



Mismanagement and Underdevelopment in Nigeria: Sustainable Management Perspective

John Nkeobuna Nnah Ugoani,

College of Management and Social Sciences,
Rhema University, Aba, Nigeria

ABSTRACT: *The study investigated the relationship between mismanagement and underdevelopment in Nigeria in relation to the sustainable management perspective. The qualitative technique of exploratory research design was used through which primary and secondary data were generated and analyzed using the descriptive statistical method. The study found evidence that there is gross mismanagement of Nigeria's natural resource wealth, and in such a situation the nation remains in the league of the LDCs of the world. On the basis of statistical analysis it was found that mismanagement is positively associated with underdevelopment in Nigeria. A major contribution of this study to knowledge is that it will afford the government and the people of Nigeria the opportunity of finding better ways of managing her natural resource wealth for the sustainability of the country. It was suggested among others, that the federating states in Nigeria should buckle up with the payment of workers' salary, pension and gratuity as a means of reducing poverty and hunger everywhere as sought for by the UN SDGs 2030 target.*

Keywords: *Sustainable management, LDCs, Underdevelopment, Conspicuous mismanagement, Mismanagement of natural resource wealth.*

INTRODUCTION

In most developing countries like Nigeria a major reason for military intervention in government has often been mismanagement and underdevelopment. Management and economic development experts argue that both management and economics are concerned with the prudent management of resources to enhance productivity and development. Prudent management of resources is closely linked with sustainable management theory which is necessary for development and without which there will be mismanagement and underdevelopment. According to Lechner (2004) mismanagement is to manage incompetently or dishonestly, while underdevelopment means less developed than is normal to give a good image of a country or region, not industrially or economically reaching the level that could be reached if the necessary capital, technology, manpower among other things were available and sustainably managed. Sustainable management is required to overcome mismanagement and underdevelopment because it is an important factor in the ability to successfully maintain and sustain the quality of life of the people in society. Sustainable management literature emphasizes that it takes the concepts from sustainability and synthesizes them with the concepts of management.

The concept of sustainability encompasses three branches: the environment, the needs of the present and future generations, and the economy. Based on the three branches, sustainable management attempts to create the ability of a system to thrive by influencing economic viability and also maintaining the needs of the present and future generations by limiting unsustainable natural resource wealth depletion. Nigeria remains underdeveloped mainly because of huge natural resource wealth depletion through mismanagement. The resources of a country include its natural assets, its wealth, which are the things which a country can resort to for comfort, development and to gain an



advantage. For example, the practices of a government should be sustainable if it wishes to guarantee the prosperity of the country, the welfare of the present and future generations. The implication here is that the resources of the country including assets, businesses, finances, agriculture, and environment must be managed sustainably (Doug, 1999, Kathlee, and Finegan, 2002, Elaigwu, 1985, Hassan and Hutchinson, 1992). To ensure sustainable management Uttara (1997) advocates for the efficient use of resources, the pursuit of social and ecological objectives, such as targeted social safety nets, protection of essential public education and health care, and fiscal and non-fiscal measures to help conserve natural resources and the control of pollution. Even though Nigeria has plentiful natural resources it is unable to sustainably manage them and to be able to enter the way out of underdevelopment. Because of lack of integrity, dishonesty, incompetence, avarice, kleptomania, lack of transparency and accountability in both private and public life, the abundant natural resources of the country have continued to be mismanaged. Today the country is still characterized by high levels of poverty, unemployment, hunger, low per capita income, low standard of living, distorted income distribution patterns, low levels of education, poor healthcare system, high population, high dependence on agriculture, among other characteristics of underdevelopment. Todaro (1982) posits that an underdeveloped country is one where the available natural resources like land, labour, and capital are grossly mismanaged or underutilized. This is about where Nigeria is, where the country's wealth is taken out to other countries by individuals, where billions of dollars needed to fight dreadful insurgency are shared, where money for constituency projects are mismanaged, where key projects like the Ajaokuta Steel Complex has been abandoned since 1986, where over 70 percent of the youth population is unemployed and where over 70 percent of the population live in poverty. Despite the huge returns in terms of capital inflows, royalties from oil the country is unable to convert same to other productive sectors of the economy to reduce the underdevelopment phenomenon due to gross mismanagement.

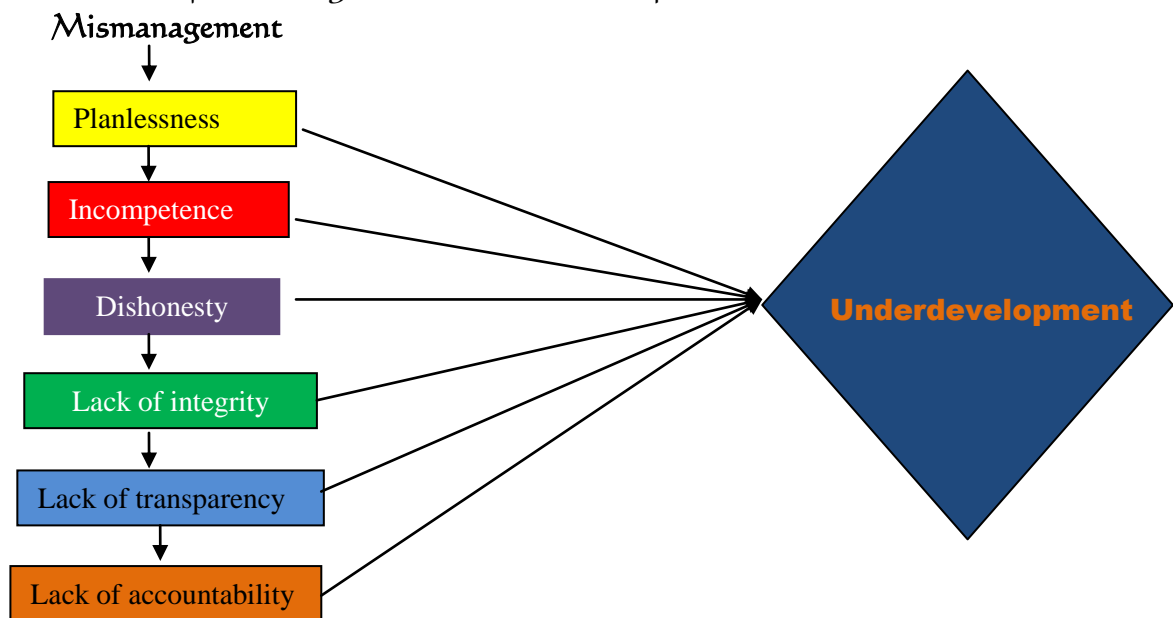
Development of a nation is much more than simple acquisition of industries, but also requires sound sustainable management to harness the natural resources. It needs the upward movement of the entire social system to promote the ideals of transparency and accountability that will lead to a rise in productivity and a system of policy measures that can remove a host of unnecessary and useless conditions in the social system that have for a long time led to underdevelopment in Nigeria. According to Brown and Wolf (1968) the undeveloped nations of the world have one thing in common: Poverty. They also lack skilled manpower and the competence to effectively manage available natural resources (Agwunobi, 2005, Uwazurike, 1991). A good and sustainable management approach is the one likely to get the processes of governance re-engineered for higher and best performance. According to Otedola (2018) a good government is a reflection of an efficient and responsive bureaucracy. It is the catalytic driver for private sector growth. A bad and weak bureaucracy will produce nothing for the people. Onuoha (1999) state that some loopholes that frustrate development efforts include: political instability, dislocations in domestic economic activities, irregular flow of and from the developed world, corruptions, institutional weaknesses, low levels of indigenous human power and technology as well as lack of proper coordination between planning and implementation.



CONCEPTUAL FRAMEWORK OF THE STUDY

A conceptual framework shows the typical research structure, including the ideas, the manner, and arrangement that espouses the research problem in relation to relevant literature. Often, a conceptual framework is expressed in a schematic model which shows the relevant variables of the study and their hypothesized relationship. The conceptual model of this study was developed by mainly using the two models previously developed by Cavusgil and Zou (1994) and Porters (1990) Diamond Model. The conceptual models included only one dependent variable and one independent variable (with many proxies) (Dasanayaka, et al, 2016). The conceptual framework of the study is reflected in figure 1. Models are critical in management research because they are used to clearly express ideas that would otherwise be buried in an excess of words (Cleary, 1992, Keeves, 1997).

Figure 1: Model of mismanagement and underdevelopment.



Source: Author Fieldwork (2018)

Planlessness, negative values, and attitudes contribute to perpetuate the growing phenomenon of underdevelopment. Mismanagement of resources is highly driven by other variables such as incompetence, dishonesty, lack of integrity, transparency and accountability. Mismanagement of natural resources in Nigeria like petroleum and gas, coal, tin, steel among others lie at the heart of underdevelopment of the country. Mismanagement and underdevelopment in Nigeria is not only closely linked to *open unemployment*, poverty and hunger, it is also highly associated with underemployment among the youth and women (Obasanjo and Mabogunje, 1991, Ndubuisi, 1981) Reversing the trend requires efficient management of natural resources so as to enhance the GDP. According to Gates (2018) the World Bank believes that addressing the stunting crisis in Nigeria would add almost \$30billion to the GDP. He believes that addressing the stunting crisis will require a focus on agriculture, nutrition, primary healthcare,



transparent tax and revenue administration, as well as the development of competent manpower. He suggests that for mismanagement to be reduced and the country to develop, there is need to invest in human resources. He explains that investing in people is one strategic objective necessary for development, in addition to the development of physical infrastructure, because people without roads, ports and factories cannot develop. Also roads, ports and factories without skilled workers to build and manage them cannot sustain an economy. This author is not aware of many reports focusing on sustainable management strategy to curb mismanagement of public resources despite the underdevelopment status of the country in the midst of abundant natural resources. This study therefore, is an attempt to draw attention to the fact that reversing this trend cannot be the exclusive responsibility of development economists alone, since it has defied their theories for a long time. The study instead believes that a paradigm shift toward sustainable management can be the catalytic measure to address the catastrophic effects of mismanagement and underdevelopment in Nigeria. For example, according to Besley and Cord (2007) Ghana managed an impressive economic turnaround after more than 20 years of serious mismanagement and decline which resulted in a sustained level of growth that represents one of few growth success stories in sub-Saharan Africa. This management turnaround strategy or sustainable management approach brought about increased employment, poverty and hunger reduction, among other development indicators like rise in exports.

STATEMENT OF THE PROBLEM

Mismanagement of resource in Nigeria started well before political independence in 1960 when the country's money started moving away into foreign banks. Since then through 2015, mismanagement has destroyed many development and reform projects, many banks, including other development financial institutions, like the community banks that were designed to drive development efforts. From the 1970s to date, mismanagement in the Nigeria Extractive Industry (NEI) has wasted much petrodollars in billions, thereby leaving the nation underdeveloped and over 70 percent of the people living in poverty in the midst of plenty natural resource wealth. Underdevelopment in Nigeria is no longer about the nature of its relationship with developed nations, but about its romance with corruption and mismanagement. This is one challenge that requires a robust intellectual, legal, academic and political (ILAP) warfare to defeat. Nigeria maintains the underdevelopment status mainly because of the mismanagement of its natural resources and other assets. Daily, Nigerians are confronted with facts and figures of how people put in positions to manage national assets convert them to their personal use. They dodge some billions of Naira and Dollars, buy property in other countries, invest in heavy industries in other places, while over 70 percent of the people live in absolute poverty and over 70 percent of the youth population, able and ready to work cannot find employment. The literacy level in Nigeria remains very low particularly among women. According to Gates (2018) in Nigeria, one in three children is chronically malnourished and could therefore be at risk, a tragedy for each one of them, and which could also be a huge blow to the development of the economy. Insecurity is high and schoolgirls are often seized by terrorists while money meant for national security is stolen by loquacious people at the



corridors of power. While it is important to focus attention on these kleptomistic people, the time has come to holistically evaluate the system and processes so as to reduce the incentives for the mismanagement of public assets in Nigeria. Evaluating the processes and system must focus on checking the incentives for corruption, poor leadership and fiscal indiscipline. This is urgent because evidence from African countries suggest that mismanagement explains the status of underdevelopment, particularly in West African states (Tsatsu, 2016 Adebimpe, 2011, Sala-i-Martin, and Subramanian, 2003, Sachs and Warner, 1995^a, 1995^b). Mismanagement of natural resource wealth and corruption remain on the increase in Nigeria making it difficult for resources for the development of other sectors of the economy. Tsatsu (2016) states that economic mismanagement must be reversed so as to bring about development in developing African countries like Sudan and Nigeria. In the case of Nigeria, Adeyemi (2015) opines that past mismanagement destroyed the Nigerian economy. Despite policy initiatives like the extractive industries transparency initiative (EITI) and how it can help to improve oil resource wealth management there is still lack of transparency and accountability in the oil and gas sector. For example, according to Ribadu (2013) about N10 trillion was lost at a yearly average of N1trillion from 250000 barrels per day loss of crude oil via a conspiracy of multinational oil companies (MOCs) and official agencies, namely the NNPC and DPR. He further states that: worse still, the outstanding Nigerian Extractive Industries Transparency Initiative (NEITI) findings and recommendations to help remedy identified gaps were ignored by government, thereby allowing government, its agencies and MOCs to handle huge natural resource wealth in less than transparent and judicious manner. Nigeria noted as the highest producer of crude in Africa is also notorious for mismanagement of its oil resource wealth. According to Nnaji (2018) the NEITI estimates the cost of business uncertainty, lack of clarity and adequate transparency mechanism with regard to the management of oil resource wealth in Nigeria in 8 years at more than 8\$200billion. As Okonjo-Iweala (2015) suggests Nigeria's oil resource wealth was mismanaged at the time of oil boom. Also lack of political will to take critical natural decisions decay development as in some cases, government wants students to be highly educated but makes no adequate provision for needed infrastructure, funding and other facilities Asishana (2018).

OBJECTIVE OF THE STUDY

This research aims to explore the reasons and relationship between mismanagement and underdevelopment in Nigeria, despite huge available natural resources.

SIGNIFICANCE OF THE STUDY

The target of this study is to determine the major factors contributing to the underdevelopment of Nigeria despite its abundant resource wealth, and recommend actions necessary to reverse the trend. The study therefore aims at suggesting strategies for strengthening policy mechanism with regard to natural resource management and control, with a view to enhancing social, environmental, and political and economic development of Nigeria. Nigeria is underdeveloped due to lack of good management, leadership, policy framework that requires immediate reversal. According to Tsatsu (2016)



it is important for countries in West Africa under continuous underdevelopment to do a proper introspection to unearth other factors limiting their developmental growth, apart from what they know at present.

RESEARCH QUESTIONS

The research questions that underpin this work are:

1. How can Nigeria effectively manage and utilize its natural resource wealth for the promotion of positive development?
2. What are the major elements blocking the proper management of oil and gas resource wealth in Nigeria?
3. What are the main causes of continuous infrastructural decay in Nigeria?
4. How can the natural resources in Nigeria be managed to guarantee generational development?
5. How can resource wealth management positively affect human capital development in Nigeria?

LITERATURE REVIEW

Without doubt scholars agree to a large extent that Nigeria is blessed with abundant natural resources, including oil and gas, steel, coal, human capital, among others. They also agree that a major challenge has been how to utilize the available human resources to effectively manage other available natural resources for the development of the country. In the early years of the oil boom and during the time of the late Pius Okigbo Probe Panel there have been reports and stories of huge mismanagement of Nigeria's oil resource wealth. As the problem lingers on it is also generally believed that the inability to effectively manage the resource wealth in Nigeria has a direct positive association with underdevelopment in Nigeria (Anyim and Akanwa, 2002, Oladele, et al, 2013) Nigeria is Africa's top oil producer and derives over 90 percent of its export earnings and 70 percent of government revenue from oil, and oil contributes less than 20 percent to the GDP. But Angola, Africa's second largest oil producer, oil production and its related activities contribute about 45 percent to its GDP, in Kuwait, 60 percent, and the same for Libya. In Nigeria the contribution of oil and gas is mostly revenue which does not transmute or translate into GDP. Where there are oil wells, no refineries, no good roads, no good ports, no skilled manpower and no good management to build and manage them there, cannot be significant development (Gates, 2018). Underdevelopment in a country may subsist due to poor national learning and innovative systems, infrastructure, hindrances to technological adaptation and backward incentive structures arising from unsustainable natural resource management. On the contrary, development thrives in countries that manage and use their natural resources as catalysts for learning and technological innovation, like the United States of America and Australia (Pineda and Rodriguez, 2010).

IMPORTANCE OF QUALITY HUMAN POWER

According to Maloney (2007) countries combine an early emphasis on literacy and education with investments in positive spillover yielding dynamic enterprises. He asserts that such firms develop into the high-tech enterprises that lead their respective industries today. Accordingly, the quality blend of advanced education, knowledge clusters, industry



financed research, and open economies and the distinctive ease of doing and managing business become what distinguish developed from underdeveloped countries. As a result, countries like Sweden and Finland have become case studies for successful national development through sustainable natural resource wealth management (Blomstrom and Kokko, 2007). Warner (1995) believes that when the average level of education for a country reaches just three years, natural resources become positively correlated with growth and national development. Contributing to the natural resource management debate, Wright, et al (2007) state that the United States of America developed an accommodating legal environment, undertook massive investments in infrastructure and knowledge, and promotes resource-focused-education. They emphasize that in doing so, the US produces more metals more efficiently than many countries with far larger resource endowments. Pineda and Rodriguez (2010) argue that Australia and Botswana provide further examples of successful resource-based development and growth. According to them, Australia created a knowledge intensive mineral sector that produces billions of dollars in intellectual property alone. Also, Acemoglu, et al, (2003) recognize Botswana as one of sub-Saharan Africa's lone success case, a feat accomplished by combining good institutions and sustainable management to foist a thriving diamond-mining sector. Sustainable management implies critical management of critical resource endowments in a country to enhance national development. However, this practice is elusive in many African countries, including Nigeria, because of the get-rich quick or quickmania mentality. To harness natural resource wealth for national development, Pineda and Rodriguez (2010) argue for human resource development which they state has significant positive correlation with national development in a natural resource wealth rich nation like Nigeria human beings of quality and integrity can help to drive development many hitherto underdeveloped nations have become developed by the efforts of human beings and not angels, because they not exist on earth. For example, according to Igah (2018) they are persons of character, good conscience and courage, persons who are able to rise above the subliminal debilities of nepotism, parochialism, estheticism, vengefulness and primitive accumulation. He remembers the countries such as Israel, South Africa, China, Botswana, among others, that at one time in history had good leaders and managers of public wealth and were able to lift their nations out of the league of the LDCs of the world.

CORRUPTION AND UNDERDEVELOPMENT

According to Mabikke (2012) the inordinate ambition for wealth accumulation is an offshoot of corrupt practices which are aspects of underdevelopment. He argues profusely that development thrives where there is equity, efficiency, effectiveness, transparency and accountability, regulatory quality and rule of law, control of corruption, as well as sustainability, subsidiarity, civil engagement, security and political stability, embedded in good governance that ensures that government is well managed, inclusive and result-oriented. Mabikke (2012) echoes that one of the major characteristics of weak governance that is highly correlated with underdevelopment is corruption. According to him, this is exacerbated by lack of transparency and accountability among governments and Transnational Corporations (TNCs) that are directly involved in the oil and mineral



sector. He insists that much of the corruption associated in oil and mineral sectors happens at the beginning of the process-right from when contracts are awarded to MOCs, or the oil services companies that increasingly construct and run oil infrastructure in many African States (Taylor, 2008, Abbah 2009, Mbabazi, 2009). National resource management theorists argue that in most countries, the Agreements, Memorandum of Understandings (MoUs) signed between governments and TNCs involved in oil and mineral development are often hidden and treated with top secrecy from public knowledge and sometimes the legislature. Therefore, the failure of governments and oil companies from disclosing what should be public information like the cost of oil or gas exploration, environmental impact assessment (EIA) as well as other relevant important reports to a high degree explains why youth restiveness, violence in most of these countries become highly inevitable especially in cases where the indigenous people in natural resource rich localities feel maltreated or excluded by TNCs and governments from enjoying or benefitting from the resource wealth of their areas (Iheriohanma and Oguoma, 2010, Coleman, 2011). Tsatsu (2016) argues that mismanagement, corruption, poor leadership and fiscal indiscipline are among the foundational factors that lead to underdevelopment in resource rich nations in Africa, including Nigeria. Di John (2009) argues that the role of corruption and mismanagement in resource abundant countries must not be downplayed because it highly accelerates and deepens the challenges in managing the resource wealth of the countries and ultimately leads to underdevelopment. Pineda and Rodriguez (2010) state that research evidence from Norway and Chile presents success stories that sustainable management of natural resources has significant positive association with national development. Major natural resource management theorists argue that institutional weakness and natural resource depletion negatively affect national development. For example, Pineda and Rodriguez (2010) argue that natural resources as assets with exceptional volatility should be sustainably managed to reduce the phenomenon of underdevelopment (Humphreys, et al, 2007). They argue further that without sustainable management natural resources like oil and gas can appear to damage growth or development, due to depletion. Rodriguez and Sachs (1999) state that an underdeveloped country overshooting its steady state during a resource boom will after the initial rise in income experience negative growth, and the country converges to its steady state, and resource revenues consumed by the domestic economy will naturally decrease overtime, and eventually moving toward zero level. However, they postulate that if a country manages its natural assets in a sustainable manner, and invests its windfall in foreign assets that generate a steady stream of revenue; the matter of a negative growth rate and underdevelopment can be averted. Sustainable natural resource wealth management is fundamental to industrialization and development because in a natural resource rich country like Nigeria, national development will thrive more where industrial linkage exists in relation to the natural resource wealth of the nation (Ros 2000). Karl (1997) in analyzing the cases of some failed petro-states like Nigeria, Algeria, Iran and Venezuela, finds that they all have one defining characteristic. They developed their institutions at the time petroleum was discovered and in most cases, MOCs helped in writing their tax laws and their national institutions formed around patronage and oil politics. And almost in all cases, the state remains the direct recipient of



rent wealth, which diminishes the need for taxation. He argues that without taxation, the nature of social contract between the government and citizens becomes seriously eroded. Therefore, while the state can expand its own jurisdiction its primary purpose becomes spending, often without due process and which negates the concept of sustainable management. In such instances, success for business, labour movement, and the middle class becomes measured in terms of the ability to gain or curry political interest and favour through the people lying at the corridors of power, leading to a lack of interest in the development and sustainable management of other relevant industries and sectors that would drive national development (Maloney, 2007). Martin (2007) suggests that overcoming underdevelopment involves among other things, managing and diversifying exports, raising physical and human capital, increasing the competitiveness of other industries, lowering barriers to trade, and reducing transportation and communication costs. Rodriguez and Gomolin (2009) find that most of the underdeveloped countries in the world today are those who are unable to sustainably manage their natural resources and consolidate their natural finances through the early 20th century. As Sola-i-Martin and Subramanian state Nigeria remains in the league of underdeveloped nations largely because corrupt and unsustainable management practices are very rampant in the land, oil and gas and other natural resource wealth are plagued with commercial corruption, social inequality and imbalance making it possible for a country endowed with huge natural resources such as oil and gas, steel, coal and other extractive resources to still have over 70 percent of its population living in less than \$2 per day. This situation continues to be compounded by the greed of a few loquacious persons (Mabikke, 2012, Nweke and Utomi, 2010, Adebimpe and Adisa, 2009, Onuoha, 2005).

METHODOLOGY

Research Design

The exploratory research design was used for the study. The exploratory design is historical in nature, and does not usually require a large sample or a structured questionnaire. The author considers this method of qualitative research most suitable because it enables the investigator to explore issues from multiple sources of information including personal experience, case studies, observations, interviews and records (Johnson and Onwuegbuzie, 2004).

Source of Data

Data were generated through primary and secondary sources. The two sources of data were explored so as to supplement, complement and validate data through each other (Brannen, 2005, Mason, 2006).

Population, Sample and Size of the Study

The population comprised of all the people in Nigeria. The sample was selected through the purposive method, while the sample size was determined by the sample ratio concept (Obodoeze, 1996).

Study Area



The study was conducted in South East Nigeria comprised of 5 states out of 36 states in Nigeria. It is believed that the opinion of the people in the area will adequately represent the opinion of the people in Nigeria (Ezejulue, et al, 2008).

Decision Rule

The mean cut-off point for the analysis responses to the research questions was at 3 points. Nwankwo (2011) suggests that the method is appropriate to answer research questions.

DATA ANALYSIS

Data were analyzed through descriptive statistical method and result presented in tables (Nworuh, 2004).

PRESENTATION OF RESULT

Table 1: Alleged Abuse of Natural Resource Wealth

S/n	Description	Amount		
		N	US\$	£
1	Daily loss through petroleum sales	774m		
2	Looting of insurgency fund	100bn		
3	Abuse of constituency fund		1bn	
4	Refund from Minimah	1.7bn		
5	Obiano/Obi clash over cash	7bn		
6	Military Officer jailed over cash	339m		
7	Ghost depositors into ex-president's wife's accounts		11.4m	
8	NSITF board & mgt fraud	67.3bn		
9	Niger State primary School board fraud	96bn		
10	NNPC contract row	25bn		
11	Sundry looted funds	226bn		
12	Mismanagement of oil resource wealth in 8 years		200bn	
13	Unpaid taxes by 19 firms	5.51bn		
14	Financial wealth mismanagement by two ex-governors	18.08bn		
15	Payment without appropriation by NNPC officials	216bn		

Source: Author Fieldwork (2018)

Table 2: Alleged Diversion of National Resource Wealth

S/N	Description	Politically Exposed Persons	Amount (currency)		
			N	US\$	Dirham
1	J5, Emirates Hills Dubai	Diezani			30m
2	E146 Emirates Hills Dubai	Diezani			44m
3	300Le Reve, Dubai Marina,	Aluko	Not	Stated	



	Dubai				
4	Unit 1402 PS 14 th Floor Metro Station, Dubai	Aluko	Not	Stated	
5	Unit 712, 7 th Floor TECOM Dubai	Aluko	Not	Stated	
6	First Group Marins Hotels Dubai	Momoh	Not	Stated	
7	Unit 592, Ibednon, Heritage, 5 th Edu Dubai	Momoh	Not	Stated	
8	Unit 1910 ES, 19 th Floor	Momoh	Not	Stated	
9	Unit 314 Dubai Sportscity	Momoh	Not	Stated	
10	Unit 512, 5 th Floor, First group, Marina Hotels	Momoh	Not	Stated	

Source: Author Fieldwork (2018).

Table 3: 2011 Poverty Level

S/No	Description	2004(%)	2010(%)	2011(%)
1	Estimated Population (million)	126.3	163	168
2	Relative Poverty	54.4	69	71.5
3	Absolute Poverty	54.7	60.9	61.9
4	Dollar per day	62.8	61.2	62.8

Source: Adapted from Kale (2012).

Table 4: FGN Contract Approval Limits

S/N	Approving Authority	Financial Limit
1	Federal Executive Council (FEC)	From N2.7obillion or from US\$2.0million.
2	NNPC Tenders Board	From N1.4obillion up to N2.7obillion from US\$4 million upto US\$20million
3	Group Executive Committee (GEC)	From N540million up to N1.4obillion from US\$4million up to US\$10million
4	Directorate Executive Committee (DEXCOM)	From N270million up to N540million, from US\$2million up to US\$4million
5	Management Executive Committee (MEXCOM)	From N70million up to N270million, from US\$0.5million up to US\$2million
6	Divisional Committee (DIVCOM)	From N13.50million to N70million, from US\$0.10million up to US\$0.50million
7	Group Managing Director (GMD)	Less than N40million or US\$0.30million
8	Managing Directors at SBU level	Less than N13.50million or US\$0.10million

Author: Fieldwork (2018) Adapted from The Nation, vol. 11, No. 4093, pp:1



Table 5: Frequency and Mean for Responses to Research Questions

S/N	Restatement of Research Questions	Scores					Σx	No of Resp	\bar{x}	Decision @ 3 points
		S	A	N	D	S				
		5	4	3	2	1				
1	The major factors blocking proper management of oil and gas resource wealth include lack of transparency and integrity	30	20	5	10	20	285	85	3.35	Accepted
2	Causes of infrastructural decay in Nigeria do not include corruption and mismanagement of natural resource wealth.	10	15	2	20	38	194	85	2.28	Rejected
3	Nigeria can conserve natural resource wealth through good management	35	15	3	12	20	288	85	3.39	Accepted
4	Sustainable management does not enhance sustainable development	9	12	4	21	39	190	85	2.24	Rejected
5	Human capital development is necessary for quality natural resources wealth management	40	10	6	7	22	294	85	3.46	Accepted

Source: Author Fieldwork (2018).

FINDINGS

- i. It was found that among the major factors blocking proper management of natural resource wealth in Nigeria include lack of transparency and integrity.
- ii. Corruption and mismanagement of huge natural resource wealth are largely responsible for continuous infrastructural decay in Nigeria.
- iii. Nigeria can conserve its natural resource wealth for sustainable development through good management.
- iv. Sustainable management is critical and enhances the chances of generational or sustainable development.
- v. Human beings control all types of resources; therefore, human capital development is foundational to enhance quality natural resource wealth management in Nigeria.

DISCUSSION



Even though Nigeria is a rich country mismanagement of its natural resource wealth has made it to be among the LDCs in the world. For example, huge amounts from oil resource wealth are often appropriated without necessary approval and sometimes such funds go into private pockets. Table 1 showed a little bit of cases of mismanagement of public funds. Table 2 described some properties acquired by public officers illegally with public funds. Such monies would have been used for paying school fees of many Nigerian children who are unable to fund their needs for tertiary education. Education is one of the way for driving development and a country cannot develop where a large number of the youth lack easy access to education. Poverty persists in Nigeria largely due to mismanagement of natural resource wealth. As in table 3, the rate of absolute poverty was as high as 62 percent in 2011 and the situation has not changed till today. As shown in table 4, even though government sets approval limits for expenditures, public officers often exceed their discretionary powers to the detriment of national development. The analysis in table 5 was used to support the empirical evidence in tables 1 – 4, to confirm that mismanagement of resources in Nigeria contributes to underdevelopment. The findings in table 6 support the views of Pineda and Rodriguez (2010) that mismanagement of a country's natural resource wealth such as oil is positively associated with underdevelopment.

COPE FOR FURTHER STUDY

Further study should examine the effect of natural resource wealth mismanagement and civil conflicts in Nigeria. This is imperative to seek ways of reducing the spate of conflicts in various communities, particularly in the Northern parts of Nigeria, and in the Niger Delta Region, where crude oil is produced in heavy quantity.

RECOMMENDATIONS

- i. Government should upgrade the level of sanctions against public officers that burst their approval ceilings in disbursing public funds. This will help to conserve available funds for development purposes.
- ii. Public officers who handle huge financial assets for the government should be regularly rotated in their duties to avoid over stay and possible abuse of office.
- iii. Government needs to increase budgetary allocation to the educational sector to ensure that more citizens have access to education at all levels. This is necessary because the development of a country will remain slow where a high percentage of the people has low levels of education.
- iv. Nigeria is more of an agrarian society; therefore more investment is needed in the agricultural sector to empower the teeming population of famers. When a country is able to feed itself it is well on the way to sustainable development.
- v. The federating states in Nigeria should be more prudent in the management of financial resources to the extent that they should be able to pay workers' salaries. Payment of workers' salaries, allowances, pension gratuity is crucial in reducing the twin incidence of poverty and hunger everywhere, as expected by the UN SDGs by the year 2030.



CONCLUSION

Development efforts require that a country no matter the level of its natural resources must be prudent in the management of available resources. In the absence of this practice, and where public officers and others engage in conspicuous mismanagement, destruction, disposal and conversion of public resources to personal use, the country may perpetually stay in the underdevelopment category among the nations of the world. This study found evidence that Nigeria remains in the league of the LDCs of the world largely due to reckless mismanagement of the country's natural resource wealth. Through statistical review and analysis this study found a positive association between mismanagement and underdevelopment in Nigeria. This result is not any far from the truth of the matter because mismanagement and corruption are not positively correlated with the sustainable management perspective of generational sustainability. The result supports the findings of Tsatsu (2016) that mismanagement of natural resource wealth is positively associated with underdevelopment in many West African countries, including Nigeria.

REFERENCES

- Abbas, A. J. (2009) Business and Management Environment in Sandi Avabis: Challenges and Opportunities for Multinational Corporations. African Good Government Network.
- Acemoglu, D. Johnson, S. and Robinson, J. (2001) The Colonial Origins of Comparative Development. An Empirical Investigation. *American Economic Review* 91.5: 1369-401
- Adebimpe, I. A. (2011) Corruption: The Bane of Nigeria's Development, *International Journal of Social and Policy Issues*, 8(1): 231 – 240.
- Adebimpe, I. A. and Adisa, O. P. (2009) Towards Controlling Corruption in Nigeria for Natural Development. *The Pacesetter* 14(4)
- Adeyemi, S. (2015) Past Mismanagement Destroyed Economy Says Government. *The Nation*, 10: (3427), 5
- Agwunobi, J. C. (2005) *The Nigerian Military in a Democratic Society*. Aba, Logicgate Media Ltd.
- Alli, Y. (2017) \$25b Contract Row: Buhari May Call for NNPC Boards Records. *The Nation* 11(4093): 1 and 4.
- Alli, Y. (2018^a) Looted funds, assets: FG launches fresh moves against ex-govs, ministers, senators. *The Nation*, 12(4241): 4.
- Alli, Y. (2018^b) N18.08b Fraud: EFCC raises Team to Probe Kwankwaso, Wammako: *The Nation* 12(4281): 6
- Anyim, P. A, and Akanwa, P. U (2002) Corruption in Nigerian Public Service: In P. A. Anyim and P. U. Akanwa (eds) *Administrative Theory & Practice*. Port Harcourt Educational Books and Investment Ltd.
- Asishana, J. (2018) Niger primary schools in state of decay despite N9b sunk (11). *The Nation* 12(4228): 49.
- Bello, T. (2018) Govt had exited recession but Nigerians have not-Dr. Tayo Bello, Monetary and Development Economist. *Sunday Sun* 14 (777): 36.



- Besley, T. and Cord, L. J. (2007) Delivering on the Promise of Pro-poor Growth: Insights and Lessons from Country Experiences. The World Bank, Washington, D.C.
- Blomstron, M. and Kokko, A. (2007) From National Resources to High-Tech Production: The Evolution of Industrial Competitiveness in Sweden and Finland. Stanford Economics and Finance, World Bank, Washington, D. C.
- Brannen, J. (2005) Mixed Methods: The Entry of Qualitative and Quantitative Approaches into the Research Process. *International Journal of Social Research Methodology* 8(3), 173-184.
- Brown, J, E. and Wolf, H. A (1968) The Economics of Underdeveloped Countries. In J. E. Brown and H. A. Wolf (eds) Economics: Principles and Practices. Ohio Charles E. Merrill Publishing Co. 472-492.
- Cavusgil, S. T. and Zou, S. (1994) Marketing Strategy – Performance Relationship: an Investigation of the Empirical Link in Export Market Ventures. *Journal of Marketing*, 58: 1-21.
- Cleary, R. (1992) Models as effective research tools. In D. M. Cavanash, and G. M. Rodwell (eds) Dialogues in educational research. Darwin, N. T, William Michael Press.
- Dasanayaka, S. W. S. B Dollawatta, N. N. W, and Sardena, G. D. (2016) A Case Study on Export Competitiveness of the Small and Medium Scale Gem and Jewelry Enterprises in Sri Lanka. *Amity Business Journal*, 5(1): 5-
- Di Johnson, J. (2009) From Windfall to Curse? Oil and Industrialization in Venezuela 1920 to the Present. *Modern Humanities Research* 2009.
- Dogara, Y. (2018) We can use looted funds to complete Ajaokata – Dogara- The Nation, 12(4236): 15.
- Doug, M. (1999) Fostering Sustainable Behaviour: An Introduction to Community-Based Social Marketing. Gabuola Island, New Society Publishers.
- Elaigwu, J. I. (1985) The Military in Politics: An Afrocentric Perspective. Paper Commissioned for the Nigeria Airforce Day, 1985 Seminar at The Nigerian Institute of International Affairs, Lagos, 22nd April, 1985.
- Egburonu, S. Ojiabor, O. Anofi, D, Oguntola, S. Nwisi, R. and Aiwerie, O. (2017) Constituency Projects: Succour or Conduit Pipe? *The Nation* 11,(4093): 9.
- Ejembi, R. (2018) Obasanjo visits Benue, describes killings as shocking, senseless, *Sunday Sun*, 14(777): 46.
- Eze, M. (2018) NSITF Board: Why Ngige declined to inaugurate Kokori, others, *Sunday Sun*, 14(777): 46.
- Ezejelue, A. Ogwo, E. O. and Nkemnebe, A. (2018) Basic Principles in Managing Research Projects. 2nd Edition, Port Harcourt, Education Books Ltd.
- Fafunwa, B. (1990) Resource Management and Development in Nigeria: Natural Resources Module 1, Kaduna, NTL: 1-10.
- Gates, B. (2018) Nigeria will thrive when every Nigerian is able to thrive. *The Guardian*, 34,(14332): 14-15.
- Hassan, M. H, and Hutchinson, C. (1992) Natural Resource and Environmental Information for Decision-making. Washington, D. C. The World Bank.



- Humphreys, M. Sachs, J. D. and Stiglitz, J. E. (2007) Escaping the Resource Curse Initiative for Policy Diologreat Columbia: Challenges in Development and Globalization New York, Columbia UP, 2007.
- Igah, G. (2018) Nigeria: Generational Challenge of State Building. *The Nation*, 12(4345): 19.
- Iheriohanma, E. E. J. and Oguoma, O. (2010) Government, Leadership Crisis and Underdevelopment in Africa: An Explorative Discourse. *European Journal of Social Sciences*, 12, November 3 (2010).
- Johnson, R. B. and Onwuegbuzie, A. J. (2004) Mixed Methods Research: A Research Paradigm Whose Time Has Come. *Educational Research*, 33(2) 14.
- Kale, Y. (2012) The Nigeria Poverty Profile 2010 Report. Press Briefing by the Statiscian General of the Federation/Chief Executive Officer, National Bureau of Statistics Dr. Yemi Kale Held at the Conference Room, 5thFloor, NBS Headquarters Central Business District, Abuja on Monday, 13th February, 2012.
- Karl, T.L. (1997) *The Paradox of Plenty: Oil Booms and Petro-States*. University of California.
- Kathlee, M. and Finegan, B. (2002) *Working in the Tropics. Conservation Through Sustainable Management*. Gainesville, Florida, Florida University.
- Keeves, J. P. (1997) Models and Model Building. In J. P Keeves (ed.) *Educational Research Methodology, and Measurement: An International Handbook*. 2nd edition. Cambridge, UK, Pergamon.
- Lechner, D. E. (2004) *The New Western Dictionary of the English Language*, New York. Lexicon International Publishers Guild Group.
- Mabikke, S. B. (2012) Africa's Wealth of Resources, Blessing or Curse? Expert Conference Organized at the European Academy Otzenhausen (Saarland) January 18th – 20th 2012.
- Maloney, W. F. (2007) *Missed Opportunities: Innovation and Resource-Based Growth in Latin America. Natural Resources Neither Curse nor Destiny*. Stanford Economics and Finance, World Bank, Washington, D. C.
- Martin, W. (2007) *Outgrowing Resource Dependence: Theory and Developments. Natural Resources, Neither Curse nor Destiny* Stanford Economics and Finance, World Bank, Washington, D. C.
- Mason, J. (2006) Mixing Methods in a qualitatively driven way. *Qualitative Research*, 6(1) 9.
- Mbabazi, P. K. (2009) *The Emerging Oil Industry In Uganda: A Blessing or a Curse*. African Research and Resource Forum.
- Ndubuisi, A. (1981) *Behavioural Objectives for Curriculum Development*. Enugu. Africana Press.
- Nnaji, A. (2008) NEITI to President: sign PIGB bill, others. *The Nation*, 12(4274), 35.
- Nwankwo, O. C. (2011) *A Practical Guide To Research writing for students of Research Enterprise*. (Revised forth edition) Port Harcourt, Pam Unique Publishers.
- Nweke, A, and Utomi, P. (2010) Impact of Corruption on National Development. *The Nation on Sunday*, April, 4, pp: 58.



- Nworuh, G. E. (2004) *Basic Research Methodology for Researchers, Trainees and Trainers in Management Sciences*. 2nd edition, Owerri, Ambix Printers Nigeria.
- Obasanjo, O. and Mabogunje, A. (1991) *Elements of Development*. Lagos: C & A Prints (Nigeria) Ltd.
- Obodoeze, F. O. (1996) *Modern Textbook of Research Methodology* Enugu, Academic Publishers Company.
- Oji, L. (2018) FG Lists Ihejirika, Dasuki, Diezani, Dikko, Ladoja as alleged looters. Puts alleged looted funds at N226bn. *Daily Sun*, 15(3896): 1&6.
- Ojiabor, O. (2018) N216b Subsidy: Senate seeks sanction against NNPC officials. *The Nation*, 12,(4289): 11
- Ojuko, J. (2018) Embark on meaningful projects, Commissioner tells LG bosses. *The Nation*, 012, (4241): 4.
- Okonjo-lweala, N. (2015) Correcting gross misrepresentations of the economy. *The Guardian*, Thursday, May, 28 2015: 58
- Oladele, R. Aderemi, A. A. and Idode, A. (2013) Revenue Generation and Transparency in Nigeria Oil and Gas Industry. [Position of Nigeria Extractive Industries Transparency Initiative (Neiti)] *Research Journal of Finance and Accounting*, 4, (6): 99-114.
- Olaopa, T. (2018) The core of South-West success story under Chief Obafemi Awolowo. *Sunday Sun*, 14,(777): 39.
- Olarewaju, T. (2018) Obasanjo's Zero Hunger proposes cassava farm for Borno. *Sunday Sun*, 14,(777): 49.
- Oluwasegun, V. (2018) House of Reps to probe excess crude account. Lawmakers in heated debate over \$1bn insurgency fund. *The Nation*, 12,(4205):7.
- Onuoha, B. C. (1999) *The Third World Nations & Underdevelopment: The Role of Sambo Personality*. Port Harcourt Education Books and Investments Ltd.
- Onuoha, B. (2005) *The State, Corruption and Challenges of Good Governance in Nigeria*. In Olurode and Anifowose (eds) *Rich But Poor: Corruption and Good Governance in Nigeria*. UNILAG, Lagos.
- Osinbajo, Y. (2018) Jonathan blew N150bn days to 2015 elections – Osinbajo. *Daily Sun*, 15,(3887): 1 & 6.
- Otedola, F. (2018) Lagos-ill become Africa's third largest economy, says Otedola. *The Nation*, 12,(4236): 1 and 6.
- Ouattara, A. D. (1997) *Macroeconomics and Sustainable Development – Address by Alassane D. Ouattara*. Deputy Managing Director of the International Monetary Fund at the World Bank's Fifth Annual Conference on Environmentally and Socially Sustainable Development, Washington, D. C. October 7, 1997.
- Oyebade, W. (2018) Aviation agencies, lose billions to alleged fraud in traffic figures. *The Guardian*, 34,(14324): 1 & 6.
- Pineda, J. and Rodriguez, F. (2010) *Curse or Blessing? Natural Resources and Human Development*, Human Development Research Paper 2010/04 UNDP, New York.



- Porter, M. E. (1990) *The Competitive advantage of Nations*. New York, Free Press.
- Ribadu, N. (2013) FG, NEITI on \$10b oil revenue theft. *Daily News watch*, 1:(86), 12.
- Ros, J. (2000) *Development Theory & The Economics of Growth*. The University of Midisan Press.
- Rodriguez, F. and Gomolin, A. J. (2009) Anarchy, State and Dystopia, Venezuelan Economic Institutions before the advent of oil. *Bulletin of Latin American Research* 28.1 (2009): 102-21.
- Sachs, J. D. and Warner, A. M. (1995^a) Economic Reform and the Process of Global integration. *Brookings, Papers, on Economics Activity* (1995^a) 1-95
- Sachs, J. D. and Warner, A. M. (1995^b) Natural Resource Abundance and Economic Growth: National Bureau of Economic Research Working Paper: 5398 (1995^c)
- Sala-i-Martin, X, and Subramanian, A, (2003) Addressing the Resource Curse: An Illustration from Nigeria National Bureau of Economic Research Working Paper 9804(2003)
- Todaro, M. P. (1982) *Economics for a Developing World*. 2nd edition, Singapore, Longman.
- Tsatsu, T. F. (2016) *Energy Resource (oil) Mismanagement in West Africa: A Thesis Submitted to the College of Arts and Sciences of Webster University, Ghana, in Partial Fulfillment of the Requirements for the Degree of Master of Arts in International Relations*.
- Ugoani, J.N.N. (2017) Mismanagement and Reform Failures in Nigeria: Historical Perspectives. *Independent Journal of Management & Production*. v. 8, n. 2, pp: 498: 518.
- Ugoani, J.N.N. (2018) Management Imperatives of Corruption and Governance Failures in Nigeria. *Independent Journal of Management & Production*, v. 9, n. 1. Pp: 215-244
- Umar, B. (2018) FIRS seals 19 Firms over unpaid taxes. *The Nation*, 12 (4281); 7.
- Uwazurike, C. N. (1991) *Educational Planning and National Development*. Awka, Mekislink Publishers, Nigeria.
- Wright, G. and Czelusta, J. (2007) *Resource-Based Growth Past and Present*. National Resource, neither curse nor destiny Stanford Economics and Finance, World Bank, Washington, D. C.