

The Pathological Effects of Petrodollars on Nigerian Political Economy

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Asia Pacific Journal of
Education, Arts and Sciences
Vol. 4 No.1, 87-97
January 2017
P-ISSN 2362-8022
E-ISSN 2362-8030
www.apjeas.apjmr.com

Date Received: October 10, 2016; Date Revised: January 15, 2017

Abstract - *The petrodollar economy has attributed a lot of controversies in the countries who are heavily relied on oil and gas economy particularly Middle Eastern states and other members of OPEC including Nigeria. This sinister has generated distortion on political economy of petrodollar in Nigerian economic system. This tragedy includes inconsistent political system, weak economic and developmental policies, incorporation of the economy into the vagaries western capitalist through IMF and World Bank, inflation and absence of economic stabilization of economy, neglecting agriculture among others. The content analysis and secondary data was duly adopted in this paper. The study revealed the above effects as the threat or impact to the petrodollar on Nigerian political economy. The neoclassical dependence model and the resource curse theory were employed as the theoretical framework of the study. Meanwhile, this paper recommends that diversification of the economy to cover other sectors in agriculture, mining industry, tourism and local industrialization would aid the economy to meet its challenges and development strategy.*

Keywords: *Pathological effects, Petro dollar, Oil economy, Nigerian Political economy*

INTRODUCTION

The economy is the determinant of the nation's survival as per back as ancient era. Viable political system may enhance economic prosperity and proper utilization of resources for the betterment of the populace. Indeed political economist always deliberating that the good

governance is a vehicle for economic fortune, sustainable and national development. Economically, Nigeria is potentially rich country by all comparative indices with significant crude oil production and export quantifiable to almost 2.34 billion barrel per day and distribution of natural gas at least 25.96 million cum in 2011 [1]. Despite the agricultural production and natural endowment in mining industry couple with the huge number of potential human and natural resources but the country is heavily depend on mono-cultural economy of oil resources. This propulsion, characterized Nigeria as rentier state. To Luqman and Lawal [2] that the oil industry has and continued to capture primate status in Nigerian's economic framework. Conversely the nation's economy relied on petroleum which constitutes almost 97% of export earnings and 80% of federal revenue generation [1], [3], [4], [5].

Concurrently, the Nigeria's proven oil reserves are quantifiable to be 35 billion barrels, with natural gas reserves for over 100 trillion fti that cover almost 2,800Kmi. This giant development facilitate the country to produce almost 2.2million barrel per day of crude oil and 26million cum in natural gas in 2010-2011 respectively [1], [3], [4], [5],[6]. In this respect, Nigeria has generated about \$300billion from 1970-2000 in oil alone [5], this development elevated the country to be rated among top ten largest crude oil producing state and sixth largest exporter of oil in the globe [2], [4]. Indeed it has seventh largest gas reserves worldwide [3]. This is a petrodollar dividend to Nigerian economic advantage.

Above all these wonderful resources, the country is still underdeveloped due to the absence of infrastructural facilities in education, health and social services, with dilapidated roads, bridges, epileptic power supply and inadequate portable drinking water. While over 70% of the population lived in abject poverty, surviving on less than one dollar (\$1) per day [5]. The nation's shift from agriculture to oil boom or petrodollar as the mainstay of the economy. These prevail malcontent dwindling economic condition in the country. This paper is an attempt to ascertain the Pathological Consequences of Petrodollar Economy on Nigerian Political Economy in Democratic Dispensation.

The secondary data was gathered from different literatures from the scholars who conducted some empirical research on the area of the study. The work of Odularu [4]; Nwokeji [3], Omotola [5]; Babatunde [6], Shehu [1] among others was duly acknowledge in this respect. This has already validates that the petrodollar vindicates some challenges on Nigerian political economy.

LITERATURE REVIEW

The role of oil on Nigerian economy

The Oil and Gas Industry plays significant role to the sustenance of the nation and stimulate economic growth and development in Nigeria. Indeed, such sector was been recognized as the nation's live wire on its role and importance to the survival of Nigerians [7], [8], [4], [9]. This indicates that Nigerian economy since oil boom in early 70's it become dominant on mono cultural economy of oil with incessant neglect on other divergent sector of the economy like agriculture, mining or industrialization. This is the genesis of political economic bottleneck in the affairs of national economic development.

The over-reliance on oil has made helplessness to the ideas of the global business sector, as observed in the previous segment that demonstrate the commitment of oil to some full scale monetary variables. Specifically, the position of oil in the mind of the average

Nigerians has turned out to be more significant since the "defective" deregulation of the downstream portion of the Nigerian oil industry in 2003 [10]. This vindicates that oil dominance has made the Nigerian state to taste the sour of Dutch disease syndrome without taken others sources of economy.

Because the oil boom is the easiest way for profit maximization to the Nigerian coffers and profiteering to the undesirable element among the elites. Nigeria is the 10th largest oil producer in the world, the largest in Africa until recently that she was overtaken by Algeria. The Nigerian economy is largely dependent on its oil sector which supplies the bulk of its foreign exchange earnings and income [11]. Petrodollar while the boom lasted was responsible for over 90 per cent of Nigeria's foreign exchange earnings and close to 80 per cent of the budgetary expenditure. This trend has made the development project and budgetary allocation to be channeled to the oil industry. However, whatever affect the oil wealth it has negative effect to Nigerian economy.

The Petrodollar economy in Nigerian state

Petrodollars might be characterized as the U.S. dollar earned front the offer of oil, or they might be basically characterized as oil incomes named in U.S. dollars. Petrodollars collected to oil-sending out countries rely on upon the deal cost of oil and also the volume being sold abroad, which is thus reliant on oil generation [12]. At the point when oil costs climbed pointedly in the fall of 1973, oil trading nations were confronted with a benefit in fare receipts.

The abundance of petrodollars resulting from the oil boom era that started in the early 1970s led to a gradual shift in our taste from local to imported food items and neglect of the nation's farmers and food processors [14]. Indeed, the plenty oil resources to Nigeria has relegated the economy and turn it to become mono-cultural with heavy overdependence on oil wealth to the detriment to other divergent sectors. Shehu [1] concurred that the Oil dependency and the allure it generated of great wealth through government

contracts, has spawned distortions in the economy of Nigeria.

Oil and Nigerian Economy

Nigeria is more endowed with natural resources than many already-developed countries, yet there seems to be a problem of reaping the benefits of these natural endowments in terms of translating oil-led growth into development. The obvious question that follows from this is; “why” would a country so abundantly blessed with oil and other natural resources still be classified as „developing“ after five decades of independence? [9].

Nigeria is a major importer and exporter of petroleum among nations of the world. While she exports crude oil to a number of countries in the world, she imports refined petroleum products such as petrol, kerosene, diesel etc. in order to meet her domestic needs. The Nigerian oil and gas sector plays a very dominant role in the nation’s economy with over 90 per cent of the nation’s foreign exchange earnings coming from the sale of crude oil [9].

Nigeria has about 36 billion barrels of crude oil reserve and 19.2 billion cubic metres of natural gas. It is estimated that the country has realized about 600 billion US dollars since 1956 - when it first discovered oil in commercial quantity in Oloibiri, present day Bayelsa state-from oil and gas [8]. Besides the large crude oil and natural gas deposits there are also deposits of gold, tin, talc, gemstones, kaolin, bitumen, iron ore and barites that can be harnessed to earn foreign exchange for the country; oil and gas remains the country’s major source of foreign exchange earnings and revenue base [14].

This scenario has led Nigerian policy makers, stakeholders and political elites to concentrate on oil economy to the detrimental of other resources more especially agriculture which is the mainstream of the economy in early 60’s. This vindicates the incessant economic policies and incorporation of the nation’s economy into the vagaries of capitalist economy in mid-80. The imposition of structural adjustment program (SAP) by Babangida’s military oligarchy has

change the patterns of its economic direction and also affects its socio-economic environment of the country.

Moreover, the petrodollar economy paved the way for mono-sector economy that fueled economic downturn due to excessive corruption, prodigality, lack of patriotism and absence of future economic development plans by the elites that adversely affects the entire citizens’. This is what we described as Dutch disease that destroyed our future and prosperity. It was the huge quantity of resources at the hand of few (elites and their cronies) to the disadvantage of masses majority.

A vast increment in natural resources incomes can hurt different segments of the economy, especially export based manufacturing, by causing inflation or exchange rate appreciation and moving labor and capital from the non-asset area to the asset segment (i.e. from to oil and neglecting the other sectors). This was described as "Dutch illness." [15].

Theoretical framework

The neoclassical dependence model ascribed the presence and continuation of underdevelopment principally to the verifiable development of a profoundly marginal international capitalist industrialist arrangement between rich country-poor nation connections. It expresses that the conjunction of rich and poor countries in a global framework overwhelmed by such minor influence connections between the developed nations and less developed countries of third world (Centre-periphery relations) [16]. This attributes the under developed states to become subservient and vulnerably dependent on industrialized nations which is very difficult for them to meet the ladder of development.

This asymmetric relation vindicates certain number of individuals in third world countries such as aristocrats, feudal lords, entrepreneurs, political and military elites, and comprador bourgeoisie, public servant who benefit with high revenue, social status and power that comprise tiny ruling class of the elites and serves the

interest of international capitalist system through their egocentric mission and inequality.

This is in line with Nigerian political economy structure, which stressed the fact that the elites are answerable to the international capitalist towards perpetuating their interest at the expense of the populace. Since the oil boom discovery in 70's the Nigerian elites were based on capitalist accumulation through looting public treasury, money laundering and corruption. This scenario has adverse tension, poverty and absence of infrastructures for development.

The paper is also in agreement with the resource curse theory advocated by Richard [36], and has since been used by some prominent scholars (e.g. [17] & [18], [19], [20] and [21]). This paved the way for some models such as rent seeking, Dutch disease and institutional models towards explaining this phenomenon.

Accordingly the theory has stressed that the natural and resources like oil and gas has been a curse to the nations instead of progress and national development. The failure to properly utilized and manage the oil resources turn it to become detriment to our development and economic prosperity. Accordingly, condemnation' is that mineral and fuel plitude in less developed Countries (LDCs) has a tendency to produce negative formative results, including poor financial execution, development breakdown, elevated amounts of defilement, lack of good governance and more noteworthy political viciousness [15], [21], [22], [23].

In fact, natural endowment of under developed nations, are esteemed to be more of curse than a blessings [21]. At this juncture, most of the oil producing states of Middle East and Africa such as Angola, Gabon and Nigeria, they are good in conspicuous consumption, importation of finished goods coupled with lack of industrialization and production. This sinister has accelerated underdevelopment underpinning and retarded all ways for economic growth and national development. Indeed, these states used oil as raw materials that colonial masters taken away to their mother country in return of finished goods which create symbiotic and unequal

relations of development and under development. In fact, instead of oil resources to become way for advancing our infrastructural facilities and social services but the reverse is the case.

The Pathological Effects of Petrodollar Economy on Nigerian state

Despite the huge tangible resources in petrodollar, mining, agriculture and other natural endowment in Nigeria, the political economy of the nation is suffering with countless challenges in the petrodollar era from 1970's to date. These constraints were among regime change due to military interregnum, counter coups, political instability, lack of adopting sound economic policies, ethno-religious crises, bad governance, weak developmental policies, absence of diversification of the economy and general neglect on other economic sectors, profligacy, high rate of debasement in government and private sector.

However, instead of the economy to boom resulted from oil boom of petrodollar but conversely, the economy has become doom to the populace and their future generation. Corroborating this argument, Sanusi [16] hinted that "little development has recorded in the economy, hitherto, has been without equivalent job, positive attitudinal change, value reorientation, and equitable income distribution among others. These could be hinged due to bad leadership, weak execution of economic policies, poor corporate governance and pandemic corruption etc. In this respect, some basic constraints that distorted political economy in petrodollar era were inconsistent political system, weak economic and developmental policies, incorporation of the economy into the vagaries western capitalist through IMF and World Bank, inflation and absence of economic stabilization of economy, neglecting agriculture and other sectors of the economy, under development tragedy that accompanied with political instability, emergence of militia forces and legitimacy crises among others. The detail will be analyzed in sequence.

Inconsistent political system: Since the petrodollar economic discovery by the ruling elites, the Nigerian state characterized on power

struggle by the elites so as to perpetuates their egocentric economic interest in the political economy of the country. The struggle for power has made the elites to fight towards removing their political opponents in order to capture the state power within the terrain of Nigerian leaders. This is in conformity with the assertion of Claude Ake (1993) that the Nigerian elites in post-colonial state were characterized with struggle for power to enable them to capture the state power because whoever acquired the political power has an access to economic power. This perspective paved them a way for the military to overthrow the legitimate democratic government in devastated African states such Ghana, Nigeria, Egypt and among others. Indeed this is a climax for military intervention in Nigerian politics and subsequent counter coups by the military, shallow transition to second republic without sustainable means, aborted transition to the third republic and recently the present fourth democratic. The inconsistent precipitates changing political economy from authoritarian to peripheral capitalist within both civilian administration.

This scenario has attributes to authoritarian tendency by those who govern the state in such a way the can use their power with impunity to loot and lavished the extractive resources of oil and gas or petrodollar wealth for their egocentric enrichment to the detriment of the state. In accordance with the assertion of NGRI Reader [15] that oil wealth of petrodollar has turn some states to become authoritarian for over past 30 years. To crown it all, extractive economic institutions are synergistically linked to extractive political institutions, in which concentrate power in the hands of a few, who will then have incentives to maintain and develop extractive economic institutions for their benefit and use the resources they obtain to cement their hold on political power. This precipitates the capacity of those who control the extractive institutions in political economy within the elites to enjoy at the expense of the populace. This implies that political power under extractive institutions is highly coveted, making many groups and individuals to struggle to acquire it [24].

Weak policies, programs and projects for sustainable development: The emergence of oil boom in Nigerian political economy has trigger the elites to indulge in inventing policies, programs and projects that have not direct bearing for sustainable national development rather achieving the parochial interest of the elites. Former Head of government General Gowon attested that “our problem is not money but how to spend it? Conversely, the government failed to attained their goals in all three national development plans (first, second and third plans) as well as the Abacha’s vision 2010 and right now we are aspiring for another vision 2020-20 in this twenty first century. The fact is that the Second National Development Plan (1970-1974) would inform us that in the 1970s, Nigeria was not holding a pessimistic view of development [25]. Furthermore, some elites benefited policies was also invented by different regimes such as Festival for African Culture (FESTAC), Operation Feed the Nation (OFN), Directorate of Foods, Roads and Rural Infrastructure (DFRRI), Mass Mobilization for Self Reliance Social Justice and Recovery (MAMSER), Structural Adjustment Program (SAP), Better Life for Rural Women/ Family Support Program among others. These policies and programs were centered to favor the interest of the ruling elites to the detrimental of the populace.

Indeed, weak economic policies, poor management of the economy, contradictions between policy objectives and implementation and creeping leadership crisis in the face of corruption as well as weak democratic institutions have combined to make Nigeria’s experience with oil riches as that of a land of poverty in the midst of plenty resources [25]. This attributed to democratic fragility that bedeviled the development of the Nigerian state, which makes it difficult to manage our developmental agenda as hinted by Shraeder [26].

Neglecting Agricultural produce: The emergence of petrodollar has generated tension and abandoned on agricultural sector as a mainstay of Nigerian economy prior to oil boom in 70’s to shift to the petro dollar economy or

Dutch diseases. Mohammed [25] opined that “the neglect of agriculture and poor supply of infrastructural facilities, privatization and massive unemployment, insecurity have characterized the civilian regime”. This vindicates the Sanusi’s assertion that the agricultural sector has not been able to fulfill its traditional role of feeding the entire citizens, meeting the raw material needs of industries, and providing substantial surplus for export. He further argued that the contribution of the sector to total GDP has fallen over the decades, from a very dominant position of 55.8 per cent of the GDP in 1960-70 to 28.4 per cent in 1971-80, before rising to 32.3, 34.2 and 40.3 per cent during the decades 1981-90, 1991-2000 and 2001 – 2009, respectively [16].

Grand and Political corruption: Corruption is so pervasive in Nigeria that has turned public service for many into a kind of criminal enterprise. Graft has fueled political violence, denied millions of Nigerians access to even the most basic health and education services, and reinforced police abuses and other wider spread patterns of human rights violations [10]. Because from 1988 and 1994 alone, a total of US \$12.4 billion oil windfall money accrued to Federal Government was alleged to have been unaccounted (*Premium Times*, 2012). Indeed, this amount was said to be lodged in Babangida’s dedicated account [38].

In this regard, former Economic and Financial Crimes Commission (EFCC) chairman, Mallam Nuhu Ribadu [37] pointed out before US House of Representatives that between 1960 and 1999, Nigerian official have stolen or wasted more than \$440 billion. This amount is said to have been six times the Marshal Plan, the total sum needed to rebuild the devastation in Europe caused by the Second World War [21]. Since its inception, the EFCC has arraigned 30 nationally prominent political figures on corruption charges and has recovered, according to EFCC, some US \$ 11 billion through its efforts (i.e. from 2004-2011) [27]. Due to the incessant corrupt practices Nigeria was rated as 144 of 177 countries with a score of 25 out of 100 in the year 2013 as contained by the Transparency International.

Accordingly the Nigerian political elites used their political office to loot and syphoned public treasury to the disadvantage of the populace and the developmental policies [28]. This tragedy has become a prevalent in Nigerian political system ranging from central government down to the local authorities [29].

Imposing IMF Conditionalities (SAP, Deregulation and Subsidy removal): The state roles on providing social services in agriculture, health and education as well as in the oil industry has started fallen down at the instance of petrodollar economy in Nigerian political system. The discovery of oil boom and petrodollar in Nigerian economy has creates a room for the policy makers, stakeholders and the ruling elites to prescribed IMF and Bretton woods institutions policy framework for the management of Nigerian’s economy. Some policies such as removal of subsidy in oil industry through deregulation and subsidy removal in health, education and agriculture has negative impact to the peripheral economy of developing nation.

Unfortunately, the subsidy removal in oil industry has generated tension, protest and industrial action in the anal of Nigerian political economy. Indeed, it has led to the loose of revenue generation during the labor and trade unions strike nationwide particularly during former President Jonathan administration in 2012. Furthermore, it has led to hike price of the commodities and general services especially in president Buhari’s administration. Because, the deregulation on oil industry may affect transportation fare of conveying goods and services which invariably affect the prices of the commodities in the market as well as other services like schools fees, medical bills, rents, legal services among others. In fact, three month after subsidy removal of Buhari’s parochial administration (i.e. July, 2016) the price of the commodities have increase with 50% and some food stuffs to 100%. For instance, the bag of rice of 9, 000 naira has jump to 18,000 naira. This animosity and tragic sinister has paved the way for food insecurity, hunger and starvation in the country.

Meanwhile, the removal of subsidy in agriculture have made the government to stop or improper offering of some agricultural implements like fertilizer, pesticides, tractors etc. in subsidized rate to the subsistence and peasant farmers and also distorted the new trend of mechanized and commercialized agriculture of developed and Asian tigers like Malaysia, Singapore, Thailand, India, China, and Indonesia. While, the withdrawal of subsidy in health and education has reduce the quality of service in the sectors and made the stakeholders such as Directors, Permanent Secretaries, Commissioners and Ministers for both Health and education to patronize private sector as against the sectors who are earning their living. Indeed, they are not sure of where they are heading [30]. However, the low standard in public health and education vindicates high patronage to private sector particularly by most of the privilege citizens in Nigeria to the detrimental of the populace.

The overall impact of SAP as Mohammed [31] aptly pointed out was the deepening of the stratification of the society into two – “the rich and the poor, and in some cases, the rich get richer with the poor becoming poorer by the day”. More than any other issue in the crisis of the Nigerian development, the prolonged period of military rule has promoted neo-patrimonial relationships, frightening bureaucratic corruption, and mismanagement of oil revenues.

Inflation hike and economic instability: The Structural Adjustment Program (SAP) and deregulation has generated hike inflation in so many occasion on Nigerian economy as well as lack of stabilization since early mid 80’s when SAP was duly introduce on the economy. This impulse have brought fragmentation and social stratification within the Nigerian citizens during Babangida’s military oligarchy. The fact is that the money is in circulation at the hand of the citizens but the price of the commodities has shut up, indeed this is a beginning of devaluation of Nigerian currency, profiteering, fraud and corrupt tendencies. This also paved the way for economic instability whereby there was no standard economic stabilization process in the country.

Mikail [31] pointed that the “Nigerian economic policy discourages local investment. State owned corporation and foreign investment due to the absence of moral suasion, privatization agenda and inflating tax figures against the investors. The privatization scheme destroyed almost all the public corporation and state owned enterprises without yielding any positive result. Indeed, most of the government owned firms collapsed and closed down due to the lack of equity in privatization policy in Nigeria”. In fact, the economic stabilization is not there due to government withdrawal its hand on the economic process and over concentration on sole petrodollar resources.

Emergence of militia forces and legitimacy crisis: The petro dollar has generated tension, crises and environmental conflict due to the massive emergence of militia forces from Niger Delta region who agitates for environmental degradation and resource control to the region. This conundrum has exacerbates regional conflict and legitimacy crises to the Nigerian political climate. Indeed, the first legitimacy crises was started from Niger Delta when Major Isaac Boro agitate for the independence of their region in 1966 and challenging the colonial government which later such movement has translated into the Movement for the Survival of the People of Ogoni (MOSOP). This serves as a conduit for the proliferation of environmental activists and social movements in the region with different cost of demands and agitations. The most prominent movement are Egbesu Boys of Africa, the Chicoco Movement, the Ijaw Youth Council, the Federated Niger Delta Ijaw Communities, and the Niger Delta People Volunteer Force (NDPVF) [5].

These militants has destroy the climate of peace and stability in the region and economic progress to the nation, due to their wanton destruction on pipelines, kidnapping of oil workers especially expatriates and local ones, killings and bombardments. Omotola [5] confirmed that there was various scandals of seizure of oil wells, abducting the oil workers and hostage activities by the Niger Delta militia forces. This sinister has led to the loose of million barrels of crude oil that has negative havoc to the economy. Newsom [32] contend that the Nigerian

government was losing billions of dollars in oil revenues to militia attacks. It was just recently that President Buhari inaugurates the panel to probe the stolen crude oil that amounted to \$17 billion from 2011-2014. It was revealed that the stolen crude oil and gas was sold to US, China and Norway by unpatriotic and undesirable elements among the elites and their cohorts (France 24 News, 22nd September, 2016). Though, the Niger Delta militants in the new nomenclature (i.e. Niger Delta Avengers) are still carrying out their hooligan activities of kidnapping and vandalism of pipelines in the region. This criminal activities has showed that some citizens have already withdrawn their limited legitimacy to the state and challenge the political power of the state. This calamity has also aid the secessionist of illegitimate state of Biafra to raise their flag for recognition and total withdrawal from the state.

Political instability: Nigeria has witnessed several ethno-religious and civil strife conflict that are connected with the economic downturn and artificial poverty created by the elites due their reckless nature of governance, looting public treasury and absence of good policies in the midst of petrodollar resources. The government concentrate over some unprecedented issues to abandon the basic and primary objectives of governance (security, job creation, food security and economic stability) as such vindicates the crises and wanton destruction within the citizens. Economic indicators shows that high rate of poverty would trigger people into violence so as to survive. This would motivate the poverty stricken youths to engineer and spread the crises from one place to another. At this juncture, poor people particularly the criminals are welcoming the violence in order to siphon and steal the valuable things of others and shared it as a booty [33]. The SAP riots of 1987, Niger-Delta crises on resources control and environmental degradation among others. Indeed these conflicts are disastrous to the economic and political development of the state. Collaborating the above assertion, Mikail [34] hinted that over sixty (60) ethno-religious and communal clashes from 1999-2010. The catastrophic effects of these crises have taken away the lives and property of Nigerian citizens.

Bad Governance and under development: The petrodollar political economy have precipitates bad governance and general acute underdevelopments tragedy to the state. In the word of World Bank (1992) bad governance can be manifested when there is no clear separation between public and private sector with a propensity of diverting public wealth for private used as well absence of establishing framework for law and good governance that can ensure development and progress to the state. This scenario can impedes market performance, encourage rent-seeking, and inconsistent development that led to misappropriation of resources and excessively narrow base for or lack of sound decision for effective governance. In fact, this tragedy can create an environment that is hostile for development [35]. Consequently, the Nigerian state failed to provide basic infrastructural facilities like pipe borne water, electricity supply, roads, telecommunication, and sound educational system and conducive health services to the public in the midst of plenty petrodollar resources. It is also lacking to provide employment to the teaming youth and industrialization via partnership. This sinister vindicates corruption, brain drain, crimes, violence and conflict that swallow countless number of the citizens. This attributed to the political instability, economic misnomer and under development underpinning to the state.

CONCLUDING REMARK

In a nutshell, the paper concludes that the oil boom is the conduit that precipitates the petrodollar economy in Nigerian political economic structure. This has creates a gesture for paradigm shift form agriculture as the mainstay of the economy to the monolithic economic resources of oil and gas industry. This disdain paved the way for some economic bottleneck such as absence of infrastructural facilities, weak economic policies, and grand corruption, incorporating the economy into vagaries of western capitalist, economic downturn, political instability and general under development tragedy to the state. This conundrum has become a threat to Nigerian political economy structure and bedeviled the country to shoulder with its counterparts among Asian tigers like Malaysia, Indonesia, Taiwan, India and China. Sequel to the above constraints the article has recommends some points as the remedy to the malady.

- i. That the federal government should diversified the economy to cover other sectors in agriculture,

- mining industry, tourism and local industrialization so to have many ways for generating incomes as well as tapping its resources.
- ii. Creating an enabling environment for sustainable democratic political system that would ensure good governance and democratization and sustainable development.
 - iii. Federal and state governments should establish a developmental policies, programs, and projects on industry and technology with the aim of revamping the economy and accelerating national development.
 - iv. The government should block all the leakages for corrupt practices especially in the petrodollar resources to enable the government to utilize the resources for accelerated national development and proper prospects.
 - v. Empowering anti-graft agencies such as Economical Financial and Crime Commission (EFCC) and Independent Corrupt Practices and other Related Offences Commission (ICPC) in order to prosecute corrupt people and reduce the level of corruption within the society. This will instill discipline and accountability to both public and private sector management.
 - vi. Banning all ethnic and regional militia organizations and their mercenaries to paved the way for peace and harmony. Government also should punish all criminals who instigate or sponsor violence and escalate it to another place so as to prevent re-emergence of violence in future. This will restore peace and National development.
 - vii. Disengaging the Nigerian economy from western capitalist system shall serves as the basis for reforming political economy to meets the demands of the entire citizens via economic stabilization, private public partnership and developing the small medium enterprises towards meeting the objectives of economy internally and externally.
 - viii. The national reform on agriculture shall be put in place to enable all Nigerian citizens to go back to land for agricultural production and livestock rearing to enable the nation to feed itself and ensure national development.
 - ix. Proper utilization of resources shall be taken into cognizance by all tiers of government and private

sectors so as to use our resources for the development of the nation. In this respect, petrodollar revenues shall be properly manage for enhancing infrastructural facilities towards meeting the objectives of national development.

- x. The petro dollar resources shall be distributed on equal basis to all tiers of government across the federation to enable the government agencies to develop their facilities for national development and productivity.

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