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Nigerian State, Natural Governance and Resource Control Controversy: Interrogating the Implications of Mono-Economy

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Abstract: *This paper examines Nigerian state's policy and politics toward natural resources governance and how this path the state has taken for its economic development has peripherialised the country for over five decades as a mono-economy and how this has engendered resource control controversy. The paper further interrogates the implications for the country's mono-economy status. The paper argues that the abandonment of agriculture and utter neglect of non-oil resources as well as failure to democratize the governance of natural resources have led to inability of government to diversify Nigerian economy, which is the precipitating factor of resource control controversy in Nigeria. It further argues that the mono-economy status of the country has exacerbated violent agitation for resource control by the communities and the states of Niger Delta in the country. It has equally attracted reactions from Nigerian state which has placed heavy cost on its economy in terms of financial and human losses. It has also increased crime, poverty and corruption. The study is predicated on the stakeholder theory of corporate governance. The data employed for the study are trend data drawn mainly from secondary sources while content analysis and trend analytical techniques were utilized for data analysis. The paper recommends that Nigerian state should shore up non-oil economic sector, allow equitable derivation to oil bearing communities and states, embark on land reforms and repeal the laws that have bequeathed total control of mineral resources to Federal Government.*

Keywords: *Nigerian State, Natural Resources, Governance, Resource Control, Mono-Economy*

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I. Introduction

Nigeria, an ex-British colonial state is hugely endowed with natural resources. It has landmass of approximately 923,766 sq km. Out of this massive geographical area, 910,766 sq km is covered by land while 13,000 sq km is water. It is also blessed with a total of 412,938 sq km, that is 44.7% with 9th place in the world of arable and permanent crops land (http://en.m.wikipedia.ng/wiki/and/usestatistics-accessed 07/11/17). In line with the rainfall distribution, Nigeria has two broad vegetation types: forests and savanna. Nigeria also on the average, experiences two basic seasons; wet season which lasts from April to October; and dry season which lasts from November till March. The natural resources of Nigeria are not only in abundance but of immense diversity. The country being a typical example of a natural resources – rich country that is gifted with over forty (40) different species of natural resources that are commercially viable and globally competitive (RMRDC, 2014). The resources are naturally and arbitrarily distributed across the various states and geo-political zones of the country.

Notwithstanding these mass endowments of natural resources, the country is plagued and ravaged by poverty and underdevelopment. Prior to the discovery of oil and gradual exploitation in commercial quantity in 1956 in Olobiri in the present Bayelsa state, agriculture was the mainstay of the economy. From the oil boom in 1970, agricultural revenue started to decline abysmally. Agriculture was neglected to the extent that Nigeria began to import agricultural products which were previously exported. At the same manner, the oil prices became unstable as it kept declining and the celebrated 'boom' of 1970s became a 'doom' for the country (Ijeh, 2010). In 1960's, agricultural products yielded about 80% , of the total export earnings. For instance, in 1962 and 1964 respectively, agriculture accounted for about N229.8 or 82% and N356.4 million or 85% of the country's total exports in these years (Ijeh, 2010). However, by 1976, out of N274.2 million that came from export, agriculture accounted for 4% of the nation's export earnings (Ezaegu, 1979; Ijeh, 2010).

Nigeria cannot achieve sustainable development as long as the economy depends on just one product. The over dependence on crude oil export as the main source of revenue and foreign exchange earner positions the country in a risky situation because of the vulnerability and volatilities of oil prices in the international market. Nigerian government has since decades being clamouring for diversification of the country's economic base with the abundant non-oil sector, but all to no avail (Onwualu, 2009, 2012) and the country has remained monolithic economy to its peril.

It is imperative to note that crude oil constitutes only 20% of the country's Gross Domestic Product, it accounts for 80% of government revenue and 90% of her foreign exchange earnings. According to Riti *et al*. (2016), once the global market sneezes, the Nigeria economy catches cold.

The abysmal poor performance of non-oil sector in the past three decades is worrisome inspite of the efforts to promote non-oil exports in Nigeria. The contribution of non-oil export in the country's total earnings has remained very low. It was as low as 1% in 2013 (CBN, 2013). The policy trust over the years has been to expand the non-oil sector in a bid to diversify the nation's economy. It is argued that the volatility of the international oil market and crude oil, being an exhaustible resource, makes over dependence on oil unreliable for sustainable development of the Nigerian economy (Utomi, 2004).

The continued over-dependence on oil and the continual unimpressive performance of the non-oil sector especially other natural resources dictate the urgent need for a reappraisal of Nigeria's natural resources governance regime. Indeed, the need to expand the exploration and exploitation of other natural resources through the adoption of international best principles and practices that promote the effective, transparent and accountable management of natural resources for the public good of Nigerians a systematic inquiry (RGI, 2013).

Conceptual Explication

It is imperative to conceptualise and contextualise the main variables in this study in order to ease our understanding and aid our analysis of the phenomenal and critical manifestations of crises emanating from resources control controversy due to ill-governance and mis-governance of the nation's natural resources that places the country as a monolithic economy.

Natural resources refer to the natural-given material assets that are usually available and harnessed by the people of a given state so as to sustain life and create wealth (Okoli and Uhembe, 2015). The natural resources consist of all organic valuable accruable from the earth, land, waters, the wildlife and natural vegetation. The instances of such resources are minerals, metals, wildlife, fish, timber, wood, sand, clay, etc. These resources are freely provided by nature in both subsistence and commercial quantities for human exploitation, use and export.

Governance refers to a system which engenders control and regulation for the sustenance and survival of any public domain. It consists of both governmental and non-governmental mechanisms and measures that are geared towards guided and regulated life in governmental, civil and corporate domains. Given credence to this definition, Roba, Gibons and Mahadi (2013):

> Governance is the means by which society defines goals and priorities and advances cooperation. It includes policies, laws, decrees, norms, instruments and institutions. Governance is not the province of government alone and includes informal institutional arrangements like voluntary codes of conduct for private businesses, professional procedures and partnerships among all sectors. These include numerous and varied arrangements but an essential element is that they mobilize diverse constituencies to agree on common goals and help realize them.

Table 1: Further Definitions of Governance

Definition	Source
Governance is the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions – achieving mutual understanding, agreement and action. It comprises the mechanism and processes for citizens and groups to articulate their interests, mediate their differences, and exercise their rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organization and firms.	UNDP (2004). Strategy note on governance for human development.
Governance refers to the rules, processes and behaviours by which interests are articulated, resources are managed, and power is exercised in society. the way public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issues to be addressed in its context.	The European Commission (2003). Communication on governance and development
Governance is the traditions and institutions by which authority in a country is exercised for the common good. This includes: (i) the process by which those in authority are selected, monitored and replaced; (ii) the capacity of the government to effectively manage its resources and implement sound policies; and (iii) respect of citizens and the state institutions that govern economic and social interactions among them.	World Bank (http://goworldbank.org/ MKOGR258V.

Source: Okoli and Uhembe (2015)

Governance remains a multi-stakeholder process that involves a variety of actors; the state, the private sectors and the civil societies. It succeeds when there are mutual engagements and intermediations among these three spheres of society, all cooperating to the actualization of the collective good; which is the main essence of governance. Governance is a derivative of the consistent and dynamic interplay, interactions, dialogue and negotiations among the stakeholders from the state, the private sector and the civil society. The state having acquired the civic mandate, superintends the process through its government. Therefore, the core principles of governance have been identified (UNEP, 2013) as transparency, responsibility, accountability, participation and responsiveness.

Natural Resource Governance

Natural resource governance is arguably a critical component of contemporary development question in every developing country (Ibeanu, 2009; Ezirim, 2011). Being a development issue, it is factored with the existing framework of power, process and practice, and more importantly how these usually shape natural resource access, control and use (Mandonelo, 2001:1). Hoba *et al*. (2013:1) define natural resources governance as "rules and regulations that determine (or govern) natural resource use and the way these rules and regulations are developed and enforced …..'' It is thus about relationship and who has the power and responsibility to make and implement decisions.

Natural resource governance refers to the application of the governance concept, principles and practices in determining how natural resources are exploited and utilized by relevant stakeholders. It encompasses norms, rules, institutions as well as mechanisms that tend to regulate the decisions and conduct of governments, organizations and individual stakeholders in relation to natural resource access, control, allocation, exploitation and use. Natural resources when predicated upon the right governance paradigm is based on the underlying assumption that natural resources will be more optimally harnessed, more equitably, more efficiently and more sustainably exploited within a framework of control and regulation (Darby, 2010). Nigeria needs a natural resource governance regime in which natural resources are carefully managed and accessed by users peaceably, peacefully, equitably and sustainably.

Resource Control Controversy

Scholars disagree on the exact meaning of resource control. However, resource control in the opinion of Ige (2011) is an attempt of a people to acquire direct political power over resource production, management and utilization in their area of location to ensure regeneration of the environment and all round development of the people. Atoyebi, Lawal, Adekunyo and Kahri (2013) define resource control as the way and manner the government revenue are shared among the various tiers of government while Ofeimum (2005) cited in Dickson and Asua (2016) sees resource control as the principle that every federating unit must be empowered to be self governing through an expression of self determination. Roberts and Oladeji (2005) pointed that while one conceives it as a total takeover of the resources located in the resource producing states by the people of the states, others understand it to mean that the stakeholders in the oil bearing area should manage greater proportions of the resources, harnessed in those areas. Ifedayo (2010), cited in Dickson and Asua (2016) affirms that resource control involves the access of the communities,or states to natural resources located within their areas and the needed freedom to develop and utilize these resources without interference from the federal government.

Henrik (2009) defines resource control as the control and management of resources by state or local government from whose jurisdiction the resources are extracted and in which these are managed under federal guidelines and then remit prescribed percentage to the federal or central government. Daffione (2001) likened resource control to be the practice of true federalism and natural law in which the federating units express their right of ownership to primarily control the natural resources within their borders and make an agreed contribution toward the sustenance, survival and maintenance of the common resources of the government at centre.

From the various definitions, it becomes imperative that resources producing areas ought to have control over resources in their areas and pay loyalties to the federal government. This is the practice in the United States of America, Canada and Switzerland (Ekuri and Etim, 2017).

Mono-Economy:

To understand fully the concept of mono-economy, it is necessary to know first what economy is. Igwe (2005:130) refers economy to mean the system of production and production relations peculiar to a society, characterized in each epoch by identifiable means and modes of production. To Dode (2012) economy refers to the chain (web) of economic activities that keep the economic life of man in a particular society revolving. The economies of societies have moved from one economic epoch to another over generations. The world has witnessed the change from wandering bands, primitive – communal system – slave – owning system, to feudal system, trade by barter, to mercantilism and then capitalism (Igwe, 2005).

Mono-economy implies an economic system that is primarily dependent on the existence and prevailing of only one major economic product, for the sustenance and survival of such economy. The economic life of such a nation revolves around the existence, relevance and currency of that product. The economy of a nation surviving on mono-economy is sound on the premise that such product is competing favourably well in the international market while the reverse becomes the case if otherwise.

Theoretical Framework

The study adopts the stakeholder theory of corporate governance. This theory was developed by Freeman (1984). It emphasizes that firm owes corporate accountability to broad-range of stakeholders. A stakeholder in this sense refers to any group or individual who can affect or is affected by the activities of an organization in the achievement of its objectives (Abdullah and Valentine, 2009:91).

Stakeholder theory is anchored on a number of assumptions, viz:

- that firms have a network of relationships to serve;
- that the purpose of a firm is basically to create wealth for its multiplicity of stakeholders;
- that firms have obligations to the society; and
- that firms should be socially responsible (Abdullal and Valentine, 2009; Yusuf and Alahaji, 2012).

The central message of the stakeholder theory is that businesses should be responsible and responsive to the competitive corporate and extra corporate interests of the investors, stakeholders, employees, suppliers, landlords, customers, partners, government, organized labour, host states, local governments, communities and the general public. These have been classified into consubstantial, contractual, and contextual stakeholders (Rodriguez, Ricart & Sanchez, 2002).

In application of this theory to this study, Nigerian natural resources governance is deficient, ineffective and inefficient because it is not responsible, responsive and accountable to the necessary stakeholders, hence, the intense resource control controversy has plagued the nation's economy for many decades and the peripheralization of the country as a mono-economy.

II. Methodology

The study adopted time series research design, which enabled us to analyse time series data in order to extract meaningful trending and other characteristics of data in connection with natural resource governance, resource control and the mono-economic status of Nigeria.

This study which is qualitative in nature used secondary method of data collection. Basically, data collection was through secondary sources. The sources include textbooks, journal articles, government documents, periodicals and internet materials. Data for analysis exist in qualitative form. We carried out the three complementary steps of qualitative data analysis; data processing, data analysis and data interpretation.

Nigeria's Natural Resource Profile

Nigeria is a resource rich country. The natural resources are broadly categorized into liquid and solid minerals. The liquid minerals include fresh water, natural gas, crude oil and allied hydrocarbon resources. Solid minerals on the other hand include metals, stones, sand, clay etc. Added to the classifications, there are also water-based, wild-based and land based resources such as game (wildlife) timber, wood, fish, rangeland and farmland. Table 2 shares some vital insights.

Table 2: Dimensions of Natural Resources

Mining	Coal, columbite, salt, lime stone, gold, diamond, and allied solid minerals
Quarrying	Sundry stones, sand, clay and cognate solid minerals
Petroleum	Crude oil, natural gas
Forestry	Timber, wildlife (game), eco-tourism resorts, fuel-wood, charcoal
Water	Fish, fresh water, aqua-life, etc
Land	Rangeland, farmland, flora

Source: adapted from Darby (2010:13); Okoli and Uhembe (2015:42).

The natural resource base of Nigeria is of immense diversity and abundance. The ebullient petroleum industry has dominated the extractive sector and has remained the mainstay of the country's political economy after the stifling of agricultural sector from the 1970's. The extractive sector hosts agricultural and solid minerals sub-sectors that have been grossly neglected by successive governments since the era of oil and gas boom (Okoli and Uhembe, 2015). Due to this utter neglect of solid minerals sub-sector, which is largely being mined and operated by artisans and small scale investors with poor knowledge, poor skills and poor financial capabilities, most of them are illegal extractors that contribute nothing to Nigeria's economy. Therefore, Nigeria's solid minerals based on Nigeria's natural resources profile have been poorly harnessed and exploited due to the absence of a robust natural resource governance regime capable of delivering the good.

Table 3: Nigeria's Natural Resource across the 36 States and the Federal Capital Territory

State	Natural resources
Abia	Glass-sand, limestone, salt, shale, ballclay, galena, granite, marble, laterite, bentonite, phosphate kaolin, pyrite, feldspar, petroleum, lignite, gypsum, sphalerite
Adamawa	Granite, clay, gypsum, limestone, uranium kaolin coal, trona, barite, marble, magnesite, laterite
Akwa-Ibom	Clay, sand, granite, coal, petroleum, naturalgas, kaolin, limestone, lignite
Anambra	Clay iron stone, natural gas, petroleum, sandstone, kaolin, pyrite, lignite
Bauchi	Kaolin, trona, gypsum, casiterite, mica, clay, tantalite, galena, gemstone, sphalerite, sand, barite, columbite, zinc, lead, monazite, feldspar, graphite, wolfram, coal, agate, tantalite, rutile, tungsten, copper, talc, ilmenite, zircon
Bayelsa	Salt, petroleum, natural gas, silicasand, bentonite, petroleum, limestone, glass-sand
Benue	Gemstone, barite, feldspar, marble, mica, galena, sphalerite, sand, clay, coal gypsum, kaolin, anhydrite, brick clay, crushed and dimension stone, fluorspar, wolframite, bauxite, magnetite, limonite
Borno	Silicasand, natural salt, sapphire, topaz, mica, gypsum, feldspar, granite, potash aquamarine, limestone, kaolin, bentonite, laterite, refractory clay, trona, gold, cassiterite
Cross River	Salt, limestone, coal, manganese, mica, ilmenite, gold, quartz, glass-sand, tourmaline, petroleum, natural gas, kaolin, mica, clay, spring water, talc, granite, galena, cassiterite, goethite, uranium, barite
Delta	Kaolin, gravel, sand, natural gas, petroleum, ballclay, bauxite, granite, clay, spring water
Ebonyi	Sphalerite/Galena, salt, limestone, ballclay, refractory clay, gypsum, granite
Edo	Copper, gold, marble, granite, gypsum, petroleum, lignite, limestone, ceramic clay
Ekiti	Clay, quartzite, lignite limestone, granite gemstone, bauxite, cassiterite, columbite, tantalite feldspar, kaolin
Enugu	Crude oil, ballclay, iron-ore, petroleum, gypsum, coal, sand, ceramic clay
FCT	Kaolin, limestone, sand, uranium, coal, halite, clay, gypsum, granite
Gombe	Graphite, Kaolin, limestone, sand, uranium, coal, mica, dolomite, clay, and, talc
Imo	Crude oil, shale, natural gas, kaolin, sand, limestone, salt, marble
Jigawa	Glass-sand, granite, clay, kaolin, iron ore, quartz, potash, talc, limestone
Kaduna	Muscovite, granite, gold, manganese, clay, graphite, sand, zircon, kyanite, cassiterite, ilmenite, gemstone columbite
Kano	Clay, laterite, cassiterite, columbite, ilmenite, galna, kaolin, gemstone, silica, monazite, wolframite, thorium, granite, hylite, beryl, amethyst, gold
Katsina	Gold, manganese, feldspar, black tourmaline, amethyst, quartz, kaolin, mica, gypsum, silimanite, clay, granite, sand, uranium asbestos, tourmaline, serpentine, chromite, ilmenite, diamond, graphite, iron ore, potash
Kebbi	Salt, iron ore, gold, feldspar, marble, limestone, feldspar, dolomite phosphate, mica, cassiterite, granite, coal, kaolin
Kogi	Clay, iron ore, gemstone, marbel, limestone, feldspar, dolomite, phosphate, mica, cassiterite, granite, coal, kaolin
Kwara	Clay, kaolin, sand, quart, dolomite, marble, feldspar, god, tantalite, cassiterite, granite, limestone, tantalite
Lagos	Sand, bitumen, gravel petroleum, laterite
Nasarawa	Amethyst (Topaz garnet), barytex, barite, cassirite, chalcopyrite, clay, columbite, coking coal, dolomite/marble, feldspar, galena, iron-ore, limstone, mica, salt, sapphire, talc, tantalite, tourmaline quartz & zireon
Niger	Gold, lead/zinc & talc
Ogun	Bitumen, clay, feldspar, gemstone, kaolin, limestone & phosphate
Ondo	Bitumen, clay, coal, dimension stones, feldspar, gemstone, glass-sand, granite, gypsium, kaolin, limestone & oil/gas
Osun	Columbite, gold, granite, talc, tantalite & tourmaline
Oyo	Aqua marine, cassiterite, clay, dolomite, gemstone, gold, kaolin, marble, silimonite, talc & tantalite
Plateau	Barite, bauxite, betonite, bismuth, cassiterite, clay, coal, emeral, fluoride, gemstone, granite, iron-ore, kaolin, lead/zinc, marble, molybdenite, phrochlore, salt, tantalite/columbite, tin & wolfram
Rivers	Clay, glass-sand, lignite, marble & oil/gas
Sokoto	Clay, flakes, gold, granite, gypsium kaolin, laterite, limestone, phosphate, potash, silica sand & salt
Taraba	Lead/zinc
Yobe	Soda ash & tintomite Zamfara Coal, cotton & gold

Source: RMRDC (2014); Okoli and Uhembe (2015)

Natural Resource Governance: Insight from the Petroleum and Solid Minerals Laws

On this note, a comparative analysis of the provisions of the Petroleum Act, Cap 350, 1990 laws of the Federation as amended in 1998 and the Minerals and Mining Act No. 34 (Solid Minerals, 1999) is of paramountacy. The two Acts manifest the inherent tendencies of Federal Government's totalitarian and oppressive claim to ownership of all resources disregard true fiscal federalism thus: control of any property in minerals, in water etc is vested in the state.

I(1) "The entire property in and control of all minerals, in under or upon any land, its contiguous shell of all rivers, streams and water courses throughout Nigeria, any area covered by territorial waters or consistency, the exclusive economic zone is and shall be vested in the Government of the Federation for and on behalf of the people of Nigeria". The rights of the states and communities were foreclosed. For the solid minerals, the provisions of Section 1, constitute a more humane and favourable to states and communities even though difficult to implement in which solid minerals are located. The Act provides for the establishment of a Mineral Resources Committee for every state of the federation with regard to the solid minerals found in each state of the eight persons. Five (5) must be indigenes of that state, and all the remaining three (3) could also be indigenes of the state. Sections 14(2); 33(1); 46(1); 56(3); 59(1) and (2); and 62(1) still to reasonable extent reposed in the states, local governments, communities and individual owners and occupiers the ownership and control of all their lands (Sagay, 2005:24), even though Section I of the Act purports to grant ownership and control of a solid minerals to the Federal Government. The major abnormality is still payments of royalties on the minerals extracted to the states, local governments, communities and owners and occupiers of the mineral bearing lands. The Petroleum Act fails the tests of these provisions hence the resource control controversy. With less federal attention to solid mineral sub-sector and disallowing states full ownership, the solid minerals sub-sector is neglected. Table 4 shows the contribution of non-oil export to the growth rate of GDP.

Table 4: Non-oil Exports by Product (naira in Million)

S/N	**Product**	**2007**	**2008**	**2007 % share of total**	**2008 % share of total**
1	Agriculture Produce	44,395.49	50,498. 86	41.9	37.8
	Cocoa	13,244. 48	18,569. 69	12.5	13.9
	Rubber	6,569. 26	7,214. 12	6.2	5.4
	Fish/Shrimps	7,734.77	9,218.05	7.3	6.9
	Cotton	6,781.17	4,542.23	6.4	3.4
	Others	10,065.80	10,954.78	9.5	8.2
2	Mineral	4,238.23	11,355.56	4.0	8.5
	Aluminum/Carbonate	3,390.59	7,748.50	3.2	5.5
	Others	847.65	3,607.06	0.8	2.7
3	Semi- Manufactured	42,912.11	50,632.45	10.5	37.9
	Processed skins	21,720.94	35,536.23	20.5	27.6
	Cocoa products	5,085.88	6,546.15	4.8	4.9
	Textile	7,840.73	1,068.76	7.4	0.8
	Furniture/processed wood	2,225.07	1,870.33	2.1	1.4
	Other	6,029.48	8,610.98	5.7	4.2
4	Manufactured	10,383.67	14,829. 03	9.8	11.1
	Textiles	1,050.56	935.16	1.0	0.7
	Tyres/Tubes	1,059.56	534.38	1.0	4.8
5	Other Exports	4,026.32	6,278.96	3.8	4.8
6	TOTAL	105,955.82	133,594.80	100. 0	100. 0

Source**:** CBN Annual Reports and Statements of Account (2006 – 2009 series); Olurankinse and Bayo (2012:246)

In the above table, the solid mineral sub-sector accounted for only 4.00% and 8.5% share of total export.

Natural Resource Governance Deficit: Insight from the World's Resources Governance Index (RGI)

The Resource Governance Index (RGI) is an initiative of the Revenue Watch Institute an international Non-Governmental Organization that seeks to ensure the promotion of best management practices of oil, gas and mineral resources for the public good. The 2013 edition of RGI lists Nigeria among the group of countries with a very weak performance in terms of natural resources governance. Table 5 is clearly instructive.

Table 5: RGI's Bright versus Poor Countries in terms of Resource Governance Rating

THE BRIGHT		THE POOR	
Country	Composite Score	Country	Composite Score
Norway	98	Vietnam	41
United States	92	Kuwait	41
United Kingdom	88	Angola	42
Australia	80	Nigeria	42
Brazil	77	Papua New Guinea	43
Mexico	76	Egypt	43
Canada	75	Yemen	43
Chile	74	China	43
Colombia	74	Sierra Leone	46
Trinidad and Tobago	73	Malaysia	46

Source: RGI (2013:4-5): Okoli and Uhembe (2015:44).

Table 5 indicates that Nigeria scored 42 on the standard and range of 100 to 1. This implies that Nigeria was maintaining a gross governance deficit in natural resource management (Okoli and Uhembe, 2015).

Resource Control Controversy in Nigeria

Resource control centres on the debate on what level of government should control the natural resources as derived in particular locality. Itse (1995) and Ike (2000) state that resource control is the power and rights of a community or state to raise funds by way of tax on persons, matters, services and minerals found in its domain. Azaiki (2003) predicted that one key trait of the Nigerian union that was to persist for many years was that the three regions of the North, West and East retained control of their natural resources; demonstrating true practice of federalism. Azaiki (2003) opines that resource control is a basic economic theory that shows that land (rent), labour (wages), capital (interest) and entrepreneurship (profit) are factors of production within the context of a federation. It implies that the component units within the federation have a right to basically access and control the natural resources within their territories; and to make an agreed contribution towards the sustenance and maintenance of common sources at the centre. The deviation from this standard has been the bane of the stability of Nigeria federation.

Table 6: State and Federal Shares of Petroleum Proceeds from 1953 – 2005

Years	Producing states %	Federation Account including DPA %
1953-1960	100	-
1960-1969	50	50
1969-1971	45	55
1971-1975	45 minus offshore proceeds	55 plus offshore proceeds
1975-1979	20 minus offshore proceeds	80 plus offshore proceeds
1979-1981	-	100
1982-1992	1.5	98.5
1992-1999	3	97
1999- 2005	13	87

Source: United Nations Development Programme (UNDP) (2006:150) in Raji, Grundlingh and Abejide (2013:6)

The Table 6 above illustrates the natural resource governance deficit as the revenue sharing formula promotes the Federal government self-interests thereby engendering protracted agitations for resource control in the Niger Delta region of Nigeria.
This measure has impoverished the ordinary people of the Niger Delta region inspite of the fact that vast profits were created by oil industry. Table 7 illustrates this condition.

Table 7: Poverty Statistics for the Niger Delta States

States	Absolute poverty	Relative poverty	Dollar per day based on an adjusted PPP
Akwa Ibom	53.7	62.8	53.8
Bayelsa	47.0	57.9	47.0
Cross River	52.9	59.7	52.9
Delta	63.3	70.1	63.6
Edo	65.6	72.5	66.0
Rivers	50.4	58.6	50.6
South South	55.9	63.8	56.1

Source: National Bureau of Statistics (2012:23)

This illustrates high level of inequality among Niger Delta given the amount of wealth accruing from oil proceeds. It shows that out of ten people in the Niger Delta were very poor. This underlies the intense demand for resource control through open confrontation with multinational oil companies and federal government.

Implications of Mono-Economy

The following, deduced from empirical studies are analysed as the implications of mono-economy in Nigeria:

A well-diversified economy yields the most cost-effective level of risk reduction and economic growth in the country. On the other hand, mono-economy yields the most costly risks and economic instabilities. Samuelson (1968) describes mono-economy as the act of investing in a sole product that makes such economy to experience heavy losses, which increase risks in the time of recession, inflation, deflation in which such economy is prune to regular shocks due to vulnerability and volatility of the international market. Arising from Young (1995) in his study of South Asia, discovered that the higher out in the newly industrial countries than the Africa is actually due to economic diversification which increase labour participation and utilization, empowerment of labour quality through knowledge and skill accumulation as well as spur rapid increase in technological progress. In a mono-product economy, labour participation and utilization is drastically reduced, empowerment of labour and its quality is always declined while it incurs rapid decrease in technological progress.

Over-dependence on oil according to Adebayo (1999) leads to neglect of agriculture which in turn has led to food insecurity in Nigeria and the poor performance of the rural economy that creates the mass rural poor. It is argued that concentration of economic in the oil sector is the perennial cause of scarcity of raw materials which led to heavy importation of raw materials and foodstuff.

The effect of Nigeria oil dependency breeds underdevelopment despite its natural and human resources endowments. Muktaka (2015) bemoaned that Nigeria has wasted much of its opportunities to break away from the peripheralised economy due over dependence on oil regrettably mismanaged, leading to governance deficit such as corruption and inept leadership. It is the cause of the lack of the drivers of economic diversification such as investment, good governance and the proper harnessing of the abundant human and natural resources a country that contribute to make such a country to be a dependent economy.

The 21st century revolution or nuclear, solar, geothermal and other renewable energy sources are indications that the prices of oil will always be on the decline. These have been sufficiently discovered and developed and they are alternative to soil as they are cheaper, cleaner and more available than non-renewable sources.

In the view of Okonji-Iwella (2013), the natural resource map of Africa has changed tremendously in the past decade. There exist new oil deposits that have been discovered in commercial quantities in Ghana, Uganda, Kenya, Tanzania and Mozambique while on the part of solid minerals, exploration are ongoing in countries such as Guinea, Zambia and Democratic Republic of Congo. This implies that Nigeria's continued mono-economy is likely to push her to back seat of African economy which will severally affect the growth and stability of her economy.

The over dependence on oil as its mainstay of the economy has regularly pitched the oil bearing states, communities against the oil companies and the federal government, this perpetual agitation to control has caused youth restiveness in the Niger Delta region which caused loss of lives and property, pipeline vandalization and other heinous crimes.

III. Conclusion and Recommendations

In conclusion, it is observed that Nigeria's over-dependence on oil makes it to run a mono-economy which is always vulnerable and volatile to shocks in the international market. Therefore, Nigeria should improve on its natural resource governance regime that allows the relevant stakeholders access to exploration, exploitation and use of their natural resources in their territories.

Having discussed the implications of operating mono-economy in Nigeria as a result natural resources governance deficits, it becomes necessary to offer some recommendations that will change the status quo.

(1) Nigerian government should overhaul in entirety its natural resource governance regime that emphasizes totalitarianism on the ownership of all mineral resources by the federal government by allowing states as the federating units to explore, exploit and use the mineral resources in their territories and pay royalties to federal government.
(2) Nigerian governments, at all levels should urgently create enabling environment that will favour diversification of the economy that will remove mono-economy system in Nigeria.
(3) Government should ensure that farmers have unhindered access to loans, create special grant for genuine farmers and put in place policies that favour subsidy to farmers.
(4) All states of the federation through a quick constitutional reform should be given freedom and autonomy consistent with federalism.
(5) There is need to embark on land reform with the emphasis of complete repeal of the land Acts of 2004 to safe the citizens of the brunt of state monopoly of lands and its contents.
(6) Nigerian government should store up non-oil economic sector as the solid minerals, agriculture, manufacturing, tourism in order to completely de-emphasis oil as the mainstay of the economy.
(7) Nigerian government should device a more robust strategy and mechanisms in managing the nation's diversity.

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