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Appraisal of Nigeria's Public Accounts Committee in Global Perspective
Riccardo Pelizzo & Umar Aminu

Nigeria's National Assembly and Foreign Policy in a Changing Domestic and External Environment
Alli W.O

Conflict and Livelihood Security in North-Eastern Nigeria: A Case-Study of Borno, Yobe and Adamawa States
Jake D. Dan-Azumi

The Political Economy of Nigeria's Declining Power in Africa: Outcomes and Policy Option
Etim Okon Frank

Provision of Basic Amenities by the Private Sector and Implications for Tax Revenue in Nigeria
Asimiyu. G. Abiola

The Political Economy of Nigeria's Declining Power in Africa: Outcomes and Policy Option

Etim Okon Frank*

Abstract

The study assessed the implications of the growing discoveries of oil and gas in Africa south of the Sahara on Nigeria's political power, using the descriptive research orientation. It revealed that the supply of crude oil to African states on concessionary rates built up Nigeria's political power and influence in Africa on issues related to these countries. The discoveries of vast deposit of oil and gas in these countries, which were formerly dependent on Nigeria, has inversely diminished Nigeria's political power quotient. The poor management of the crude oil resources, which has not been use to develop other sectors of the economy compounds this. A situation, which its availability has been described as a curse rather than a cure for development. The study recommended that Nigeria should embark on prudent utilization of the proceeds from crude oil for industrialization. It should refine its crude within and establish other industrial concerns, which utilize the bye-products of crude oil processing as raw materials. Thus, the economy would have forward and backward linkages. The policy option is the Keynesian economic principles; which prescribed massive intervention in the economy, because the private sector in Nigeria is not well developed to drive the economy.

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Background

In recent times, many things have been happening in Africa particularly in the economic sphere which this study contend may diminish the status of Nigeria in both African and international affairs. The importance of this discourse rest on the fact crude oil, which is the basis of Nigeria's power in the continent and the world, is now being found in many other African states. This would dilute her influence in African and global affairs. This would lead to a situation in which the States, which would have been influenced by the sale of crude oil, would now have alternative sources of supply, hence shunning any threat of embargo by Nigeria. Thus, the rapid rates in which African states are discovering the 'black-gold' (crude oil) in their domains is a threat to Nigeria power in politics.

The study is intended to espouse the effect of the rapid discovery of crude oil in African states on Nigeria's political influence in global affairs and stress the importance of committing the resources being realised from crude oil production to better usage, which would have multiplier effects. This is because, crude oil, the basis of Nigeria's power, is an expendable resource (it is exhaustible). Secondly, the discovery of crude oil would inadvertently lead to the decline of Nigeria's political power and influence.

The situation is further compounded by the inability of Nigeria to diversify its economy into manufacturing and industrialisation, away from mono-economy dependent on crude oil. The current situation of the economy, seem to have coincided with what Professor John McKay of the Brenthurst Institute in South Africa, termed in a recent study 'Natural Resources'. This is because Nigeria and many other African states with similar quantum of natural resources (crude oil) have been unable to generate significant development in other sectors of the economy.

The import of the problem is made more important because, Nigeria is the sixth World producer of crude oil and the largest in sub-Saharan Africa, yet she has not been able to deploy the wealth from crude oil to raise the socio-economic standard of the people. According to the Education for All Global Monitoring Report (EAGMR) of the United Nations Educational, Scientific and Cultural Organization (UNESCO), Nigeria has the highest number of children who do not attend school in the world. At

10.5 million, the figure is higher than Pakistan 5.1 million, Ethiopia 2.4 million, India 2.3 million, the Philippines 1.5 million, and Cote D'Ivoire 1.4 million,...with 2 percent of its consolidated Revenue Fund assigned to education (Nation, June 18, 2013). It has a very high incident of poverty across the 36 states. It has a decaying infrastructure and worst of all, it has a high food import bill. The sixth largest crude oil producer in Africa that has not been able to take advantage of downstream industrialization thereof, just as other crude oil producing states in the Middle East have done. The pending decline of the crude oil market (because of the discovery of oil in many new countries) would certainly compound the situation and reduce Nigeria's power.

Crude Oil as Political Power

Power is as central in the world of politics as money in economics. In its most general sense, power is the capacity to effect outcomes. To effect means to cause or bring about. Outcomes are actions or results. Power is thus, the capacity to cause or bring about actions or results. It is an ability that someone possesses or that inheres in something. Depending on its specific form, this ability can be held by inanimate object (Sodaro, 2008), in the Nigeria context, it is generated from the crude oil. According to Morgenthau, the elements of power include; geography, natural resources (food), raw materials, industrial capacity, military preparedness (technology), leadership, population (1948). An analysis of these elements in relation to Nigeria indicated that Nigeria's power rest on the narrow elements of crude oil (natural resources) or raw material and population which nature endowed the nation. Today, the possession of crude oil (natural resources) has become elastic. By this token, Nigeria would incrementally lose the ability to cause or bring about actions and results because many more countries are now in possession of the materials, which gave Nigeria, leverage over them. This diversification of sources of supply of crude oil to western countries, inadvertently translate to the dilution of the Nigeria power base and eventually led to the decline or reduction of her power to change the behaviour of other states in the direction she desires in the conduct of international affairs.

It is instructive to illustrate the use of power. Following the 1973 oil embargo, because of Arab-Israeli war, America turned to Nigeria for the supply of her crude oil need. This leveraged her political power. Thus,

when in 1976, Gerald R. Ford the USA President advised Nigeria not to recognise the Augustino Neto's led MPLA Government as the authentic representative of the people of Angola pursuant to its independence. Nigeria displayed her power by rejecting not to be dictated to. Nigeria's independent of action was made possible by her crude oil power. The power derived from crude oil was placed at the disposal for the liberation of South Africa from Apartheid minority regime. Consequent upon this, Nigeria defined itself as a member of the 'front-line-States', with the desire to end 'Apartheid' in Southern Africa. Nigeria's opinion particularly in issues on Africa, was sought. Today, both African states and the international communities are increasingly ignoring Nigeria. The concern of this study is to evaluate the factors responsible for the declining power of Nigeria in African affairs and to recommend remedial actions to rebuild Nigeria's power and influence in Africa and global affairs.

The Problem

The problem in the first place is that Nigeria's power and influence in Africa and in global affairs is declining. This is so because many African states, which were depending on Nigeria for the purchase of crude oil on concessional prices, have now found crude oil in their territories and have become less dependent on Nigeria. These translate to the decline of Nigeria's power because international actors were conscious of Nigeria's economic hold on these countries, they consulted Nigeria before acting. Nigeria's policy thrust in respect of crude oil would have taken cognisance that their dependence on Nigeria would end someday; hence, Nigeria would have no influence on issues affecting them in any longer. Secondly, global actors, which also depended on Nigeria for the supply of crude oil such as the USA, would now have alternative sources in these new crude oil suppliers. Consequently, Nigeria would no longer be able to influence their views on issues bordering on these new crude oil producers, who were dependent on Nigeria. On other issues, the world powers would not border about the views of Nigeria in their actions and inactions. The third issue is the failure to develop a policy for the management of crude oil, which should have included the establishment of downstream industries, which would utilize the by-products of crude oil refining to move the economy away from dependency on a single product.

All these have led to the declining power and influence of Nigeria in Africa and global affairs. The nature of the problem is that, almost all the African countries with few exceptions, which were dependent on Nigeria for crude oil import, have now, found crude oil. Their initial dependence gave Nigeria power and influence in African and global affairs. The influence garnered by Nigeria, accounted for the dynamism of its foreign relations or international political personality in the quest for the liberation of Apartheid South Africa, Zimbabwe, Mozambique and Angola to mention just a few.

Nigeria has been a long time player in African events, but she is becoming a midget of sort on the bigger African stage. This is because many African states are possessing crude oil –which they hitherto depended on Nigeria for their supply. For instance on February 24, 1975 the Federal Military Government of Nigeria decided 'to make crude petroleum available to any African country that requires it at concessionary rates subject to two conditions. First, such countries must have their own refineries. Secondly, the crude oil must not be re-exported to third countries. On October 10, 1974, this gesture was extended to the African Union member states during the ceremony to mark the increased contribution of Nigeria to the African Development Bank (Aluko, 1981). This act gave Nigeria considerable leverage of power and influence in Africa.

The nature of the problem is such that, since March 2012, many African states have announced the discovery of oil and gas. Tanzania discovered oil and gas in the shore of Zanzibar. The Italian oil giant ENI revealed a new gas discovery off the coast of Mozambique. President Mwai Kibaki former President of Kenya had announced that oil had been struck in the East African Rift system in the northern county of Turkana and Ngama concession, which borders Ethiopia. Ethiopia and Uganda look set to reach the coveted status of being oil-producing nations (BBC-Focus on Africa, July-Sept 2012). Beside these new ones, many other Africa countries including Niger had found crude oil and gas excluding Angola and Namibia, which are old oil producers. In East Africa, Uganda, Tanzania, Kenya would end their dependence on Nigeria. In West Africa Ghana had struck crude oil since 2007, Mali, Chad are all oil producers. For the new energy producing countries, benefit will come from export –revenue and

royalties, taxes and profits and income and mining rights. These would leverage their international power positions and correspondingly, dilute the powers of Nigeria that was a player in the field before now. The consumers' nations would have wider market and choices, thus reducing their vulnerability to Nigeria's influence. This scenario is what spelt the decline of Nigeria's power and influence in African and global affairs.

This is evidenced in the previous two and the current Group of eight most industrialized nations, (G8) meeting in Belfast, Nigeria was not invited while Ghana and South Africa were as observers. It is the position of this paper that favourable economic dynamics were the basis of Nigeria's power in African and relatively in global affairs. The substance of this economic power was derived from the ownership and sale of crude oil to the African and the global markets. The core element of the Nigeria's power at the time have been diluted following the discovery of crude oil in many African countries in recent times. This correlates with the declining market and influence of Nigeria in Africa.

Another dimension of the crisis is that, Nigeria's export market both internally and externally has shrunk and would keep shrinking further because of; i) Canada's Shale Gas reserves which China, Europe and other regions also have significant reserves of it. ii) Nigeria may soon have the risk of a glut –with a lot of oil but with no one to nearby to sell it. This may result into what Professor John McKay, termed the 'oil curse' given that the crude oil revenue was not use to create further 'capital. This is the failure of leadership and policy. The importance of the problem revolves around the issue of lack of leadership and the vision to manage natural resource thereby leading to the decline of Nigeria's influence in African and global affairs.

The dimensions of this problem radiates from the political economy, which indicated that the loss of economic opportunity, correlates to the loss of political relevance. The inability of Nigeria to have galvanised other elements of power marked the decline of her influence in African affairs. The situation became more precarious, as the states, which were depending on Nigeria's oil, are now oil producers. Where these states utilize, her oil revenue in a better way to chart industrialization than Nigeria, then they would deflate the political influence which crude oil

conferred on Nigeria completely. This whole issue is better understood from the framework of political economy.

Framework of Analysis: Political Economy

The problem of this study relates to the management of the economic base of the state, by the managers of the superstructure. Consequently, the interrelationship between the political and economic influences is referred to as the 'political economy', that is, the reciprocal correlation and outcomes, one structure, generates on another and vice versa. Situated differently it is the political aspects of economic policy-making. This is the perspective in which the problem of this study was viewed as the perceptual prism. It holds that an independent power and action of a state in international relations, is directly related to its economic base at the time of the incident. Put differently, it is the reciprocal relationship between the economic base of a state and the concomitant influence and power it guarantee to the political actors to act on the political realm. Igwe opined that it is the scientific study of the reciprocal influence of economics and politics, of the basis and the political element of the superstructure, which inevitably involves attentions to relations of production. The principles and problems of political economy had been evolving since the earliest emergence of organized society...with every subsequent socio-economic and political system developing the type of political economy most appropriate to it. Political economy is a way of looking at and interpreting societal and international phenomena (2005).

In this study therefore, the concerned was, to evaluate through this perspective the extent to which the economy-influenced Nigeria's action in the past. What would be the impact of the declining economic power of Nigeria, given the discovery of crude oil in other African countries? We proceeded with the view that, the growing discoveries of oil and gas in East and West African States, would inversely diminish Nigeria's power and influence in Africa and global affairs.

The Approach

The adopted approach of the study was the descriptive research (observation, definition of the problem, review of literature, develop theoretical framework, collect data, analyse the result and draw conclusions) which essentially involved situational analysis of Nigeria's political power quotient as it existed at the time of the study. The data sought was to identify what consisted of the components of Nigeria's political influence. It was revealed in the current circumstances to be crude oil. A further analysis indicated that the increasing discovery of crude oil in a number of African States lately (Tanzania, Mozambique, Ethiopia, Kenya, Uganda, semi-autonomous region of Somaliland, Liberia, Ghana etc) as it exist now, must have accounted for the declining influence of Nigeria. An important revelation was that when these states had no crude oil, and many of them had concessionary purchasing arrangements at differential prices with Nigeria, the power of Nigeria was not ignored in most instances, especially in those that affected these countries directly.

The import of this analysis was meant to generate information to assist in decision-making in the management of Nigeria's economic resources, which amount to political power. This connects with the adopted framework of analysis.

The approach of the study revealed the following data; (i) that on October 10, 1974 in Abidjan, Nigeria started making crude petroleum available to any African country that requires it at concessionary rates subject to two conditions (a) that they should own their refineries (ii) Crude oil must not be re-exported to a third country. (ii) That on February 24, 1975 in Nairobi, Nigeria also decided and offered concessionary rate of oil for the members of the Economic Community of Africa (ECA). She sold crude oil at \$9 per barrel below the OPEC price. (iii) That in December 1973 during the OAU Summit in Mogadishu, the OAU set up a seven –nation subcommittee to negotiate the possibility of securing oil at preferential prices for its members from Nigeria (Aluko, 1981: 2009).

Literature Review

John Mckay (2012), posited that the rapid growth of Asia, the rise of China and India in development terms have resulted in the new scramble for Africa in the 21st century. These scrambles have also resulted in significant increases in the demand for raw materials of various kinds. These scramble has led to the discovery of particularly crude oil and gas reserve in several African states in recent times. The paradox is that the benefit in financial terms is hardly translated into increased rates of development except in small number of countries. In the vast majority of cases, resource producers have usually performed much worse than nations without significant natural resources such as crude oil. The stark reality has made many scholars to see the abundance of natural resources, particularly crude oil as 'the resource curse' in an attempt to explain this seeming paradox. Experience elsewhere has showed that with the right policies, it is possible to avoid the curse and translate the increased income flows into lasting benefits.

Evidence of the 'resource curse' hypothesis averred that often African states with natural resources such as crude oil have not been able to translate the resources derived from this source to any meaningful development-this generate the thesis that natural resources is a curse in Africa. This is because crude oil leads to mono-economy and non-diversification of the national economy. No manufacturing sector. This thesis tally with the findings of Gelb (1988), Gylfason, Herbertsson and Zoega (1999) and Leite and Weidemann (1999). The negative relationship the author stated is that there is often no correlation between resource endowment and variables such as; investment in education (Gylfason, 2001), Savings rates (Atkinson and Hamilton, 2003), agricultural development and export diversification (Nankani,1979) and the growth of manufacturing exports (Wood and Berge, 1997).

In Africa, commentators have lamented the poor development performances of large resource rich nations such as Nigeria and DR Congo and contrasted this with Botswana. The Government lack the political will to enforce local laws and regulations. The resource rich nations (Crude oil) must be suffering from 'Dutch Disease' that is, the

tendency of resource rich nations, performing badly on a whole range of development indicators' it is also known as 'resource curse'.

Faro (1990), in the literature stated that 'refineries are known to refine crude oil into conventional petroleum products for fuel and lubricants. During the process of refining, intermediate products are obtained as by-products, which constitute raw materials for downstream industries. Thus, secondary industries, which could process these by-products, are possible but most industrialists in Nigeria tend to shy away from this segment of the hydrocarbon industrialization because;

- (i) They are capital intensive in nature
- (ii) It requires scarce technology involved
- (iii) They have higher than one-year payback period

The literature identified the commonest process of refining as crude distillation or cracking unit. It is a boiling process, which separate the crude into its various components of naphtha, kerosene, gas oils, and crude residue. All these are raw materials for downstream industries.

In other words, crude oil refining gives birth to industrial production of various sort derived from the crude oil by-products. It is certain that the following industries are likely to arise as downstream during the processes of refining, they are;

- (i) Liquefied Petroleum Gas (LPG)
- (ii) Perfumery to use the aromatic contents of the catalytic reforming processes
- (iii) Kerosene and jet fuel production
- (iv) Asphalt production for road construction, obtained from the vacuum distillation processes in the refinery
- (v) Domestic Gas production is obtained from the Hydrogen Sulphide –some of which are burn off which generate acid rain in the Niger Delta
- (vi) Lubes extraction for the production of lubricating oils
- (vii) Wax production for making candlesticks and related products.

Given that a state processes and refines its crude oil within its territory, chances are great industrialization on the downstream of crude oil

production and refining could generate economic diversification and industrialization from the by-product of crude oil refining. These would provide wider economic base. It is instructive to state that the Petrochemical plant of any crude oil producing country could produce raw materials for the following products;

- (i) Automotive part (Battery casing)
- (ii) Plastic crates
- (iii) Medical products (hypodermic syringes, beakers measuring cylinders)
- (iv) Fibres and Fabrics
- (v) Polypropylene film
- (vi) Straws
- (vii) Household products.

There are therefore an abundance investment opportunities for willing entrepreneurs in this area. At the moment transformer oils, greases, thermal fluids, lube oil additives and special transmission fluids are being imported into the country, when advantage could be taken of the laboratory manufacturing processes. Other opportunities are aromatic solvents for air freshener industries, and oil for pharmaceuticals industries etc.

There are wide ranges of investment opportunities for the organized private sector wishing to enter the Nigerian tertiary hydrocarbon industries. The level of investment required could be syndicated by the numerous financial houses available. The raw materials would always be guaranteed from local industries as long as they refine in the country. It is also instructive to note that all these opportunities accrue to the countries where crude oil are refine to the denial of Nigeria in the current scenario of importing refine fuel. These are the opportunities of industrialization and the diversification available to any state that has crude oil and refine it within its country.

Mazrui (1980), by 1970s the terms 'poor countries' and underdeveloped countries were virtually interchangeable. However, the emergence of oil power has shattered this easy equation. The literature observed that Africa is infected by pathologies that in terms of resources, Africa is one of the

best-endowed regions of the world, but is still the least developed of the inhabited continents. This he called 'pathology of technical backwardness. A situation where there are more white millionaires in the continent than blacks. The poorest in per capita terms are indigenous Africans. This situation is a pathology mal-distribution. The third issue is that while the continent as a whole is, rich in resources, it is so fragmented that it includes the majority of the poorest nations of the world. This is the paradox of a rich continent, which contains many poverty-stricken societies. This is the pathologies of fragmented economy.

An analysis of a rich Africa inhabited by underprivileged people was illustrated by the following estimated data base indicated that Africa has 96 per cent of the world non-communist diamond, 60 per cent of the world gold, 42 per cent of the world cobalt, 34 per cent of bauxite, 28 per cent of uranium. twice the iron reserve of the USA, twice the quantity of chrome reserve outside the former USSR.

Africa by the 1970s accounted for half of the 98 per cent of manganese imported by the USA. Had Nigeria joined the Arab oil embargo against the United States in 1973, the consequences for America would have been severe. In 1974, the USA balance of payments deficit with Nigeria was already \$3 billion and rose to \$5 billion two years later. At this point, the crude oil was certainly an element of political power to Nigeria but this cannot be sustained today. Against the background of mineral, agricultural and other resources and other resources in Africa there is also the fact that the overwhelming majority of the countries that the United Nations regards as the poorest in the World are in Africa. A Situation where a continent is well endowed but the people are poor is a situation of anomalous underdevelopment.

The African condition could be traced to the post-war schemes for African development. They were ill conceived, badly located and disastrously implemented. The outcome of the pattern of development initiated by the colonialist was, export bias, urban bias and sub regional distortions which created development with attendant stresses and strains. The totality of these created dependency.

The strategies of liberation from this situation include, indigenization of personnel to learn on the job, domestication –making resources, which is foreign to be more relevant and more appropriate. It also involves the reduction of export orientation of the economy. The diversification, because 'freedom begins with the multiplication of one's masters. The diversification of one's aid donors. Counter penetration. The relevance of the prescriptions of this literature to the subject matter of this study is twofold. The emergence of more crude oil supplier to the global market, decrees the power and influence Nigeria. In the same vein, Africa harbours the greatest numbers of poor states in the world. Diversification of the economy as suggested also applies to Nigeria. Eghosa (2007)-the text opened with a discussion of leadership and upheld Nigeria is indeed passing through the most difficult economic crisis in its recent history, which has defied corrective policies introduced by all regimes between 1982 and 2006. This crisis included in recent times, the dwindling oil resources and the emergence of many more countries with crude oil in the continent. Political leadership first of all, can influence the national economy by initiating policies and attitude of its individual members to private accumulation of wealth, has the power to develop or ruin an economy. Secondly, leadership in the various industries of the national economy can behave autonomously as agent of national welfare and development.

Leadership is intricately linked with goal orientation. A leader should have clear ideas of his goal and ambitions. At the national level, he should understand the goal of his country at the material time. A leader without goals is a mere clown in a circus. A leader with the wrong goals brings untold tragedies to his people and eventual destruction to the system that bring brought him up.

Good leadership in the business community does not have as a goal the realization of a high profit rates without making serious efforts at improving the quality of life, and without helping the government realize national economic goals. In the arena of academics, good leadership entails the development of attitudes and principles on the students, which affects the national economy, and all other aspects of national life. The attitudes and principles developed affects national life later when the students now become leaders in the economy. Whereas research findings

have a way of influencing public policy makers in the society. Leadership in the academic arena seeks the development of new ideas, and the applications of designed to ameliorate the human condition.

It upheld that leadership in Nigeria should encourage production in an abnormal mono-economy. The agenda now before all students of economics is the construction of an economic system that suit Nigeria, a system that encourages the production of goods and services. The Nigerian leader should manage the economy as Bertrand Russell has argued in a way to guarantee social security, economic justice and the conservation of scarce resources. It concluded by canvassing for strategic public policy, which should look towards the diversification of the Nigeria economy in order to sustain Nigeria's power. The imports of the literature reviewed are that; crude oil endowed states in Africa have high probability for mono-economy. They often do not invest the resources generated in other areas of industrialization; as a result, the economies are not often strong. The present of political will to diversify the economy could make the economy stronger but this is often not the case. This imply that resource endowed states do not always have strong economy hence loses any power they had. There are several advantages of refining crude oil internally. This is because the by-products of crude oil refining serves as raw materials to several other industries (industrial linkages). Taking advantage of this benefit would have created a powerful economy hence the discovery of crude oil in many more states would not have been a cause for alarm. It is instructive to note that Venezuela, has about 14 refineries, and refines 1.28 million of the 2 million barrels per day (pbd) it produces daily. Saudi Arabia has 9 refineries, Brazil 13, Malaysia 6 and Libya 6 (Ojah, 2013). Let it be known as well that most of these refineries are utilizing the by-products of initial refining. However, this is not the case with Nigeria's economy. Mazrui raised pertinent issues related to the problem addressed in this study. A rich continent containing the very poor countries in the world. Like Nigeria, rich in crude oil but with a declining power base. This is the pathology of poor leadership, management and public policy. It stressed diversification as a way out in order to sustain one's power. Osagie harped mostly on leadership with the benefit of hindsight to diversify the economy and enhance power to continually influence outcomes of event in Africa.

Elements of National Power and Influence

In the preceding sections of this study, it had been alluded that Nigeria was able to sway the minds of other states towards its desires in Africa. In the context of this discuss, political power is made- up of a classic combination of the stock of both natural and human resources available to the state and how these have been combined to engender power (value addition). It is pertinent to identify and analyse the elements that made the power of Nigeria vis-a-vis other nations, which is now on the decline. It is important to note that elements of Nigeria's power consist of those that are relatively stable and those that are subject to constant changes. The permanent factors include:

- (i) Geography- this explains the location which nature has entrusted to the states by its location. This creates strategic importance, such as natural endowment strategic connection hence its importance. Geography defines the strategic importance of a state and how the location becomes important staging point to others.
- (ii) Food- a country that is self-sufficient, or nearly self-sufficient, has a great advantage over a nation that must be able to import foodstuffs if does not grow or else starve. Food insufficiency in any state is a threat to its survival as a nation. Food is an element of power, because food dependency would make assertiveness in policy position difficult, especially against the state from whom you obtain your food supply. Food sufficiency has always been a source of great strength and influence. It enables a state to be more forceful in the pursuit of its position. Conversely, food scarcity is a source of permanent weakness in international politics. The decline of agriculture amount to the decline of national power.
- (iii) Raw Material: What holds true of food is of course true of those natural resources that are important for industrial product...in the words of Morgenthau (1960). It is not by accident that the two most powerful nations today, the United States and the Soviet Union, come closest to being self-sufficient in the raw materials necessary for modern industrial production, and control at least the access to the sources of those raw materials which they do not themselves produce. It is important to note that the various raw materials, which nature bounties have placed in

Nigeria, must be processed in the industries to add value to them, thereby increasing the power quotient of Nigeria.

(iv) Industrial Capacity-This refers to the set of machines housed in various locations to process the raw materials into useful form rather than by human labour. This increases the power of a state. The industrial plant transforms the raw material into energy, industrial and military uses. It is this establishment, which transform the raw material into useful forms, which adds to a nation's power. Nigeria now relies on oil thereby abandoning the extraction and the creation of industries based on many other solid minerals. This is one factor which diminishing her power and influence because of the multiplicity of crude oil producers in Africa today.

(v) Military Preparedness: In the words of Hans Morgenthau, what gives the factors of geography, natural resources, and industrial capacity their actual importance for the power of a nation is military preparedness? Military preparedness requires a military establishment capable of supporting the foreign policies pursued (1960: 126). Today military action by the world power in their interventions in Africa is being carried without consultation with Nigeria, which ought to be a 'medium power' in the continent. In Guinea, Darfur and Somalia, Nigeria was almost ignored in the global interventions calculus in these places.

(vi) Population: Population as a factor of power calculus, must not only be qualitative, it must be quantitative. It is falsity to say that the largest the population of a country, the greater the power of the country. Size of the population is one of the factors upon which national power rests. However, it is true that a nation cannot be of the first rank without a population sufficiently large to create and apply the material implements of national power. In order for the qualitative population to become an assert in the calculus of national power, it must be wrapped up in national character and morale. This is a great assert which Nigeria lack. This is the lacunae in the nation building processes in Nigeria. This explains why the large population is yet to become assert to Nigeria. National character cannot fail to influence national power as the moral qualities aggregate to national character. Nigeria now has none, which is a minus in Nigeria's power equation. An example of how moral character form national power is manifested in the 'persistence of Russians individual initiative and

inventiveness of the Americans, the dogmatic common sense of the British, the discipline and thoroughness of the Germans. This is the stuff of national moral character, which is lacking in Nigeria. One element that galvanizes population into a national power is national morale defined as 'the degree of determination with which a nation supports the foreign polices of its government in peace or war (Morgenthau, 1961:140).

Nigeria has not been able to combine the above-discussed factors in the right mix to become power. In view of the shrinking number of countries in Africa, which may no longer depend on her oil, coupled with the inability to generate industrialization out of the proceeds of the crude oil refining, Nigeria's power is indeed on the decline.

Results and Analysis

In the first place, the data obtained, indicated that before now, Africa's top oil players were Nigeria, Angola, Algeria, Libya, and Egypt. Out of these, three, Algeria, Libya and Egypt are Arab States, which acted along with other Arab zones during the 1973 Arab oil embargo. The expectation is that they would do so again in the future. Consequently, Nigeria had extensive influence on those who sought her oil outside the Arab zone. To further consolidate her power, Nigeria sold crude oil to African states at concessionary rates. This was the consolidating phase of Nigeria's political power. The sale enhanced her position and influence and it was a positive contribution to African solidarity. Most of the beneficiaries have now discovered crude oil in their territories.

The cut back in oil production by Arab countries during the Arab oil embargo on the USA, Netherlands and the Western countries created intolerable suffering in most of the non-oil producing states. The United States and some western European states in the words of to Aluko (1981) were badly hit by the energy crisis. This created pressures on Nigeria and raised her power and influence in Africa and the world. Today, Nigeria's near monopoly in the crude oil market outside the Arab states have been broken with the emergence of Tanzania, Mozambique, Kenya, Ethiopia, Uganda, Ghana, Zambia (BBC-Magazine July-Sept 2012), Togo, Liberia, Cameroon etc. This is the declining phase of Nigeria's political power.

The visible outcome of this development is that, the attention of the home governments (Britain, Japan, India, Italy and America) of the companies, exploring, drilling, buying and exporting crude oil from the new Africa oil producers, would be minimal in Nigeria with these alternative sources of supply and investments. This amounted to the reduction in Nigeria's influence in Africa and the world. The manifest outcomes are outlined below.

The Outcomes

In the analysis of outcomes, we are concerned with the effect and the consequences on Nigeria's power of the increasing number of African countries that are daily discovering crude oil in their countries. One of the major outcomes of this emerging problem is discernible from the recent African tour of President Barack Obama. He visited Senegal, South Africa and Tanzania (all of which now have crude oil) to the exclusion of Nigeria. It would be recalled that in July 2009, President Obama also excluded Nigeria in his routine visit to Africa and visited Ghana (a new crude oil producer). His reason for including Ghana was specifically in his words;

“ ... because you've got there a functioning democracy, a President whose serious about reducing corruption, and you've seen significant economic growth.... ”

The analysis of Obama's statement above by Tunde Fagbenle (2013), meant that Nigeria in 2009 did not score highly on any of the criteria contained in his statement and now in 2013, has fared no better. This is further given credence to in his book '*Dreams from My father*' a pre-presidency book, Obama regretted the fact that Nigeria as a country has disappointed the black race. The current exclusion of Nigeria from Obama's itinerary indicates Nigeria's diminishing relevance occasioned by the inability to manage the accrued resources and earned influence.

It is instructive to note that , a former US Ambassador to Nigeria, Mr. Lyman said Nigeria should be consign to her chosen place of irrelevance in global account (Fagbenle, 2013). Mr. Lyman in a deconstruction of Nigeria averred that Nigeria's size and population is meaningless unless she can harness entrepreneurial talent and economic capacity to make her

a major economic and political force. Nigeria's oil would mean less to America and the rest of the world as more and more countries discover oil and make better use of it, and more importantly as the world moves to alternative sources of energy.

Africa's top five players in the oil and gas had remained Nigeria, Angola, Algeria, Libya and Egypt. Their cumulative output still accounts for 90 per cent of the oil extracted in the continent (Christophe, 2012). However, 2012 seems to be a good year for African states in terms of addition of rare natural resources, crude oil to their stock of economic resources. Early in March 2012, Tanzania announced the discovery of oil and gas off the coast of Tanzania. Italy's biggest oil group ENI had also found oil and gas off the coast of Mozambique. Former President of Kenya Mwai Kibaki had announced that oil had been struck in the East African Rift Valley location in Turkana. Earlier in the year, Uganda had struck oil and gas in Lake Albert. Considerable drilling is now going on in Madagascar, Ethiopia Ogaden and the semi-autonomous region of Somaliland.

In West African sub-region, Sierra Leone and Liberia reportedly discovered oil reserves in February 2012. Others in the region include Chad, Ghana, Ivory Coast, Senegal, Benin, and Cameroon. The East African community of oil producers include the Congo's (DR and Republic), Equatorial Guinea, Gabon and Zambia. In all the regions of Africa, there are oil producers (Hicks, 2012). One thing is however apparent, that they indeed have differentials in production barrels per day, cubic meters of gas deposit. These divert attention away from Nigeria.

In the impact section of this study, the immediate and long term effect was examined in order to validate or repudiate the assertion that the growing discoveries of oil and gas in East and West African States, would inversely diminish Nigeria's power and influence in Africa and global Affairs. This correlate to the decline in Nigeria's political power and influence.

Impact: The Diminishing Status of Nigeria

Every discourse on the impact of any intervention often refers to the 'consequences or end products' which result, either directly or indirectly from an intervention which can be placed, an objective ...value (Lichfield, 1996). In the context of this study, the long term effect of the growing discoveries of oil and gas in East, West and Central African states, would diminished the political power of Nigeria in African and global affairs. This is because;

- i) The Ugandan government had secured from its partners a commitment to build an oil refinery. This would mean that Uganda could then export refined oil to the rest of the region as well as beyond. The countries in this region were initially buying large quantity of crude oil from Nigeria. This would not only mean loss of fiscal resources in physical terms, but the loss of influence in qualitative terms. Nigeria may not be consulted in events that concern the states in these regions.
- ii) International powers which were relying on Nigeria for the supply of crude oil, hence were subject to an extend to the political influence of Nigeria, would now have alternative source of supply. By this token, Nigeria would not be able to influence issues concerning them. Immediately after the Arab, oil embargo against Europe and the United States of America in 1973, the USA turned to Nigeria for the supply of almost half of her crude oil need. Between 1970-79, Nigeria had a favourable trade balance with the USA. The value of total imports and exports from the USA between 1973-79, indicated balance of trade in Nigeria's favour as shown in Table 1.

Table 1: Summary of Trade between Nigeria and the United States of America 1973-79 (Naira)

Trade	1973	1974	1975	1976	1977	1978	1979 [§]
Exports **	525,454, 629	1,589,891, 228	1,231,064, 842	2,263,73, 996	3,016,034, 745	2,667,124, 783	4,452,852, 027
Imports	125,738, 714	213,180, 189	408,025, 270	562,031, 012	791,902, 858	864,563, 658	644,044, 280
Balance of Trade	+399,71 5,915	+1,376,711, 039	+823,039, 622	+1,701,70 1,984	+2,224,13, 887	+1,802,56, 125	+3,808, 820,74
Volume of Trade	651,193, 343	1,803,071, 417	1,639,090, 162	2,825,76, 008	3,807,937, 603	3,531,688, 441	5,096,909, 307

Source: Dependency and Nigeria's Foreign Policy 1970-83 by E. O. Frank p. 40

(i) Nigeria's Trade Summary: 1973-1978 (December Issues)

(ii) Federal Office of Statistics Trade Tabulation 1979

Analysis of Table 1

The import of political economy as the framework of analysis in this study is further illustrated in table 1 above. It is visible that at that time Nigeria could not be ignored by America, she had a favourable balance of trade with the latter. At the same time, substantial African countries were obtaining their crude oil supply from Nigeria hence subject to Nigeria's influence even with low volume of trade among them. It was consequent upon this favourable trade relation with America that enabled Nigeria to respond to the letter from President Gerald R. Ford, which directed Nigeria not to recognise the MPLA Liberation movement led by late Dr. Augustinoh Neto as the authentic government of Angola, and to request for the departure of Soviet and Cubans from Angola. Nigeria's reply to the American request was dated January 6, 1975 wherein Nigeria stated interalia;

[§] Export Include Re-exports

** 1979 figures were provisional

...that the Federal military Government reject completely this fatuous attempts by the Ford's administration to insult the intelligence of African nations and scorn the dignity of the black man...Gone are the days when Africa will ever bow to the threat of any so called super power (Usman, 1979).

This would not have been possible without a strong economic relations to back the political decisions and actions. The decline of the element of economic power therefore correlate to the decline in the power of Nigeria presently and translate to ignoring her in political affairs. Another impact would be that Nigeria and the African oil producers risk a glut in the African and global market. The entire East African market would find no one to buy internally with everyone looking towards China, Japan and Asia as the market. The income may drop and political influence too. This may result from a scenario of lots of oil but with no one nearby to buy the crude oil.

An additional palpable risk that could be envisioned from the oil market in Africa is the enormous research into alternative energy source. This is the Canada's shale gas reserves. It has been established that China, Europe and other regions also have significant reserves of Shale gas. Perhaps by the time East Africa is producing Liquefied Natural Gas (LNG), no one will want to buy it (Gathuka, 2012), this is also true of Nigeria. An added cumulative effect of the dwindling politico-economic power of Nigeria couple with the absence of dynamic leadership is the reduction in international relevance. The absence of leadership and the lack of diversification of the economy would be to consign Nigeria to the self-chosen place of irrelevance in global account. This is because Nigeria has not been able to use her oil wealth to stimulate industrialization to harness other forms of natural resources and thereby diversify her economic power.

This situation becomes more grievous when cognisance was taken of the fact that, Nigeria does not refine at home but import petrol (PMS) for domestic consumption and thereby loses all the advantages, which arises from the use of the bye-product of crude oil refining. This is a very poor public policy meant to benefit the upper classes who would be the importers and subsidy earners. The implication of all these would be a serious balance of trade deficit and the economy would grow negatively to the point in which it would no longer be able to pay for any import. The economy would collapse with disastrous consequences of human migration and internal conflict. This is because for every barrel of crude oil sold and refined abroad, the cost of importation would consume whatever income was earned from the sale of the same barrel of crude oil. The policy neither evaluated the cost benefit, nor cost effectiveness analysis before it was embarked upon because of its class orientation.

Conclusion: It is discernible from the foregoing analysis, that indeed Nigeria had supplied crude oil to African States at concessionary rate. It is now a reality that most of these States which had asked for Nigeria's aid through the Organization of African Unity (OAU) and the East African Commission. (EAC) are presently oil producers. Nigeria inadvertently loses influence on them and on issues affecting them. They would also shrink Nigeria's crude oil market. The manifest political implication, is that States which were depending on Nigeria for crude oil supply, hence Nigeria could exert political influence on them, would now have alternative sources of crude oil supply. This means that the potency of the elements of Nigeria's political power have been reduce considerably. In the final analysis, this affirm the initial tentative assertion that, the growing discoveries of oil and gas in East and West African States, would inversely diminish Nigeria's power and influence in Africa.

Recommendations

Given the scenario captured in the study, it is only reasonable that Nigeria should evolve a public policy that should make it mandatory to refine the quantity of petrol (PMS) needed to sustain the domestic economy within the country. This means that the refinery must be functional.

This should be followed with an extensive state intervention in the economy to establish subsidiary industries, which utilizes the by-product of crude oil refining as its raw materials. This creates forward and backward linkages of the economy. After all the constitution enjoined the Government to control the commanding heights of Nigeria's economy. This would further create one of the elements of national power earlier discussed (industrial capacity and raw materials) in the previous section of the paper, industrialization and relative self-sufficiency.

The Policy option rest on the Government being the major driver of the economy. This is because what Nigeria has is a 'lamed private sector' incapable of driving the economy without massive public intervention. Consequently the economic policy of the Government should be Keynesian. The capital needed to facilitate the downstream production is intensive, the payback period is long, and the technology needed is scarce. It is only the state that can afford this in the prevailing circumstance. These should be embodied in both the actions and the declaratory policies of Nigeria Government in the long, medium and short term in relations to all the natural resources, which amount to economic and political power.

The strategy for the actualization of this public policy would be collaboration with the universities in researches. The universities should be able to come up with policies and practical approaches of building power and influence independent of crude oil.

Finally, diversified and manufacturing economic base amount to political power and independence of political actions in the international arena. A visionary political leadership combined with the suggestions herein, remain the key to halting Nigeria's declining power in Africa and international affairs.

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