



Nigeria

&

OIL DEPENDENCY

Assessing the development myth



Researcher
Adesuwa Jang

Editor
Precious Ucheawaji

This is a publication of

Health of Mother Earth Foundation (HOMEF)
30, 19th Street, off Ugbowo-Lagos Road, Ugbowo
Benin City 300212 Nigeria
(C) HOMEF 2026
<https://homef.org>

Contents

Abbreviations.....	3
List of Tables.....	5
List of Figures.....	5
Acknowledgements	6
Executive Summary	7
INTRODUCTION	9
1.1 Background to Nigeria’s Oil Dependency	9
1.2 The Development Myth and the Resource Curse	9
1.3 Objectives and Scope of the Study.....	10
1.4 Methodology and Sources	10
Historical Foundations of Oil Dependency	11
2.1 Colonial Legacy and Legal Frameworks	11
2.2 The Otuabagi Discovery and Post-Independence Oil Boom.....	12
2.3 Evolution of the Nigerian National Petroleum Corporation (NNPC); From Participation to Control ...	14
Economic Implications of Oil Dependency	16
3.1 Oil’s Contribution to Nigeria’s GDP, Revenue, and Exports	16
3.2 Dutch Disease and Sectoral Imbalances	18
3.3 Oil Price Volatility and Fiscal Instability.....	19
Government Failures and Institutional Weaknesses	20
4.1 Rentier State Dynamics and Weak Accountability.....	20
4.2 Systemic Corruption and Oil Revenue Mismanagement	20
4.3 Transparency and the Petroleum Industry Act (PIA) Reforms	21
Social and Environmental Costs	23
5.1 Poverty and Inequality in Oil-Producing Regions.....	23
5.2 Environmental Degradation: Oil Spills and Gas Flaring.....	24
5.3 Public Health Impacts.....	28
5.4 Conflict and Militancy in the Oil Producing States	29
5.5 Corporate Accountability and Oil Company Divestments.....	29
Policy Frameworks and Diversification Attempts	30
6.1 Historical and Recent Diversification Policies (SAP, ERGP, MTNDP).....	30

6.2 Analysis of the Petroleum Industry Act (2021)	30	6.3
Local Content Development Initiatives.....	31	
6.4 Barriers to Policy Implementation and Structural Constraints	32	
The Role of Civil Society and Environmental Advocacy	34	
7.1 Contributions of CSOs (e.g., HOMEF, MOSOP, Amnesty International).....	34	
7.2 UNEP Reports and Local Mobilization	35	
7.3 Environmental Justice and the Push for a Just Transition	36	
Comparative Lessons from Oil-Rich Nations	38	
8.1 Norway: Strong Institutions and Prudent Resource Management	38	
8.2 Saudi Arabia: Vision 2030 and Economic Diversification	38	
8.3 Comparative Analysis: Nigeria vs. Norway	39	
8.4 Institutional Prerequisites for Avoiding the Resource Curse (e.g., Costa Rica, Vietnam)	40	
Policy Recommendations	42	
9.1 Transition Strategies	42	
9.1.1 Phasing Out Fossil Fuel Subsidies: Ensuring Effective Resource Allocation.....	42	
9.1.2 Strengthening Alternative Revenue Streams and Industrial Policies	43	
9.2 Energy Transition Framework	44	
9.2.1 Advancing Renewable Energy Infrastructure	44	
9.2.2 Institutional Restructuring for Sustainable Industries	44	
9.3 Governance and Institutional Reforms	45	
9.3.1 Enhancing Transparency in Oil Revenue Management	45	
9.3.2 Strengthening Anti-Corruption Mechanisms	45	
Based on the foregoing analysis, the following actionable recommendations are proposed:	48	
10.1 Strengthening Institutions and Anti-Corruption Mechanisms	48	
10.2 Enhancing Fiscal Responsibility and Economic Diversification	48	
10.3 Environmental Protection and Community Inclusion	49	
10.4 Reinventing the Social Contract through Resource Governance	49	
Conclusion	50	
11.1 Summary of Findings	50	
11.2 Reframing Nigeria’s Development Strategy Beyond Oil	50	
Endnotes	52	
About HOMEF	59	

Abbreviations

BPP: Bureau of Public Procurement

CCSI: Centre for Communication and Social Impact

CISLAC: Civil Society Legislative Advocacy Centre

CRS: Corporate Social Responsibility

CSOs: Civil Society Organizations

EFCC: Economic and Financial Crimes Commission

EIA: Environmental Impact Assessment

ERA: Environmental Rights Action

ERGP: Economic Recovery and Growth Plan

FDI: Foreign Direct Investment

FPIC: Free Prior and Informed Consent

GDP: Gross Domestic Product

HOMEF: Health of Mother Earth Foundation

ICPC: Independent Corrupt Practices and Other Related Offences Commission

IMF: International Monetary Fund

IOCs: International Oil Companies

LCs: Local Content Policies

MEND: Movement for the Emancipation of the Niger Delta

MNCs: Multinational Corporations

MOSOP: Movement for the Survival of the Ogoni People

MTNDP: Medium-Term National Development Plan

NBS: National Bureau of Statistics

NCDMB: Nigerian Content Development and Monitoring Board

NDDC: Niger Delta Development Commission

NEEDS: National Economic Empowerment and Development Strategy

NEITI: Nigeria Extractive Industries Transparency Initiative

NIRP: National Industrial Revolution Plan

NNOC: Nigerian National Oil Corporation

NNPC: Nigerian National Petroleum Corporation

NOSDRA: Nigerian Oil Spill Detection and Response Agency

NOGICDA: Nigerian Oil and Gas Industry Content Development Act

OPEC: Organization of the Petroleum Exporting Countries

PAHs: Polycyclic Aromatic Hydrocarbons

PIA: Petroleum Industry Act

PPT: Petroleum Profit Tax

R&D: Research and Development

RMAFC: Revenue Mobilization Allocation and Fiscal Commission

SAP: Structural Adjustment Programme

SMEs: Small and Medium-sized Enterprises

SPDC: Shell Petroleum Development Company

STEM: Science, Technology, Engineering, and Mathematics

UNDP: United Nations Development Programme

UNEP; United Nations Environment Programme

List of Tables

Table 1: Nigeria's Economic Contribution by sector (Oil vs. Non-Oil)

Table 2: Comprehensive Analysis of Resource Management Strategies (Nigeria vs. Norway)

List of Figures

Figure 1: Quarterly Contribution of the Oil and Natural Gas Sector to Nigeria's GDP (Q4 2018 – Q3 2023)
NBS

Figure 2: Nigeria's Oil Revenue vs Non-Oil Revenue (₦ Trillion): 2016–2021

Figure 3: Quarterly Contribution of the Oil and Natural Gas Sector to Nigeria's GDP (Q4 2018 – Q3 2023)

Figure 4: Nigeria's Poverty Trend: Population Headcount vs. Poverty Rate (1985–2022F)

Figure 5: Poverty Headcount and Number of poor people in Nigeria 2019 – 2022

Figure 6: Trends in Oil Spills and Economic Losses in Nigeria (1990–2022)

Figure 7: Nigerian oil spill totals from 1970 to 2021

Figure 8: Nigeria's Expenditure on subsidy between 2005 and 2021

Acknowledgements

This research was conducted by Adesuwa Jang for the Health of Mother Earth Foundation (HOMEF), examining Nigeria's oil dependency and the enduring myth of development associated with extractive economies. The study benefited from institutional support and collaboration within HOMEF, particularly through access to internal reports, field documentation, and organisational archives that informed the primary data and narratives analysed.

We express our gratitude for the effort and diligence put into this work.

Executive Summary

This research paper, Nigeria and Oil Dependency: Assessing the Development Myth, assesses the persistent paradox that defines Nigeria's experience with oil wealth. Despite being Africa's largest oil producer and a significant global supplier, Nigeria remains mired in underdevelopment, poverty, environmental degradation, and institutional failure. The study explores how post-independence Nigeria evolved into a rentier state, characterised by an economy overly reliant on oil revenues and plagued by mismanagement and elite-driven corruption. Through a thorough review of literature and historical evidence, the paper uncovers the entrenched socio-political structures and global capitalist dynamics that have perpetuated this dependency.

The historical trajectory of Nigeria's oil economy reveals how colonial extraction patterns and post-independence policies institutionalised oil as the country's primary economic engine. These policies marginalised other productive sectors and anchored national growth to volatile international oil markets. As a result, oil revenues supplanted taxation as the principal source of state income, reinforcing a rentier state dynamic that prioritised elite accumulation over broad-based development. Nigeria's global positioning as a key oil exporter further entrenched this model, exposing the nation to market shocks and undermining long-term planning.

The study highlights several challenges that stem from this oil dependency. Economically, it has weakened the growth of alternative sectors, distorted revenue generation, and exacerbated fiscal instability. Politically, it has fostered rent-seeking behaviour, corruption, and elite capture, while weakening governance institutions and blocking essential reforms. Environmentally, the Niger Delta Nigeria oil hub has been devastated by spills, gas flaring, and land degradation, fuelling conflict and deepening social injustice. Collectively, these outcomes have left Nigeria vulnerable to climate change and hindered progress toward sustainable development.

Guided by a set of objectives, the report seeks to understand how oil dependency has evolved, its broader implications, and the efficacy of policy responses. The study poses critical questions about the structural drivers of oil reliance, the real developmental value of oil wealth, the socio-environmental costs of dependency, and viable pathways for economic diversification. It aims to provide actionable insights that can inform Nigeria's transition away from fossil fuel reliance.

Among its key findings, the research identifies structural and institutional weaknesses as central to Nigeria's predicament. Oil revenues have discouraged investment in other sectors, while global market volatility has repeatedly disrupted national planning. The state's reliance on oil has also allowed narrow political elite to monopolise wealth, stifle innovation, and perpetuate inequality. Moreover, the ecological consequences of oil extraction have left a trail of environmental and human suffering, particularly in the oil-producing regions. With climate change risks escalating, Nigeria's lack of investment in renewables further compounds its vulnerability.

In response, the study proposes a comprehensive three-pronged policy framework to address Nigeria's oil dependency. The first pillar, Transition Strategies, calls for a phased removal of fossil fuel subsidies, accompanied by social protection measures and strategic reinvestment in health, education,

infrastructure, and renewable energy. It also emphasises the need to broaden the tax base, support small and medium enterprises, and diversify into sectors such as agriculture, technology, and manufacturing.

The second pillar, Energy Transition Framework, advocates for the development of a national roadmap to integrate solar, wind, hydro, and bioenergy into the energy mix. It recommends fiscal incentives to attract investment in renewables, upgrading the power grid, and creating decentralized mini-grids to ensure energy access. Institutional reforms include the establishment of independent renewable energy agencies and the incorporation of sustainability goals into national planning. Strengthening public-private partnerships in clean technology research is also emphasized.

The third pillar, Governance and Institutional Reforms, focuses on enhancing transparency in oil revenue management through real-time digital monitoring systems and independent auditing. It calls for empowering anti-corruption agencies such as the EFCC, ICPC, NEITI, and BPP to enforce accountability. Legal reforms and alignment with international anti-corruption standards are proposed, alongside the use of data analytics for early detection of financial anomalies and misappropriation.

In addition to policy recommendations, the study underscores the importance of coordinated Advocacy Strategies. It advocates for robust legal and institutional reforms that promote transparency, economic diversification, and responsible energy transition. Public awareness campaigns are essential to educate citizens on the implications of oil dependency and mobilize civil society for active policy monitoring. International collaboration with climate finance institutions and development partners is also crucial for sustaining momentum.

This research debunks the myth of oil-led development in Nigeria and reveals a stark reality of economic stagnation, environmental degradation, and governance failure. However, it also offers a hopeful pathway forward. With bold reforms, strategic investments, and inclusive governance, Nigeria can transition to a diversified, climate-resilient economy. The vision presented in this study is one of a nation that reclaims its future rooted not in fossil fuel dependency, but in innovation, sustainability, and equity.

INTRODUCTION

1.1 Background to Nigeria's Oil Dependency

Natural resources are critical drivers of economic development among nations that possess them, and the role of these resources for economic, political, and social stability has been a subject of scholarly debate worldwide. (Barma et al., 2012). Natural resources such as crude oil and other mineral resources are a source of a nation's wealth if properly harnessed and managed. This resource endowment varies according to geography. Nigeria, richly endowed with vast crude oil reserves, stands as Africa's foremost oil producer, having generated over \$1 trillion in revenue since the 1970s. (Ibadoglu, 2024). This immense financial inflow, however, presents a perplexing paradox. Despite its substantial wealth, Nigeria remains profoundly affected by pervasive poverty, systemic underdevelopment, and rampant corruption. 2 million of Nigerians endure dire living conditions, characterized by inadequate infrastructure, unreliable power supply, substandard healthcare facilities, and persistently high unemployment rates. 2 This stark contrast between resource abundance and widespread deprivation forms the core of Nigeria's development challenge.

Nigeria's oil dependency refers to the country's heavy reliance on crude oil as the primary source of national revenue, foreign exchange earnings, and economic sustenance. Since the commercial discovery of oil in Oloibiri in 1956, petroleum has dominated Nigeria's economy, accounting for over 80% of export earnings and nearly 60% of government revenue. This dependency has resulted in a mono-economy, where other critical sectors like agriculture, manufacturing, and solid minerals are underdeveloped or neglected. Despite Nigeria's vast oil wealth, which accounts for roughly 75–90% of its export earnings and over 60% of federal revenues, this dependence has not translated into sustained development or economic transformation (Leadership Scorecard 2024). Instead, the oil sector remains an enclave—capital-intensive, low in labour absorption, and weakly connected to manufacturing or agriculture, while non-oil sectors stagnate. This structural over-reliance has entrenched fiscal vulnerability, exposed the economy to volatile oil price shocks, and impaired long-term growth (Asekunowo 2012).

The national economy exhibits a profound reliance on oil, with crude oil consistently accounting for over 90% of export earnings and a substantial 60-80% of government revenues. This disproportionate dependence renders Nigeria exceptionally vulnerable to external economic shocks, particularly the volatile fluctuations in global oil prices. 3 4

1.2 The Development Myth and the Resource Curse

The "resource curse," also known as the "paradox of plenty," describes a phenomenon where countries endowed with abundant natural resources paradoxically experience economic stagnation, weak institutions, heightened corruption, and increased inequality, rather than achieving widespread prosperity. Nigeria is frequently cited as a prime example, or "poster child," of this unfortunate paradox. The "development myth" specifically refers to the unfulfilled promise and widespread belief that Nigeria's vast oil wealth would inevitably translate into broad-based national prosperity and sustainable, inclusive development for its populace. 9 This research argues that the "development myth" is not merely a false expectation but functions as a self-perpetuating cycle. The belief that oil should bring prosperity, combined with the actual failure to achieve it, creates a justification for continued focus on the oil sector.

This sustained emphasis on oil, despite its negative externalities and inherent volatility, diverts critical attention, political will, and financial resources away from genuine economic diversification and the strengthening of essential institutions. The statement by former military Head of State General Yakubu Gowon, "Money is not Nigeria's problem, but how to spend it" ⁹, reflects a fundamental misunderstanding of resource management. This mind-set fostered reckless spending and mismanagement, which in turn reinforced the lack of development, making it increasingly difficult to break the cycle. The development myth thus becomes a self-reinforcing loop: the failure to develop because of oil wealth (the resource curse) leads to a deeper reliance on that same volatile wealth, further hindering the necessary structural and institutional reforms. This suggests a deeper, almost cultural, entrenchment of the "curse" beyond purely economic mechanisms.

Furthermore, the interconnectedness of oil dependency and governance failures was present from the very outset of oil exploitation in Nigeria. Colonial policies, such as the 1907 ordinance and the 1914 Mineral Act, granted the British government and later foreign companies' extensive control over mineral resources, often without accountability to local populations. This established a precedent of centralized control, secrecy, and non-transparency in revenue management. This ethos was subsequently inherited and entrenched by post-independence regimes. ¹¹ This indicates that the foundational legal and institutional frameworks for oil governance in Nigeria were inherently flawed from their inception, not merely a post-independence failure. The lack of accountability and transparency was, in essence, designed into the system before Nigeria gained full sovereignty over its resources. This created a path-dependent rent-seeking environment ^{9 11}, where the mechanisms for elite capture of oil wealth were already in place, making it exceedingly difficult to pivot towards genuine national development. The "development myth" is thus rendered more tragic, as the very structure for managing wealth was initially configured to benefit external powers and subsequently co-opted by a domestic elite, rather than being built for inclusive development.

1.3 Objectives and Scope of the Study

This paper assesses the historical evolution, economic consequences, pervasive governance failures, severe social and environmental costs, and the inherent limitations of past diversification efforts that have collectively perpetuated Nigeria's deep-seated oil dependency and the enduring development myth. Furthermore, it draws critical lessons from the experiences of other oil-rich nations to propose viable pathways for achieving sustainable and equitable development in Nigeria.

1.4 Methodology and Sources

This paper draws on a comprehensive review of academic literature, policy papers, government reports, civil society publications, and international agency documents. These sources provide robust data and qualitative insights into Nigeria's oil economy, governance issues, and socio-environmental challenges. Key sources include works by the World Bank, UNEP, Amnesty International, the Health of Mother Earth Foundation (HOMEF), and the Movement for the Survival of the Ogoni People (MOSOP).

The research adopts a multidisciplinary approach combining historical analysis, institutional critique, economic review, and comparative case studies to provide a holistic understanding of Nigeria's oil dependency and its implications for sustainable development.

Historical Foundations of Oil Dependency

2.1 Colonial Legacy and Legal Frameworks

The trajectory of oil in Nigeria reflects a deep entanglement with colonial extraction and post-independence state-building. After the 1956 discovery of oil in Oloibiri, petroleum quickly became the country's economic mainstay. By the 1970s, soaring oil prices and expanding output transformed Nigeria into a major exporter and ushered in a flood of state revenue.

Post-independence governments, particularly under military rule, entrenched state control over the sector, consolidating ownership through nationalization and central revenue collection. Agencies like the Nigerian National Petroleum Corporation (NNPC) were established to manage oil assets, but opaque governance and elite capture defined operations. Oil-funded development plans often lacked accountability, turning resource wealth into a tool for patronage. The boom years fostered economic distortion. Agriculture and manufacturing declined, and Nigeria became increasingly reliant on oil, with over 90% of export earnings tied to global price swings. This fiscal dependence bred volatility, corruption, and weakened institutions.

Despite democratic reforms in the 2000s, including the Extractive Industries Transparency Initiative and Sovereign Wealth Fund, oil continues to dominate Nigeria's political economy. The state functions as a rentier entity distributing oil rents to elites rather than generating broad-based productivity. The legacy of centralized, extractive governance persists, limiting diversification and reinforcing Nigeria's vulnerability to external shocks.

Oil exploration in Nigeria began as early as 1903 preceding the widely cited date of 1908—reflecting the British Empire's strategic push to secure energy resources within its dominions. These early efforts were not simply commercial initiatives but were shaped by imperial ambition and the broader geopolitics of fossil fuel supply. Ventures such as Nigeria Properties Limited and the Nigerian and West African Development Syndicate Limited, both British-owned, spearheaded exploration activities. However, these companies were under-resourced, technologically constrained, and largely unprepared for Nigeria's environmental and logistical challenges, resulting in repeated operational failures.¹² Despite some interest, the British government offered only limited institutional support, contributing to the collapse of these early initiatives.¹²

A critical consequence of this period was the imposition of colonial legal structures that redefined resource control. In contrast to the indigenous principle of "quicquid plantatur solo solo cedit" which held that landowners had rights to all resources on or beneath their land—colonial administrators centralized resource authority. The 1907 Ordinance, for instance, vested the colonial Governor with sweeping powers to negotiate mineral leases with traditional rulers and communities, eliminating the obligation to pay rent or royalties to landowners.¹² This legal shift dismantled communal control and laid the foundation for a state-centric, unaccountable resource regime. British colonial policy, driven by the metropolis's demand for raw materials, thus restructured ownership and benefit flows in ways that excluded local populations and entrenched extractive practices.¹²

By 1938, the British colonial government granted Shell D'Arcy (a precursor to Shell-BP) an exclusive concession covering the entire Nigerian territory for oil exploration. Though World War II delayed major

operations, exploration resumed with vigor in 1947 when Shell partnered with British Petroleum. ¹³ This ushered in an era dominated by vertically integrated multinational oil corporations, whose presence in Nigeria was characterized by strong capital bases, foreign technology, and control mechanisms external to the local economy. ¹² The oil industry became an enclave, operating with minimal linkage to indigenous sectors beyond labour provision, and fostering long-term structural disconnects in Nigeria's economic architecture.

The legacy of this structure is profound. The early establishment of centralized control over oil wealth, facilitated by foreign capital and colonial law, created a rent-seeking, externally oriented industry with little accountability to local stakeholders. Institutional opacity and the exclusion of local communities from benefit-sharing were not accidents of post-independence policy—they were built into the governance system by design. The legal and administrative precedents set in the early 20th century have echoed through Nigeria's post-independence history, shaping a resource governance model plagued by corruption, elite capture, and regional discontent.

The early colonial laws, particularly the 1907 Ordinance, were instrumental in disempowering indigenous governance systems and facilitating centralized control over subsoil resources. This legal displacement institutionalized the disconnect between resource wealth and local development. Post-independence governments inherited and often expanded these extractive frameworks, using them to concentrate power and revenues in the federal centre. What began as a strategy of imperial economic extraction evolved into a domestic system of rentier politics. In this light, Nigeria's experience with oil cannot be properly understood without revisiting its colonial roots. The "resource curse" and the persistent development paradox that afflicts the country today were sown in this foundational period. The concentration of resource control, the marginalization of communities, and the externalization of benefits were not emergent issues, they were embedded features of a governance model exported from Britain. This structural inheritance continues to challenge contemporary reform efforts and underscores the need for decolonizing Nigeria's extractive institutions at both legal and economic levels.

2.2 The Otuabagi Discovery and Post-Independence Oil Boom

Nigeria's first commercial oil discovery was made by Shell D'Arcy in Otuabagi, Oloibiri oilfield, Bayelsa State, on January 15, 1956, and exported in 1958. This discovery marked a pivotal moment, transforming the country's economic and political landscape. The inaugural shipment of Nigerian crude oil for export departed in February 1958, originating from Otuabagi and transported to Port Harcourt. ¹⁴ ¹⁵

Following Nigeria's independence in 1960, the newly formed government quickly opened up oil exploration to a wider array of international companies, attracting major players from the U.S. (Texaco, Phillips, Gulf), France (Safrap/Elf), and Italy (Agip).¹⁴ ¹⁵ This influx of foreign companies further intensified exploration, confirming Nigeria's tremendous oil potential. ¹⁴



Plate 1: A signpost to the Otuabagi, (Oloibiri) Well, now Bayelsa State

The 1970s marked a pivotal era, commencing with Nigeria's entry into OPEC in 1971. This period, notably influenced by the 1973 Middle East War, triggered an "extraordinary, unforeseeable, and unanticipated rise in wealth". Oil rapidly ascended to dominate the national economy, accounting for over 90% of export earnings and 80% of government revenue by the early 1970s. This sudden massive influx of unearned wealth, particularly under military governments that lacked robust checks and balances, led to "reckless spending, corruption and what many have referred to as the natural resource curse". General Gowon's famous quote, "Money is not Nigeria's problem, but how to spend it", perfectly encapsulates this mind-set. This was not merely an instance of poor decision-making; it represented a profound institutional and psychological shock. The sheer scale of sudden wealth overwhelmed nascent governance structures and fostered a culture of waste, patronage, and a significant neglect of other productive sectors. The boom itself, rather than being an unadulterated blessing, became a primary driver of the "curse" by creating an environment where prudent management and long-term planning were side lined in favour of immediate gratification and elite enrichment. This implies that Nigeria's problem was less about a lack of resources and more about a fundamental incapacity to absorb and manage such a large-scale resource inflow productively and equitably.

General Gowon's famous quote,
*"Money is not
 Nigeria's problem,
 but how to spend
 it"*



Plate 2: General Yakubu Gowon, 3rd [Head of State of Nigeria](#)

Source: Wikipedia

General Gowon's famous quote perfectly encapsulates this mindset. This was not merely an instance of poor decision-making; it represented a profound institutional and psychological shock. The sheer scale of sudden wealth overwhelmed nascent governance structures and fostered a culture of waste, patronage, and a significant neglect of other productive sectors. The boom itself, rather than being an unadulterated blessing, became a primary driver of the "curse" by creating an environment where prudent management and long-term planning were side lined in favour of immediate gratification and elite enrichment. This implies that Nigeria's problem was less about a lack of resources and more about a fundamental incapacity to absorb and manage such a large-scale resource inflow productively and equitably.

2.3 Evolution of the Nigerian National Petroleum Corporation (NNPC); From Participation to Control

In the early years of oil production in Nigeria, particularly before 1968, the federal government played a marginal role in the petroleum sector. Its involvement was largely limited to collecting revenues through taxes and royalties, while foreign oil companies such as Shell-BP, ExxonMobil, and others managed the exploration, production, and marketing of crude oil with minimal state oversight. ²¹ This structure persisted under the colonial-era 1914 Mineral Act, which vested ownership of subsurface resources in the federal government, effectively consolidating legal control while leaving operational and financial dominance to multinational corporations. ²¹

A fundamental shift began in the early 1970s, as the government recognized the strategic importance of petroleum to national development and sought to assert greater sovereignty over its resources. In 1971, the Nigerian National Oil Corporation (NNOC) was established to represent the commercial interests of

the state in oil operations. This coincided with Nigeria's entry into the Organization of the Petroleum Exporting Countries (OPEC), signalling a clear policy turn toward resource nationalism. By 1975, the Ministry of Petroleum Resources had been formed to regulate the sector, and in 1977, NNOC merged with the Petroleum Inspectorate to create the Nigerian National Petroleum Corporation (NNPC) a vertically integrated state-owned enterprise tasked with overseeing exploration, production, refining, and distribution. 23 While this transformation marked a bold assertion of national control, the operational history of NNPC has been consistently marred by chronic inefficiency, weak governance, and a culture of opacity. Numerous studies and audit reports have documented persistent failures in record-keeping, poor internal oversight, and secrecy in licensing and contracting processes. These deficiencies have enabled systemic corruption, inflated project costs, and massive revenue leakages. Instead of becoming a catalyst for development, NNPC evolved into a symbol of the rentier nature of the Nigerian state, where public oil wealth is funnelled into elite networks and patronage systems rather than productive investment.

The Petroleum Industry Act (PIA) of 2021 was introduced as a landmark legislative attempt to address decades of institutional decay. It restructured NNPC into a commercially oriented limited liability company (NNPC Limited), subjected to the Companies and Allied Matters Act, and introduced independent regulatory bodies for upstream and midstream operations. Additionally, the PIA created a Host Community Development Trust to allocate funds directly to oil-producing regions, aiming to reduce local grievances and improve accountability.

In response to the PIA's provisions, NNPC Limited has begun publishing monthly financial and operational reports, which have been widely seen as a step in the right direction. However, stakeholders continue to demand deeper transparency: publicly accessible contracts, independent audits, and meaningful community involvement in governance processes. Without these, the reforms risk becoming cosmetic, leaving the structural flaws of the old system intact.

Nigeria's journey from passive participation to active control of its oil sector reflects broader struggles between state-building and rent-seeking, transparency and patronage. While the institutional reforms introduced under the PIA offer cautious optimism, dismantling decades of entrenched opacity will require far more than legal restructuring. It demands political will, civil society oversight, and a redefinition of public accountability in Nigeria's most vital economic sector.

Economic Implications of Oil Dependency

3.1 Oil's Contribution to Nigeria's GDP, Revenue, and Exports

Nigeria's profound reliance on its oil sector has shaped its economic structure, leading to a unique set of challenges characterized by a lack of diversification, susceptibility to external shocks, and a disconnect between national wealth and widespread development. Nigeria's economy has been precariously reliant on oil revenue for over four decades. Oil consistently accounts for an overwhelming majority of the nation's foreign exchange earnings, typically over 90% of export earnings, and a significant portion of government revenue, ranging from 60% to 80%.^{31 33} The Petroleum Profit Tax (PPT) represents a substantial component of oil revenue, frequently constituting over 70% of the government's aggregate foreign exchange earnings.³¹

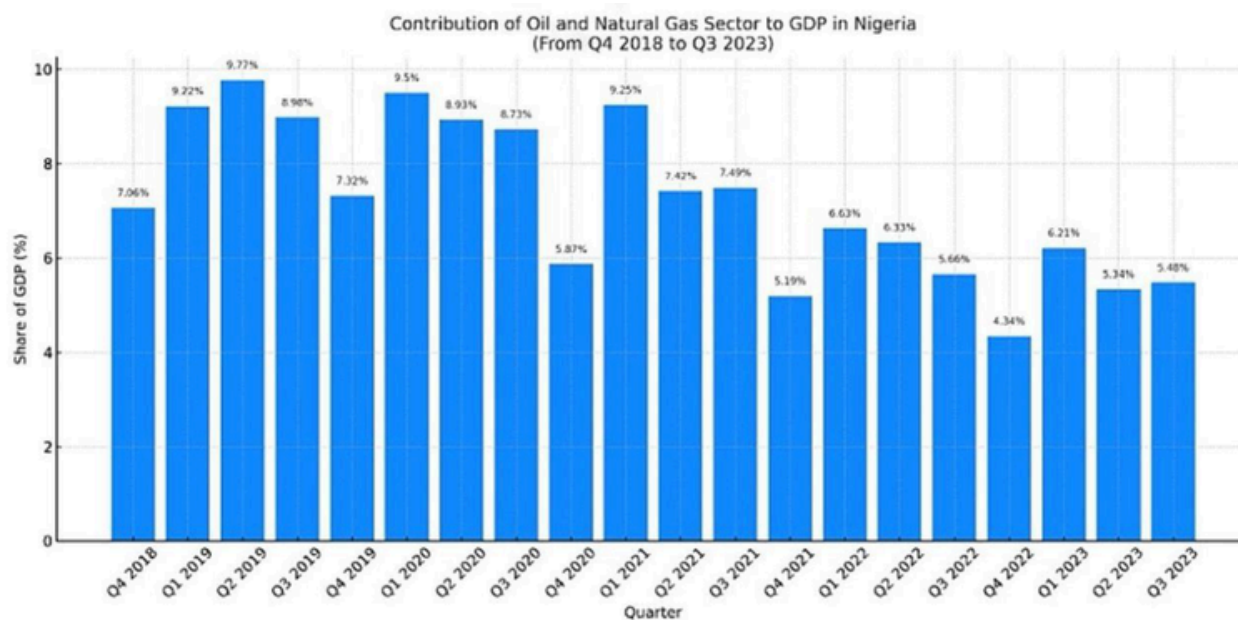
Despite this dominant role in revenue generation, oil's direct contribution to Nigeria's Gross Domestic Product (GDP) is comparatively low (Figure, 2), hovering around 10%.³¹ This discrepancy suggests that the oil sector largely operates as an enclave, with limited integration and linkages to the broader domestic economy (Parkinson). This statistical disparity immediately and unequivocally illustrates the severe disproportion in Nigeria's economic structure. The stark contrast between oil's overwhelming share of exports and government revenue versus its relatively small contribution to GDP visually confirms the "enclave economy" concept. This indicates that the oil sector operates largely as an isolated segment, generating significant foreign exchange but creating limited backward and forward linkages to stimulate broader economic activity. The consequence is a systemic weakening of Nigeria's domestic productive capacity outside of oil. Even during periods of high oil prices, the benefits do not broadly stimulate domestic production or employment, thus perpetuating poverty and inequality.³³ The continued reliance on importing refined oil products. Despite being a major crude producer is a stark illustration of this

failure to develop and value-added industrialize, underscoring a profound structural imbalance. To further illustrate this imbalance, Table 1 provides a snapshot of Nigeria's economic contribution by sector, highlighting the disproportionate role of oil.

Table 1: Nigeria's Economic Contribution by Sector (Oil vs. Non-Oil)

Economic Indicator	Oil Sector Contribution	Non-Oil Sector Contribution
Share of Export Earnings	>90%	<10%
Share of Government Revenue	60-80%	20-40%
Share of GDP	~10%	~90%
Agriculture (Pre-Oil Boom)	N/A	56% of GDP, 95% of foreign exchange, 60% of employment

Source: NBS 2023

Figure 1; Quarterly Contribution of the Oil and Natural Gas Sector to Nigeria's GDP (Q4 2018 – Q3 2023)
NBS

3.2 Dutch Disease and Sectoral Imbalances

The "Dutch Disease" phenomenon is demonstrably present and impactful in Nigeria, where the oil boom has led to a significant decline in the competitiveness and output of other productive sectors, particularly agriculture and manufacturing. This is a direct consequence of the enclave nature of the oil economy.

Before the discovery of oil, agriculture served as the bedrock of Nigeria's economy, contributing over 60% of employment opportunities, 95% of foreign exchange revenues, and around 56% of GDP. Following the oil discovery and the subsequent boom, the agricultural sector experienced profound neglect.³⁷ Empirical studies provide strong evidence of a significant negative relationship between oil revenue and agricultural output. For instance, a 1% increase in oil exports has been shown to depress agricultural output by as much as 16%.³⁹ This illustrates how the booming oil sector attracted capital and skilled labour, and its foreign exchange inflows caused currency appreciation, making non-oil tradable sectors (like agriculture and manufacturing) uncompetitive and neglected.

The substantial influx of foreign currency from oil sales results in the appreciation of the local currency (Naira), which in turn renders non-oil exports less competitive in international markets and makes imports cheaper, thereby further undermining domestic industries. The manufacturing sector continues to suffer from underdevelopment, largely due to persistent structural impediments such as severe electricity shortages and elevated production costs.⁴² This systematic weakening of Nigeria's domestic productive capacity outside of oil means that even during periods of high oil prices, the benefits do not broadly stimulate domestic production or employment, thus perpetuating poverty and inequality.

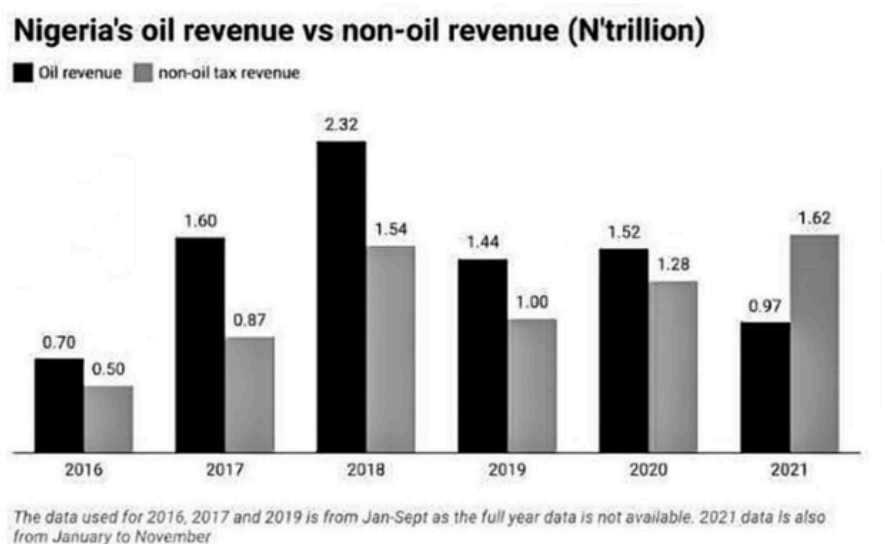


Figure 2: Nigeria's Oil Revenue vs Non-Oil Revenue (N Trillion): 2016–2021

Source: NBS

3.3 Oil Price Volatility and Fiscal Instability

Nigeria's heavy reliance on crude oil revenue renders its economy acutely vulnerable to global oil price swings. These fluctuations exert a direct and substantial impact on Nigeria's GDP, government revenue, and fiscal policy decisions. 44 A 10% change in oil prices has been shown to reduce GDP growth by 0.3%.
46

Periods of high oil prices drive surges in revenue and public spending, followed by abrupt cuts during downturns, reinforcing Nigeria's notorious "boom-bust" fiscal cycles.⁴³ This procyclical fiscal behavior disrupts the delivery of essential services and long-term development planning.⁴⁶ The temporary revenue boost from oil price spikes or oil-backed borrowing creates a "perverse incentive," discouraging meaningful fiscal reform. Instead of expanding non-oil revenue sources like taxation, the government often doubles down on resource-based borrowing, exacerbating volatility.

This pattern fosters unsustainable expenditure during oil booms without sufficient savings or diversification, 46 and when prices drop, the resulting deficits lead to spending cuts that destabilize public services.

Thus, oil revenue offers short-term relief but undermines fiscal stability and reform. The immediate gains, whether political or financial, deter strategic planning and reinforce dependence. This explains Nigeria's recurring inability to escape its oil-dependency trap. Adding to the problem is Nigeria's reliance on imported refined petroleum products, which magnifies vulnerability to external price shocks.

Government Failures and Institutional Weaknesses

4.1 Rentier State Dynamics and Weak Accountability

The failure of Nigeria to translate its vast oil wealth into sustainable development is inextricably linked to deep-seated issues of governance, pervasive corruption, and chronic mismanagement within its public institutions. The pervasive "resource curse" in Nigeria is fundamentally attributed to a confluence of factors, including weak institutions, systemic corruption, and an excessive dependence on rents derived from natural resources. The existing natural resource governance mechanisms in Nigeria are critically deficient, marked by persistent mismanagement and high levels of corruption, which directly contribute to widespread poverty despite abundant wealth.⁵⁰ An over-reliance on oil revenues diminishes state accountability, actively fosters corruption, and leads to economic stagnation. Governments that derive their fiscal sustenance primarily from resource rents tend to face less scrutiny from their citizens compared to those dependent on broad-based taxation.⁵⁰ This is a critical aspect of the "Rentier State" concept, which describes a profound political economy trap. When a state primarily derives its revenue from external rents (oil) rather than broad-based taxation, its financial dependence on its citizens diminishes. This reduced fiscal dependence on the populace weakens the social contract and the demand for accountability from citizens.⁵⁰ This environment allows a ruling elite to capture and divert these rents for private gain.⁵⁰ ⁵¹ The opulence generated by natural resources can paradoxically undermine democratic structures and accountability, culminating in the relatively poor economic performance observed in resource-rich economies.⁵⁰ Consequently, reforms, even seemingly well-designed ones like the PIA, face immense hurdles. The "development myth" persists because the prevailing political economy is structured to facilitate wealth extraction for a few, rather than fostering genuine national development for the many. The system is inherently resistant to changes that would undermine elite control over oil rents.

4.2 Systemic Corruption and Oil Revenue Mismanagement

Corruption is not merely a problem but a "major point of contention" and a "biggest consequence" of the resource curse in Nigeria. It is particularly "more pronounced in the petroleum sector".⁵¹ Corruption systematically diverts investment funds, originally earmarked for public goods and services, into private gains for a select few.⁵¹

Notable instances of large-scale corruption include: the \$6.8 billion fuel subsidy fraud in 2012, where billions were illicitly claimed for fuel imports that never materialized; allegations in 2014 that the NNPC failed to remit \$20 billion in oil revenue to the national treasury;⁵⁵ the alleged embezzlement of over \$2.5 billion by a former Minister of Petroleum Resources;⁵⁵ a staggering loss of 619.7 million barrels of crude oil, valued at approximately \$46.16 billion, to theft between 2009 and 2020;⁵⁵ and a 2012 report uncovering a \$29 billion loss due to a natural gas price-fixing scam.⁵⁵ This pervasive corruption, compounded by poor economic planning and reckless spending, has led to the severe neglect of vital sectors, including manufacturing, critical infrastructure, and essential social services.⁵⁴ The consequences manifest as inadequate infrastructure, low standards of living, diminished per capita income, and generally poor human development indices across the nation.⁵⁵

4.3 Transparency and the Petroleum Industry Act (PIA) Reforms

The operations of the Nigerian National Petroleum Corporation (NNPC) have historically been characterized by poor record-keeping, a profound lack of accountability, and deep-seated secrecy in the awarding of contracts, licenses, and financial transactions. 57 Prior to external audits, significant portions of oil proceeds often went unaccounted due to underreported production volumes and weak oversight mechanisms (Usman, 2011). Multiple sources consistently highlight NNPC's "opacity," "poor record-keeping," "lack of accountability," and "secrecy" as direct facilitators of corruption.⁵⁶ One study explicitly concludes that corruption "will thrive where there is opacity and unaccountability".⁵⁷ This establishes a crucial causal relationship: the lack of transparency is not merely a symptom but a fundamental enabler of large-scale corruption. When information on revenue flows, contracts, and expenditures is withheld or obscured, it creates fertile ground for illicit activities, making it exceedingly difficult to detect and prosecute financial malfeasance. The absence of robust, independent oversight mechanisms further exacerbates this problem, allowing corrupt practices to persist and expand unchecked.

The Petroleum Industry Act (PIA) of 2021 represents a significant legislative attempt to reform the industry, aiming to enhance transparency, efficiency, and accountability by unbundling NNPC into a commercial entity (NNPC Limited) and establishing new regulatory frameworks.⁵⁷ The PIA also mandates contributions to a Host Community Development Trust, intended to ensure sustainable prosperity and direct economic benefits for communities in oil-producing regions.⁵⁸ Recent initiatives by NNPC Limited to release monthly operational data are viewed as a positive step towards transparency, though stakeholders continue to demand more detailed, externally audited figures and public access to comprehensive contract terms and licensing

data to foster true accountability. Anti-corruption organizations in Nigeria frequently operate inefficiently, largely due to a conspicuous lack of political will, insufficient financial resources, and weak enforcement of existing anti-corruption legislation. The persistent absence of "political will" to fight corruption, ⁶⁰ is not accidental; it is a rational outcome within this rentier system, as the system itself benefits those in power. This creates a self-perpetuating cycle of corruption and misgovernance.

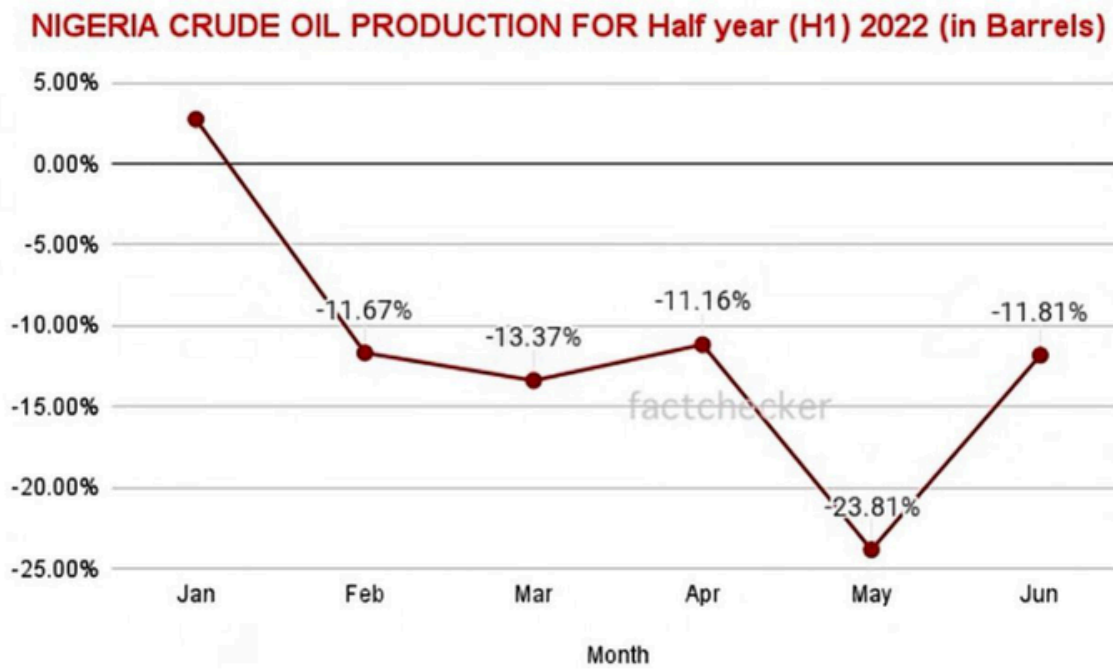


Figure 3: Quarterly Contribution of the Oil and Natural Gas Sector to Nigeria's GDP (Q4 2018 – Q3 2023)
Source: National Bureau of Statistics (NBS), Nigeria; compiled by Statista, 2024.

Social and Environmental Costs

5.1 Poverty and Inequality in Oil-Producing Regions

The economic paradox of Nigeria's oil wealth extends deeply into its social fabric and environmental landscape, particularly in the Niger Delta region, where the extraction activities are concentrated. Despite generating billions of dollars from oil exports, the Niger Delta, the very bedrock of Nigeria's oil wealth, remains one of the most impoverished and environmentally devastated areas in the country. This region, rich in natural resources and ecological diversity, is emblematic of the paradox where resource wealth leads to poverty.⁶¹ Many communities in the Niger Delta lack basic infrastructure, access to clean water, and adequate healthcare services.⁶¹ High unemployment rates and limited educational opportunities leave many residents trapped in a cycle of poverty.⁶¹

The economic benefits of oil extraction have disproportionately favoured multinational corporations and government officials, leaving local populations marginalized and disenfranchised. This disparity has fueled resentment and unrest, leading to the rise of militancy and violent protests, as groups seek greater control over local resources and better living conditions. The United Nations Development Program (UNDP) describes the region as suffering from "administrative neglect, crumbling social infrastructure and services, high unemployment, social deprivation, abject poverty, filth and squalor, and endemic conflict". This profound disconnect between national oil wealth and the quality of life for the majority of citizens is further evidenced by the fact that approximately 40% of Nigerians live below the poverty line, indicating a significant disparity between GDP growth and poverty reduction. Essential social services, such as education and healthcare, remain severely underfunded, hindering human capital development crucial for long-term prosperity.⁶³

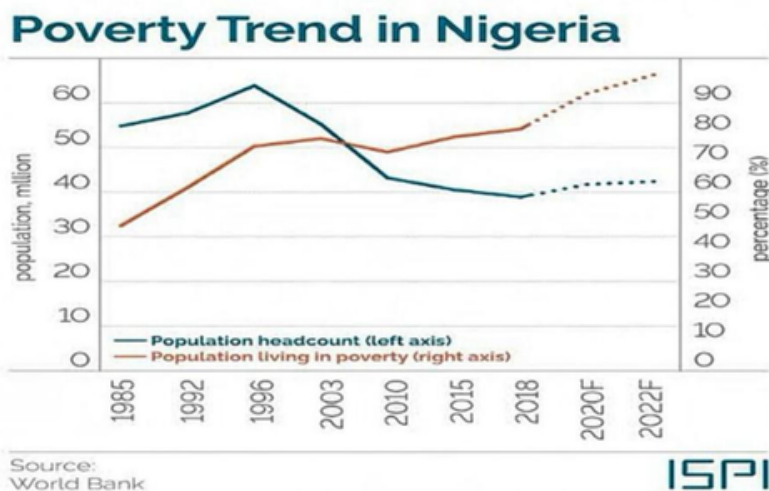


Figure 4: Nigeria's Poverty Trend: Population Headcount vs. Poverty Rate (1985–2022F)

Source: World Bank via ISPI (Istituto per gli Studi di Politica Internazionale)

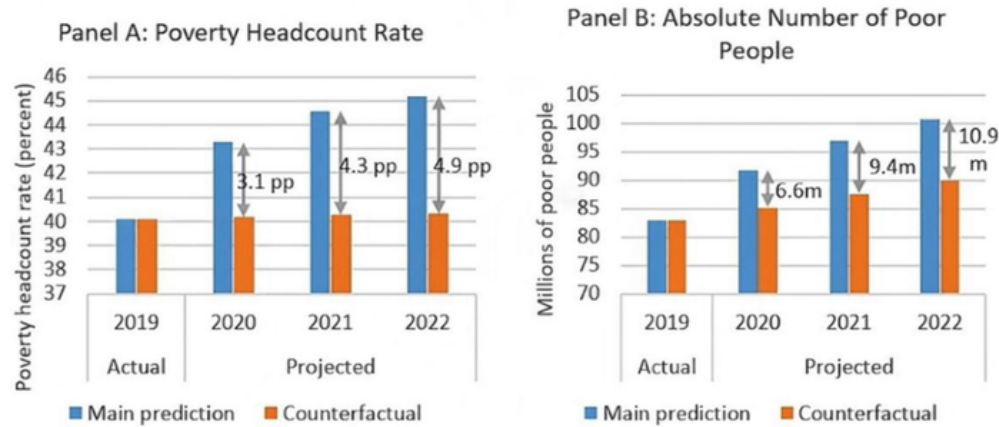


Figure 5: Poverty Headcount and Number of poor people in Nigeria 2019 – 2022

5.2 Environmental Degradation: Oil Spills and Gas Flaring

The Niger Delta has suffered immense environmental degradation due to oil extraction and transportation activities. Oil spills, gas flaring, and improper waste disposal are notorious and endemic, severely impacting the ecosystem and leading to significant health risks for local communities and a loss of livelihoods.



Plate 4: Oil spill in the Niger Delta

Oil spills, resulting from pipeline corrosion, poor maintenance, human error, vandalism, and theft, have contaminated waterways, ecosystems, and farmlands. Between 1976 and 2014 alone, approximately 3.1 million barrels of crude oil, enriched with heavy metals like manganese, iron, copper, and lead, were spilled in the Niger Delta. These spills kill fish, damage their food sources, and destroy agricultural land, undermining the primary sources of livelihood for many communities and pushing them deeper into poverty. The long-term effects on soil fertility and agricultural productivity can last for decades.⁶⁶



Plate 5: Degraded Niger Delta Communities caused by Oil Spill

This unchecked degradation poses long-term risks not only to ecological health but also to national food security, human well-being, and climate resilience. As environmental conditions worsen, communities face increasing exposure to toxic substances, chronic disease burdens, and the erosion of cultural and economic ties to the land. Without urgent and sustained intervention grounded in transparency, community participation, and robust enforcement, the Niger Delta will continue to bear the disproportionate cost of Nigeria’s oil wealth, reinforcing the broader paradox of resource abundance coexisting with local suffering and environmental collapse.

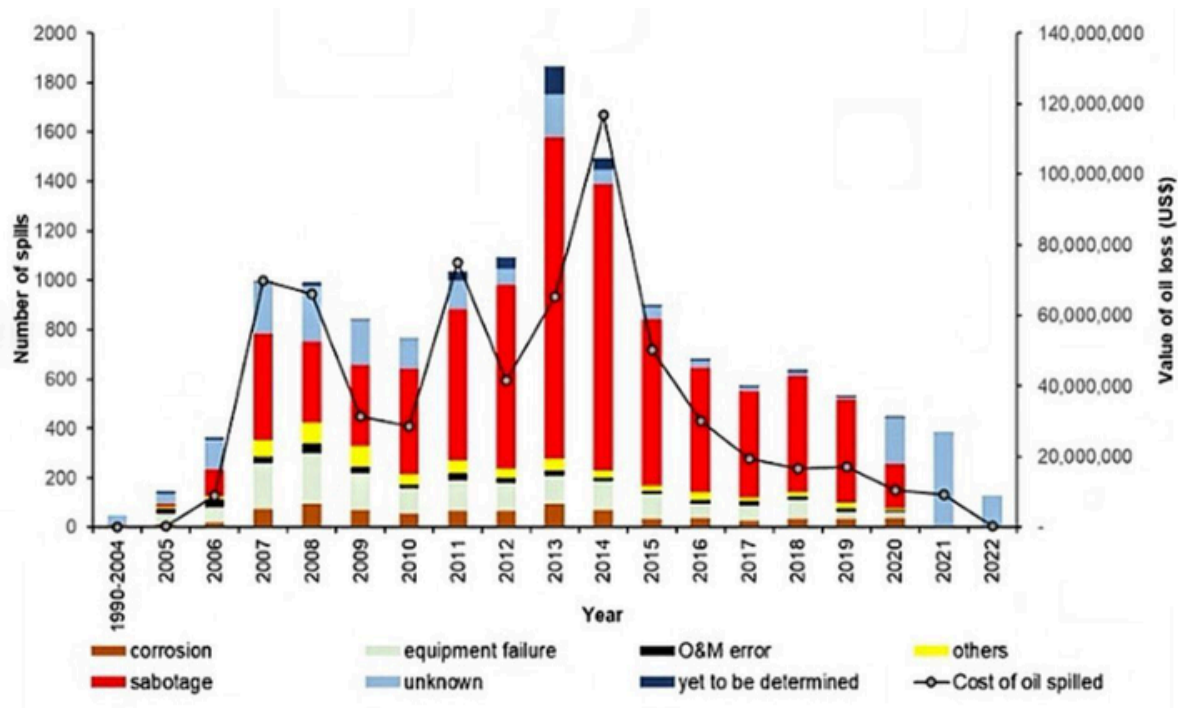


Figure 6: Trends in Oil Spills and Economic Losses in Nigeria (1990–2022) Source: Nigerian OilSpill Detection and Response Agency (NOSDRA), compiled from spill incident reports and environmental data.



Plate 6: Images of oil spillage in Niger Delta, Nigeria

Source: (HOMEF)



Plate 7: Catastrophic oil spills in the Niger Delta over the years Source:(HOMEF)

Gas flaring, the burning off of associated natural gas during oil extraction, is a prevalent practice in the region, despite being outlawed by the Nigerian government as early as 1984 under the Associated Gas Reinjection Act of 1979. Reports indicate the existence of 222 active gas-flaring sites across the Niger Delta. This practice releases significant volumes of greenhouse gases, including carbon dioxide and methane, exacerbating global climate change and contributing to rising temperatures, unpredictable rainfall patterns, and increased flooding in Nigeria.⁶⁷ Beyond climate impacts, gas flaring causes noise pollution, acid rain, and the deposition of oil droplets on communities, crops, and waterways.⁶⁷

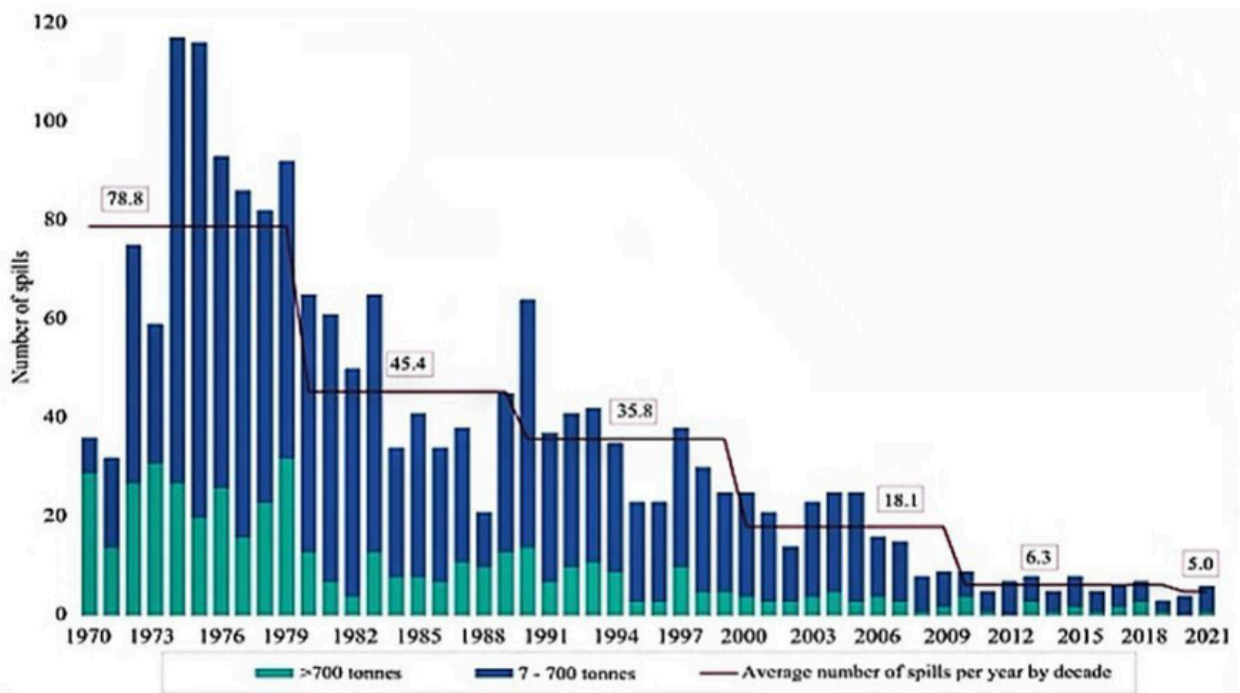


Figure 7: Nigerian oil spill totals from 1970 to 2021

5.3 Public Health Impacts

The environmental degradation directly translates into severe health hazards for the Niger Delta populace. Communities living near oil extraction facilities have reported higher incidences of respiratory ailments, skin problems, and reproductive health difficulties. Exposure to oil-contaminated water has been linked to skin rashes, respiratory diseases, and neurological problems. Gas flaring is strongly correlated with respiratory diseases (Plate 8) such as asthma, bronchitis, and lung cancer, as well as increased cases of leukaemia, eye irritation, miscarriages, and neurodevelopment disorders in children.

Residents, especially children, women, and men, are exposed to harmful compounds, including heavy metals and polycyclic aromatic hydrocarbons (PAHs), through inhalation, ingestion of contaminated food and water, and skin contact. The pollution of agricultural lands and fishing resources impacts the food chain, leading to the ingestion of polluted crops and fish, compounding health risks. These health concerns are further worsened by a lack of access to safe drinking water, inadequate sanitation services, and weak healthcare infrastructure in the region.

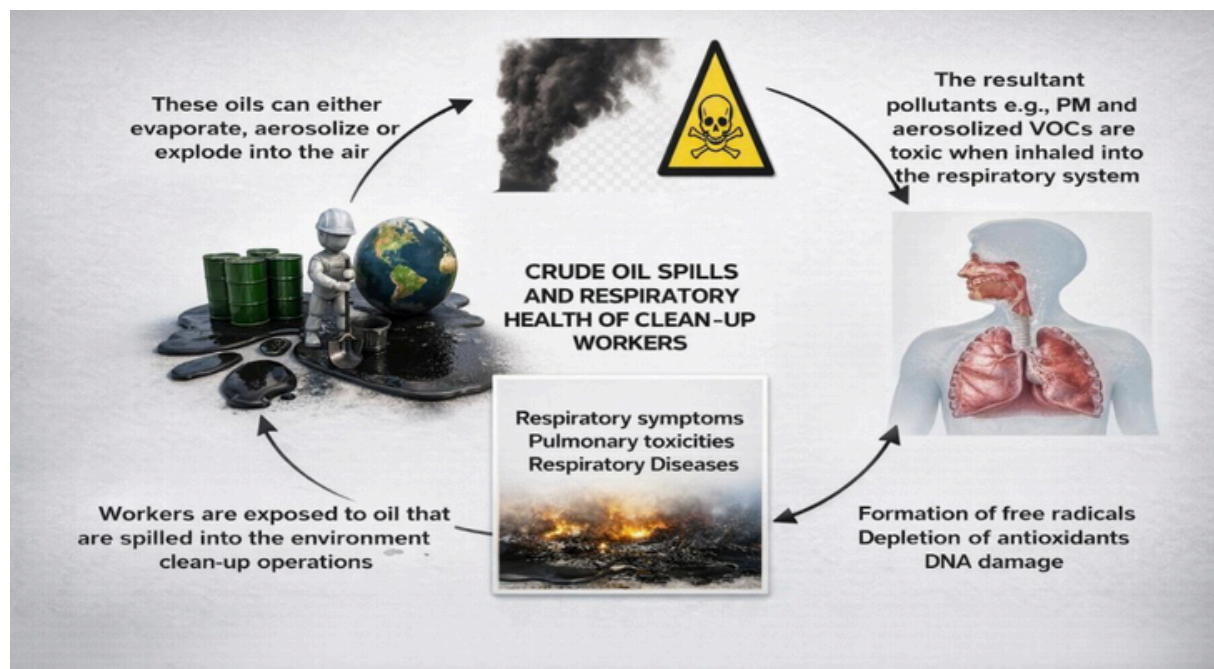


Plate 8: Health Impact of Oil Spill

Source: Anon

5.4 Conflict and Militancy in the Oil Producing States

The profound economic inequality and environmental devastation in the Niger Delta have directly fuelled social unrest and conflict. The disparity between the wealth generated from oil and the poverty experienced by local populations has led to deep resentment and a sense of marginalization. This has manifested in the rise of ethnic militancy and violent protests, as groups demand greater control over local resources and better living conditions.

The violence has worsened with the proliferation of weapons and the increasing involvement of militias and community members in illegal oil bunkering (theft from pipelines) for sale on the black market. Efforts by the government to address these systemic issues, such as the Niger Delta Development Commission (NDDC), have often been criticized for inefficiency and corruption, further eroding trust between the government and local communities. The continuous violation of environmental rights and the perceived insensitivity of Oil Multinational Corporations (MNCs) to the plight of affected persons have fuelled these restive conditions, leading to human rights abuses, arbitrary detentions, and over-militarization of the area.⁷⁸ This complex web of relationships between government, oil multinationals, security forces, militias, and communities continue to tighten and suffocate the region, perpetuating a cycle of conflict and deprivation.

5.5 Corporate Accountability and Oil Company Divestments

A growing concern in Nigeria's oil sector is the trend of international oil companies (IOCs) divesting from their onshore assets in the Niger Delta, often without adequately addressing their legacy environmental liabilities. Recently, Shell sold its Nigerian subsidiary, Shell Petroleum Development Company (SPDC), to the Renaissance Group, a deal which has drawn significant criticism for lacking clear commitments to clean up vast oil pollution or compensate affected communities. Civil society organizations and community leaders from the Niger Delta, supported by international allies, have directly confronted Shell, demanding full responsibility for decades of pollution and human suffering before divestment.⁸¹

This divestment trend is perceived by many as an "offloading of toxic assets and liabilities onto the local communities," allowing IOCs to walk away with profits while leaving behind severe environmental and public health crises.⁸¹ For example, a four-year study by the Bayelsa State Oil and Environmental Commission estimated that it would take at least \$12 billion to begin repairing environmental and public health harms in Bayelsa State alone.⁸¹ Nigerian parliamentarians have urged the government to halt all divestment applications by IOCs, including Shell and TotalEnergies, until they fulfil their environmental and social obligations to host communities. Approving such divestments without resolving historical and ongoing liability risks undermines Nigeria's regulatory authority, transfers corporate responsibilities to the state, and sets a dangerous precedent for environmental impunity.⁸¹

Policy Frameworks and Diversification Attempts

6.1 Historical and Recent Diversification Policies (SAP, ERGP, MTNDP)

Recognizing the inherent vulnerabilities of its oil-dependent economy, Nigeria has, for decades, articulated policies and initiatives aimed at economic diversification. However, the implementation and effectiveness of these efforts have been consistently challenged by a combination of political, institutional, and infrastructural impediments. The urgency for Nigeria to diversify its economy has been acknowledged for over 30 years, with sustained pushes for growth and expansion of its financial sector since the 1970s. Various policy reforms have been introduced, starting from the Structural Adjustment Programme (SAP) in 1986, which sought to reduce oil income dependence and encourage the growth of non-oil industries through privatization, deregulation, and export-oriented growth in manufacturing and agriculture.⁸³

More recent plans include the National Economic Empowerment Development Strategy (NEEDS), Vision 20:2020, the National Industrial Revolution Plan (NIRP), the Economic Recovery and Growth Plan (ERGP) (2017-2020), and the Medium-Term National Development Plan (MTNDP).⁸³ The ERGP, for instance, aimed to drive industrialization by focusing on small and medium-sized enterprises (SMEs) to increase non-oil exports and improve the capital account balance by attracting foreign direct investment (FDI).⁸³ It also prioritized agriculture and manufacturing, promoting non-oil exports through initiatives like the "zero-oil plan".⁸³ The Tinubu administration has also recognized food sustainability as a key component of economic resiliency, focusing on modern farming methods, improved access to inputs, and agro-industrial hubs.

6.2 Analysis of the Petroleum Industry Act (2021)

The Petroleum Industry Act (PIA) of 2021 represents a landmark legislative effort to bring sweeping reforms to Nigeria's oil and gas industry. After nearly two decades of deliberation, the PIA was enacted to address the industry's persistent challenges and promote transparency, investment, and better governance of petroleum resources. Its primary objectives include enhancing transparency, attracting investments, and ensuring more efficient and accountable management of the sector.

Objectives of the PIA

The PIA's principal objectives include:

Increasing transparency: The Act mandates the publication of financial and operational information by NNPC Limited to promote public accountability and reduce opacity.

Attracting investments: By providing a stable and predictable regulatory environment, the PIA seeks to draw both local and international investors into the oil and gas sector.

Ensuring better governance: The PIA redefines the roles and responsibilities of government institutions and private operators, streamlining governance mechanisms and enhancing oversight.

Some of the major provisions of the PIA include:

Restructuring of NNPC: The PIA transformed the Nigerian National Petroleum Corporation into a commercial entity—NNPC Limited—structured to operate independently of political influence and focus on profitability and efficiency. This move aligns NNPC operations with international corporate governance norms and seeks to eliminate its historical lack of transparency.

Host Community Development Trust: Licensees are now required to contribute to a Host Community Development Trust, which is intended to promote long-term prosperity and deliver tangible social and economic benefits to oil-producing communities.⁹⁰ This replaces the previous, often ineffective, voluntary Corporate Social Responsibility (CSR) model.

Fiscal Regime Simplification: The PIA introduces a simplified fiscal framework that enhances clarity and transparency in petroleum taxation. It also offers reduced royalty rates for deep offshore and frontier basin exploration to encourage investment in less-explored regions.⁹⁰

Gas Flaring Abatement: The Act integrates environmental considerations by prohibiting gas flaring, except under approved circumstances, and mandates the submission of gas flare elimination plans by operators. This represents a significant move toward environmental responsibility in the sector.

Initial outcomes following the implementation of the PIA include:

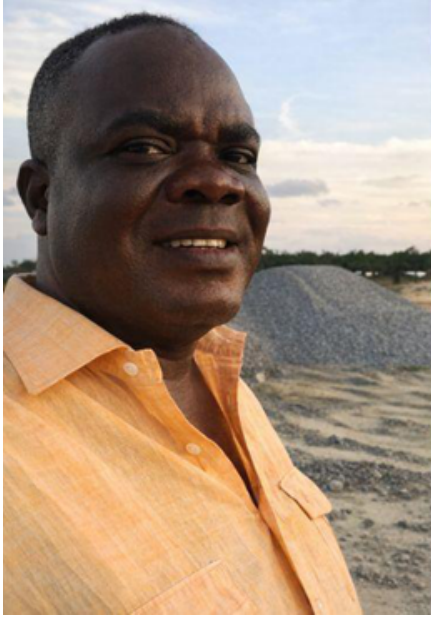
Increased transparency: NNPC Limited has begun publishing monthly operational data as part of the transparency drive. While this represents progress, there are ongoing calls for more detailed, externally audited financial disclosures and open contract data.

Challenges in implementation: Despite structural gains, challenges persist—especially in areas like strategic communication, regulatory training, and human capacity development. Effective implementation demands targeted investment in institutional capacity and personnel.

6.3 Local Content Development Initiatives

Nigeria has also implemented Local Content Policies (LCPs) to maximize socio-economic benefits from resource exploitation by promoting local participation in industry activities. The Nigerian Oil and Gas Industry Content Development Act (NOGICDA) 2010 defines local content as the "quantum of composite value added to or created in Nigeria through utilization of Nigerian resources and services in the petroleum industry".

The objectives of NOGICDA include promoting the use of local materials and services, encouraging value addition, creating job opportunities, and ensuring that Nigerian companies are given first consideration in the award of oil blocks, licenses, and contracts. The Nigerian Content Development and Monitoring Board (NCDMB) is tasked with guiding, monitoring, coordinating, and implementing the Act's provisions. Multinational companies are required to demonstrate that a minimum of 50% of the equipment deployed for work is owned by their Nigerian subsidiaries.



*"The Niger Delta
is the goose that
lays the golden egg
but never
benefits from it"*

Chief Dan Ekpebide, traditional leader

Despite the ingenuity of this Act, its effectiveness has been mixed. Challenges include regulatory inconsistencies, limited capacity in local industries, and a perception among local communities that their voices are not heard in decision-making processes or in the fairness of contract awarding. While LCPs aim to stimulate economic diversification and reduce dependency on foreign expertise, their full effect on job creation, infrastructure development, and overall community welfare requires sustained effort and improved implementation.

6.4 Barriers to Policy Implementation and Structural Constraints

Despite these numerous policy initiatives, genuine economic diversification has remained elusive, with oil and gas continuing to be the mainstay of the economy. A primary challenge is the pervasive lack of "political will" and insincerity of policymakers to substantially evolve policies that can transform the structure of the Nigerian political economy. The dependence on a single commodity for national survival is largely responsible for soaring unemployment, underdevelopment, and massive poverty.⁹⁵

Significant barriers to diversification include:

Infrastructure Deficits: Massive and genuine investment is needed in critical infrastructure such as power, roads, and other essential facilities.⁹⁵ The manufacturing sector, for example, remains underdeveloped due to structural impediments like electricity shortages and elevated production costs.⁹⁶

Insufficient Development of Human Capital Development: Insufficient investment in human capital development, including education and research and development (R&D), hinders the generation of new ideas and a skilled workforce necessary for a diversified, technologically driven economy.⁹⁵

Complex Regulatory Environment: Complex regulations and processes, along with hurdles that impede a larger and more productive private sector, deter competitiveness and limit FDI.⁹⁹

Corruption and Lack of Transparency: The continued prevalence of corruption and lack of transparency, particularly in foreign exchange markets, breeds further corruption and revenue leakages, with massive costs to the economy. This is compounded by the fact that anti-corruption organizations often lack sufficient funds and political support.

Fiscal Management: Nigeria's low tax collection compared to its peers, coupled with challenges in tax administration, arbitrary exemptions, and enforcement issues, constrain non-oil revenue generation.⁹⁹ A significant portion of collected taxes is used for administrative overheads, leaving little for development.⁹⁹

Dutch Disease Effects: The persistent effects of the Dutch Disease continue to depress non-oil tradable sectors, making it difficult for them to compete and grow.

Regulatory inconsistencies: Overlapping mandates and enforcement limitations hinder the effective implementation of both the PIA and NOGICDA.

Limited community engagement: Local communities often report exclusion from critical decision-making processes, undermining trust and stalling development initiatives.

To overcome these obstacles, there is a pressing need for:

Strengthening regulatory institutions: Enhanced funding, training, and institutional independence will improve oversight and accountability.

Improved community participation: Inclusive dialogue with host communities can improve policy legitimacy and implementation outcomes.

Commitment to transparency: Continued publication of financial and operational data, alongside open contracting and external audits, is essential to restoring public confidence and ensuring sectoral efficiency.

The Role of Civil Society and Environmental Advocacy

7.1 Contributions of CSOs (e.g., HOMEF, MOSOP, Amnesty International)

Civil society organizations (CSOs) have played a crucial role in highlighting the social and environmental consequences of oil exploration in Nigeria. Civil society organizations have advocated for environmental justice and corporate accountability in the Niger Delta. Groups such as the Health of Mother Earth Foundation (HOMEF), the Movement for the Survival of the Ogoni People (MOSOP), and international organizations like Amnesty International have persistently documented issues ranging from oil spills and environmental degradation to human rights violations.

The Health of Mother Earth Foundation (HOMEF), for instance, operates as an ecological think tank and advocacy organization promoting environmental and climate justice, as well as food sovereignty in Nigeria and Africa. HOMEF's work is rooted in solidarity and aims to build movements for the recovery of memory, dignity, and harmonious living with respect for Mother Earth, actively opposing extractivism and polluting activities. They mobilize the public to demand a rapid transition away from fossil fuels and advocate for environmental justice at individual, policy, and corporate levels.



Source: HOMEF environmental / climate justice sovereignty group Nigeria.

One of the most influential documents, the UNEP's 2011 Environmental Assessment of Ogoniland, revealed severe pollution and called for a 25–30 year environmental restoration process. These findings have been used by CSOs to push for policy reforms that are more community centered. The PIA's

provisions on host community development and environmental regulation are, in part, responses to such long-standing advocacy.

7.2 UNEP Reports and Local Mobilization

United Nations Environmental Programme 'UNEP' (2011) report, records that the Niger Delta Region is home to about 40 ethnic groups such as Ogoni, Kalabari, Ijaw, Itsekiri, Urhobo and Isoko just to mention a few with a population of 30 million. The report revealed that Shell was expelled from Ogoniland in 1993 following community protests, even with their absence in Ogoni land, its facilities are still being used to transport oil resulting in continued suffering. Environmental impact assessment (EIA) of oil production in Ogoniland testified to serious threats to human health from contaminated drinking water, destruction of the environment and the future viability of Ogoni land's ecosystem. Watts documented how oil extraction has disrupted traditional economic activities, altered gender roles, and created new forms of social differentiation based on access to oil-related opportunities. These changes have often undermined traditional governance systems and social cohesion. Idemudia provided ample analysis of oil-related environmental degradation, including air and water pollution, soil contamination, and ecosystem destruction. The study estimated that oil spills and gas flaring have affected over 1,500 communities in the Niger Delta, destroying traditional livelihoods and creating new forms of poverty. Ekpenyong and Udofia reports that impacts of oil spills on the safety of seafood in the coastal regions of Ibeno and Akwa Ibom State, reported that toxic petroleum hydrocarbons are being consumed by marine animals which is the result of oil spills. While Atubi scrutinized the wellbeing of the human population in nine communities in the Delta State of Nigeria due to the influence of environmental degradation by Oil producing companies and identified gas flaring has a prominent and dangerous influence on human health, resulting to extreme temperature levels in these regions. Amnesty International documented ongoing environmental degradation in the Niger Delta, estimating that oil spills have affected over 1,500 communities, which highlighted the failure of both government and oil companies to address environmental damage, perpetuating poverty and social tensions in oil-producing areas. The relationship between oil wealth and conflict has been another major issue of concern in the Niger Delta.

Health of Mother Earth Foundation (HOMEF), a prominent Nigerian environmental justice advocacy group, has meticulously documented countless oil spills, often directly challenging official figures and corporate narratives regarding spill causes and volumes. HOMEF's reports consistently highlight the long-term, cumulative damage to the environment and the inadequacy of clean-up efforts, emphasizing that many polluted sites remain untreated for years, if not decades. They argue that these spills are not merely accidents but a systemic consequence of lax regulation, corporate impunity, and a state apparatus more aligned with resource extraction than environmental protection. Gas Flaring: Gas flaring, the burning of associated natural gas during crude oil extraction, has been a pervasive practice in the Niger Delta since the 1960s. Despite numerous deadlines and legal pronouncements against it, flaring continues, releasing immense quantities of greenhouse gases (carbon dioxide, methane) and toxic pollutants (sulfur dioxide, nitrogen oxides, volatile organic compounds) into the atmosphere. The consequences for local communities are severe, including acid rain, respiratory illnesses, skin diseases, and reduced agricultural yields due to altered atmospheric conditions. Late Oronto Douglas, a native of the Niger Delta and a leading voice in environmental activism, relentlessly campaigned against gas flaring, labeling it a 'crime against humanity'. He articulated how gas flaring epitomized the disjuncture between oil wealth and local suffering, representing a colossal waste of resources and a deliberate disregard for environmental health

and human rights. His arguments, often presented in international forums and through organizations like the Environmental Rights Action (ERA), framed flaring not just as an environmental problem but as a direct assault on the right to life and a healthy environment for Niger Delta residents. The relentless pollution has led to a drastic decline in the region's rich biodiversity. Mangrove forests, vital nurseries for aquatic life and natural barriers against coastal erosion, have been severely degraded by oil contamination. Fish stocks have plummeted, and fertile agricultural lands have been rendered infertile, forcing communities away from their traditional occupations. HOMEF's research often includes testimonials from affected communities, vividly illustrating the loss of traditional livelihoods, the destruction of indigenous knowledge systems, and the forced displacement of populations. They emphasize that the environmental damage is not just an ecological concern but a profound cultural and economic catastrophe for the indigenous peoples of the Delta.

The wealth generated from oil is concentrated in the hands of a few elites, both within the government and the corporate sector, while the majority of Niger Delta residents remain marginalized.¹⁰⁹ This uneven distribution is a core critique from both HOMEF and Oronto Douglas. They contend that the rentier state structure, fuelled by oil revenues, has enabled a system where resources are siphoned off at the top, rather than being reinvested in sustainable community development. Oronto Douglas consistently argued that the prevailing revenue allocation formula and the opaque nature of oil sector finances ensured that local communities, the actual producers of the wealth, received a negligible share, leading to deepening inequality and resentment.¹⁰⁹ The youth, in particular, facing unemployment and a destroyed environment, are often drawn into militancy or illegal bunkering, further destabilizing the region. This stark reality contradicts the 'development myth' and underscores the failure to translate resource wealth into tangible improvements in human well-being. In the Niger Delta, health outcomes are particularly dire due to environmental pollution. Communities exposed to contaminated air and water suffer from higher rates of respiratory illnesses, skin lesions, cancers, and birth defects. Healthcare facilities are often inadequate, and access to clean drinking water is a persistent challenge. Educational opportunities are also severely limited, with schools lacking basic infrastructure and qualified teachers, perpetuating a cycle of poverty and marginalization. HOMEF's reports frequently include data and case studies demonstrating these health crises and educational deficits, arguing that the oil companies and the Nigerian state have failed in their corporate social responsibilities and constitutional obligations to protect citizens' rights.

7.3 Environmental Justice and the Push for a Just Transition

The Niger Delta conflict, fueled by grievances over resource control and environmental degradation, also serves as a potent example of the resource curse's socio-political ramifications. Community-level conflicts over oil benefits have been widespread in the Niger Delta. Competition for oil-related benefits including employment, contracts, and compensation has created conflicts between and within communities. Ukiwo documented how these conflicts have often taken on ethnic dimensions, with different ethnic groups competing for control over oil resources in their territories. Watts applied the concept of 'resource wars' to the Niger Delta, showing how competition for oil resources has created conditions for persistent conflict. His analysis revealed how oil production has created new forms of accumulation and dispossession that generate grievances and resistance. Youth militancy has been a particularly significant form of oil-related conflict. The emergence of youth militant groups in the Niger Delta, including the Movement for the Emancipation of the Niger Delta (MEND), has been directly linked to grievances over oil revenue distribution and environmental degradation. These groups have used violence and sabotage

to press their demands for greater control over oil resources. Environmental conflicts have been another dimension of oil-related violence. Communities affected by oil pollution have sometimes resorted to violent protest when legal and peaceful means of seeking redress have failed. The hanging of Ken Saro-Wiwa and eight other Ogoni activists in 1995 following their environmental activism illustrates the extreme consequences that environmental conflicts can have. Oil bunkering and pipeline vandalism have become forms of economic crime that also involve violence. These activities, often described as 'resource theft,' represent attempts by marginalized communities to capture some benefits from oil resources, but have also created additional environmental damage and security problems. The widespread youth unemployment, combined with grievances over environmental devastation, poverty, and perceived injustice, has fuelled the rise of various militant groups and criminal enterprises in the Niger Delta. These groups engage in activities such as pipeline vandalism, crude oil theft (illegal bunkering), and kidnapping, further destabilizing the region and creating a cycle of violence. Oronto Douglas, while critical of the methods used by some militant groups, consistently contextualized their emergence as a direct response to the systemic neglect, oppression, and environmental destruction wrought by the oil industry and the Nigerian state. He argued that true peace and security in the Delta could only come through addressing the root causes of injustice, including resource control, environmental remediation, and equitable development. HOMEF continues this advocacy, pushing for environmental accountability and a just transition away from fossil fuels as pathways to sustainable peace and development in the region. Their work collectively underscores that the socio-environmental costs of oil dependency are not external 'bad' but integral features of the 'development myth' that has failed Nigeria.

Peace-building and conflict resolution efforts have had limited success in addressing oil-related conflicts in Nigeria. Various amnesty programs and peace initiatives have been implemented, but underlying grievances about oil revenue distribution and environmental degradation remain largely unaddressed. The 2009 amnesty program for Niger Delta militants achieved temporary peace but failed to address structural causes of conflict. The opportunity cost of oil-related conflicts has been substantial in terms of lost production, destroyed infrastructure, and diverted resources. These conflicts have also discouraged investment and economic development in affected areas, contributing to the persistence of poverty and underdevelopment despite oil wealth. Civil society organizations like HOMEF and ERA have played important roles in promoting transparency and accountability in Nigeria's oil sector. Similarly, organizations like the Revenue Mobilization Allocation and Fiscal Commission (RMAFC), Civil Society Legislative Advocacy Centre (CISLAC), and BudgIT have used NEITI reports and other information sources to advocate for reforms and educate the public about oil sector issues. Media coverage of oil sector issues has improved partly due to transparency initiatives. Investigative journalism has exposed various corruption scandals and governance failures in the oil sector. However, media coverage has sometimes been superficial or sensationalized rather than providing detailed analysis of complex policy issues.

Comparative Lessons from Oil-Rich Nations

8.1 Norway: Strong Institutions and Prudent Resource Management

Examining the experiences of other oil-rich nations provides valuable comparative insights into how resource wealth can be managed to avoid the "resource curse" and foster sustainable development. Norway and Saudi Arabia offer contrasting yet instructive models for Nigeria.

Norway: Norway is often cited as a prime example of a country that has successfully managed its oil wealth, largely avoiding the "resource curse". Its oil sector is the largest industry, accounting for 24% of GDP, 36% of state revenues, and 52% of total exports. Despite this significant reliance, Norway has translated its oil wealth into high levels of human welfare and a diversified, robust economy.

8.2 Saudi Arabia: Vision 2030 and Economic Diversification

Saudi Arabia: Saudi Arabia, possessing an estimated 17% of the world's proven petroleum reserves and being one of the largest exporters, has historically been heavily dependent on oil. However, with the launch of Vision 2030 in 2016, the Kingdom embarked on an ambitious plan to diversify its economy, increase non-oil revenues, and improve sovereign wealth management. This represents a significant structural shift from past procyclical public spending.¹²¹ In stark contrast, Nigeria's vast oil wealth has, for the most part, proven to be "more of a curse" due to its weak institutions and inefficient management of substantial oil revenues. The pronounced difference between these nations lies in their approaches to regulation, commitment to sustainable development, and overall profitability derived from their petroleum sectors.

The stark contrast between Norway and Nigeria reveals a fundamental principle: the mere presence of natural resources does not determine a nation's developmental trajectory. Instead, it is the quality and strength of institutions that dictate whether these resources become a "blessing" or a "curse".¹²² Norway's success is explicitly linked to its "strong institutions," "prudent fiscal management," and "vigorous regulation". Conversely, Nigeria's persistent challenges are attributed to "weak institutions" and widespread "mismanagement".^{120 122} This indicates that the "resource curse" is, at its core, an institutional curse. Therefore, any effective policy recommendations for Nigeria must prioritize deep, systemic institutional reform over superficial economic adjustments. Robust institutions form the bedrock for effective resource governance, successful diversification, and equitable development.

8.3 Comparative Analysis: Nigeria vs. Norway

Table2: Comparative Analysis of Resource Management Strategies (Nigeria vs. Norway)

Feature	Nigeria	Norway
Institutional Quality	Weak institutions, unchecked corruption, lack of accountability, political interference (Ibadoghlu, 2024; Okeke & Eze, 2021; Mehlum et al., 2006)	Strong institutions, robust governance, transparency, accountability
Fiscal Management	Procyclical, highly volatile revenue/expenditure, deficit bias, reckless spending (Ibadoghlu, 2024)	Prudent, stable expenditure programs, high fuel taxes, sovereign wealth fund for stabilization
Economic Diversification	Limited success, persistent mono-economy, Dutch Disease evident, neglect of non-oil sectors (World Bank, 2020; OPEC, 2012; Akinleye et al., 2020)	Successful, diversified economy beyond oil, significant investment in R&D
Revenue Utilization	Elite capture, misappropriation, wasteful spending, little show for development (Auty, 2001; Adomako, 2008)	Public investment, long-term savings for future generations, welfare state mechanisms
Environmental Regulation	Weak enforcement, widespread oil spills, persistent gas flaring, severe degradation (Ebegbulum, 2013; Ite et al., 2018; Izah et al., 2017; Adeoti et al., 2018; UNEP, 2011; Esavwede & Oyibodoro, 2023)	Stricter laws, successful gas flaring abatement regime, environmentally conscious policies (Esavwede & Oyibodoro, 2023)
Human Capital Investment	Underfunded social services (education, healthcare), disconnect between GDP and quality of life (Ibadoghlu, 2024; NBS, 2023)	Prioritized, significant investment in education and healthcare (IMF, 2024)
Role of National Oil Company	Inefficient, characterized by poor record-keeping, lack of accountability, political interference (CCSI, 2020; Okeke & Eze, 2021)	Commercial, highly profitable, supports national energy transition ambitions (CCSI, 2020)

Table 2 provides a direct and powerful contrast between Nigeria's and Norway's approaches to managing oil wealth. This comparative analysis clearly illustrates that the "resource curse" is not an inevitable outcome of resource abundance but rather a consequence of specific policy and governance choices. The table highlights how Norway's deliberate strategies, characterized by strong institutions, prudent fiscal management, and a commitment to long-term sustainability, have enabled it to leverage its oil wealth for broad-based development. Conversely, Nigeria's struggles are underscored by its institutional weaknesses, procyclical fiscal policies, and the pervasive impact of corruption. This comparison moves beyond merely describing Nigeria's problems; it offers concrete examples of effective alternative strategies in critical areas, reinforcing the argument that Nigeria's challenges are largely attributable to governance failures rather than an inherent destiny tied to its oil resources.

8.4 Institutional Prerequisites for Avoiding the Resource Curse (e.g., Costa Rica, Vietnam)

Successful economic diversification in developing economies necessitates a long-term commitment, coupled with effective, broad-based policies that foster macroeconomic stability, enhance infrastructure quality, improve workforce skills, expand access to credit, and cultivate a favourable regulatory environment.

Costa Rica achieved significant diversification through a strategic policy shift towards export orientation, substantial investment in human capital, and the establishment of specialized institutions designed to attract foreign investment, particularly in high-tech sectors.¹²³

Vietnam successfully transitioned from an agrarian economy by implementing comprehensive market liberalization reforms, making significant improvements in its business environment, and investing heavily in tertiary education.¹²³

India leveraged its skilled labour force and developed specialized software clusters, combined with robust trade liberalization and foreign investment promotion, to drive explosive growth in its services sector.¹²³ Other examples include Gabon, which has made strides in reducing its oil dependence, and Senegal, which has focused on improving its infrastructure and overall business environment.¹²³ These case studies show the importance of a consistent focus on pro-productivity and pro-poor policies, comprehensive civil service reforms, and a stable balance of power within the political system. Economic diversification is not an organic outcome; it is a complex process that demands the right institutional mix, adequate infrastructure, robust human capital development, and sustained, coherent policy implementation.

The observation that diversification is a deliberate, multi-faceted strategy, rather than an organic outcome, is paramount. The experiences of successful diversifiers like Costa Rica, Vietnam, and India consistently emphasize "strategic policy shifts," "targeted investments," "human capital development," "market liberalization," and "improving the business environment".¹²³ This directly refutes the notion that diversification occurs naturally or through simple market forces; instead, it is described as a "complex process" requiring long-term commitment.¹²³ Nigeria's past attempts at diversification, such as the Structural Adjustment Programme and the Economic Recovery and Growth Plan, have not significantly

produced the desired result. This indicates a critical deficiency in the necessary multi-faceted, sustained effort or the requisite political will. Therefore, Nigeria's diversification efforts must transcend rhetorical commitment and evolve into a comprehensive, sustained, and politically supported strategy that simultaneously addresses multiple enabling factors, drawing crucial lessons from countries that have successfully transformed their economies.

Policy Recommendations

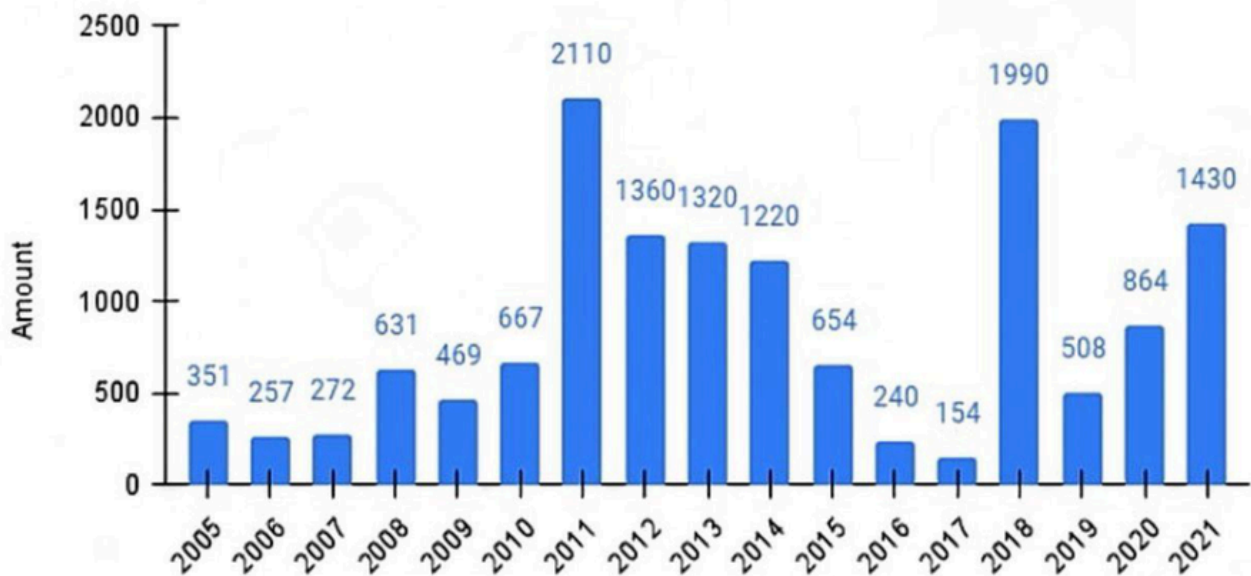
Nigerian policy approaches issues related to the dependency on fossil fuels in more than one manner simultaneously. This chapter highlights the policies related to the format of governance changes alongside transition in the energy system and its diversification. With these policies, we try to better the management system in the country while also addressing urgent economic issues as we plan for the future.

9.1 Transition Strategies

9.1.1 Phasing Out Fossil Fuel Subsidies: Ensuring Effective Resource Allocation

The removal of fossil fuel subsidies by the Nigerian government is a significant step toward fiscal sustainability and economic efficiency. Historically, fuel subsidies have distorted market prices, as shown below, the amount spent in regard to subsidy has drained fiscal resources, and encouraged inefficiencies. While the elimination of subsidies frees up public funds, it is essential that these savings are strategically reallocated to sectors that foster long-term national development.

**Nigeria's Expenditure on Subsidy between 2005 and 2021
(in billions of naira)**



Source: NEITI Chart:Dataphyte

Figure 8: Nigeria's Expenditure on subsidy between 2005 and 2021

Source: NEITI

Nigeria's Expenditure on Fuel Subsidy in 17-Years adequate to build Three 450,000BPD Refineries-NEITI

Strategic Measures:

Investing in Human Capital: Divert core resources to focus on the education, healthcare, and vocational training sectors, these sectors that will improve the nation's GDP. This investment emphasis on the quality and skill development greatly increases the productivity of every citizen towards mobility social further improves the quality of the workforce.

Strengthening Public Transportation: Develop modern transport systems to control and contain the effects of rising fuel prices. The development of public means of transport will ease congestion in metropolitan areas and improve economic access and support other means of social activities.

Allocating Financial Resources towards Renewable Energy: Redirect funding towards the development of solar, wind, and bioenergy industries. This change enhances energy self-sufficiency and environmental stewardship while supporting renewable energy sources.

Strategic Expansion Development: Invest in technological, and manufacturing industries. This reduces the risks associated with dependencies on oil revenues while simultaneously increasing and generating new streams of national income.

Implementing a Thorough Robust Oversight Mechanisms: Establishment of stringent supervisory frameworks that help to integrate independent auditing architects which will guarantee efficient function attainment from all budgetary reallocations. Unlike other management forms, robust control prevents the misuse of finances and maintains public trust and confidence.

Implementation of a monitored and timed subsidy removal is crucial in ensuring that the nation remains socio-economically stable as well as ensures that the development funds are utilized optimally for comprehensive national growth.

9.1.2 Strengthening Alternative Revenue Streams and Industrial Policies

Dependency on oil revenue further increases Nigeria's exposure to economic volatility and fiscal imbalance. Long-term stability requires the country to set new targets towards diversified revenue streams achieved through industrial innovations and comprehensive reforms.

Key Policy Actions:

Updating Tax Policies:

Revise current taxation policies to increase the tax base and enhance revenue collection. A more effective and enhanced revenue system can ensure the consistent funding required for all forms of investment in the economy beyond refining and oil sectors.

Empowering Small and Medium Sized Enterprises (SMEs): Assist SMEs through the provision of positive payment schemes, easier access to supportive infrastructure, and simpler management policies. By increasing the diversifying employment opportunities, SMEs nurture economic resilience and stimulate domestic creativity.

Improving Agricultural Output: Agricultural growth can be stimulated with investment in agro-industries as well as in rural development. Increasing value addition in agricultural products has the potential to increase the exports and reduce the imports.

Developing Innovation Technology Hubs: Create entrepreneurial and high-tech industries. Establish Technology Park Clusters and human resource development centres to advance digital entrepreneurship. It is easier to pursue innovation in many sectors where this must extend within Nigeria in diverse fields upgrading the value chain nutrition available compared to developed economies, significantly strengthening economy agriculture competing with reliance on traditional industries.

9.2 Energy Transition Framework

9.2.1 Advancing Renewable Energy Infrastructure

The renewable energy gaps in Nigeria represent a tremendous opportunity to transform the energy paradigm in the country. It is crucial to develop a viable plan that effectively addresses issues related to renewables in order to shift from an oil dependent system towards one that incorporates increasing renewables dominantly into the system.

Recommendations:

Creating an All-Inclusive Energy Transition Plan: Formulate a detailed plan for the national framework that includes an overarching system of integration for the solar, wind, hydro, and bioenergy sectors. Such a plan must include all milestone periods for transitory target achievement timelines.

Encouraging Investment through Financial Strategies: Formulate and introduce new economic policies that will finance investment into projects and provide tax rebates and low-interest borrowing options to set up subsidized funding frameworks. There is a great need in the present environment in our economy to secure investments from home and abroad especially in the post-COVID scenario.

Expanding Renewable Energy Infrastructure: Direct national investment should be made towards augmenting grid systems as well as the construction of decentralized mini-grids in rural areas. Investing further into the century-old grid system and electricity generation techniques will enable energy access and reliability to all citizens.

Creating a sustainable clean energy sector in Nigeria will hasten the pace of energy transition while preparing for an environmentally friendlier energy mix, diversifying the sources of energy supply.

9.2.2 Institutional Restructuring for Sustainable Industries

The institutional setup of Nigeria configures both the energy transition and the economic diversification strategies simultaneously. Implementation of policies entails improving collaboration among various offices, building up institutions, and applying modern technological solutions.

Actionable Strategies:

Creating New Renewable Energy Development Agencies: Assign new implementation responsibilities, powers, and authority to existing agencies and form dedicated ones. These agencies need the proper independence and resources to accelerate the implementation of policies.

Mainstreaming sustainability policies into the national economic blueprint: Incorporate all policies related to renewable energy and sustainability into a national development plan. Integrated policy alignment will allow different sectors to work synergistically towards a shared and common goal and thereby creating sustainable growth through planning.

Investing in Technological Innovation: This will Increase the support for research and development in clean technology through partnerships. The private sector and academic institutions are also key areas which will aid in development of clean technology through research. The Localization will also create innovative and tailored ideas which will be unique to Nigerian current challenges, and this will drive breakthroughs in sustainable energy solutions.

9.3 Governance and Institutional Reforms

9.3.1 Enhancing Transparency in Oil Revenue Management

Effective management of oil revenues is key in ensuring that Nigeria's natural resources benefit the economy and at large. This will help to enhance transparency not just curb waste and mismanagement but also create an environment where public confidence governance is built and nourished

Core Recommendations:

Public Disclosure of Revenue Distribution: Creation of platforms that will allow for the real-time monitoring of revenue flows. This will help to increase public access to fiscal information that is not readily accessible, and it will ensure that each tranche of revenue is used judiciously and in line with developmental priorities.

Enhancing surveillance from autonomous institutions: Motivate independent agencies to thoroughly evaluate comprehensive audits and supervise project implementations. These agencies should possess the necessary power and independence to carry out audits and make their results available to the public freely.

Installation of Automated Monitoring Systems: Capture sophisticated information technology systems that can monitor the flow and usage of funds pulled from oil revenues 24/7. Automation in any form mitigates sloppiness and is beneficial to the rational organization of finances.

An open and accountable framework for oil revenue management is vital to ensure that oil wealth is transformed into tangible and equitable benefits for all citizens.

9.3.2 Strengthening Anti-Corruption Mechanisms

Corruption continues to be one of the dangerous threats to development in Nigeria because it affects the economy and loosed public confidence. Constructive policies directed towards the prevention and punishment of the crime are essential in fostering conditions for deep-rooted development.

Key Strategies:

Improving the Law and Institutional Structures: Modify and strengthen the current crime law of corruption. Equip enforcement agencies with advanced tools and the requisite power to tackle the

offending activities. Except this time, the legal framework should be strong enough not to allow any corrupt activities to take place circumvented in the first place.

Financial Surveillance Technology Development: Usage of contemporary tools and methods like AI and data analysis to monitor transactions in real time will go a long way in tracking the movement of generated revenues. Such systems will not only enhance the ability of supervisory authorities but also boost the efficiency in monitoring and responding to issues of concern in a more effective and timely manner.

Incorporating Global Best Practices: Ensure that local anti-corruption practices are at par with accepted international standards and criteria. Nigeria stands to gain by studying global practices and optimizing its strategies by applying methods proven to alleviate corruption elsewhere.

Recommendations and Policy Proposals

Nigeria's journey with oil has been a profound illustration of the paradox of plenty, where immense resource wealth has paradoxically fueled underdevelopment rather than prosperity. The development myth, the unfulfilled promise that oil would inevitably transform the nation, has been perpetuated by a complex interplay of historical legacies, economic distortions, pervasive governance failures, and severe social and environmental costs. The analysis presented in this paper confirms that Nigeria's oil dependency is not merely an economic challenge but a deeply entrenched political economy trap.

The colonial era laid the groundwork for this trap, establishing an opaque system of resource control that prioritized external and elite interests over national development and local community welfare. This "ethos" of centralized, unaccountable resource management was inherited and entrenched by post-independence regimes, particularly during the 1970s oil boom. This sudden influx of wealth, rather than being managed prudently, overwhelmed nascent institutions, leading to reckless spending, patronage, and systemic corruption. This period saw the significant neglect of vital non-oil sectors, especially agriculture and manufacturing, a phenomenon consistent with the Dutch Disease. The oil sector evolved into an enclave economy, generating substantial foreign exchange but with limited linkages to broader domestic production or employment, thereby failing to stimulate inclusive growth.

Furthermore, Nigeria's heavy reliance on volatile oil revenues has fostered fiscal procyclicality, creating a boom-bust cycle that undermines stable public service provision and long-term planning. The perverse incentive of oil-backed borrowing has disincentivized genuine fiscal reforms and broad-based tax collection, perpetuating a system where immediate financial gains outweigh the imperative for sustainable development. The consequences are stark: widespread poverty, profound inequality, particularly in the oil-producing Niger Delta, and severe environmental degradation through oil spills and gas flaring, leading to dire health outcomes and persistent social unrest. Despite numerous policy initiatives aimed at diversification and governance reform, including the recent Petroleum Industry Act (PIA), progress has been hampered by a persistent lack of political will, deep-seated corruption, and critical infrastructure deficits. Anti-corruption efforts have largely been undermined by insufficient funding and weak enforcement, highlighting the systemic nature of the challenge within a rentier state framework.

To break this enduring cycle of oil dependency and realize its vast developmental potential, Nigeria must undertake a comprehensive and sustained transformation rooted in genuine political commitment and

institutional strengthening. The lessons from nations like Norway and the strategic shifts in Saudi Arabia underscore that prudent fiscal management, robust institutions, and unwavering political will are indispensable for leveraging natural resources for inclusive and sustainable growth.

Based on the foregoing analysis, the following actionable recommendations are proposed:

10.1 Strengthening Institutions and Anti-Corruption Mechanisms

Enhance Transparency and Accountability: Mandate full, independent audits of NNPC Limited's financial statements and operational data, making them publicly accessible in real-time. Publish all oil contracts, licenses, and concession agreements to eliminate opacity and deter corrupt practices.

Empower Anti-Corruption Institutions: Significantly increase financial appropriations and grant operational autonomy to anti-corruption agencies, insulating them from political interference.¹²⁹ Ensure stringent enforcement of anti-corruption laws and prosecute offenders regardless of their status.¹²⁹

Reform Public Sector Management: Implement comprehensive civil service reforms to improve efficiency, reduce administrative overheads, and foster a culture of public service delivery.

10.2 Enhancing Fiscal Responsibility and Economic Diversification

Prioritize Non-Oil Sectors: Implement sustained, genuine investments and policy support for agriculture, manufacturing, solid minerals, technology, and the creative industries as primary engines of growth.

Promote Agro-Industrialization: Invest in modern agricultural practices, provide incentives for smart farming, enhance rural infrastructure, and establish agro-industrial hubs to boost value addition and export potential.¹³³

Develop Solid Minerals Sector: Address challenges such as illegal mining, inadequate geoscience data, and outdated regulations to unlock significant revenue streams and create jobs in the mining sector, establishing value chains for local processing and refining.

Strengthen Local Content Laws: While the NOGICDA is a positive step, its implementation needs to be more consistent and effective, ensuring genuine transfer of technology and skills, and fostering local capacity building rather than merely fulfilling quotas.

Investing in Human Capital and Social Welfare

Enhance Education and Skills Development: Massively invest in education, including STEM and vocational training, to equip the workforce with skills needed for a diversified economy. Prioritize research and development (R&D) to foster innovation.¹³⁴

Improve Healthcare and Social Services: Significantly increase funding and improve the quality of public healthcare infrastructure and services, especially in rural and oil-producing areas. Implement economic empowerment programs and social safety nets to address poverty and inequality directly.

Address Youth Unemployment: Implement targeted programs to create jobs and provide entrepreneurial opportunities for the large youth population, particularly in emerging non-oil sectors.¹³⁴ ¹³⁹

10.3 Environmental Protection and Community Inclusion

Strict Environmental Enforcement: Ensure rigorous enforcement of environmental laws, particularly regarding oil spills and gas flaring. Invest in gas utilization infrastructure to eliminate flaring and capture economic value.¹⁴⁰

Prioritize Niger Delta Development: Ensure the effective and transparent implementation of the Host Community Development Trust provisions of the PIA, with direct benefits reaching local populations and robust oversight mechanisms involving community stakeholders.¹⁴¹ Prioritize free prior and informed consent (FPIC) of communities, environmental cleanup and remediation efforts in the Niger Delta.

Promote Environmental Sustainability: Integrate climate-smart policies and sustainable practices across all sectors, recognizing the global shift towards renewable energy and the long-term implications for oil demand.

10.4 Reinventing the Social Contract through Resource Governance

Establish a Robust Sovereign Wealth Fund: Strengthen and genuinely fund Nigeria's Sovereign Wealth Fund, insulating it from political interference and ensuring its management aligns with long-term investment and stabilization objectives, akin to Norway's model (PwC, 2016; Punch, 2025).

Reform Tax System: Implement comprehensive tax reforms to broaden the tax base, simplify tax laws, improve collection efficiency, and reduce leakages. ^{143 144} Foster a service-oriented, trust-based tax administration to encourage voluntary compliance and reduce reliance on oil revenues.

Fiscal Discipline: Adopt and adhere to rule-based fiscal policies that prevent procyclical spending, ensuring that government expenditure is consistent with long-term sustainable levels rather than short-term oil price fluctuations (Stanford, 2024).

Conclusion

11.1 Summary of Findings

This study critically examined the historical, economic, governance, social, and environmental dimensions of Nigeria's entrenched oil dependency, revealing a deeply rooted “development myth” that has persisted despite over six decades of petroleum wealth. The findings confirm that:

Nigeria's oil sector, though lucrative, has failed to deliver inclusive growth or structural transformation. Oil has consistently accounted for over 90% of export earnings and 60–80% of government revenue, yet it contributes less than 10% to GDP and remains weakly integrated with the rest of the economy.

The historical trajectory of oil in Nigeria—from colonial-era exploitation to post-independence rentierism—created a foundation of centralized control, legal opacity, and extractive governance that persists to this day.

Oil wealth has fueled widespread corruption, weakened institutions, and distorted fiscal priorities, thereby undermining investment in infrastructure, human capital, and the non-oil economy.

The environmental and human costs have been devastating, particularly in the Niger Delta, where oil spills, gas flaring, and corporate impunity have led to ecological collapse, public health crises, and armed conflict.

Diversification efforts, including policies like SAP, NEEDS, ERGP, and the PIA, have been hindered by weak political will, poor implementation, and systemic governance deficits.

Comparative analysis with countries like Norway reveals that institutional quality, transparency, and long-term planning not resource abundance are the critical differentiators between success and failure in managing natural wealth.

11.2 Reframing Nigeria's Development Strategy Beyond Oil

Reversing Nigeria's oil dependency requires a bold, multidimensional rethinking of national development priorities. Key strategic shifts must include:

Institutional Renewal: Build strong, independent, and transparent institutions that prioritize accountability over rent-seeking. Anti-corruption bodies must be empowered and shielded from political interference, with oil revenues subjected to rigorous public audits.

Economic Diversification: Prioritize productive sectors such as agriculture, manufacturing, renewable energy, and technology through targeted investment, supportive infrastructure, and fiscal incentives. Policies must go beyond rhetoric to deliver measurable, sustained growth in non-oil sectors.

Human Capital Development: Shift from resource-centered development to people-centered development. Invest heavily in education, healthcare, and research to harness Nigeria's demographic potential and foster innovation-driven growth.

Environmental Justice and Sustainability: Implement urgent environmental remediation in oil-producing regions, enforce strict regulation on oil companies, and transition to clean energy sources. A just transition must place affected communities at the centre of decision-making and benefit-sharing frameworks.

Civic Participation and Social Contract Reform: Rebuild trust between the state and citizens by including local communities, civil society, and marginalized voices in policymaking. The Petroleum Industry Act's Host Community Development Trust must be monitored for genuine community ownership and benefit.

Learning from Global Best Practices: Nigeria must internalize the lessons of countries like Norway, particularly the role of sovereign wealth funds, prudent fiscal rules, and broad-based taxation, as essential tools for transforming volatile oil wealth into stable, long-term development.

Endnotes

ClimateChangeandthe Future of Nigeria's Oil-Dependent Economy - Global Journals, accessed June 17, 2025, https://globaljournals.org/GJMBR_Volume24/1-Climate-Change-and-the-Future.pdf

The Effect of Oil Dependency on Nigeria's Economic Growth, accessed June 17, 2025, https://thesis.eur.nl/pub/15396/1/Tracy_1_moodledata_temp_turnitintool_793995179_60_1384335874_2108.pdf

Oil revenue and sustainable economic growth in Nigeria : empirical analysis - Covenant University Repository, accessed June 17, 2025, http://eprints.covenantuniversity.edu.ng/17692/1/186262433X_0.pdf

Oil Price and Exchange Rate Volatility: Implication on Trade Transactions in Nigeria - International Journal of Research and Scientific Innovation (IJRSI), accessed June 17, 2025, <https://rsisinternational.org/journals/ijrsi/articles/oil-price-and-exchange-rate-volatility-implication-on-trade-transactions-in-nigeria/>

Oil Is Discovered in Nigeria | EBSCO Research Starters, accessed June 17, 2025, <https://www.ebsco.com/research-starters/history/oil-discovered-nigeria>

(PDF) Dynamic Relationships among Oil revenue, Government Expenditure and Economic Growth in Nigeria - ResearchGate, accessed June 17, 2025, https://www.researchgate.net/publication/392252307_Dynamic_Relationships_among_Oil_revenue_Government_Expenditure_and_Economic_Growth_in_Nigeria

Beyond Oil: Exploring Alternative Revenue Potentials for Economic Growth and Sustainable Development in Nigeria - Daily Trust, accessed June 17, 2025, <https://dailytrust.com/beyond-oil-exploring-alternative-revenue-potentials-for-economic-growth-and-sustainable-development-in-nigeria/>

Local Content Policies in Petroleum-Rich Nations: A Comparative View of Four Countries, accessed June 17, 2025, https://www.texilajournal.com/thumbs/article/1_TJ2933.pdf

Assessing the Impact of Oil Dependency on Nigeria's Long-term Economic Growth - IRE Journals, accessed June 17, 2025, <https://www.irejournals.com/formatedpaper/1707671.pdf>

The Impact of Oil Prices on Nigeria's Economy - AFSIC 2025 - Investing in Africa, accessed June 17, 2025, <https://www.afsic.net/the-impact-of-oil-prices-on-nigerias-economy/>

The Paradox of Plenty: A Meta-Analysis - IDEAS/RePEc, accessed June 17, 2025, <https://ideas.repec.org/p/drm/wpaper/2016-14.html>

The Nigeria-Biafra War, Oil and the Political Economy of State Induced Development Strategy in Eastern Nigeria, 1967-1995, accessed June 17, 2025, https://epublications.marquette.edu/cgi/viewcontent.cgi?article=1319&context=hist_fac

NIGER DELTA: THE UNSOLVED PROMBLEM, accessed June 17, 2025, <https://theamericanjournals.com/index.php/tajpslc/article/download/6175/5708/7638>

THE IMPACT OF OIL RESOURCE MISMANAGEMENT (1958-1992) ON SUSTAINABLE DEVELOPMENT IN NIGERIA: LESSONS FROM THE PAST AND PATHS FOR - Wukari International Studies Journal, accessed June 17, 2025, <https://wissjournals.com.ng/index.php/wiss/article/download/593/535/585>

The Resource Curse in Nigeria: Lessons and Policy Option, accessed June 17, 2025, <https://www.ijrhss.org/pdf/v2-i8/5.pdf>

Reflecting on the Oil Boom of the 70s: What Changed? - Bravewood, accessed June 17, 2025, <https://blog.bravewood.ng/reflecting-on-the-oil-boom-of-the-70s-what-changed/>

Corruption in the Nigerian Oil and Gas Industry and Implication for Economic Growth - SciSpace, accessed June 17, 2025, <https://scispace.com/pdf/corruption-in-the-nigerian-oil-and-gas-industry-and-3cfhj9ff93.pdf>

Evaluating the Impact of Anti-Corruption Policies on Revenue Transparency and Accountability in Nigeria's Oil Sector - Paradigm Press, accessed June 17, 2025, <https://www.paradigmpress.org/SSSH/article/download/1409/1242/1587>

Nigeria's upstream petroleum industry anti-corruption legal framework: the necessity for overhauling and enrichment | Emerald Insight, accessed June 17, 2025, <https://www.emerald.com/insight/content/doi/10.1108/jmlc-10-2020-0119/full/html>

Equipping the Nigerian National Petroleum Corporation for the Low-Carbon Transition - Columbia Center on Sustainable Investment, accessed June 17, 2025, <https://ccsi.columbia.edu/sites/default/files/content/docs/publications/CCSI-NNPC-Nigerian-National-Petroleum-Corporation-Low-Carbon-Transition-rev.pdf>

evaluating the impact of petroleum industry act (pia) on production sharing contract (psc) in nigeria - AJIEEL, accessed June 17, 2025, <https://ajieel.com/index.php/a/article/download/109/102/411>

Corruption as A Barrier to Effective Governance in Key Sectors of Nigeria - International Journal of Research and Innovation in Social Science, accessed June 17, 2025, <https://rsisinternational.org/journals/ijriss/articles/corruption-as-a-barrier-to-effective-governance-in-key-sectors-of-nigeria/>

Petroleum Laws, Regulations, And Sustainable Development: Oil and Gas Perspectives from Nigeria, Norway, And Saudi Arabia - ResearchGate, accessed June 17, 2025, https://www.researchgate.net/publication/391686844_Petroleum_Laws_Regulations_And_Sustainable_Development_Oil_and_Gas_Perspectives_from_Nigeria_Norway_And_Saudi_Arabia

Oil a Blessing or Curse: A Comparative Assessment of Nigeria, Norway and the United Arab Emirates - Scientific Research Publishing, accessed June 17, 2025, <https://www.scirp.org/journal/paperinformation?paperid=83885>

A political economy analysis of health policymaking in Nigeria: the genesis of the 2014 National Health Act - PMC - PubMed Central, accessed June 17, 2025, <https://pmc.ncbi.nlm.nih.gov/articles/PMC11979591/>

Resource Curse: How Oil Wealth Fuels Corruption and Inequality in Nigerian Politics - Abuja Network News, accessed June 17, 2025, <https://www.abujanetworknews.com.ng/2025/01/resource-curse-how-oil-wealth-fuels.html>

Oil exploration in colonial Nigeria, C.1903-1958 - University of Stirling, accessed June 17, 2025, <https://dspace.stir.ac.uk/bitstream/1893/2735/1/Oil%20exploration%20in%20colonial%20Nigeria.pdf>

The Paradox of Plenty: A Historical Perspective of the Management of the Proceeds of Nigeria Hydrocarbons, accessed June 17, 2025, <http://jepa.unilag.edu.ng/article/view/2377>

SHELL D'ARCY EXPLORATION & THE DISCOVERY OF OIL AS IMPORTANT FOREIGN EXCHANGE EARNINGS IN IJAWLAND OF NIGER DELTA, C. 1940 - arabianjbm, accessed June 17, 2025, [https://www.arabianjbm.com/pdfs/OM_VOL_2_\(11\)/4.pdf](https://www.arabianjbm.com/pdfs/OM_VOL_2_(11)/4.pdf)

Fiscal Policy in Nigeria: Any Role for Rules? - WP/03/155 - International Monetary Fund (IMF), accessed June 17, 2025, <https://imf.org/external/pubs/ft/wp/2003/wp03155.pdf>

Crude Oil Price Volatility and the Nigerian Economy - ResearchGate, accessed June 17, 2025, https://www.researchgate.net/publication/390982616_Crude_Oil_Price_Volatility_and_the_Nigerian_Economy

Analysis of Revenue Generation as A Tool for Socio-Economic and Infrastructural Development in Nigeria - CBN Digital Commons, accessed June 17, 2025, <https://dc.cbn.gov.ng/cgi/viewcontent.cgi?article=1320&context=bullion>

Interrogating Fiscal Policy for National Economic Growth and Development in Nigeria - African Journals Online, accessed June 17, 2025, <https://www.ajol.info/index.php/jpds/article/view/289695/272606>

Britain and Norway avoid the 'carbon curse' of fuel-rich countries | University of Oxford, accessed June 17, 2025, <https://www.ox.ac.uk/news/2013-08-22-britain-and-norway-avoid-carbon-curse-fuel-rich-countries>

Managing the Resource Curse: Strategies of Oil-Dependent Economies in the Modern Era, accessed June 17, 2025, <https://carnegieendowment.org/posts/2017/03/managing-the-resource-curse-strategies-of-oil-dependent-economies-in-the-modern-era?lang=en>

Nigeria: Looking beyond Oil - PwC, accessed June 17, 2025, <https://www.pwc.com/ng/en/assets/pdf/nigeria-looking-beyond-oil-report.pdf>

Folly of Nigeria's oil dependency - Punch Newspapers, accessed June 17, 2025, <https://punchng.com/folly-of-nigerias-oil-dependency/>

Nigeria - Market Overview - International Trade Administration, accessed June 17, 2025, <https://www.trade.gov/country-commercial-guides/nigeria-market-overview>

Finance & Development, December 2008 - Point of View: Nigeria's Shot at Redemption, accessed June 17, 2025, <https://www.imf.org/external/pubs/ft/fandd/2008/12/okonjo.htm>

The Portfolio Construction of the Norwegian Sovereign Wealth Fund: Strategy, Structure, and Stewardship - The Limited Partner - Sites@Duke Express, accessed June 17, 2025, <https://sites.duke.edu/finance/2025/06/06/norwegian-sovereign-wealth-fund/>

petroleum, pollution and poverty in the niger delta, accessed June 17, 2025, https://www.es.amnesty.org/fileadmin/noticias/Niger_Delta_Campaign_Digest_01.pdf

Social Wealth and Quality of Life in Nigeria: Benchmarking Against Global Best Practices - ijrpr, accessed June 17, 2025, <https://ijrpr.com/uploads/V6ISSUE2/IJRPR38837.pdf>

Nigeria's rising tax collection fails to slow poverty, improve infrastructure -Ipaye, accessed June 17, 2025, <https://businessday.ng/news/article/nigerias-rising-tax-collection-fails-to-slow-poverty-improve-infrastructure-ipaye/>

Crisis in the Niger Delta: How Failures of Transparency and Accountability are Destroying the Region - Chatham House, accessed June 17, 2025, <https://www.chathamhouse.org/sites/default/files/public/Research/Africa/bpnigerdelta.pdf>

Multinational Corporations as Mechanisms of Imperialism in the Third World Countries: A Study of Oil Multinationals in Nigeria. - International Journal of Research and Scientific Innovation (IJRSI), accessed June 17, 2025, <https://rsisinternational.org/journals/ijrsi/articles/multinational-corporations-as-mechanisms-of-imperialism-in-the-third-world-countries-a-study-of-oil-multinationals-in-nigeria/>

(PDF) Corruption in Nigeria's Oil and Gas Industry: Measure and Extent - ResearchGate, accessed June 17, 2025, https://www.researchgate.net/publication/390112402_Corruption_in_Nigeria's_Oil_and_Gas_Industry_Measure_and_Extent

A Sample Proposal "Addressing Poverty in Nigeria's Oil-Producing Regions Through Social Investment" - fundsforNGOs - Grants and Resources for Sustainability, accessed June 17, 2025, <https://www.fundsforngos.org/all-proposals/a-sample-proposal-addressing-poverty-in-nigerias-oil-producing-regions-through-social-investment/>

The Struggle of the Niger Delta Region of Nigeria: The Duality of Liquid Gold and Poverty, accessed June 17, 2025, https://www.researchgate.net/publication/387265141_The_Struggle_of_the_Niger_Delta_Region_of_Nigeria_The_Duality_of_Liquid_Gold_and_Poverty

Oil Multinational Corporations and Environmental Rights Violations in the Niger Delta Region of Nigeria - IIARD, accessed June 17, 2025, <https://iiardjournals.org/get/JPSLR/VOL.%2011%20NO.%203%202025/Oil%20Multinational%20Corporations%2029-52.pdf>

GAS FLARING IN NIGERIA'S NIGER DELTA: LEGAL CHALLENGES AND LESSONS FROM NORWAY'S REGULATORY FRAMEWORK - Grassroots Journals, accessed June 17, 2025, <https://grassrootsjournals.org/jelp/jelp05.01.06-esavwede-oyibodoro.pdf>

unveiling the hidden costs: health impacts of oil exploration in nigeria's niger delta - ISAR Publisher, accessed June 17, 2025, <https://isarpublisher.com/backend/public/assets/articles/1687664671-UNVEILING-THE-HIDDEN-COSTS-HEALTH-IMPACTS-OF-OIL-EXPLORATION-IN-NIGERIA'S-NIGER-DELTA-REGION.pdf>

Oloibiri - Wikipedia, accessed June 17, 2025, <https://en.wikipedia.org/wiki/Oloibiri>

Oil Spillage and Heavy Metals Toxicity Risk in the Niger Delta, Nigeria - EHP Publishing, accessed June 17, 2025, <https://ehp.niehs.nih.gov/doi/full/10.5696/2156-9614-8.19.180905>

The Petroleum Industry Act (PIA): One Year On- Impact, Challenges, and the Road Ahead - IRE Journals, accessed June 17, 2025, <https://www.irejournals.com/formatedpaper/1708688.pdf>

Building Resilient Economies through Diversification - Number Analytics, accessed June 17, 2025, <https://www.numberanalytics.com/blog/building-resilient-economies-through-diversification>

Impact of Oil & Gas Production on the Niger Delta – Fossil Fuel - Climate Justice Central, accessed June 17, 2025, <https://www.climatejusticecentral.org/posts/impact-of-oil-gas-production-on-the-niger-delta>

Economic growth in an oil-dominant economy of Nigeria: The role of financial system development - Taylor & Francis Online: Peer-reviewed Journals, accessed June 17, 2025, <https://www.tandfonline.com/doi/full/10.1080/23322039.2020.1810390>

Development Policy, Plan and Economic Diversification in Nigeria: Perspectives on Economic Recovery and Growth Plan - ResearchGate, accessed June 17, 2025, https://www.researchgate.net/publication/355530093_Development_Policy_Plan_and_Economic_Diversification_in_Nigeria_Perspectives_on_Economic_Recovery_and_Growth_Plan

Economic Diversification in Developing Countries – Lessons from Country Experiences with Broad-Based and Industrial Policies in - IMF eLibrary, accessed June 17, 2025, <https://www.elibrary.imf.org/view/journals/087/2024/006/article-A001-en.xml>

Economic Diversification in Developing Countries: Lessons from Country Experiences with Broad-Based and Industrial Policies, accessed June 17, 2025, <https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2024/07/20/Economic-Diversification-in-Developing-Countries-Lessons-from-Country-Experiences-with-532135>

Economic Diversification and Agricultural Recovery Policies in Nigeria: An Assessment of Food Sustainability Programs of Tinubu - Zenodo, accessed June 17, 2025, <https://zenodo.org/records/15012358/files/IJRIAR-09.pdf?download=1>

Our History - Ministry of Petroleum Resources, accessed June 17, 2025, <https://petroleumresources.gov.ng/our-history/>

AN ASSESSMENT OF THE NIGERIA'S ROLE IN OPEC AND THE QUOTA ALLOCATION TO MEMBER COUNTRIES - TERAS, accessed June 17, 2025, <https://teras.ng/api/asset/document/0d946613-28db-492f-beba-9383d35654a6>

Equipping the Nigerian National Petroleum Corporation for the Low-Carbon Transition: How Are Other National Oil Companies Adapting? | Columbia Center on Sustainable Investment, accessed June 17, 2025, <https://ccsi.columbia.edu/content/equipping-nigerian-national-petroleum-corporation-low-carbon-transition-how-are-other>

Beyond Oil: The Imperative for Diversification of the Nigeria Economy, accessed June 17, 2025, <https://internationalpolicybrief.org/wp-content/uploads/2023/10/ARTICLE2-80.pdf>

The Dutch Disease of Nigeria's Oil Sector | The Republic, accessed June 17, 2025, <https://rpubl.com/february-march-2025/dutch-disease-nigeria-oil-sector/>

In First Move Toward Openness, Ojulari-led NNPC Releases Company's Operational Data for April - THISDAYLIVE, accessed June 17, 2025, <https://www.thisdaylive.com/2025/06/13/in-first-move-toward-openness-ojulari-led-nnpc-releases-companys-operational-data-for-april/>

Nigeria's Petroleum Industry Act 2021, a Pathway for Economic Prosperity and Sustainable Development - SPE JPT, accessed June 17, 2025, <https://jpt.spe.org/nigerias-petroleum-industry-act-2021-a-pathway-for-economic-prosperity-and-sustainable-development>

From Fragmentation to Reform: A Robust Analysis and Understanding of the PIA 2021's Impact on Upstream Petroleum Operations in Nigeria (Part 1) - Olisa Agbakoba Legal (OAL), accessed June 17, 2025, <https://oal.law/from-fragmentation-to-reform-a-robust-analysis-and-understanding-of-the-pia-2021s-impact-on-upstream-petroleum-operations-in-nigeria-part-1/>

THE LOCAL CONTENT REQUIREMENTS IN NIGERIA OIL AND GAS INDUSTRY, accessed June 17, 2025, <https://www.resolutionlawng.com/the-local-content-requirements-in-nigeria-oil-and-gas-industry/>

SAUDI ARABIA: FROM THE BIG PUSH TO THE LONG PUSH, accessed June 17, 2025, https://sdgc.stanford.edu/sites/g/files/sbiybj18741/files/media/file/saudi-resilience_big-to-long-push_1_aug_24.pdf

OPEC and its Influence on Member Countries' Economic Development (The Case of Nigeria), accessed June 17, 2025, <http://ijeais.org/wp-content/uploads/2022/11/IJAMR221124.pdf>

OPEC - Wikipedia, accessed June 17, 2025, <https://en.wikipedia.org/wiki/OPEC>



About HOMEF

Health of MotherEarth Foundation (HOMEF) is an ecological think tank advocating for socio-ecological justice and foodsovereignty in Nigeria and Africa at large. HOMEF recognises that the global crises have systemic roots and the current paradigm of development and growth based on competition will lead to the critical destruction of biodiversity and continued destructive extraction of natural resources as well as dependency on risky technologies.

HOMEF works on Fossil Politics and Hunger Politics using grassroots tools to build and share knowledge through our ikike platforms. Our Ikike platform has educational spaces such as Community Dialogues, School of Ecology, Sustain-Ability Academy, Conversations and Learning from the Wise.

We also have a programme on Community and Culture through which we carry out cultural production and wellness activities.