

STRATEGIC OIL DIPLOMACY UNDER BUHARI: NAVIGATING THE GLOBAL ENERGY LANDSCAPE

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Abstract

Nigeria's economic vulnerability, rooted in its overdependence on oil exports, became especially pronounced during the administration of President Muhammadu Buhari (2015–2023). The period was marked by volatile crude oil prices, evolving global energy demands, intensifying OPEC dynamics, and a growing international shift towards cleaner energy. This study investigates the strategic trajectory of Nigeria's oil diplomacy under Buhari, focusing on how the administration navigated these turbulent global energy currents. Anchored in the Resource Diplomacy Theory, the research adopts a qualitative approach, drawing from policy documents, official statements, international reports, and secondary sources to analyze the patterns and implications of Buhari's oil diplomacy. The central objective is to evaluate the extent to which Nigeria's diplomatic efforts under Buhari succeeded in stabilizing its oil economy and repositioning the country within a changing global energy landscape. The study reveals that

Buhari reasserted Nigeria's influence within OPEC, brokered strategic bilateral oil agreements, pursued foreign investments in the domestic refining sector, and embraced regional trade frameworks like the African Continental Free Trade Area (AfCFTA) to diversify economic engagements. However, findings indicate that domestic structural inefficiencies, policy inconsistencies, and weak institutional capacity hampered the full realization of these efforts. The study is significant in understanding the intersection between resource dependency and international diplomacy, especially for resource-rich yet institutionally weak states. It concludes that while Buhari's oil diplomacy reflected strategic intent, its limited outcomes underscore the need for deeper governance reforms. The study recommends institutional strengthening and diversification as critical steps toward sustainable resource diplomacy.

Keywords: Oil Diplomacy, Global Energy Market, Energy Transition, Resource Diplomacy

Introduction

Nigeria's oil sector remains the cornerstone of its national economy, accounting for over 80% of government revenue and approximately 90% of export earnings¹. This deep dependence on a single commodity exposes the country to the vagaries of the international oil market, where price volatility, geopolitical tensions, and the accelerating transition to renewable energy sources continue to reshape global energy dynamics².

During President Muhammadu Buhari's tenure (2015–2023), these challenges became particularly acute. His administration was confronted by multiple external shocks, including the dramatic fall in oil prices in 2016, the economic disruptions caused by the COVID-19 pandemic, and the mounting international pressure for a transition to cleaner energy alternatives³. These developments not only threatened national revenue but also tested the resilience and adaptability of Nigeria's foreign policy apparatus.

In an effort to safeguard the country's economic interests and reposition Nigeria within the evolving global energy architecture, Buhari employed a multifaceted strategy. This included proactive bilateral engagements with key oil-importing nations, active participation in multilateral platforms such as OPEC and OPEC+, and domestic reforms aimed at improving refining capacity and attracting foreign investment into the energy sector⁴. Through these initiatives, Buhari sought to reassert Nigeria's influence in international oil diplomacy and mitigate the country's economic vulnerabilities amid a shifting global landscape.

Conceptual Clarifications

Oil Diplomacy

Oil diplomacy refers to the strategic deployment of petroleum resources, alliances, and negotiations by states to shape international relations, influence foreign policy decisions, secure stable markets, and protect or advance

national economic interests⁵. In oil-dependent economies like Nigeria, oil diplomacy becomes a critical instrument of statecraft. Through mechanisms such as bilateral oil agreements, participation in organizations like OPEC, and investment in transnational energy infrastructure, states seek to leverage their oil wealth not only as an economic asset but also as a political tool. The effectiveness of oil diplomacy hinges on the interplay between global market dynamics, national capacity, and the broader geopolitical environment.

Global Energy Market

The global energy market comprises a complex, interconnected system that encompasses the exploration, extraction, refining, distribution, pricing, and consumption of various energy resources including oil, natural gas, coal, and increasingly, renewables⁶. This market operates across regional and international boundaries, shaped by demand-supply fluctuations, technological advancements, environmental regulations, and geopolitical developments. The global energy market not only influences the economic stability of producing and consuming nations but also plays a pivotal role in international diplomacy and security strategies.

Energy Transition

Energy transition refers to the ongoing global shift from traditional fossil fuel-based energy systems—such as oil, coal, and natural gas—to low-carbon and renewable alternatives including solar, wind, hydro, and

bioenergy⁷. This transition is largely driven by climate change imperatives, technological innovation, and policy reforms aimed at achieving sustainable and inclusive energy systems. For oil-dependent countries like Nigeria, the energy transition presents both challenges and opportunities—necessitating adaptation in domestic energy policy, economic diversification, and diplomatic reorientation to remain relevant in a decarbonizing world.

Resource Diplomacy

Resource diplomacy is the broader practice through which states utilize their natural resources—such as oil, gas, minerals, and water—as tools of foreign policy and international engagement.⁸ This form of diplomacy encompasses not only the negotiation of trade agreements and the securing of investment but also efforts to manage cross-border resource conflicts, participate in international regulatory regimes, and exert soft power. In the context of oil, resource diplomacy includes a state's ability to wield its energy assets to negotiate favorable terms with foreign partners and to assert influence in global governance structures related to energy and trade.

Theoretical Framework: Resource Diplomacy Theory

This study is anchored in the Resource Diplomacy Theory, which provides a lens for understanding how nations endowed with abundant natural resources utilize them as strategic tools in the realm of international relations⁹. The theory posits that resource-rich states

often seek to convert their natural wealth—such as oil, gas, or minerals—into instruments of foreign policy, economic leverage, and geopolitical influence. By framing natural resources not just as economic commodities but also as diplomatic assets, the theory highlights how such states engage with the international system to pursue national interests.

In the context of Nigeria under President Muhammadu Buhari (2015–2023), the Resource Diplomacy Theory is particularly relevant. Nigeria's status as one of Africa's largest oil producers has historically given it a prominent role in global energy politics. During Buhari's administration, this was evident in Nigeria's efforts to assert leadership within the Organization of Petroleum Exporting Countries (OPEC), secure bilateral oil agreements, and attract foreign investments in the oil and gas sector, and support regional economic frameworks such as the African Continental Free Trade Area (AfCFTA).¹⁰

Despite persistent internal challenges such as corruption, policy inconsistency, and infrastructural deficits, the Buhari administration attempted to project Nigeria's oil wealth as a diplomatic advantage. The theory thus provides a useful framework for analyzing Nigeria's strategic behavior in global energy diplomacy, emphasizing the dual role of natural resources as both economic drivers and foreign policy tools.

Buhari's Strategic Engagement in Oil Diplomacy

President Muhammadu Buhari's administration (2015–2023) exemplified how a resource-rich state like Nigeria strategically deployed its oil wealth as a tool of foreign policy and international engagement. Despite facing profound economic and governance challenges at home, the Buhari administration consistently sought to harness oil as a diplomatic asset to bolster Nigeria's geopolitical relevance, secure economic stability, and negotiate favorable terms in a rapidly changing global energy landscape.

Reinforcing OPEC Engagement and Production Cuts

A cornerstone of Buhari's oil diplomacy was Nigeria's active engagement with the Organization of Petroleum Exporting Countries (OPEC) and the expanded OPEC+ alliance. Following the global oil price collapse in 2016 and again during the COVID-19-induced downturn in 2020, Buhari's administration strongly supported coordinated production cuts aimed at stabilizing oil prices and protecting the fiscal health of member states¹¹. These moves were not merely economic decisions but diplomatic acts rooted in resource diplomacy—seeking to leverage Nigeria's oil output as both a bargaining chip and a means of asserting influence in multilateral energy governance platforms.¹²

Nigeria's diplomatic engagements within OPEC bore fruit when it successfully secured special concessions that allowed it to maintain relatively higher production quotas compared to other member states. These

concessions acknowledged Nigeria's domestic economic vulnerabilities, including its reliance on oil revenues for budgetary sustainability and foreign exchange earnings.¹³ Such outcomes highlight the effectiveness of Buhari's strategic use of oil as a diplomatic tool to protect national interests within a rules-based global oil regime.

Bilateral Oil Deals and Strategic Partnerships

Beyond multilateralism, Buhari's administration actively pursued bilateral oil diplomacy to diversify Nigeria's trade partners and attract infrastructure investments. A notable example was the 2016 Memorandum of Understanding (MoU) signed with India, which entailed the supply of Nigerian crude oil in exchange for investment in Nigerian infrastructure, including refineries and pipelines¹⁴. This agreement exemplified resource diplomacy by turning Nigeria's crude oil exports into a lever for broader economic cooperation¹⁵.

Similar engagements were pursued with China, especially within the context of the Belt and Road Initiative (BRI), where Nigeria sought funding for critical energy and transport infrastructure in return for long-term energy cooperation.¹⁶ These strategic partnerships helped Nigeria navigate the post-oil boom era by tying its natural resource wealth to long-term foreign investment and political goodwill, demonstrating an intentional diplomatic recalibration centered on resource leverage.

Refining Capacity and Energy Sovereignty

Domestically, Buhari's oil diplomacy extended to improving Nigeria's refining capacity as a means of achieving energy sovereignty—a key tenet of resource diplomacy. For decades, Nigeria had paradoxically remained a major crude oil exporter yet an importer of refined petroleum products. To reverse this dependency, Buhari supported large-scale domestic refining initiatives, most notably the Dangote Refinery project, touted as the largest in Africa.¹⁷ In addition to backing private sector-led efforts, his administration also pursued public-private partnerships aimed at revamping the Port Harcourt, Warri, and Kaduna refineries.

These efforts were part of a broader resource diplomacy strategy that sought not just to trade oil but to transform Nigeria's role in the global value chain—from a raw material supplier to a competitive player in refined product markets. By reducing the import-export imbalance and creating a more integrated petroleum economy, Buhari aimed to enhance Nigeria's economic resilience and diplomatic bargaining power.¹⁸

Managing the Global Energy Transition

As international momentum built around decarbonization and climate change mitigation, Buhari's administration recognized the existential implications of the global energy transition for oil-dependent economies. Nigeria took an active role in advocating for a “just energy transition” in global forums, insisting that countries in the Global South, particularly in Africa,

should be granted the policy space to utilize their hydrocarbon resources for developmental goals before fully transitioning to renewable alternatives.¹⁹

The launch of Nigeria's Energy Transition Plan in 2022 was a culmination of this advocacy. The plan outlined a phased, inclusive approach to energy transformation that emphasized gas as a "transition fuel," while still acknowledging the long-term need for renewables²⁰. In resource diplomacy terms, this strategy signified an attempt to reposition Nigeria not just as a producer of oil, but as a responsible energy actor balancing development needs with global climate commitments. It allowed Nigeria to frame its natural resource use within a narrative of equitable growth and global justice, thus shaping its diplomatic identity in the energy discourse.

Therefore, Buhari's oil diplomacy, as interpreted through the Resource Diplomacy Theory, was a deliberate and multifaceted effort to assert Nigeria's agency in global energy politics. By engaging multilateral institutions like OPEC, forging bilateral oil-for-infrastructure deals, boosting domestic refining capacity, and navigating the complexities of the energy transition, Buhari demonstrated how oil could be wielded not only as an economic asset but also as a strategic diplomatic resource. While implementation challenges and domestic inefficiencies persisted, the administration's approach revealed a sophisticated understanding of the intersection between resource management and international diplomacy.

Constraints on Buhari's Oil Diplomacy

While President Muhammadu Buhari's oil diplomacy was ambitious and multifaceted, it was equally constrained by significant domestic and global challenges that limited its overall effectiveness. Applying the Resource Diplomacy Theory, which posits that resource-rich countries utilize natural resources to gain strategic advantages on the global stage, the Nigerian case under Buhari underscores a paradox: despite possessing vast oil wealth, structural inefficiencies and external pressures diluted the potential diplomatic leverage Nigeria sought to wield. These constraints reflect the critical interplay between internal governance dynamics and external systemic shifts that shaped the limits of Nigeria's resource diplomacy.

Domestic Constraints: Oil Theft, Vandalism, and Underinvestment

One of the most persistent obstacles to Buhari's oil diplomacy was the rampant oil theft and pipeline vandalism within Nigeria's oil-producing regions. These criminal activities significantly disrupted production volumes, with some reports indicating that Nigeria was losing over 100,000 barrels per day to theft at certain points.²¹ This not only undermined the credibility of Nigeria's commitments within OPEC and other bilateral frameworks but also eroded investor confidence. In the context of resource diplomacy, the state's inability to secure its oil infrastructure translated into a weakened bargaining position internationally, as diplomatic capital

is contingent on reliable and sustainable resource outputs.

Additionally, years of underinvestment in upstream oil exploration and production further constrained output. International oil companies (IOCs) gradually scaled down their operations in Nigeria due to operational risks, regulatory uncertainties, and environmental liabilities. The lack of fresh capital inflows into exploration activities meant that Nigeria struggled to maintain or expand its production base, thereby limiting the strategic utility of its oil in diplomatic engagements.

Bureaucratic Inefficiencies and the Petroleum Industry Act (PIA)

Efforts to reform the Nigerian oil sector were hampered by entrenched bureaucratic inefficiencies. While the passage of the long-awaited Petroleum Industry Act (PIA) in 2021 was a major legislative milestone, its implementation was marred by delays, unclear timelines, and institutional overlaps.²² The PIA aimed to create a more transparent and investor-friendly environment by restructuring the Nigerian National Petroleum Corporation (NNPC) and establishing clearer fiscal frameworks. However, slow and inconsistent implementation blunted its intended impact.

From a resource diplomacy perspective, such institutional inertia signaled to global partners that Nigeria remained a high-risk jurisdiction despite its resource wealth. The diplomatic strength of a resource-

rich country relies not only on the volume of resources it possesses but also on the efficiency of its governance structures in managing those resources. The Buhari administration's limited success in fully operationalizing the PIA illustrates how governance constraints can negate the potential advantages of resource diplomacy.

Global Constraints: Climate Commitments and Investment Hesitancy

Beyond Nigeria's borders, global shifts in energy policy and finance posed additional constraints. As climate change gained prominence on international agendas, major financial institutions, development banks, and private investors began reducing funding for fossil fuel-related projects. This trend was reinforced by commitments made under the Paris Agreement and various net-zero targets adopted by countries and corporations.²³

Consequently, Nigeria found it increasingly difficult to attract foreign investment into oil and gas infrastructure, even as it promoted large-scale projects like refinery upgrades and new pipelines. For instance, international reluctance to finance long-term oil projects reduced the viability of bilateral oil-for-infrastructure deals that were central to Buhari's resource diplomacy strategy. These global headwinds diminished Nigeria's capacity to convert its oil wealth into enduring diplomatic or economic advantages, especially in an era when clean energy narratives were redefining global energy diplomacy.

The Resource Diplomacy Dilemma

Taken together, these domestic and global constraints reflect a critical dilemma within the framework of resource diplomacy: the possession of natural resources alone does not guarantee diplomatic success or geopolitical influence. In Nigeria's case under Buhari, the utility of oil as a diplomatic instrument was repeatedly undercut by systemic weaknesses in governance, security, and institutional reform. Meanwhile, global decarbonization efforts altered the strategic value of hydrocarbons, placing Nigeria's oil-centric diplomacy at odds with emerging energy norms.

While Buhari's administration made concerted efforts to assert Nigeria's influence through OPEC, bilateral engagements, and refining reforms, the cumulative impact of theft, policy delays, and climate-related disinvestment revealed the fragility of a resource-dependent diplomatic strategy. To effectively deploy oil as a tool of foreign policy in the future, Nigeria must not only secure and modernize its oil sector but also diversify its diplomatic toolkit to adapt to a post-oil global order.

Conclusion

President Muhammadu Buhari's strategic oil diplomacy unfolded during a period of significant global energy upheaval, marked by price volatility, geopolitical tensions, and the accelerating push toward renewable energy. Anchored within the framework of Resource Diplomacy Theory, his administration pursued a

multifaceted approach aimed at reasserting Nigeria's influence in the global oil arena. This involved proactive engagement with OPEC and OPEC+ to stabilize markets, the negotiation of bilateral oil deals with strategic partners like India and China, and the promotion of domestic refining capacity through initiatives such as the Dangote Refinery and efforts to rehabilitate state-owned facilities.

These measures were designed to not only secure Nigeria's economic interests but also to reposition the country as a key player in the evolving global energy order. Buhari's advocacy for a "just energy transition" further reflected an attempt to balance Nigeria's development needs with international climate commitments, seeking room for continued hydrocarbon exploitation within global sustainability goals.

However, the impact of these strategies was limited by enduring domestic constraints, including oil theft, infrastructural decay, and regulatory inefficiencies—particularly the sluggish implementation of the Petroleum Industry Act. Moreover, the global shift in investor preferences away from fossil fuels constrained Nigeria's ability to attract long-term investment into the sector.

In sum, while Buhari's oil diplomacy achieved modest diplomatic gains and laid a foundation for future engagement, its long-term sustainability was undermined by structural weaknesses at home and shifting dynamics

abroad. For Nigeria to fully harness its oil resources as tools of foreign policy, it must address these foundational challenges and diversify its diplomatic and economic strategies in anticipation of a post-oil global economy.

Recommendations

1. Strengthen Domestic Oil Governance: Fully implement the Petroleum Industry Act and ensure transparency in revenue and production data.
2. Diversify Energy Diplomacy: Expand diplomatic focus to include gas and renewables, aligning with global energy trends.
3. Enhance Regional Energy Integration: Leverage AfCFTA to create new African energy trade corridors.
4. Improve Security in Oil-Producing Areas: Address oil theft and sabotage through technology and community engagement.
5. Negotiate Fair Energy Transition Terms: Continue advocating for financial and technical support to facilitate a just transition.

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