NATURAL RESOURCE GOVERNANCE AND NIGERIA'S DEVELOPMENT QUAGMIRE: A REPROBATE PERSPECTIVE

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Abstract
The orthodoxy around Nigeria's development challenges vis-à-vis her enormous natural resource endowment is that the former is a function of the abandonment of agriculture and the privileging of oil as the sole driver of the nation's development. Such explanations readily point to the disappearance of the famous groundnut pyramids in the North, the withering of the previously massive cocoa production activities in the West, and the drying up of palm oil flows in the East as evidence of such abandonment. They further point to the contribution of oil to the nation's foreign exchange earnings and her overall revenue stream as evidence of the excessive reliance on oil and the monocultural nature of Nigeria's economy. Consequently, such explanations recommend an immediate reversal to agriculture as a panacea for overcoming Nigeria's lingering development quagmire. This paper makes a departure from such humdrum explanations. It takes the counterintuitive view that the nation did not abandon agriculture nor could she be said to have relied on oil for her development. Instead, the paper argues that following the unfortunate events of 1966 to 1970, the development enterprise in Nigeria was frozen and national energy, including her natural resource wealth, was perversely diverted to the oiling of the nation's power calculus by the ruling elite. Without prejudice to the merits of diversification, the study recommends a re-jigging of national development through the full activation and deployment of all of the nation's resources; agricultural, oil, and especially her immense human resources.

Keywords: Resource governance; development; oil; agriculture; ruling elite.

Introduction

Natural resource endowments such as oil, gas, and minerals can serve as potent drivers of development. But a "paradox of plenty" exists in resource-rich poor countries, where recent history has demonstrated that extractive endowments, if not well managed, can disappoint. Common problems include lopsided, poorly diversified economic structures; disruptions to local economies and communities; environmental hazards; weakened accountability of the state to society; and even the risk of violent conflict (Barma, Kaiser, Le, and Viñuela, 2012).

The prevailing orthodoxy in development literature with respect to Nigeria's current development quagmire is that it arose principally as a result of the poor governance of the country's abundant natural resources. The typical way in which the conversation around the damaging effect of oil on Nigeria's development is framed is that since the discovery of oil in commercial quantity in Nigeria, there has been an inordinate focus on the product with oil accounting for more than 90 percent of the country's exports, 25 percent of the Gross Domestic Product (GDP), and 80 percent of government total revenues (Agbaeze, Udeh, & Onwuka, 2015), making the country a mono-cultural economy. It is further contended that as a result of this over reliance on oil, the economy of the country has been substantially unstable, a consequence of the heavy dependence on oil revenue, and the volatility in prices. According to this position, "the oil boom of the 1970s led to the neglect of agriculture and other non-oil tax revenue sectors, expansion of the public sector, and deterioration in financial discipline and accountability" (Agbaeze, Udeh, & Onwuka, 2015, p.1). In turn, oil-dependence, it is argued, exposed Nigeria to the vagaries associated with oil price volatility which threw the country's public finance into disarray. Moreover, since oil revenue dominates Nigeria's Federation Account, the sharing of oil rents govern intergovernmental fiscal relations in the country with an on-going tension between agitations by oil producing states for greater share of resources and demands for redistribution from other regions, particularly relatively less endowed ones (Agbaeze, Udeh, & Onwuka, 2015).

Following from this problem identification, the international donor community has privileged the reform of natural resource governance regimes in the resource-abundant developing countries through such mechanisms as the Extractive Industry Transparency Initiative (EITI), and the insistence on the complete deregulation of the extractive sectors in the concerned group of countries. Also, at the domestic front it has been vigorously canvassed that the solution to Nigeria's development challenges lies in the diversification away from oil and an immediate return to agriculture as in the golden days of the groundnut pyramids, the palm oil flows and cocoa booms.

While these intuitive prescriptions appear largely on point, they are patently flawed deriving as they do from flawed logic of the natural resource curse. This paper takes the reprobate position that Nigeria's development conundrum is not a function of the abandonment of agriculture. It further argues that the solution to Nigeria's numerous development challenges does not lie agriculture, nor in fleeing from oil. Rather, her salvation lies in developing indigenous human capacity and technological knowhow for the exploitation of the nation's natural resources, and the deployment of such capabilities to the development of Nigeria's industrial sector, particularly the oil-associated industrial sub-sector.

Natural Resource Governance – Nigeria's Experience

Natural resources refer to nature-given material assets that can be harnessed by mankind to sustain life and create wealth. They include all organic valuables accruable from the earth, land, waters, the wild (forests) and natural vegetation. Examples of such resources include minerals, metals, wildlife, fish, timber, wood, sand, clay, to mention but a few. These resources are freely supplied by Nature in both subsistence and surplus quantities for human exploitation and use. Over the years, management of natural resources has posed a huge challenge to many countries. Most resource-rich countries in Africa have no established and viable natural resources governance regime (UNEP, 2013). Where such a system exists, it has often been characterized by inefficiency and mismanagement (Darby, 2010). In this regard, it has been observed that:

> Some countries negotiate poor terms with extractive companies, forsaking potential long term benefits. Many countries do not collect resource revenues effectively. And even when resource revenues do end up in government coffers, they aren't always spent in ways that benefit the public (RGI, 2013:3 quoted in Okoli and Uhembe 2015, p.39).

As has been pointed out, natural resource governance is a fundamental aspect of contemporary development question in developing countries (Ibeanu, 2009; Ezirim, 2010; Uhembe and Okoli, 2015). As a development issue, it "is considered within the framework of power, process and practice; and how these shape natural resource access, control and use" (Mandondo, 2000:1). According to Roba et al (2013:1):

> Natural resource governance is defined as rules and regulations that determine (or govern) natural resources use and the way these rules and regulations are developed and enforced... It is thus about relationships and who has the power and responsibility to make and implement decisions.

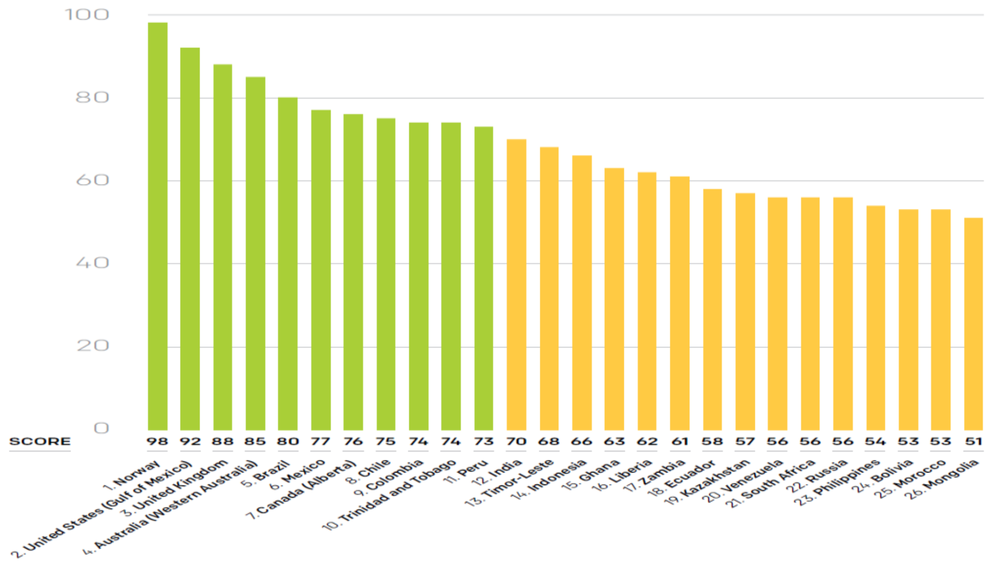
Simply put, natural resource governance refers to the application of the governance concept and principles in determining how natural resources are exploited and utilized by relevant stakeholders. It encompasses norms, rules, institutions and mechanisms that regulate the decisions and conducts of governments, organizations and individual stakeholders in relation to natural resource access, control, allocation, exploitation and use. The natural resource governance concept is predicated on the assumption that natural resources are more optimally harnessed, but also more equitably, more efficiently and more sustainably exploited within a framework of control and regulation (Darby, 2010).

Nigeria is a typical instance of a natural resource-rich country. The country parades over forty (40) different species of natural resources that are commercially viable and globally competitive (RMRDC, 2014). Nigeria's natural resource base is characterized by immense diversity and abundance, which can be broadly categorized into liquid and solid minerals. Liquid minerals include fresh water, natural gas, crude oil and allied hydro-carbon resources while solid minerals on the other hand include metals, stones, sand, clay, etc. In addition to the above broad categories, there are other water-based, wild-based and land-based natural resources, such as game (wildlife), timber, wood, fish, rangeland and farmland, among others. Nevertheless, Nigeria's extractive sector has been dominated by the ebullient petroleum industry, which has been the mainstay of the country's economy for decades (Okoli, 2015) and has largely shaped the ebbs and tides of her politics down through the years.

It has further been observed that natural resources constitute a critical aspect of wealth of nations and that the manner these resources are managed hold critical implications for national sustainability of states. Where natural resources are well managed through an efficient governance regime, the outcome is economic vibrancy and prosperity for the nation. But where the resources are mismanaged through abusive or unregulated exploitation, the result is the paradox of ‘resource curse’ or ‘unfortunate fortune’ (Okoli and Uhembe, 2015). They observed that the natural resource domain in many developing countries has been a difficult and volatile terrain and that governance deficit in the sector has often engendered conflict, violence, corruption, crime and disaster, all of which have impeded national sustainability in many resource-rich nations.

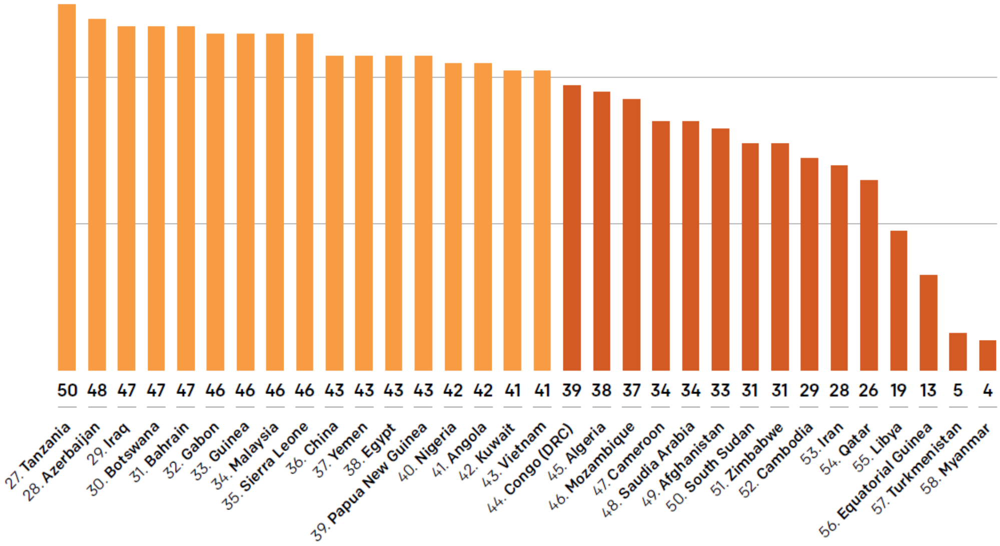
With respect to Nigeria, it has clearly been demonstrated that in spite of her huge natural resource endowment, the country has performed very poorly in most development indicators and that the citizens rank among some of the poorest in the world. It has further been amply demonstrated that Nigeria ranks among countries with a very weak performance in terms of natural resource governance. This unfortunate situation has been explained in terms of “Crass deficiency in terms of the state’s extractive and regulatory capacities, as well as dysfunctionality of the basic institutional cum legal frameworks of governance” (Okoli & Uhembe, 2015, p. 47). The implication of this record is that Nigeria was maintaining a gross governance deficit in natural resources management, particularly within the sphere of the extractive industry. The 2013 Resource Governance Index, for instance, gave Nigeria a "weak" score of 42, ranking her 40th out of 58 countries.

Fig 1A: 2013 Resource Governance Index; Country Scores and Ranking



Source: RGI 2013 Report, p.4

Fig 1B: 2013 Resource Governance Index; Country Scores and Ranking Contd.



Source: 2013 Resource Governance Index, p. 5

The Resource Governance Index (RGI) measures the quality of governance in the oil, gas and mining sector of 58 countries. These nations produce 85 percent of the world's petroleum, 90 percent of diamonds and 80 percent of copper, generating trillions of dollars in annual profits. The Index assesses the quality of four key governance components: Institutional and Legal Setting; Reporting Practices; Safeguards and Quality Controls; and Enabling Environment. It also includes information on three special mechanisms used commonly to govern oil, gas and minerals; state-owned companies, natural resource funds, and sub-national revenue transfers (RGI, 2013).

As a way forward, the Revenue Watch Institute, the initiators of the the RGI, called on governments to:

- Disclose contracts signed with extractive companies.
- Ensure that regulatory agencies publish timely, comprehensive reports on their operations, including detailed revenue and project information.
- Extend transparency and accountability standards to state-owned companies and natural resource funds.
- Make a concerted effort to control corruption, improve the rule of law and guarantee respect for civil and political rights, including a free press.
- Accelerate the adoption of international reporting standards for governments and companies (RGI, 2013, p. 1).

Nigeria's Developmental Experience

The challenges of development in Nigeria are enormous. In recognition of the importance and enormity of development, governments especially in Africa gave a lot of prominence to development planning in the 1960s and 1970s. It has been documented that in Nigeria, right from the colonial period, development planning was viewed as a major strategy for achieving economic development and social progress, particularly, in the spheres of socio-economic infrastructures, industrialisation, modernization, high rates of economic growth, poverty reduction, and significant improvements in living standards. Three plans featured in the pre-independence era for the periods 1946-1956, 1951-1955 and 1955-1962. Over the 1962-1995 period, three major phases in the planning experience emerged, namely, the fixed medium-term planning phase (1962-1985), policy oriented planning (1986-1988), and three year rolling plan phase (1990 till date). Scholars have pointed out that the golden period of planning on the African continent, 1960s and 1970s, could not be sustained from the 1980s because of two major factors: failure of development planning to meet the high expectations of rapid growth and development; and the resurgence of liberalism and the implementation of short-term stabilization and structural adjustment programmes which are predicated on liberalization and deregulation. Meanwhile, these programmes that substituted for national development plans are counter plans which have failed to solve Africa's myriad of economic problems. This is why some scholars have referred to the 1980s and 1990s as the "lost development decades" for Africa (Igbuzor, 2013).

The National Economic Empowerment and Development Strategy (NEEDS) identified the challenges to development in Nigeria to include among other things low per capita growth; inefficient, highly volatile and unsustainable public sector spending; domestic debt; low productivity; poverty; dysfunctional educational system and weak institutions. Similarly, the draft of NEEDS 2 identified the challenges of development to include growth without employment; high level of poverty; poor infrastructure; poor energy situation; abuse of human rights, gender inequality; weak institutions; capacity constraints; weak monitoring framework; weak data management culture; slow development of the private sector; poor public sector performance; ethnic and religious conflicts; desertification; import dependency etc.

The United Kingdom Department for International Development (DfID) identified the fundamental constraint to Nigeria's development to include institutionalized mismanagement of public revenue particularly from oil; institutionalized corruption and weak formal accountability; and a combination of "Dutch Disease" and institutionalized rent-seeking behaviour that has undermined activity in non-oil areas of the economy (particularly agriculture and manufacturing), reducing non-oil sector economic growth, fueling unemployment and exacerbating poverty and conflict. The Economic Commission for Africa however locates the biggest threat to Nigeria's development in its structural vulnerability-problems of governance, volatile oil prices, and ethnic tensions (Igbuzor, 2013).

Nigeria's HDI value and rank

Nigeria's HDI value for 2014 is 0.514—which put the country in the low human development category—positioning it at 152 out of 188 countries and territories. Between 2005 and 2014, Nigeria's HDI value increased from 0.467 to 0.514, an increase of 10.1 percent or an average annual increase of about 1.07 percent. Table 1 reviews Nigeria's progress in each of the HDI indicators. Between 1980 and 2014, Nigeria's life expectancy at birth increased by 7.2 years, mean years of schooling increased by 0.7 years and expected years of schooling increased by 2.3 years. Nigeria's GNI per capita also increased by about 88.5 percent between 1980 and 2014.

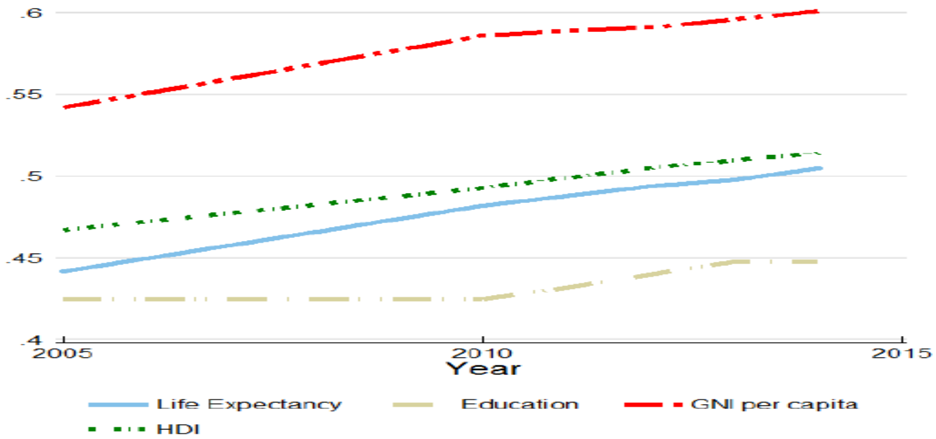
Table 1: Nigeria's HDI trends based on consistent time series data and new goalposts

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP$)	HDI value
1980	45.6	6.7		2,833	
1985	46.4	8.6		2,451	
1990	46.1	6.7		2,743	
1995	46.1	7.2		2,529	
2000	46.6	8.0		2,378	
2005	48.7	9.0	5.2	3,606	0.467
2010	51.3	9.0	5.2	4,825	0.493
2011	51.7	9.0	5.5	4,926	0.499
2012	52.1	9.0	5.7	5,018	0.505
2013	52.4	9.0	5.9	5,166	0.510
2014	52.8	9.0	5.9	5,341	0.514

Source: UNDP HDI, 2014

Figure 2 below shows the contribution of each component index to Nigeria's HDI since 2005.

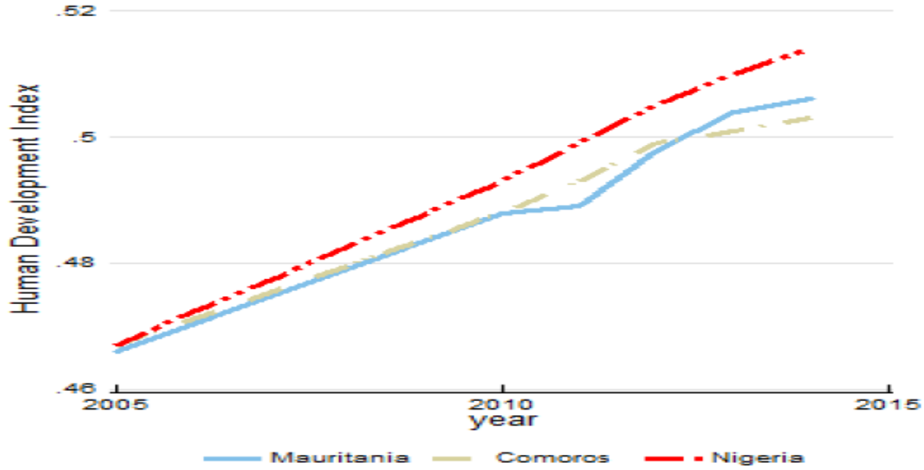
Figure 2: Trends in Nigeria's HDI component indices 2005-2014



Source: UNDP HDI, 2014

Assessing progress relative to other countries Long-term progress can usefully be compared to other countries. For instance, during the period between 2005and 2014 Nigeria, Comoros and Mauritania experienced different degrees of progress toward increasing their HDIs (see figure 2).

Figure 2: HDI trends for Nigeria, Comoros and Mauritania, 2005-2014



Source: UNDP HDI, 2014

Nigeria's 2014 HDI of 0.514 is above the average of 0.505 for countries in the low human development group and below the average of 0.518 for countries in Sub-Saharan Africa. From Sub-Saharan Africa, countries which are close to Nigeria in 2014 HDI rank and to some extent in population size are Ethiopia and Congo DR, which have HDIs ranked 174 and 176 respectively (see table 2).

Table 2: Nigeria's HDI indicators for 2014 relative to selected countries and groups

	HDI value	HDI rank	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (PPP US$)
Nigeria	0.514	152	52.8	9.0	5.9	5,341
Ethiopia	0.442	174	64.1	8.5	2.4	1,428
Congo (Democratic Republic of the)	0.433	176	58.7	9.8	6.0	680
Sub-Saharan Africa	0.518	—	58.5	9.6	5.2	3,363
Low HDI	0.505	—	60.6	9.0	4.5	3,085

Inequality-adjusted HDI (IHDI)

The HDI is an average measure of basic human development achievements in a country. Like all averages, the HDI masks inequality in the distribution of human development across the population at the country level. The 2010 HDR introduced the IHDI, which takes into account inequality in all three dimensions of the HDI by 'discounting' each dimension's average value according to its level of inequality. The IHDI is basically the HDI discounted for inequalities. The 'loss' in human development due to inequality is given by the difference between the HDI and the IHDI, and can be expressed as a percentage. As the inequality in a country increases, the loss in human development also increases. Nigeria's HDI for 2014, for instance, is 0.514. However, when the value is discounted for inequality, the HDI falls to 0.320, a loss of 37.8 percent due to inequality in the distribution of the HDI dimension indices. Ethiopia and the Democratic Republic of the Congo show losses due to inequality of 29.4 percent and 36.2 percent respectively. The average loss due to inequality for low HDI countries is 32.0 percent and for Sub-Saharan Africa it is 33.3 percent. The Human inequality coefficient for Nigeria is equal to 37.5 percent.

Table C: Nigeria's IHDI for 2014 relative to selected countries and groups

	IHDI value	Overall loss (%)	Human inequality coefficient (%)	Inequality in life expectancy at birth (%)	Inequality in education (%)	Inequality in income (%)
Nigeria	0.320	37.8	37.5	40.8	43.3	28.4
Ethiopia	0.312	29.4	28.0	30.2	44.3	9.5
Congo (Democratic Republic of the)	0.276	36.2	35.3	49.9	27.7	28.2
Sub-Saharan Africa	0.345	33.3	33.1	36.6	35.3	27.5
Low HDI	0.343	32.0	31.7	35.0	37.9	22.0

Meanwhile, Igbuzor (2013) surmised the challenges confronting Nigeria's development to include, among other things, poor leadership; bad followership; poor strategy for development; lack of capable and effective state and bureaucracy; lack of focus on sectors that will improve the condition of living of citizens such as education, health, agriculture and the building of infrastructure; corruption; undeveloped, irresponsible and parasitic private sector; weak civil society; emasculated labour and student movement and poor execution of policies and programmes.

Natural Resource Governance and Nigeria's Development: The Orthodoxy

Across Africa, about fifty of the fifty five countries are either producing or exploring for one natural resource or another. Yet, as elsewhere, the potential of these natural resources have been largely squandered. Sadly, instead of delivering a better life for the poor, it has led to an elite capture with economic and social benefits associated that only a few elite enjoy (Chukwuma, 2015).

Nigeria represents one of the groups of countries where rich natural resource deposits and rents have not translated to inclusive growth, development and a better life for the people. Since independence, Nigerians have continued to struggle with social and economic hardships occasioned, among other things, by bad governance, poor fiscal social contract, failed policies, a corrupt political class and over reliance on natural resource (oil). Huge oil rents as well as the recent rise in economic growth statistics have not translated into improved quality of life for Nigerians and overall national development. Presently, provision of public goods remains at the lowest level with over eighteen states of the federation struggling to finance wages, pensions and other financial obligations as the country struggles with external balance and public finance challenges resulting from falling oil price and sickening political corruption. Meanwhile, oil represents the life wire of the Nigerian economy. Unfortunately, the poor governance of the money spinning natural resource locates Nigeria in the narrative of the resource curse-a concept that explains the paradox of natural resource wealth not being beneficial to the general populace or economy of the resource rich country (Chukwuma, 2015).

In Nigeria, oil money has sparked some of the biggest national corruption scandals. Unfortunately, even the return of democratic institutions and reform efforts like the Excess Crude Account, Sovereign Wealth Fund, Oil and Gas Implementation Committee of 2000, National Oil and Gas Policy 2004 and the contentious Petroleum Industry Bill (PIB) as well as transparency efforts spearheaded by Nigerian Extractive Industries Transparency Initiative (NEITI) have had minimal impact since emphasis is more on revenue collected rather than the distribution of income and public expenditure.

Oil exploration in Nigeria started on June 5, 1956 after Shell-BP struck the “curse” while drilling at Oloibiri in present day Bayelsa State, South-South Nigeria. Fifty-nine years or over half a century on, Nigeria has raked over 800 billion US dollars in oil rents, yet, poverty continues to ravage over 60 per cent of her over one hundred and seventy million population. As an economy, Nigeria is not exempted from problems of microeconomic stability, growth and infrastructural deficit. Oil revenue and successive oil booms have only led to wasteful spending, corruption and what many have referred to as the natural resource curse. As a federating unit, oil rents are shared between the three tiers of government (FG 52.68%, States-26.72% and Local Govt-20.6%). Within this framework of revenue sharing, those in power still complain that there is inadequate funds to finance public services-education, health, and critical infrastructure.

Meanwhile, the Economic and Financial Crimes Commission (EFCC) on the other hand reported that just between 2009 and 2013, over US $25.4 billion was siphoned out of Nigeria. Corruption in Nigeria’s natural resource governance structure and mechanisms can therefore hardly be overstated. According to the Natural Resource Governance Institute-Resource Governance Index (RGI), three mechanisms commonly used to govern natural resources-oil, gas and minerals include state-owned companies, natural resource funds and subnational revenues. In Nigeria, these three mechanisms are currently in use. Nigerian National Petroleum

Corporation (NNPC) is the autonomous state owned company that manages the bulk of Nigeria's oil. Controversy over the secrecy of its dealings, business conduct and administration of the subsidy regime has invited many criticisms on the corporation. If the successive corruption scandals that have rocked the corporation and its inability to maintain refineries and provide petroleum products are taken into consideration, there would be no gainsaying the fact that the state-owned corporation has failed in managing Nigeria's oils resources for the benefit of Nigerians. Again, in attempt to ensure fiscal security, a Sovereign Wealth Fund was created in 2011 with one billion dollars in seed money. There is also the Excess Crude Oil Account which receives revenue from oil extraction. Structurally, the Central Bank and the Ministry of Finance oversee the account, however in practice, the President has substantial control over deposits and withdrawals. Conflicting political and policy positions between the federal and state governments over stoppage of payment into the excess crude account and less emphasis on the Sovereign Wealth Fund has constituted a challenge towards national saving. The conflicting position and the legal battle instituted by the state governors against the federal government have made sharing of the excess crude funds a preferred tradition. And this has reduced the capacity of the economy to withstand financial shocks resulting from falling oil prices. Furthermore, the National Assembly's stance on oil benchmark in the budget over the last years scuttled the possibility of saving by refusing a conservative budgetary oil bench mark that would have provided savable oil rents.

Another resource governance mechanism in the management of Nigeria's oil rents is sub-national transfers. Subnational transfers represent the thirteen per cent derivation that oil-producing states receive in addition to their share of the revenue allocation. Although, the Ministry of Finance publishes information regarding these transfers, accountability challenges and the lack of meaningful socioeconomic impact in the oil producing states remains a concern.

A critical examination of the impact of these natural resource governance mechanisms in Nigeria suggest that more is still left to be desired. Therefore, strengthening, reforming and reshaping the present resource governance structure while considering proposals for the future is necessary, according to Ijere (2015).

Meanwhile, empirical evidence abound demonstrating that exploration of natural resources do not improve economic growth or reduce poverty. Gelb (1988) in his study show how increases in oil prices in the 1970s failed to improve the social and economic conditions of oil rich countries. Sachs and Warner (1999) also demonstrate how countries rich in natural resource wealth struggle in other productive sectors of their economy like manufacturing. Bacon and Tordo (2006) and Mehlum et al (2006) attribute the resource curse to factors like increase in real exchange rate that causes depression in other productive sectors of the economy, weak institutions, corruption and dependence on rents from the natural resource. Sadly, this narrative resonates in many resource rich countries in Africa and elsewhere.

Extending the conversation on the impact of natural resource governance on development, Ezirim (2011) submitted that the major problem of the African continent and West Africa in particular, can be succinctly stated to be that of mis-governance – either at the political, economic, social or cultural levels. And by misgovernance he referred specifically to "the accumulated issues of misappropriation of resource wealth by government or in some cases the inability of government to ensure that resources accrued for government and people are used appropriately for the good of the populace" (Ezirim, 2011). He further explained that misgovernance in Nigeria is epitomized by the crisis in the Niger Delta, which have since proved intractable. A plethora of literature on this region and its recurring crisis (Obi, 1997, 2001, 2009; Ibeanu, 2000; Bannon and Collier, 2003; de Barros, 2004; Douglas et al., 2004; Humphreys, 2005; Collier and Hoeffler, 2005; Ikelegbe, 2005; Omeje, 2008; Asuni, 2009; Basedau and Lay, 2009) similarly point to the dialectics of resource governance as the incubator of internal conflicts in the entire Gulf of Guinea region comprising Nigeria, Gabon, Cameroon, Chad, Equatorial Guinea, Angola and Sao-Tome and Principe.

The Role of natural Resources in Development: Rephrasing the Conversation

In a nutshell sort of way, we have x-rayed the role of natural resources in Nigeria's development from the point of view of a wide spectrum of analysts and the jury appears to be in on the inverse relationship between natural resource endowment and the country's development. Drawing from their various perspectives, several factors have been identified as responsible for the tension between resource endowment and development. An overarching explanation in extant conversations has been the role of poor natural resource governance. As will be recalled, it was on the basis of this that the Natural Resource Governance Institute (NRGI), initiators of the Resource Governance Index, called on governments to:

- Disclose contracts signed with extractive companies.
- Ensure that regulatory agencies publish timely, comprehensive reports on their operations, including detailed revenue and project information.
- Extend transparency and accountability standards to state-owned companies and natural resource funds.
- Make a concerted effort to control corruption, improve the rule of law and guarantee respect for civil and political rights, including a free press.
- Accelerate the adoption of international reporting standards for governments and companies (RGI 2014, p.1).

Pursuant to these prescriptions, the global Extractive Industry Transparency Initiative (EITI) and the Publish What You Pay Campaign have since gone into operation with different levels of success in the implementer countries. Regardless, however, the flaws inherent in natural resource governance regimes in resource-abundant developing countries and their associated developmental pathologies remain largely undiminished. This suggests serious limitations in the explanatory utility of extant postulations and the lack of functional utility by earlier prescriptions for overcoming the apparent tension between resource endowment and development. Taking this as its point of departure, the present analysis holds that contrary to the prevailing orthodoxy in development literature, there is no causal relationship between natural resource governance and Nigeria's poor development outcomes. Whatever relationship that may exist between these two variables would, at best, be merely associational rather than causal. This is more so when we consider that all across Africa, the plethora of development-challenged countries cuts across resource-rich and resource-poor countries alike. It stands to reason therefore that rather than view poor resource governance as the cause of development pathologies in the resource-rich countries, both phenomena should be understood as the manifestation of the deleterious effects of enclavisation of the extractive sectors of resource-abundant developing countries by international extractive concerns with the active connivance of their home governments pretty much as it was during colonial rule. This point was poignantly captured by Ngwu & Ugwu (2015) in stating that:

> The alienation of the Nigerian oil industry from other sectors of the economy is therefore a deliberate creation of the British colonial administration in pursuit of specific British economic interests. Having isolated oil extraction from other industrial sectors, or having stultified the development of an allied industrial sector around oil, which is another way of saying the same thing, the myth was hoisted that in order to develop, Nigeria must follow the 'usual development process' which involves a progression from agriculture to industry to services.

It is therefore in this guise that the current vociferous call for the diversification of the Nigerian economy away from oil through the path of agriculture is framed. Parsimonious as such prescription might sound, it is built upon a patently flawed logic; the logic that upon discovery of oil, Nigeria abandoned agriculture, and that her redemption lies in a return to it. While massive subsistence agriculture would, no doubt, help to put food on the table, it would hardly suffice for building an economy that is able to engage the fiercely competitive global capitalist economy that is massively knowledge-driven. As the example of Norway and Brazil, two oil-rich countries that rank very highly in the RGI, clearly illustrate, Nigeria's path to sustainable development lies in indigenous mastery and application of crude oil production technology and the diffusion of the knowledge gained to other productive sectors, including massive agricultural production. Any attempt by the Nigerian state to pursue a development path devoid of oil would be tantamount to an uncritical acceptance of the already discredited thesis that natural resource abundance is inimical to development, and a succumbing to the time-worn fallacy that oil extraction is the exclusive province of the Multination Oil Companies.

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