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INDIA-NIGERIA BILATERAL AGREEMENTS: ASSESSING THEIR IMPACT ON TRADE, SECURITY, AND GOVERNANCE

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Abstract: India and Nigeria have maintained strong diplomatic and economic ties over the years, leading to several bilateral agreements designed to enhance trade, security, and governance cooperation. However, the effectiveness of these agreements in fostering sustainable development and mutual benefits remains a subject of debate. This study examines the nature and impact of these agreements, assessing their contributions to economic growth, security collaboration, and governance structures in both countries.

The objective of this research is to analyze the extent to which these bilateral agreements have influenced key sectors and to identify challenges that may hinder their full implementation. Employing a qualitative research methodology, the study draws on official reports and scholarly literature to provide an in-depth evaluation of the agreements. The theoretical framework is anchored in international relations theories, particularly liberal institutionalism and dependency theory.

The study is significant as it provides insights into the strengths and limitations of India-Nigeria bilateral agreements, offering valuable perspectives for policymakers, scholars, and economic stakeholders. Findings suggest that while these agreements have facilitated increased trade and security collaboration, challenges such as bureaucratic bottlenecks, inconsistent policy implementation, and external economic pressures have limited their overall impact.

In conclusion, stronger institutional mechanisms and regular policy reviews are necessary to enhance the effectiveness of these agreements. It is recommended that both nations adopt a more strategic approach to bilateral cooperation, ensuring that agreements translate into tangible benefits for economic development, security stability, and governance improvements.

Keywords: Bilateral Agreements, Trade Relations, Security Cooperation, Governance

INTRODUCTION

India and Nigeria, two influential nations in the Global South, have maintained a long-standing relationship characterized by robust economic, diplomatic, and cultural ties. Their historical interactions date back to the colonial era, evolving into a strategic partnership that has significantly shaped bilateral engagements. Nigeria is India's largest trading partner in Africa, while India remains a key importer of Nigerian crude oil and a major investor in various sectors, including pharmaceuticals, information technology, manufacturing, and education[1]. These economic exchanges have been reinforced by a series of bilateral agreements aimed at enhancing trade, security, and governance cooperation.

Over the years, both nations have signed multiple agreements designed to foster economic development, improve security collaboration, and strengthen governance structures. These agreements cover a wide range of areas, including trade liberalization, investment protection, defense cooperation, and diplomatic engagements. However, despite the formalization of these agreements, their actual impact on economic growth, security stability, and governance reforms remains a subject of ongoing scholarly discourse[2]. While some scholars argue that these agreements have facilitated mutual benefits and deeper integration, others contend that bureaucratic inefficiencies, policy inconsistencies, and external economic pressures have hindered their full implementation.

Given the strategic importance of India-Nigeria relations in the broader context of South-South cooperation, it becomes imperative to critically assess the effectiveness of these agreements. This study seeks to evaluate the extent to which India-Nigeria bilateral agreements have influenced key sectors, identify the challenges that impede their full realization, and provide policy recommendations for strengthening bilateral cooperation. Through this assessment, the research aims to contribute to the broader discourse on international economic partnerships and their implications for sustainable development in the Global South.

Conceptual Clarifications

A clear understanding of key concepts is essential for comprehensively analyzing the nature and impact of India-Nigeria bilateral agreements. This section provides precise definitions of the fundamental terms that shape this study.

Bilateral Agreements

Bilateral agreements are legally binding arrangements between two sovereign states, established to advance mutual interests in various sectors such as trade, security, and governance[3]. These agreements serve as frameworks for cooperation, ensuring that both parties benefit from structured economic exchanges, security partnerships, and governance collaborations. In the context of India-Nigeria relations, bilateral agreements have played a crucial role in fostering diplomatic engagement and economic growth, while also addressing shared challenges in security and governance.

Trade Relations

Trade relations refer to the exchange of goods and services between nations, shaped by policies on tariffs, trade regulations, and economic partnerships[4]. These relations are fundamental to economic diplomacy, influencing market access, investment flows, and industrial development. India and Nigeria's trade relations are anchored in the exchange of crude oil, manufactured goods, pharmaceuticals, and technology, facilitated through bilateral agreements that aim to enhance economic cooperation and investment opportunities.

Security Cooperation

Security cooperation encompasses agreements between nations on defense collaboration, intelligence sharing, counterterrorism initiatives, and joint law enforcement efforts[5]. Given the evolving security threats in both regions, India and Nigeria have engaged in security partnerships to combat terrorism, maritime piracy, and transnational crime. These agreements aim to strengthen defense ties through capacity-building programs, military training, and intelligence exchanges, fostering a more stable and secure environment for both countries.

Governance

Governance refers to the mechanisms, institutions, and processes through which authority is exercised, public resources are managed, and policies are implemented[6]. Effective governance is central to national development, shaping economic policies, public administration, and institutional efficiency. In India-Nigeria bilateral relations, governance cooperation includes policy dialogues, institutional reforms, and capacity-building initiatives aimed at improving transparency, accountability, and administrative efficiency in both nations.

By defining these key concepts, this study provides a foundational understanding of the components that shape India-Nigeria bilateral agreements. These definitions will serve as the basis for assessing their effectiveness in fostering economic, security, and governance collaborations.

Theoretical Framework

The analysis of India-Nigeria bilateral agreements requires a robust theoretical foundation to understand the dynamics of international cooperation, economic interactions, and power relations. This study is anchored on two key international relations theories—Liberal Institutionalism and Dependency Theory. These theoretical perspectives provide insights into the motivations, effectiveness, and implications of bilateral agreements between the two nations.

Liberal Institutionalism

Liberal Institutionalism asserts that international cooperation through agreements, institutions, and structured engagements fosters mutual benefits, economic stability, and conflict reduction[7]. This theory challenges the realist assumption that international relations are inherently anarchic and competitive, instead emphasizing that states can achieve shared goals through diplomatic engagements and institutional frameworks.

In the context of India-Nigeria relations, Liberal Institutionalism provides a lens through which to analyze the role of bilateral agreements in promoting trade expansion, security collaboration, and governance reforms. By formalizing agreements in areas such as economic partnerships, defense cooperation, and policy exchanges, both nations create structured mechanisms that facilitate long-term stability and development. The presence of international regulatory frameworks, such as the World Trade Organization (WTO) and the African Continental Free Trade Area (AfCFTA), further supports the institutional ist perspective that cooperative agreements lead to economic and strategic gains for all parties involved.

Applying this theory to India-Nigeria relations helps assess the effectiveness of their bilateral engagements in fostering a balanced and sustainable partnership. It allows for an evaluation of how institutionalized cooperation enhances economic diversification, strengthens security mechanisms, and promotes governance reforms to benefit both nations.

Dependency Theory

Dependency Theory offers a critical perspective on economic interactions between developed and developing nations, arguing that such relationships often result in structural inequalities where less developed countries remain economically dependent on more powerful economies[8]. This theory, rooted in Marxist economic thought, contends that global trade and investment patterns tend to perpetuate the dominance of industrialized nations while keeping resource-rich but structurally weaker economies in a cycle of dependency.

In the case of India and Nigeria, Dependency Theory raises important questions about whether bilateral agreements promote equitable economic development or reinforce asymmetrical dependencies. Nigeria, as a major exporter of crude oil, relies significantly on India as a key market for its petroleum resources. Conversely, India, with its advanced industrial and technological base, exports manufactured goods, pharmaceuticals, and services to Nigeria. This economic structure suggests a trade imbalance where Nigeria predominantly supplies raw materials while India provides finished products, mirroring the traditional core-periphery model described by Dependency Theory.

By applying this framework, this study critically examines whether India's economic engagement with Nigeria fosters long-term industrial growth, knowledge transfer, and economic diversification or whether it maintains an extractive relationship that limits Nigeria's ability to achieve self-sufficiency. Additionally, the theory helps in analyzing whether the agreements between the two nations address structural inequalities or merely reinforce Nigeria's dependence on external markets and technology.

The integration of Liberal Institutionalism and Dependency Theory provides a comprehensive approach to assessing India-Nigeria bilateral agreements. While Liberal Institutionalism highlights the benefits of structured cooperation and institutionalized engagements, Dependency Theory raises concerns about the potential risks of economic asymmetry and structural dependency.

By applying both perspectives, this study seeks to offer a balanced evaluation of how these agreements shape economic, security, and governance relations between India and Nigeria.

India-Nigeria Bilateral Agreements and Their Impact:

India and Nigeria have established multiple bilateral agreements over the years, primarily focused on trade, security cooperation, and governance. These agreements align with the principles of Liberal Institutionalism, which emphasizes the role of structured cooperation in fostering economic growth, security stability, and institutional development. At the same time, Dependency Theory provides a critical perspective on the extent to which these agreements promote equitable partnerships or reinforce Nigeria's dependence on India for economic and technological advancement.

Trade Agreements and Economic Relations

Trade agreements between India and Nigeria have been pivotal in strengthening economic relations, with key agreements including the Double Taxation Avoidance Agreement (DTAA) and the Bilateral Trade Agreement of 1971, which facilitate smoother business transactions[9].

Impact on Trade Volume

Since the early 2000s, trade between the two nations has expanded significantly, surpassing $15 billion in 2022[10]. This aligns with Liberal Institutionalism, as these agreements have institutionalized economic cooperation, reduced trade barriers, and facilitated greater economic interdependence. However, Dependency Theory raises concerns regarding the composition of trade, as Nigeria's exports to India remain largely dominated by crude oil, with limited value-added exports. This pattern reflects a traditional core-periphery relationship where Nigeria primarily supplies raw materials, while India, with a more diversified industrial base, exports finished goods and technology, reinforcing economic asymmetry.

Foreign Direct Investment (FDI)

India has emerged as a leading investor in Nigeria's telecommunications, pharmaceuticals, and energy sectors and companies such as Bharti Airtel and Tata Group have established significant operations in Nigeria, contributing to job creation, skills development, and technology transfer[11]. This aligns with Liberal Institutionalism, as foreign investment fosters economic growth, enhances industrial capacity, and encourages knowledge exchange. However, Dependency Theory cautions that while Indian investments create jobs and transfer some technology, they may also result in profit repatriation, limited local ownership, and continued reliance on foreign expertise, restricting Nigeria's ability to develop self-sustaining industries.

Security Agreements and Cooperation:

Security cooperation between India and Nigeria has been reinforced through several agreements, notably:

Memorandum of Understanding (MoU) on Defense Cooperation (2007) – which focuses on military training, joint exercises, and intelligence sharing[12].

Counterterrorism Agreement (2016) – aimed at combating extremist threats, particularly those posed by Boko Haram[13].

These agreements reflect Liberal Institutionalism, as they institutionalize cooperation to address shared security challenges and promote stability.

Enhancing Military Training

Through these agreements, India has provided extensive training programs for the Nigerian military, strengthening its counterinsurgency operations and capacity to handle asymmetric warfare[14]. From a Liberal Institutionalist perspective, this fosters long-term strategic collaboration, allowing both nations to enhance security through structured cooperation. However, Dependency Theory suggests that such training programs may create long-term reliance on Indian expertise and defense support, rather than developing Nigeria's indigenous military-industrial complex.

Intelligence Sharing and Anti-Terrorism Efforts

India and Nigeria have also engaged in intelligence-sharing initiatives to improve counterterrorism efforts, particularly in combating insurgency and maritime piracy in the Gulf of

Guinea[15]. While this reflects Liberal Institutionalism in terms of mutual security benefits, Dependency Theory questions whether Nigeria's security infrastructure is becoming excessively reliant on external collaborations instead of building independent capabilities.

Governance and Institutional Development:
India and Nigeria have collaborated on governance improvements through knowledge-sharing initiatives, focusing on e-governance, public sector reforms, and capacity-building programs[16].

E-Governance and Digital Transformation
India's Technical and Economic Cooperation (ITEC) program has been instrumental in advancing Nigeria's digital governance, particularly in the banking and public service sectors[17]. This aligns with Liberal Institutionalism, as structured cooperation leads to the diffusion of best practices, technological advancements, and institutional reforms. However, Dependency Theory argues that while such initiatives bring technological improvements, they may also create digital dependencies where Nigeria remains reliant on Indian expertise for sustaining and upgrading its e-governance infrastructure.

Challenges in Governance Collaboration
Despite these efforts, Nigeria continues to face significant governance challenges, including corruption and weak institutional frameworks, which hinder the full realization of governance-related agreements[18]. While Liberal Institutionalism suggests that cooperation can help address these challenges through policy exchange and administrative reforms, Dependency Theory warns that external interventions may not effectively address deep-rooted governance inefficiencies, especially if domestic political structures remain weak.

Challenges to India-Nigeria Bilateral Agreements:
Despite the benefits of these agreements, several challenges persist, affecting their overall effectiveness.

Trade Imbalance
Nigeria's heavy reliance on oil exports to India limits economic diversification[19]. Liberal Institutionalism suggests that bilateral agreements can help Nigeria integrate into broader economic frameworks and expand its industrial base. However, Dependency Theory highlights the risk of Nigeria remaining a raw material supplier, reinforcing an export structure that favors India's industrial growth at the expense of Nigeria's economic diversification.

Bureaucratic Delays
The slow implementation of agreements due to bureaucratic inefficiencies hinders their effectiveness[20]. Liberal Institutionalism suggests that improved institutional frameworks and policy coordination can enhance implementation. However, Dependency Theory warns that structural weaknesses in governance may perpetuate inefficiencies, making agreements less impactful.

Security Threats
The persistent threat of terrorism and piracy in the Gulf of Guinea remains a major obstacle to security cooperation[21]. While Liberal Institutionalism advocates for increased defense collaboration and intelligence-sharing, Dependency Theory questions whether Nigeria is developing sustainable security mechanisms or merely relying on foreign expertise.

India-Nigeria bilateral agreements have fostered significant economic, security, and governance partnerships. Liberal Institutionalism highlights the benefits of these structured agreements in enhancing trade, security collaboration, and governance reforms. However, Dependency Theory raises critical concerns about whether these agreements create a balanced partnership or reinforce Nigeria's economic and technological reliance on India. Addressing trade imbalances, enhancing self-sufficiency in security, and strengthening governance structures will be crucial for ensuring that these agreements yield equitable and sustainable outcomes for both nations.

Conclusion
India-Nigeria bilateral agreements have played a crucial role in shaping economic, security, and

governance relations between the two nations. Over the years, these agreements have facilitated increased trade volumes, enhanced security cooperation, and promoted governance collaboration. However, their overall effectiveness remains mixed, with both successes and challenges.

In the area of trade, bilateral agreements have led to a significant rise in trade volume . India's position as Nigeria's largest trading partner in Africa underscores the strength of their economic ties. However, a major challenge remains—economic diversification. Nigeria's heavy reliance on crude oil exports to India highlights the need for broader industrialization and value-added production to ensure a more balanced and sustainable trade relationship. While Liberal Institutionalism suggests that trade agreements can help expand economic opportunities through structured cooperation, Dependency Theory warns that Nigeria's role as a supplier of raw materials perpetuates an unequal economic structure that benefits India more than Nigeria.

In terms of security cooperation, India and Nigeria have signed key agreements, such as the Memorandum of Understanding (MoU) on Defense Cooperation (2007) and the Counterterrorism Agreement (2016), which have facilitated military training, intelligence sharing, and counterterrorism efforts. These agreements have strengthened Nigeria's ability to combat insurgency, particularly against Boko Haram and piracy in the Gulf of Guinea. However, despite these efforts, security threats persist due to bureaucratic inefficiencies and evolving threats from extremist groups. Liberal Institutionalism underscores the importance of international cooperation in enhancing security, but Dependency Theory questions whether such reliance on foreign expertise hinders Nigeria's ability to develop an independent and self-sustaining security framework.

On the governance front, India has contributed to Nigeria's institutional development, particularly through programs such as the Indian Technical and Economic Cooperation (ITEC), which has supported e-governance initiatives and digital transformation. While these initiatives offer promising opportunities for administrative efficiency, their full impact is limited by weak institutional frameworks and corruption, which remain significant barriers to effective governance reforms. While Liberal Institutionalism argues that structured governance cooperation can drive institutional improvements, Dependency Theory warns that reliance on external technical assistance may slow down Nigeria's capacity to independently implement governance reforms.

In conclusion, India-Nigeria bilateral agreements have yielded significant benefits but also present structural challenges. To maximize the benefits of these agreements, Nigeria must diversify its economy, strengthen its security apparatus, and enhance governance institutions. Ensuring a more balanced and sustainable partnership will require strategic policy adjustments, domestic capacity-building, and a long-term vision for self-sufficiency.

Recommendations

1. Diversification of Trade – Nigeria should expand its export base beyond crude oil by developing its manufacturing, agriculture, and technology sectors to maximize trade benefits and reduce economic dependence on oil exports.
2. Strengthening Security Cooperation – Both countries should enhance intelligence-sharing mechanisms, expand joint military training programs, and improve counterterrorism strategies to address security threats such as insurgency and piracy.
3. Encouraging Foreign Direct Investment (FDI) – Nigeria should create a more business-friendly environment by improving infrastructure, reducing bureaucratic bottlenecks, and offering incentives to attract more Indian investments in sectors like healthcare, energy, and information technology.
4. Enhancing Bilateral Trade Policies – Both nations should review and update existing trade agreements to ensure fairer trade terms, reduce trade barriers, and create opportunities for Nigerian industries to compete effectively in global markets.

5. Expanding Educational and Technological Cooperation – Nigeria should leverage India's expertise in education, science, and technology by increasing student exchange programs, research collaborations, and digital skill development initiatives.
6. Improving Governance Reforms – Nigeria must implement stronger anti-corruption measures, promote public sector transparency, and strengthen institutional frameworks to fully benefit from governance collaboration with India.
7. Infrastructure Development – Both countries should enhance cooperation in infrastructure projects, including transportation, energy, and digital connectivity, to support trade and investment growth.
8. Regular Bilateral Engagements – India and Nigeria should establish a more structured and frequent dialogue mechanism to assess the progress of agreements, address implementation challenges, and explore new areas of cooperation.

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