. (Ayam, 2008, p. 127). As earlier argued, both Nigeria and the United States have been hesitant in undertaking policies that could jeopardize their economic self-interests, and despite political and diplomatic disagreements, economic activities have been allowed to continue unimpeded (Taylor, 2014, p. 182).

Several political and economic factors make it difficult for the United States' government to impose an oil embargo on Nigeria. For oil sanctions to be effective it needed the concerted effort and cooperation of its European allies. The United States has been unable to sustain a coalition of Western nations against Nigeria (Taylor, 2014, p. 182). Just as the Western-backed coalition against Iraq faltered in the wake of conflicting national interests, so did the one against Nigeria. The French, for instance, did not intend on imposing sanctions on Nigeria for the simple reason that French economic investments in Nigeria by far outweigh investments in several ex-French colonies combined (Oyebade, 2014, p. 18). The Germans and Japanese have not indicated any keen interest in sanctioning Nigeria. Indeed, "there is little international political support for imposing a multilateral oil embargo. This lack of support reflects the fact that most nations do not view Nigeria as a major threat to world peace and security. Unilateral U.S. embargo on Nigerian oil would

not have any impact on exports due to the highly integrated nature of world oil market. A disruption of supply from one source caused a unilateral embargo could easily be contained by switching to other sources (Oyebade, 2014. P. 18).

In this case, a ban on purchase of Nigeria oil by the U.S. will result in other markets absorbing oil exports from Nigeria. In addition, much as an embargo is not likely to affect availability of petroleum products on a national scale, "there may be some adverse effects on the sections of the United States economy and in those regions...involved in importing, refining and using Nigerian oil for all intents and purposes, much as the American government has imposed limited sanctions, it has been careful to safeguard its key economic interest in Nigeria.

#### V. DATA ANALYSIS AND DISCUSSION

The characteristic of this paper presented, analysed and discussed the data collected from the field, otherwise the respondents. To this end, the result is going to presented and analyse here, as well as the summary of the discussion at the end of the result.

Table 1. Sex of Respondents

Options	Frequency	Percentage
Male	47	59%
Female	34	41%
<b>TOTAL</b>	<b>81</b>	<b>100%</b>

Source: Field Survey, 2019

The above table shows that out of 81 respondents, 47 are men representing 59 percent, while female respondents are 34 representing 41 percent.

Table 2. Ages of Respondents

Options	Frequency	Percentage
18-29	32	39.9%
30-39	17	21%
40-49	13	16%
50-59	12	14.8%
60 and above	7	8.6%
<b>TOTAL</b>	<b>81</b>	<b>100%</b>

Source: Field Survey, 2019

On the age of respondents above, 32 of the respondents fall between the ages of 18-29 years, representing 39.9 percent, 17 of the respondents fall between the ages of 30-39 years representing 21 percent, 13 of the respondents fall between the ages of 40-49 representing 16 percent, 12 of the respondents fall between the ages of 50-59 years representing 14.8 percent and finally, 7 of the respondents fall between the ages of 60 years and above representing 8.6 percent.

Table 3. Profession of Respondents

Options	Frequency	Percentage
Civil Servant	16	20.3%
Diplomat	10	12.7%
Politician	10	12.7%
Economists	7	8.9%
Expert in bilateral relations	9	11.4%
Students of International Relations and Diplomacy	17	21.5%
Other	12	12.5%
<b>TOTAL</b>	<b>81</b>	<b>100%</b>

Source: Field Survey, 2019

For the profession of the respondents, 16 respondents which is represented by 20.3 percent are civil servants, 10 out of the respondents which is represented by 12.7 percent are diplomats, also 10 of the respondents which is represented 12.7 percent are politicians, 7 of the respondents represented by 8.9 percent are economists, 9 of the respondents represented by 11.4 percent are experts in bilateral relations, 17 of the respondents which is represented by 21.5 percent are students of international relations and diplomacy, 12 of the respondents represented by 12.5 percent fall under other.

Table 4. Response on whether Petroleum is the major commodity of Nigeria and United States economic relations

Options	Frequency	Percentage
Yes	64	79%
No	17	21%
<b>TOTAL</b>	<b>81</b>	<b>100%</b>

Source: Field Survey, 2019

In response to the question of table 5.6, 64 of the respondents said yes, while the remaining 17 respondents said no. This response is similar to what Onyegbuna (2016) mentioned in his work titled “An analysis of Nigeria-United State Trade and Investment Relations: 2004-2012 “that; In Nigeria-United State relations what is essentially dominant is trade in crude oil and investment linkage.

Table 5. Response on whether Nigeria benefit from exporting Petroleum to United States?

Options	Frequency	Percentage
Yes	50	61.7%
No	31	38.3%
<b>TOTAL</b>	<b>81</b>	<b>100%</b>

Source: Field Survey, 2019

From response of the above question of table 5.7, 50 respondents said yes which is represented by 61.7 percent, while the remaining respondents said no which is represented by 38.3 percent.

Table 6. Response on whether Nigeria’s economy developed because of her relations with United States

Options	Frequency	Percentage
Yes	23	28.4%
No	58	71.6%
<b>TOTAL</b>	<b>81</b>	<b>100%</b>

Source: Field Survey, 2019

From the respond to the above question of table 5.9 which state that whether Nigerian economy developed because of her relations with United States; 58 of the respondents which is represented by 71.6 percent said no, while the remaining 23 respondents represented by 28.4 percent said yes. But based on the respondents’ responses, we can say that it is not only through Nigeria’s relations with United States that Nigeria’s economy developed, it indicated that there are other variables that played role in development of Nigeria’s economy.

Table 7. Response on whether number of investors increased in Nigeria because of her relations with United States

Options	Frequency	Percentage
Agree	45	57%
Disagree	17	20%
Undecided	19	23%
<b>TOTAL</b>	<b>81</b>	<b>100%</b>

Source: Field Survey, 2019

On whether number of investors increased in Nigeria because of her relations with United States, 45 of the respondents represented by 57 percent agreed, 17 of the respondents represented by 20 percent disagreed, while the remaining 19 respondents represented by 23 percent were undecided.

Table 8. United States’ interests in Nigeria is only on Oil resources

Options	Frequency	Percentage
Agree	58	71.6%
Disagree	18	22.2%
Undecided	5	6.2%
<b>TOTAL</b>	<b>81</b>	<b>100%</b>

Source: Field Survey, 2019

On whether United States’ interests in Nigeria is only on petroleum resources, 58 of the respondents represented by 71.6 percent agreed, 18 of the respondents which is represented by 22.2 percent disagreed, while the remaining 5 of the respondents represented by 6.2 percent were undecided.

### 5.1 Summary of Discussion

From the data gathered using questionnaire, there exist the connection between petroleum and economic relations between Nigeria and the United States. Table 8 clearly serves as evidence to this. From the table, 58 of the respondents represented by 71.6 percent agreed that United States interests

in Nigeria is because of oil resources, with 18 respondents disagreed represented by 22.2 percent, and only 5 respondents that were undecided. This is therefore showing that what some of the respondents are having interests on is an only political relation.

Also, from the data gathered using the instrument of questionnaire, it shows that the relations between Nigeria and United States plays little role in the economic development of Nigeria. Table 6 attests that the relation between the two countries is not helping in developing Nigeria's economy. From the table, 58 of the respondents represented by 71.6 percent said no that Nigerian economy developed because of the relations with United States. This suggests that the respondents only see the relations between Nigeria and United States happens because of global corporation but not to develop the economy.

Also, from the generated data, the result has shown that foreign investors invest in Nigeria because of the relations that exist between the two countries. This is represented in table 7, where from the table, 45 of the respondents represented by 57 percent agreed that number of investors increased in Nigeria because of Nigeria's relations with United States. Though 17 of the respondents did not agree with that, and 19 of the respondents were undecided. This suggests that 17 of the respondents are thinking that it is not because of the Nigeria-United States relations that foreign investors invest in Nigeria but may be because of the business and profit purposes.

## VI. CONCLUSION

In conclusion, this paper tried to make a clear explanation of the role of petroleum in the conduction of bilateral relations between Nigeria and the United States. It indicates that Nigeria also like other countries of the world had its fair of diplomatic relations with other countries of the world, which will enable Nigeria to corporate with other countries, and also for the purpose of national interests. In international system today, every country always deals with one another only if their national interests can come first, so therefore Nigeria took a step towards her bilateral relations with United States. From the analysed results, the paper can say that these relations have enjoyed the level of not only states but also the regional and continent as whole. A United States relation with Nigeria is something that was in existence the early age of Nigeria's independence. United States played serious role in helping Nigeria, and also moving Nigerian economy forward, particularly from the petroleum sector. Despite the fact that though Nigeria got little problem with United States during the civil war, where United States accused Nigeria of being human right abuse and use of power to deal with Igbo tribe, their relations were still at the apex in making sure that Nigeria did not use its power against the tribe, by not selling weapons to Nigerian government. Also, United States did not sell weapons to the tribe instead the United States help the tribe with humanitarian needs, and that happened because of the relations that exist between the two countries. Relation between the two countries is of more benefit to both the two

countries. Based on the information gathered, respondents agreed that Nigeria should still maintain her relations with United States; this shows that yes having economic relations with country like this always give positive impact on national interests. The paper also went further to traced how petroleum was found in Nigeria where oil drilling companies of United States contributed in bringing such development to life which is now the bedrock of the Nigerian economy. Though the oil companies are owned by the United States' citizens, but Nigeria benefited a lot with their existence in the country. On the other hand, the United States also benefits so this laid the background of the economic relations between the two countries.

## VII. RECOMMENDATION

Since result has shown that Nigerian economy is not developed because of her relations with United States, so therefore Nigeria should not place their bilateral economic relations not only on exchange of primary commodities, then therefore Nigeria should always place the focal acquisition of skills, technologies and capital investment for economic transformation.

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