AN EXPOSITION OF THE POLITICAL ECONOMY OF NATURAL RESOURCES AND CONFLICT IN NIGERIA

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Abstract
Nigeria is blessed with human and natural resources, particularly oil and gas reserves. It is also blessed with a large expanse of arable agricultural land. The cause of many gridlocks distressing the stability and development of the country are tied to these resources. Although these resources are needed for foreign exchange, they have become sources of corruption, conflict, environmental degradation affecting livelihoods of its inhabitants and its ability to deliver on its potentials as a nation. A number of reasons have been adduced for the

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INTRODUCTION
Historically, several wars and conflicts have occurred in several societies because of possession and control over resources. Resource conflicts for example were common in various inter-imperial wars in Europe in the 16th to 19th centuries, and the quest for resources played a major role for the outbreak of the two world wars (Klare, 2001). According to Klare (2001), conflicts involving resources were less prominent during the cold war period but became pronounced after that period particularly in the 1990s. The conflicts in Angola, Chechnya, Congo, Indonesia, Liberia, Sierra Leone, Somalia and the Sudan as well as conflict in the Gulf
way things are in the country including its colonial legacy, intrigue from the international community, socio-cultural as well as political factors. Political economic approach is used in explaining how these factors contribute in leaving Nigeria tottering constantly on conflict and on the edge of fracturing. This paper uses qualitative-descriptive technique to examine the root causes of natural resource conflicts in Nigeria tracing its origin to contact with western capitalism and colonialism. Findings show that a combination of economic, political and social factors, often accompanied by parochial interests of corrupt elites contribute in limiting or diminishing opportunities. The paper concludes that Nigeria must rise above its political economic problems to make a positive lasting impact and recommends that good accountable democratic governance is necessary to move the country towards positive development outcomes.

Region were largely resource driven conflicts where competition over the control of critical resources were the major driving motives behind the conflicts. Presently, resource conflicts continue to remain a major feature of the security of the world because such conflicts are becoming more frequent and pronounced in various parts of the globe as demand for certain resources exceed the supply.

Oil, like other natural resources, is a resource the world lusts after. It has been a leading cause of conflict and interstate wars since 1973 where it is seen as responsible for up to half interstate conflicts since then (Colgan, 2013). While several resources have also been responsible for conflicts, Colgan (2013) asserts that no other resource has been responsible for conflict on the global scene as oil. Understandably, the commodity is responsible for several conflicts because it is important to economies of various nations and it is irregularly distributed in terms of geography (Klare, 2004). In addition, it is a major source of the World’s energy supply and is a basic component of several important products such as plastics, pesticides, paints, solvents, etc. Nigeria is one of the countries in the world that is blessed with oil as a resource. Nigeria is a complex country with a swirling paradox of resource curse, which includes abundant poverty and riches, stagnation and growth, international and domestic influence and diversity in terms of cultures, ethnicities, and
religions, which more often than not cause conflicts. Nigeria also represents the best and worst of what the African continent has to offer (Bouchat, 2013). It is located in Sub-Saharan Africa with the largest population in the continent from diverse ethnic and religious backgrounds. The country is a member of several international and regional organisations, including the United Nations, the Commonwealth, the Organisation of Petroleum Exporting Countries (OPEC), the African Union (AU), and the Economic Community of West African States (ECOWAS) etc. where it commands great influence and clout.

Nigeria is endow with vast natural resources including large reserves of oil and gas, which is the country’s major foreign exchange earner. This is in addition to vast expanse of arable land with great potential for agriculture as well as a huge human capital base for production. These much-endowed natural resources have however continued to plague the country as it allows for massive corruption, degradation of the environment, persistent conflict and political turmoil. The country has thus experienced consistent political instability with numerous military interventions in its political history. The country has also experienced constant internal conflicts including a civil war and several other internal conflicts with the latest being the Boko Haram insurgency and clashes involving pastoralists and farmers. Such conflicts, and many other problems, have hindered economic, social, human and political development in the country.

Several causes have been ascribed to the many conflicts and problems bedevilling Nigeria. These vary from its colonial past, international conspiracies and intrigue, poverty, illiteracy, cultural and religious differences among many others. These reasons, whatever they may be, have threatened to leave the country mostly on the brink of instability with the possibility of the country fracturing. Whatever the ascribed reasons for these conflicts, the root cause for these and other problems facing the country may be the result of its political economy, that is, the contradictions of its competing elements of economics, politics and society. Though the political economy may not be the only way of explaining Nigeria’s problems, it is however an important element in describing the country’s present and future economic state and its stability. These, coupled with rampant corruption and already existing fault lines threaten to split the Nigerian state.
This study intends to look at Nigeria’s conflicts through its natural resources and its effects on the political economy. The linkage of these factors in society is undeniable, as it helps to explain the conflicts affecting a state like Nigeria. It will try to explore pivotal ways in understanding Nigeria through its political economy, which will provide more insight into its entrenched problems, offering better ways of maintaining the country’s stability and integrity. An exposition of Nigeria’s political economy is therefore necessary in revealing the root causes of its numerous economic, political, ethnic and religious conflicts with a view to addressing them.

Conceptual Clarification

**Political economy:** is concerned with the “interconnection of economic and political structures in social formation” (Alozieuwa, 2010, p. 23). The term political economy here refers to the mutual interactions between economic and political activities (policies on politics) with the ideological, cultural and historical factors on one hand, and the self-interests of affected groups on the other (Pryor, 1990). By nature, man tries to influence things of significance to him. Things of economic significance ranks high in terms of importance to man. It is therefore not surprising that political and cultural issues are influenced by economic consideration and benefits to the individual or group.

**Natural resources:** these are materials as well as substances such as minerals, forest, water and land that occur in nature and is use for economic gain (Oxford Dictionaries, 2018). Natural resources are not limited to material and non-material gifts of nature but also include people. As man’s labour power is also a transforming resource that creates the material existence of man. Labour power comprises the physical, psychological and intellectual capabilities of man, the worker (Ake, 1981). It is the combination of the object of labour (resources), the instruments of labour (tools) and the labour power of man that constitute a society’s factors of production or its productive forces (Ake, 1981). A country like Nigeria that is blessed with a huge human and material resource should be the driving force for economic development and growth in Africa and the world over.

**Conflict:** this refers to a disharmony, antagonism and hostility in relation, which could arise due to incompatibility of the objectives pursued or incongruity of the ways and means adopted in pursuing the preferred objectives (Mbachu, 2009). Conflict is inevitable as it can originate in
individual or group reaction to situations of scarce resources, division of functions and roles, differentiation of power as well as competition for limited supplies of resources, valued roles and power (Mitchell, 1998). Conflict of all forms and configuration has assumed a frightening dimension in Nigeria, as it has become a medium for self-determination, protest over material deprivation as well as a desire to meet basic human needs.

Theoretical Framework
Considering the complex issues proposed for this study, the political economy theory best describes the link between natural resources and conflict as it easily shows the connection and explains the contradictions between the economic base and the super structure. Political economy could be viewed as a complete scientific mode of analysis suitable as a tool for understanding the material production in societies and the construction of social forces, classes and conflict. The political economy theory helps in providing a link explaining the past, the present and predicting the future by way of describing how we got to where we are.

As a theory, the political economy perspective used in this paper is derive largely from the contributions of Marx and Engels in the nineteenth century. It takes its point of departure, from the production and reproduction of material means of existence. As Ake, (1981) has noted, this theory stands out from others because it examines reality from the prism of dynamism arising from the contradictions of societal existence and investigates social and material existence and relates them. In addition, instead of focusing on the surface of a particular issue, this variant of the political economy theory gives attention to the dialectical connections and internal contradictions of the issues.

Political economy is about the relationship between the political, the economic, the social factors and the state as well as the various ways individuals in the society try to use these factors to change their economic wellbeing and development. The central proposition of the theory entails that the mode of production in a society influences material life and determines the general character of the social, political and economic processes of life (Anifowose, 2008). The theory stresses the link of the different elements in society, particularly, the economic, the social and the political. It assumes that all these elements are interrelated in a relationship that is complex, intricate
and dynamic. It thus explains the way the society is divided and segmented into strata such of the rich and poor, and how politics and economy can become tools for manipulation, by one class over another for material benefit. The theory is thus relevant in this study as it tries to create a link between the political factors, the economic factors, natural resources and conflict that happens in the Nigerian state as a product of manipulations by the elites at the detriment of the rest of society. It thus argues that the conflict, which takes place in Nigeria, is a product of manipulations of the elites over the vast majority of the people with conflict emerging because of the contradictions. The elites hold political power through which they exercise control over the economic and use their position to exploit the resources available to their advantage. The elites therefore utilise their control over the apparatus of the state to marginalise, exploit and dominate the resource rich stratum of the society. This study thus tries to show the link between the political, the economic and the conflict-taking place in Nigeria.

**The relationship between political economy of a State and conflict**

As stated earlier, in every society, exist an intricate relationship between the political structure, the economic structure, the social structure and the belief system (Ake, 1981). These elements are strong and interrelated influencers. They jointly are more usefully termed “political economy” a term concerned with the relationship of “economic and political structures in social formation”. (Alozieuwa, 2010, p. 23) This study uses the term “political economy” to show the mutual interactions of economic and political activities with the institutions on politics together with the ideologies and historic issues, which influence the self-interest of groups, involved and how they all interact and lead to conflict in society (Pryor, 1990). These elements of the political economy are all involved in providing support in the analysis particularly how the distribution and redistribution of economic benefits influence formation of self-interest groups, their ideologies and they in turn influence policies and development outcomes in the political, economic and social life of society as a whole.

The use of political economy shows how human beings by nature try to influence their economic well-being (which is of great significance to them) by forming groups to influence economic outcomes beneficial to them. These factors interact in societies in a manner, which are undeniably inexact but
linked to explain the various conflicts that take place in societies. It is thus an important, though not the only way, of explaining the current conflicts happening over natural resources in Nigeria and by extension, play a role in defining the country’s present and future economic prosperity and stability (Reno, 2000).

Due to their being very fundamental to societal well-being, the issues involved in the distribution of political and economic gains could turn out to be very volatile within societies. Where situations of equity exist in distributions of economic gains, conflicts within states based on political and social rivalries become rare or often ignored so as not to interfere with growth prospects. This was the situation in the economic boom days of Yugoslavia, where as a fast growing economy in the 1950s and 1960s, the economic prosperity overshadowed the ethnic and political rivalry, which had brought about the killing of 750,000 citizens through internecine conflicts during World War II.

In situations where economic standards decline or are inequitable however, the resulting economic deterioration cause the emergence of groups in zero-sum games in search of diminishing economic benefits. This became the situation when there was economic decline in the 1980s in Yugoslavia due to poor policies by government and global oil shocks resulting in political, cultural and regional conflicts, which fractured the state in the 1990s (Bouchat, 1994). A similar situation is seen playing out in Sudan and is instructive to the Nigerian situation today.

Nigeria was colonised by the British and gained independence in 1960. A combination of factors such as poor leadership, an inability of its post-colonial leaders to weld a united country out of its fragmented ethnic components, unstable structure and several others all contributed to a poor economic showing (Bouchat, 2013). While uniting the country and economic development was not a priority of the British colonialists, evidence suggest that it was to the advantage of the colonialists to play groups against each other (Jackson, 2007). The country’s, persistent and often bloody conflicts through most of its history is mostly a result of manipulated individuals or groups struggling for a bigger piece of an inadequately sized national cake.

From independence, desperate politicians have sought to manipulate differences in order to gain “regional, ethnic, and confessional group support for their own interests and have severely divided Nigeria’s society and polity” (Bouchat, 2013, p. 6). The control of resources by the elites is a sure means to
wealth and power in a rentier state such as Nigeria (Ikpeze, Soludo, & Elekwa, 2004). These elites thus strive to manipulate the system to this end. During the grant of independence in 1960, Nigeria had three economically viable political regions that balanced the power of the central government. Response to different ethnic, religious and other forms of rivalries led to eventual fragmentation into 36 states by 1996. This fragmentation was to encourage some level of self-determination including economic independence among the diverse ethnicities (Lewis, 2011). Instead, this rather pronounced existing fault lines and enhanced the power of the central government, as the tiny resulting states grew more dependent on hand outs from the federal government and shutting out minorities in these tiny states (Falola, 1999). The Nigerian federal system is thus structurally flawed and manipulated, enhancing divisive interests over national interests (Lewis, 2006). However, more revenue now goes to the oil producing states in Nigeria through the “derivation”, little of that has being used to improve infrastructure or public services (ICG, 2010). The control of these lucrative states continues to be a target of the elites while the remaining less “endowed” states remain vulnerable to the federal government revenue distribution (Falola, 1999). The centralisation of governance makes rent seeking even more attractive and easier to manipulate while increasing the stakes for the beneficiaries. This political economic structure makes the elites, who are the beneficiaries, hinder general economic development by concentrating their energies on means and ways to maintain the status quo than enhancing development initiatives (Ikpeze, Soludo, & Elekwa, 2004). While this arrangement benefits the elites and their cronies in the short term, it weakens state institutions by ensuring less accountability, breeding corruption and alienating others out of power thus promoting conflict (Ross, 2014; Lewis, 2006). This study thus asserts that the structure of the Nigerian state and its form of democracy forfeits the general welfare of its people thus encouraging conflict among them.

Natural Resources and Conflict
The world over, natural resources, where they exist (land, water, timber, minerals, metals, oil, etc.) are important for people’s material existence, for their income and a source of influence for countries and societies. When these resources are inadequately managed or not equitably distributed, or when
government policies are made and/or implemented in respect of these resources without due consideration for the communities and for societal context, they could bring about tensions and can contribute in escalating social conflict in an already existing conflict dynamics. Problems of population growth as well as environmental degradation enhances struggle and competition over scarce resources such as land and water. Besides, climate change also influences the desire for competition for these scarce resources thereby heating up these societies even further. It is therefore not a surprise that natural resources could be deemed as key drivers for a growing number of conflicts with grave consequences for global peace and security.

Extractable resources could be linked to conflict but the link between extractable resources and conflict are not always clear as a country’s resource wealth may not necessarily bring about violent conflict. For example, as found in Norway and Canada for first world countries and Chile and Botswana for the third world countries. However, existing evidence suggest that countries rich in natural resources are more likely to have conflict than countries poor in resources. These conflicts are even more likely pronounced in countries whose dependence on these extractive resources account for more than 30% of their GDP. This is particularly more likely in countries dependent on export of extractable resources in their primary state, example, crude oil, metal ores, agricultural products etc. The exception to this, is however found in countries like Kuwait, Dubai and Brunei, who have large oil fields but with a small population and can purchase social peace using substantial amount of revenues generated from these resources (Le Billon, 2003).

Resource conflicts could vary from insignificant social unrest to violent open war. Findings suggest that a major cause of resource conflict lies in the manner these resources are extracted, how the revenues from the resources are utilised and distributed, and the way local populations in resource areas are involved in decision making processes with regards to the development of the affected regions (Heinrich Böll Stiftung, NA). Natural resources, if available, play important role in originating, escalating and sustaining some conflicts. Resources like oil are more likely to enhance conflicts because it offers a source of primitive accumulation through rent seeking and corruption (Bouchat, 2013). Resources are most times location-dependent, found most often in remote areas, which become ‘islands of wealth’ while poverty exist around them. Extractive industries, are often more responsible for conflicts
more than other industries because, they are sometimes involved in the worsening existing social inequalities, fail to comply with environmental standards, evade taxes, reinforce corruption, and support authoritarian regimes in order to safeguard their interest (Fafo, 2002).

The political economy of resources often entails states and corporations working hand in hand, using armed guards to provide security for the resource sites, bringing about the militarisation of the resource extraction sites, thereby alienating the local communities and exposing the area to instability and disarticulation. In this circumstance, exploitation could result to the disadvantage of the resource communities, negotiation becomes difficult, often creating obstacles to peace building and development of these affected communities. Control of the resources becomes an issue, as the resource acts as a vector of conflict whose roots are essentially economic and political becoming the reason for violent clashes among groups, the state, and the corporation, all in a bid to gain access to the economic benefits of the resource in question. This results in a generalised conflict situation of the whole area and an atmosphere of violence.

**The Political Economy of Nigeria’s Natural Resources and Conflict**

Generally, for most of its history, Nigeria has underperformed economically in relation to its potentials. In spite of huge incomes from oil, its dominant source of revenue, its per capital income is below expectation in terms of purchasing power parity (PPP). GDP figures for Nigeria decreased from a high of 1500 dollars in the 1970s to 300 dollars in 1998. By 2010, the GDP shows a recovery to 1,470 dollars (Bouchat, 2013). Most problems facing Nigeria could be linked to the nature of its political economy, which has sown internal disharmony. Policies of the Nigerian state, have overtime, structured the country to be highly dependent on export of oil to the detriment of other important economic sectors. The dependency on a single commodity has created a situation of resource curse that has turned the state into a rentier one for primitive capital accumulation by its elites, corrupt and unresponsive to the needs of the masses.

Over dependence on oil, resulted in the underinvestment in other sectors’ infrastructure, particularly, agriculture, which is rural based. This has led to the mass migration of skilled and unskilled labour away from the manufacturing and the agricultural sector, which should have served as the
biggest employer of labour and the base for the industrial growth of the country. The resulting effects is the disarticulation of resources leading to Dutch Disease. The secondary effect is the environmental damage, which mostly affects the poorest segment of the population, leading to a discontented population, a conducive situation for raising crime and insurgency (Falola, 1999). According to Alozieuwa (2010), political economic factors, which include, social apathy, economic deprivation and political frustration within Nigerian societies are responsible for conflict within and among citizens. Consequently, most of Nigeria’s frequent and bloody conflicts can be traced to its political economy of its natural resources with each group contesting for a share of an inadequately sized national cake.

Nigeria’s resource wealth has been seen as a major source of exploitation by its corrupt elite pursing selfish interest as against national interest. The country’s huge human capital resource has perpetually also remained underdeveloped. Thereby denying the country another resource base to oil the wheel of development. This creates a situation of wealth without work (Collier & Hoeffler, 2006). The wealth without work syndrome attracts entrepreneurially skilled Nigerians and corporations away from contributing to the growth of the economy through agricultural and industrial production into rent seeking ventures, which has the effect of truncating the overall political economy of the country. Usually, rents from resource sectors go the government where it is misused by the country’s autocrats. When institutions are bad, resources abundance is a curse as it defines the quality of a nation’s institution as either grabber-friendly or producer-friendly (Wadho, 2011; Friedman, 2005). This rentier state behaviour could be said to have accounted for Nigeria’s diverted wealth and underdevelopment as the control of state resource is an avenue for selfish wealth and power rather than national economic growth and development.

Most times, conflicts arise among people contesting ownership of natural resources. Such resource-driven conflicts are even more accentuated in countries with high degree of ethnic diversity and where resources are located in areas dominated by a major ethnic group. Collier, (2010), argued that resources that are easily assessed, like certain diamond deposit are used to finance wars and conflicts. Nigeria has a huge population divided largely with christian majority in the south and muslim majority in the north among an estimated 300 ethnic groups of which three (Hausa, Igbo and Yaruba) are
dominant. The Niger Delta specifically, is also ethnically divided with an Ijaw majority and several other smaller ethnic groups. The region houses Nigerian oil that is relatively pure and can be easily extracted and refined (NNPC, 2018).

The resource curse syndrome is clearly a symptom of the Nigerian political economy, being that, Nigeria is believed to be Africa’s biggest producer of oil as it is the fifth globally but despite the revenue accrue from the oil resource, Nigeria’s per capital GDP as of 2000 was 30% lower than that of 1965 (Bouchat, 2013). Even more worrisome is that Nigerians living below one US dollar per day as at 2012 had risen to 61%. (Ross, 2014). Oil dominates Nigeria’s economy from 1% of GDP in 1960, to 26% by 1970. By 1976, it was 94% of Nigeria’s export and 95% of Nigeria’s earnings by 2011 (Falola, 1999). On the reverse side, Agriculture, which is an industry for many ethnic groups was 61% of GDP by 1960 (Falola, 1999). By 2011, agriculture has dropped to 35% of GDP and accounting for only 4% export (CIA, 2017).

As stated earlier, there is no direct link between natural resources and conflict. In the case of Nigeria however, natural resources bring about conflict mostly because of the peculiar way the country is structured. This is true in an environment of limited resources with decreasing political and economic opportunities, bringing people together in bands along ethnic, religious or other groups in order to gain economic or political advantage. These differences create an enabling environment for the politicisation of resources by the elites, often manipulating these groups into associations which are no different from ‘pawns on the chess board of the political elite’ (Falola, 1999, p. 91). Even though control over resources within the political economy may be the ultimate goal for division and violence in the country, these divisions happen along easily identifiable fault lines over political power and distribution of economic resources leading to conflicts which have become rampant from the 1980s (ICG, 2010).

An irony of fate, makes the existence of natural resources abundant around minority enclaves in Nigeria which creates an avenue for the majority contesting to have access to these resources while the minority aim at protecting it for themselves. For example, in the North, arable land, viable for agricultural purposes are found around minority settlements. Fulani who are pastoralist also require this arable land as pasture for cattle while the minorities need the same arable land for farming which results into the
persistent Fulani-farmers clashes around Nigeria. Prominent resources such as tin were also found around minority communities in the north, attracting a vast majority of non-indigenous migrants. This today explains one of the reasons for the persistent crises on the Jos Plateau. In the south, crude oil is found in the minority enclave in the Niger-Delta. Lack of access to the economic benefits by these minorities has also being one of the reasons for the Niger-Delta conflict. The politicisation of these resources by the elites has brought about conflicts which are ever persistent.

Mobilising a fractured population has been an important tool in Nigeria’s politics. The politics of unity in diversity is further manifested with great economic implications in the form of indigeneship and settler dichotomy. Over time, a fractured population, has become a means for economic and political profit and distribution of public wealth resulting in sectarian conflicts because the general public are dissatisfied with their economic circumstances and wellbeing. This has given birth to political parties and democratic institutions that are tools for manipulation by the elites in Nigeria who have taken advantage of the situation for primitive accumulation.

The manipulations of the politics and economy also brings about manipulations of the legal institutions. The law has been manipulated through legal instruments such as the constitution which creates a highly centralised government, granting control over resources to the central government at the detriment of the local communities where the resources are found. This grants elected officials and their cronies, who are mostly not from these resource areas access to these resources. The centralisation of state powers at the centre in Nigeria’s Federal system, makes the control of the federal government a free for all fight and a do or die affair as the control of state power is an avenue for wealth. This makes elites from all regions co-conspirator because they tolerate the gross inequality found in the system, exploiting it to their advantage and feeling entitled to it, despite, the disarticulation to the socio-economic development and political stability of Nigeria.

**Conclusion**

Nigeria is blessed with vast natural resources including a large population; large expanses of arable land and a huge reserve of oil and gas among others. These resources, which should have been used for socio-economic
development has rather become a source of persistent conflict in recent times. The resources have continued plague the country, allowing for massive corruption, degradation of the environment and conflict. This study asserts that though there is no direct link between natural resources conflict, Nigeria’s natural resources has created a rentier state and become a curse to its political economy.

Most Nigerian resources are allocated in areas controlled by ethnic minorities. The manipulation of the institutions of the state by the elites, has denied these minorities the benefits and development that should have been derived from these resources. These manipulations, has created and sustained a fractured state structure and institutions to the benefits of the elites, alienating the greater population from these natural resources. The contradictions of a resource blessed country, in the midst of poverty often result in persistent conflict which hinders development and creates instability in a nation.

References


