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Natural Resource Governance and Armed Conflicts in Nigeria

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Abstract: This study investigates the governance of natural resources to promote socio-economic and people-centred development in Nigeria. The paper relied on secondary sources of data, focusing on the three main variables: conflict, politics and power. Nigeria is endowed with abundant natural resources, which accounts for about 65% of total tax revenue, driven mostly by an increase in export earnings from the oil and gas sector. Most resource-related conflicts are implicated by the inequitable distribution of benefits accruing to resources. The State and elite, in alliance with foreign corporations, enjoy the benefits of the exploited resource. Host-communities face the debilitating negative environmental impacts and the discrepancy between indigenous traditional laws and state laws that define ownership of natural resources in a federal but unitary state has led to controversial relations among states in Nigeria. The paper took an extensive look at the politics of natural resource extraction and governance in Nigeria and explored the themes through which the causative relationship between natural resources and conflicts can be differentiated. It noticed the political economy of natural resources as embedded within the broader global power relations. The paper concludes that regulation must be anchored to elements of good governance, especially democracy, rule of law, transparency and accountability, as well as efficient and equitable management of resource revenues.

Keywords: Natural Resource, governance, conflicts, politics, constitution.

INTRODUCTION

The presence of natural resource and its extraction shapes social, economic and political relations in countries, specifically, in several and complex ways in Nigeria. A country has sub-soil assets such as hydrocarbons and minerals, termed natural resources which it seeks to transform into surface assets, human and physical capital that can be used to support employment and generate economic growth (Venables, 2016). Nigeria is the most populous country in Africa with about 213 million inhabitants. Located on the Gulf of Guinea on the Western coast of Africa, Nigeria covers a land mass of around 924 thousand square kilometres. Among Nigeria's natural resources are: petroleum, natural gas, tin, iron ore, coal, limestone, niobium, lead, zinc and arable land (OPEC, 2021).

So far, the expected transformation has proven difficult to achieve. Instead, one of the most observable impacts of natural resources is the propensity to generate a spectrum of violent conflicts; ranging from low-intensity everyday tensions to large-scale insurgencies as in the oil rich Niger Delta, Middle belt and Northern Nigeria. These low- intensity conflicts tend to erupt on the back of long term disruptions to local livelihoods that are caused both by environmental implications of resource extraction as well as tensions generated by inequitable distribution of revenues as a lack of local participation as in the Niger Delta (Percival 1995, Jagger 2012) and (World Bank 2016). The Middle belt of Niger State, Zamfara in North Central and some other pockets in other parts of the North are experiencing the complexities of illegal or dishonest extraction of resources that are deepening conflicts and insurgencies, that require urgent intervention in that region. There must be incentives to construct credible and sustainable governance processes for natural resources to emerge from both locally specific circumstances as well as broader global governance agendas. These incentives are not just focus on regulating the extractive practices of private companies (such as, the Voluntary Principles on Security and Human Rights) but also on the ways in which governments manage the resources that accrue there from as established in the Extractive Industries Transparency Initiative, (EITI). Acosta, (2010) described these multiple entry points to natural resource governance as "the set of strategies aimed at improving the transparency and accountability of governments and private companies during the licensing, exploration, contracting, extraction, revenue generation and allocation of natural resources". Conversely, Alao, (2007) opined that violent conflict further complicates these governance processes and necessitates innovative strategies that can link resources to peaceful development.

The World Bank, (2003) conducted a study of the economies of mining countries between 1990 and 1999 and discovered that the per capita gross domestic product (GDP) growth was negative. Auty, (1993) coined the term 'resource curse' to capture the underperformance of resource-rich economies, drawing attention to the weak

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performance of countries such as Bolivia, Nigeria and Venezuela, among others. Africa is often said to be a paradox of plenty or suffering from a 'resource curse'. This simply implies that Africa is mineral rich, but the poorest and most conflicted continent in the world; it has about '30% of the world's mineral reserves, including 90% of the world's platinum and 40% of its gold' (Southall, 2009, cited in Carmody, 2011, p. 15).

This paper look at various themes that associates natural resource extraction and the state of practice in natural resource governance from the vantage point of various key actors like the state, global institutions and civil society, but also explores the more recent additional trends which could be important indications of the future of governance processes in the sector. To situate this discourse within the broader context of peace building and conflict resolution in Nigeria, this work recognise that not just the extraction that generate the tensions and conflicts but the resource governance.

Theory and Concepts of Natural Resource Governance

Conceptualising Resource Governance

The concept of resource governance is a new concept that tries to explain why resource-rich countries are unable to sustain the well-being of their people; and could be defined as a 'set of strategies designed to improve transparency and accountability in the management of natural resources' (Acosta, 2010). This transparency and accountability initiatives cover areas of licensing, exploration, contracting and extraction, as well as natural resource revenue generation and allocation. The relevant stakeholders involved include government (the executive, Parliament and other state institutions), private companies (whose work relates to extraction), non-governmental organisations (NGOs), the media and civil society organisations (including community organisations).

Transparency in resource governance refers to the visibility of decision-making processes, the clarity with which the thinking behind the decisions is communicated and the availability of pertinent information about governance and performance in the industry. That is, making key issues in the natural resource sector and investments available to stakeholders and the local people. Transparency in natural resource governance is necessary as it relates to who took certain decision, and how justified was the decision reached. These decisions are made according to the authority conferred on or delegated to an individual or body, according to procedures such as majority-rule voting or consensus, or on the basis of expert opinion, professional judgement and formal decision aids such as multi-criteria analysis or cost–benefit analysis.

Accountability is the allocation and acceptance of responsibility for decisions and actions as well as the demonstration of whether and how these responsibilities have been realised. Accountability is an important issue in resources governance within the contexts of effectiveness in decision-making processes which is essential for their authority and credibility. If accountability becomes unrealisable through democratic participation, the need of citizens to properly access information, through meaningful consultation, and for enhanced opportunities for active participation become more significant. Compliance with regulatory requirements is an important component of good governance for a public entity. Accountability in the extractive industries also requires compliance, which means the extent to which governments and other actors in the sector observe relevant legislations, standards and codes and have a compliance regime that is integrated with their operational and financial plans; systems to monitor conformity, such as internal and external audits; and processes to meet external reporting requirements. Reporting requirements should be the minimum necessary to provide financial, governance and performance accountability (Lockwood, *et al*., 2010). Other key concepts of resource governance are participation and equity, which are also necessary. Participation refers to opportunities available for stakeholders to be included in and influence decision-making processes and actions in the resource sector. Governance is regarded as inclusive when all those with a stake in the mineral governance processes can engage with them on a basis equal to that provided to all other stakeholders. As solutions to mineral governance challenges often demand substantial changes in practices, their implementation requires participation of as many of the affected actors as possible (Danso, 2020).

It is important for governance actors to have access to many different perspectives and kinds of knowledge, because no single actor has the resources to generate solutions to natural resource related problems. (Danso, (2020) notes that this involves stakeholders seeking input from multiple sources; having an awareness of and valuing

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diversity; and having policies and structures to foster stakeholder contributions and engagement.

Moreover, equity is another important resource governance initiative and refers to the respect and attention given to stakeholders' views, the consistency and absence of personal bias in decision-making, and the consideration given to distribution of costs and benefits of decisions. Therefore, those charged with promoting resource governance arrangements are expected to be fair and equitable in the exercise of the authority conferred on them, particularly in relation to the distribution of power, recognition of diverse values, intergenerational consideration, and the development of mechanisms to share costs, benefits and responsibilities of decision-making and action (Osawe & Ikhayere, 2021).

Dovers, (2005) notes that addressing resource problem is complicated by confusion regarding who should be responsible for what, given the cross-cutting nature of such problems, it is especially important to ensure that responsibilities and roles do not fall unfairly on particular actors, such as private interests being expected to shoulder the bulk of the costs for public good outcomes or future generations being burdened with the costs of the present generation's actions. Fairness in resource use also involves practices founded on stewardship of natural resources for protection of biodiversity and ecological processes. It is significant that the mineral governance arrangement treats stakeholders with respect and supports their dignity, which is a moral obligation and has the potential to foster acceptance of outcomes. Fairness should guarantee that like cases are treated alike, and that where they are irrelevant, the gender, ethnicity, religion, disability and socio-economic status of a person do not determine decision-making processes or outcomes (Danso, 2020).

Acosta, (2010) posits that mineral governance has two main goals: first, it seeks to improve the processes through which stakeholders and institutions can effectively bring governments of mineral-rich countries to account; and second, to effectively contribute to better outcomes, such as helping to improve the socio-economic conditions of people or poverty alleviation. These two goals, although different, are closely related. This is because, when the democratic conditions and practices in the extractive or exploration sector are enhanced, they will more likely result in better development outcomes. To achieve the above goals, problems related to natural resource governance will need to be addressed. They include administrative challenges in terms of the necessary qualified staff; information, infrastructural, technological and financial resources required to manage the sector effectively; weak political institutions and civil society organisations, as well as lack of effective policies to ensure that natural resource benefits local people. These challenges go beyond the executives of governments to include key institutions such as Parliament, mandated state agencies, the security services and the judiciary who are supposed to have oversight responsibilities, support and control over the mining sector.

To improve the challenges that promote good governance through natural resource wealth, the country need to strengthen those institutions that are necessary in controlling, directing and overseeing the appropriate agencies involved in resource governance. Parliament in particular needs to be given the requisite skills to perform their functions effectively. There is also the need to build the capacities of local community groups and civil society groups to enable them make informed decisions and contribute meaningfully to the governance process. Furthermore, good governance in this sector can also be achieved through the enactment of an inclusive legal and policy frameworks to regulate the sector while promoting transparency, accountability, participation and equality for development.

Rent-Seeking Government Theory

Natural resource-rich countries are expected to experience less economic growth and increased poverty than non-mineral rich countries (Auty, 1993; Sachs & Warner, 1997). A number of factors are responsible for these, the extractive sector is inclined to be highly capital-intensive, and for this reason it creates few jobs and few spin-off activities. Another factor that is counterproductive to poverty reduction in resource-rich countries is that, wealth creation is only possible in few business ventures in those countries, leading to higher risks of rent-seeking and corrupt practices among government officials or politicians. Several discussions on the correlation between natural resources and economic development have often focused on the neglected connection between governance and development (Danso, 2020).

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The main focus of this theory is the frequently neglected connection between politics and the economy in most developing countries. There are three main types of rents identified, namely natural resource rents, rents derived by government intervention to change relative prices and geographical or foreign aid rents (Tollison, 1982). Rosser, (2006) also explains that while, for example, oil profits, taxes from exports and royalties are economic rents, foreign aid is an example of political rents and rentier states are states or countries that receive considerable and regular amount of rents. Which according to Auty, (2007), three kinds of rents constitute a large percentage of the gross domestic product (GDP) of developing countries, about 15–30% or even more, and as a result, this has the capacity to distort the political economy. The main argument of the rentier state theory is that the recipients freely dispose rents; this is simply because the ruling elites often spend their rents for their own benefit as the state becomes very much involved in the economy. The ruling elites also spend the rents on conspicuous consumption rather than on production. They ensconce and strengthen their positions of power to enable them to access more rents, establishing a clientele state. Apart from this, they further spend the rent on myopic and unsustainable public expenditures. The consequences are weak state institutions and unguaranteed socio-economic development that is not sustainable (Beck, 2007). Auty, (2007) hypothesised that: The higher the rent/GDP ratio and the more concentrated the rent's deployment upon a handful of political and economic agents, the more likely it is that; (i) the political state is predatory; (ii) the rent is cycled inefficiently through patronage channels and (iii) the economy will lose its underlying comparative advantage. High rents raise the stakes for its capture: capturing such rent offers the elites more immediate reward than using it to promote long term wealth creation, the benefits of which may accrue to successor political and economic actors Beck 2007).

Bevan, Collier and Gunning, (1987) and Baldwin, (1956) suggest that rents that are often diffusely distributed, such as those from peasant farming, tend to be more effectively deployed than rents concentrated upon economic agents, such as those generated from taxing larger scale capital intensive mines and plantations.

Auty, (2007) Posits that high rent intensifies the 'Olson effect' (Olson, 2000, cited in Auty, 2007), which is when ventured interests eventually manipulate economic policies with the aim of diverting the efforts of government, to seize and distribute rent rather than deploy these rents into development intervention that would create broad-base wealth. The incessant reliance on export of primary products has the propensity of delaying competitive industrialisation and also reduces the intake of surplus labour from particularly rural areas. Furthermore, Auty, (2007) elucidates that continuous urban unrest may compel governments to create non-market support jobs. Governments as well do protect infant industries and extend their bureaucracies which normally expand the rent-seeking sector, thereby slowing down the economic diversification of these countries.

The demands from rent recipient countries ultimately increases, more than the primary sector's ability to meet these demands, which is usually a result of decline in the global price of the primary commodity or structural changes. This could compel Governments to promoting markets through economic reforms to reduce opportunities for rent-seeking. As it were, this usually attracts strong resistance from the recipients of these rents. As a result, governments of high rent economies tend to find it politically convenient to increase the rent generated from the primary commodities, making the primary sector skimp mainly on wages and maintenance. This results in creating a staple trap where as a result of the expansion of the rent dependence the sustainability of the primary sector on which it depends is destroyed. This reduces investments and capital rates; making the economies of this expansion of the rent dependence the sustainability of the primary sector on which it depends is destroyed. Rent-dependent countries are vulnerable to external decline shocks. A collapse of the growth of the economy may eventually lead to a staple trap, which destroys and runs down all forms of capital.

The rentier state theory also proposes the hypothesis that natural resource wealth, especially oil wealth makes states less democratic. Ross's, (2001) study revealed quantitatively that 'oil is obstacle to democracy not only in the Middle East region, but that it does harm oil to oil exporters elsewhere'; and further asserted that there is lack of democratic pressure on these governments.

In substantiating this argument, Ross, (2001) advances several causes which could bring about these: The rentier state is closely associated with 'rentier effects', which is based on the notion that

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the ruling political elites can employ rent resources to prevent social pressure by dismantling democratic institutions, and by so doing gain independence from the public. According to Meissner, (2010), there are three ways in which this can happen. The first is the ‘taxation effect’. With the government getting more money from oil, they are less likely to impose high taxes or sometimes none at all. The public therefore is less likely to demand these governments account for their stewardships, making these governments less responsible to the population (‘no representation without taxation’).

The ‘spending effect’ also explains that governments of rentier states often gain legitimisation not by free and fair elections but by buying legitimisation through the use of resources for populist social welfare interventions such as subsidising basic commodities as food, petrol, oil fuel, coal and electricity, and also create more jobs by expanding the public sector. The population oftentimes tends to be ignorant regarding the short-sighted nature of these interventions and policies and how they can dislocate the economy, and often reward these governments supporting them. This spending effect is targeted at the population as a whole. On the contrary, the ‘formation effect’ is geared towards independent societal group organisations or movements. The rentier state government often uses its resources to influence their leaders by co-opting or even sometimes buying them the security apparatus with the view of using it as an instrument to suppress any democratic aspiration (Ross, 2001; Bardt, 2005).

While all the above provide logical explanations and reasons for the resource curse, one very important acknowledgement is the lack of a common agreement among scholars on the way forward to overcoming the resource curse. Moreover, mineral wealth countries have the tendency to experience several negative impacts on good governance. Studies by authors such as Collier and Hoeffler, (2000), Sachs and Warner, (1997) and Gelb, (1988) identify some of the harmful effects.

Natural Resources in Nigeria: The Multifaceted Politics of Extraction, Revenue Distribution and Violence.

According to Osawe & Ikhayere, (2021) natural resources debate is particularly sharp not only in the context of divided societies, but in situations where uneven geographic distribution of natural resources corresponds with ethnic, religious or linguistic divides. While these issues are particularly significant in decentralised nations and are mainly exceptional in a federal context, they can arise in any state confronted with demands for increased autonomy over local resources from individual communities. Under these circumstances, the structure for the treatment of natural resources can strengthen a national coherence or can exacerbate conflict. One clear fact has been that a federal system of government often rises from people’s desire to constitute a union without losing their identities within the federation. This is the main beauty in the context of ethnic pluralism as in the case of most African countries, and most cohesive approach to manage the diversity in the ethnic groups.

Petroleum was discovered in Nigeria by Shell-BP in 1956 in Oloibiri in the present day Bayelsa State, after half a century of exploration activities. Oil production became important in the 1960s, truncated in 1967; due to the Biafra conflict and the civil war. Further expansion was delayed till the end of hostility in 1970. Major reservoirs are located in and around the Niger Delta, both on-shore mangroves and shallow off-shore basins; since 1990 exploration has increasingly moved to deep, offshore areas (Akpbio & Akpan, 2010).

The obvious fact is that natural resources were not seen as important enough to require extensive treatment in constitutions or peace agreements globally. In most countries where natural resources do not constitute a significant sector of the economy, they fall under general provisions dealing with the treatment of revenue, fiscal and financial issues (in Western states). Similarly, many peace treaties made only passing reference to natural-resource arrangements. In more recent constitutions and legal agreements, it is, however, more common to deal with natural resources separately from other elements of the wealth-sharing framework. There are a number of reasons for this: in some developing countries, natural resources are the only or predominant source of wealth. As a result, these resources are very often seen as a national heritage to be shared equitably. However, they often generate strong feelings of local community ownership over their development and the resulting revenues. The challenge is to balance these local interests against the overall importance of natural resources to national development. Constitutions or peace treaties are often called upon to mediate this tension and the conflict that can result from it (Danjuma, 1994) therefore becomes important to

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develop conceptual clarity on the categories of issues that can arise in natural-resource negotiations. Experience in these types of negotiations to govern natural resources arrangements can be categorised into three broad areas, as follows:

Ownership of Natural Resources: The rule governing ownership of natural resources is often a passionate issue that requires a matching of the rights of private ownership, communal and state ownership. The determination of ownership of resources is habitually the most disputed phase of statutory negotiation. Nevertheless, there is the misunderstanding between ownership and the intractable issue of management, control and sharing of revenue derived from natural resources. As it is, the right and benefit of ownership can vary and could be limited by regulation and treatment of the issues listed below:

Allocation of the Power to Manage and Develop Natural Resources: Constitutions are often called upon to decide what bodies at the national and provincial levels of government should have the authority to make and administer laws relating to the development and exploitation of natural resources. This amounts to the power to control, regulate and manage natural resources and is potentially more significant than ownership rights in themselves. This allocation can have profound effects on the development of the sector and even on the overall structure of the state when natural resources are a major source of public income. In centralised states this may be less of an issue, but it can be fundamental in resource-rich or federal nations.

Treatment of Natural-Resource Revenues: The transparent and fair generation, collection and sharing of natural-resource revenues can be a determining factor of the viability of a peace agreement or constitution. The handling of resource revenues may follow directly from the allocation of management and control over these resources, or it can be undertaken quite differently. However, Hayson, (2009) notes that the latter is possible because the objectives that motivate the constitutional distribution of responsibility for the management of natural resources can be substantially different from the often political goals that underpin how the revenue from those resources should be shared. But in Nigeria, the question of an acceptable formula for revenue sharing among the component tiers is one of the most protracted and controversial debates in the political and macroeconomic management of the economy (Ekeji, 2011).

In 2004, Michael Ross review of the literature on the relationship between natural resources and civil wars; he highlights agreement on four main points that: "resources have different levels of impact on conflict; in this regard, while oil increases the likelihood of conflict, others like agricultural products have almost no impact. The second agreement is that while the so called lootable "commodities like diamonds do not necessarily induce conflict, but they tend to make it intractable when it does erupt. Thirdly, there are certain commodities, namely legal agricultural products, which have no evident link with civil war and finally that the connection between resources in general and the onset of civil wars is weak".

Here, we focus on many low level everyday violent conflicts which may not hit international news headlines but are nonetheless critical to a state whose stability is becoming more delicate like Nigeria. Good examples are the farmer-pastoralist conflicts in Nigeria's middle belt (Higazi, 2016; Osawe, 2020). These examples also raise questions about the general assumption in the literature that agricultural resources have almost no impact on civil wars (Collier and Hoefler, 2004). In a study published by Oxford University "s Center for the Study of African Economies (CSAE), Arezki, Bhattarcharyya and Mamo, (2007) drew on a geocoded data set to argue that unlike what is generally assumed, there is no empirical correlation between resource discovery and the emergence of violent conflict. To say the least, this line of argument is difficult to sustain in the face of widespread evidence of seemingly intractable violence that appears to be so apparently linked to the politics of resource extraction and the accompanying social inequalities.

Nigeria has experienced cyclical causative pattern of natural resource exploitation and conflict repeated in volatile oil rich Niger Delta (Ako, 2013, Iwilade 2015). Behrends, (2008) even goes further to show that natural resources do not even need to be physically extracted for them to generate brutal conflict. He argues that simply by being discovered, natural resources have the potential of generating violent contestations that may ironically prevent them from actually being extracted; example is the Bakassi for Nigeria /Cameroon.

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Resource Type: The impact on conflict is more significant for natural resource which stakeholders compete for and easy to extract and distribute such as Metallic minerals; for instance, resources like iron ore, diamonds, gold, tin, coal etc which can be extracted with relatively crude methods, transported very easily and sold very easily as are happening within the Middle belt region, all through Kaduna, Katsina, Kebbi, Kogi, Nasarawa , Niger, Plateau and Zamfara States where an estimate of 80% of mining are conducted illegally on artisanal basis, involving over two million people who depend on it for survival (Kedem, 2021; Relief web, 2020), are more likely to generate conflict than resources like oil which require more sophisticated extraction methods. These suggest that the type of resource could have an effect on how they are able to shape social relations, and invariably the likelihood to generate or exacerbate conflict. It is important to note that before the civil war, 1967 -1970, Nigeria had an active mining sector and a significant exporter of certain mined minerals including coal and tin. The changed scenario is that today, mining generates only 0.3% of GDP, while the country scramble to import mineral. Conversely, oil and gas sector produces about 10% of GDP and 65% of government revenues (Kedem, 2021). The 2007 mining law, the "Nigeria Minerals and Act" (NMMA) which deregulated mining of solid minerals, remains outdated since and this is seen as stifling growth and has rendered the nation's mining sector underdeveloped.

Koubi, *et al*., (2014) in their work noted two categories of impacts that natural resource types can have on conflict. The first category is 'where there is a scarcity of resources with typically low market value like cropland and water. Even though such resources may have low market value in relation to global trade, they are often central to the livelihood and social mobility of the local consumers. As a result, violent conflict over access to these resources can be brutal, long running and intractable. An example of this type of resource based conflict is the farmers'/herdsmen crisis where violence over grazing land and cattle have claimed thousands of lives and causing instability across various agrarian communities the country, with hostility between pastoralists and farmers heating up significantly in the last two years.

Homer-Dixon, (1999) argued that 'it is the scarcity of natural resources that generate violence rather than abundance'. He argues that 'even where resources appear to be abundant, the scarcity created by socio-economic distortions of livelihood that the process of extraction often causes is the key trigger of violent conflict rather than the fact of abundance'. This suggests that conflict is likely to increase where access to resources becomes increasingly precarious as a consequence of scarcity (TANA, 2017).

Two factors of climate change and rapid population growth has amplified the chances that such important resource scarcities will turn out to be more common (Kaplan,0 1994, Homer-Dixon, 1994), and the volatile effect of climate change and induced droughts mix with rising population and increased industrialization of the adjacent areas means that they themselves will begin to demand for more resources at a time that supplies will drop noticeably, in that way threatening stability in many parts of the country.

Global Power Relations and Natural Resource Governance

Like many other aspects of contemporary international politics, natural resources are profoundly amenable to the complex nature of global power relations and competitions. From multinational companies to super powers, natural resources usually tend to attract deep and extensive interests. As efforts to feed the giant industrial complex brings the likelihood of conflicts. The extraction, processing and distribution of natural resources located across the planet, far and apart, with political boundaries of statehood only retard the logic of access and distribution. Bradshaw, (2009) made a point in his observation that geographical factors like the distribution centers of supply and demand of natural resources could potentially have important implications for state and non-state behaviour. So, the choice of options and how they operationalised their access to natural resources shapes the global politics of energy security.

Some recent emerging global politics of extraction include the rising economies of China, India and Brazil; being shaped through social movements, business and multilateral institutions in determining norms; the ongoing securitisation of resource extraction; and the strong wind of resource nationalisms evident in collective demands for participation and control of natural resources and accruable benefits.

Emerging Economies and Resource Extraction

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The last decade witnessed significant change in global politics with the growing influence of emerging economies like China, India and Brazil in the extractive sectors in Nigeria and African states. The scramble for natural resources by global powers in Africa's extractive sectors cannot be discussed without the seismic shift of power towards emerging economies. This is seen as critical to the governance infrastructures to emerge in the coming decades. Alden and Alves, (2009) posited that in 2009, China was responsible for 30% of global growth in the demand for oil, this figure elucidates that by 2030 China will consume some 15 million barrels of oil per day. To safe guide regular access to natural resources; the Chinese government has tied its increasing bilateral infrastructure aid programme to mining rights. For instance, China's Export-Import bank funded major infrastructure projects in Angola for $4.5billion in 2004 in exchange for oil; $3billion in Gabon in 2006 for manganese exploration; and $6billion for DRC infrastructure in exchange for copper and cobalt from the Kolwezi Copper Mine in 2008. These levels of investment indicate china's foreign policy being integrated into their diplomatic objectives to achieve its energy security concerns in line with its growing resource hungry economy. Similarly, India is also into this resource focused investments and foreign policy choice as exemplified by the Indian Prime Minister's announcement in 2011 of a $5billion credit line to African States. According to Large, (2010), India's petro-partnership with Sudan began in 2003 when OVL bought a 25 percent stake in Sudan's main oil consortium; especially in Sudan that was India largest destinations for Indian foreign investment between 1995 and 2005. This effort fits into India energy security logic as these investments aimed at securing India's access to resources.

There are debates that investments by emerging economies do not essentially reflect the economic goals of the states involved. But the controversy is seen as part of a broader global struggle by new powers to unseat or compete on an equal footing with key western countries that have subjugated global economic politics for decades. This is the new scramble for the natural resources of African states. According to Padraig Carmody, (2011) writes that commodities have been at the very core of this new scramble and that emerging markets are now both the destinations and partners of choice for many African states. One reason for this is that investments from states like China and India are masked with a language of non-interference and common history of marginalization.

NGO in Natural Resource Management (Extractive Industry Transparency Initiative-EITI)

The EITI was a campaigns led by International Non-Governmental Organizations (INGOs) such as Global Witness, Open Society Institute, Oxfam, Save the Children and Transparency International which gained popularity following the endorsement from the Tony Blair administration in the United Kingdom (Ocheje, 2006). The initiative was designed primarily to "improve the management of natural resources, reduce corruption, and mitigate conflict" (Haufler, 2010; EITI Report, (2016).

Civil Society Organizations (CSOs) and Oil Resource Governance in Nigeria

CSOs play regulatory functions through their activities in the Oil and natural gas sector, particularly related to Multi-National Corporations (MNCs). Through the instrumentality of EITI, the Nigerian CSOs affiliates have challenged companies through boycott, call public campaigns and other forms of pressure movement (Obiora, 2004). The CSOs act as watchdogs of the Oil sector, a perfect instance is its engagement in the Nigerian Extractive Industries Transparency Initiative (NEITI).

The NEITI often involves CSOs in its activities as a way of improving transparency and unlocking the process to the Nigerian public. This deliberate strategy of NEITI's engagement with CSOs can be linked to a coalition of CSOs efforts to fuel by "Publish What You Pay" campaign that sensitized the Nigerian people on the inherent benefits accruing from EITI operations to the extractive companies, government and Nigerian public. In addition, CSOs have been active in providing inputs and the NIETI boards (management) have been giving out training and support to strengthen the capacity of CSOs' effective participation in the NEITI in the country (Eghosa, 2014).

Laws, Norms and Institutions in the Governance of Natural Resources

Africa's natural resources shaped the continent's integration into the global economic and political system with three identified waves of this integration process governed by the prevalent political situation.

The arrival of trans-continental exploration of natural resource extraction, by Europeans

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imperialistic ambitions across the continent during the period of trans-Atlantic slave trade in 1807. This coincided with the pre-colonial era.

Regulations and laws governing access and exploitation by colonial governments to serve their own narrow interests. In Nigeria, the British colonial government enacted the Mining Regulation (oil) Ordinance of 1907 which granted exclusive rights to exploit oil to firms, syndicates or companies that were "British". 'Section 15 of the Ordinance stated that: No license or lease shall be granted under the provisions of the Ordinance to any firm, syndicate, or company which is not British in its control and organization, and in the case of a company, all the directors shall be, and shall at all times continue to be, British subjects, and the company shall be registered in and subject to the laws of some country or place which is part of His Majesty"s dominions, or in which His Majesty has jurisdiction (Raji & Abejide, 2014)'. This principle was retained in the 1914, 1925, 1950 and 1958 amendments to the Mineral Oils Ordinance.

Built their economies on their naval capacity to enforce compliance and a global economy predicated on political dominium. The communities were deprived of decision-Making powers concerning natural resources on and underneath the land they depend on. Colonialism was about economic suppression and ability to wrest control of the local economy from African rulers.

With the end of colonialism and independence African states witnessed the initial phase of resource nationalism, through nationalistic policies that aimed to assert their "independence". These were to immediately get over the economic suppression suffered under colonialism, and extract control of their economies. Independent African States exercised absolute ownership and control of natural resources as integral to, and evidence of, political independence, that attracted substantial revenues to the state. They ignored laws made by the colonial authorities that limit local participation in the decision-making processes and natural resource management. This made communities feel a sense of ownership of natural resources in their domains even without the technical capacities to exploit them. The result was a rise to a plural system of management of natural resources that became the norm on the communities; where local perceptions were guided by ancestral inheritance and individuality as well as religious beliefs competed with and subsist alongside laws inherited from colonial authorities that remained in post-independence era.

The 1979 constitution confers on the federal government an exclusive right of ownership of oil and solid minerals resources and to pay minimum of 13% of accruable revenue from the federation account to the oil producing states; and went further to state that the derivation principle "shall be constantly reflected in any approved formula" (This was 100% in 1960 and the 1963 constitution reversed it to 50% payable to the regions where the natural resource were attracted. The issue of deprivation of littoral states of revenues from the off-shore became a legal matter in 2001). Other legislations are: the Petroleum Act1969, the Land uses Act 1978, the Territorial Water Act, the Exclusive Economic Zone Act and the United Nations Law of the sea, 1982. The 1999 constitution (as amended) vested the ownership and control of the natural resources on the federal government in section 44(3). It also provides that the mines and minerals inclusive of oil fields, oil mining, geological survey and natural gas are the exclusive preserve of the federal government of Nigeria. The discrepancy between indigenous traditional laws and state laws that define ownership of natural resources created the controversial relations among states in Nigeria and several countries in Africa (Klaus & Mitchell, 2015). For example, land is a very important resource in Nigeria and in Africa which is appreciated for more than its economic value and benefits. Land, is essentially considered a source of ancestral and cultural identity; individual and communal, as well as the link between generations past, present and future. Therefore, for the majority of Nigerians most of who live in the rural areas where most of the exploitation of natural resources occurs, the significance of land extends beyond the comprehension of post-colonial laws that tends to place value and considers ownership and access based on its economic value and benefits.

Governing Natural Resource for the Future

The Nigerian natural resource sector has been overwhelmed by conflicts of unreliable scope from mostly localized skirmishes between pastoralists and farmers over access to land to those of violent over resource revenues by militants and bandits. This spate of violence must be reduced by addressing the issue of natural resource governance holistically, to bring the sector from

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theatre of conflicts to bastion of development and alleviation of widespread poverty.

A number of factors are responsible for conflicts in Nigeria's natural resource sector; they include the foreclosure of democracy, rule of law and the inequitable distribution of national resources, as well as the lack of transparency and accountability. Studies note that most resource-related conflicts are implicated by the inequitable distribution of benefits accruing to resources (UNDP, 2011). This may be the environmental "goods" and "bads" of the resource; typical of the extractive industry. The State and elite in alliance with foreign corporations, enjoy the benefits of the exploited resource, while host-communities face the debilitating negative environmental impacts. Investments in host-communities have been inadequate with the quantum of compensation paid for appropriated land, contaminated land and waters, are below economic values leading to anguish and violent reactions.

This situation is aggravated by the absence of rule of law that leaves aggrieved parties without legal and administrative recourse as well as the undemocratic management and decision-making sector. Regarding the latter, for example, land is often appropriated without consultation with the affected local communities; or host-communities are not consulted with regards to resource revenue investments in their domains. With the existing relationship these communities have with 'their' land which is also their fundamental natural resource, it has been experienced that reactions after a while turn into violent. Land is a resource every African has both personal and communal connection with, yet, without doubt, the most unprotected resource that can trigger conflicts more than other resources. Lack of accountability and transparency also feed into the conflict matrix as the situation allows and encourages corruption, misappropriation and embezzlement of resource revenues that ought to be spent on development-related projects and investments. More importantly, specific governance issues must be factored into a framework on natural resource governance if resource-related conflicts are to be efficiently handled.

Presently, there is lack of understanding on the concept and definition of the blue economy that must be overcome. The oceans should be seen beyond as a means of transportation but to appreciate the biodiversity resources it harbours, to the vast reserves of deep shore oil and gas reserves, fisheries, etc. The piracy challenges should be considered as a fundamental issue because the resources of the maritime environment, that are increasingly been exploited, and the likelihood of increase in the rate of piracy.

The Basin Initiative: amongst others issues and challenges faced by the four countries sharing boundaries in the Lake Chad Basin are: Cameroon, Chad, Niger and Nigeria; they are currently entangled in violent conflicts originating from the Boko Haram terrorist group deserves attention. This basin has played an important role in promoting mutual co-operation in the management of marine resources and will have more critical role to play in extenuating disputes and managing conflicts that are likely to occur as the impacts of climate change progressively manifest. There is also the issue of ungoverned areas the need urgent attention.

Democracy

Within the context of democracy in natural resource governance, the key principles of collective decision-making must be embraced and elevated. So, decisions to explore and use of natural resources should consider different views of stakeholders that are to benefit or be impacted, by the exploitation of the resource. The conduct of Environmental Impact Assessment (EIA) as laws that govern the exploration and extraction of natural resources is one such law that already promotes the principle of democratic governance; that must be consistent across the cycles, from exploration to production and how revenues are utilised.

Rule of Law

The rule of law as applies to natural resource governance, emphases equality before the law and free access to judicial and/or administrative systems for dispute resolution. There are three elements of the rule of law that make its presence crucial for any legal system: the supremacy of the law and the absence of arbitrariness, equality before the law, and constitutional law as part of the ordinary law of the land. Generally, rule of law is often applied in its political context to ensure that political power is not abused. In natural resource governance sphere, the rule of law will function to ensure that laws regulating the sector do not allow individual and/or sectional interests of political actors to disadvantage the citizenry.

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CONCLUSION

This paper has taken an extensive look at the politics of natural resource extraction and governance in Nigeria. It explored a range of themes through which the causative relationship between natural resources and conflicts can be differentiated. It also noted that the political economy of natural resources is embedded within the broader global power relations. The paper notes the emerging economies like China and India are fundamentally shifting the authorities of power within Africa's natural resource landscape and that the insinuations of these new shifts are not yet established but will have deep impact on resource politics in the next few decades in Nigeria.

It discussed important global norms, regulations and institutions that attempt to compel some form of order and accountability on the natural resource sector; which must be embedded within a framework that can efficiently monitor compliance capable of promoting transparency. It further notes that while regulation was critical to the effective management of natural resources, it must be devoid of opacity and corruption. The paper concludes that regulation must be key elements of good governance, to an efficient and equitable management of resource revenues that are vital to governance.

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