

AKSU Journal of Social Sciences (AKSUJOSS)
ISSN: 2504 – 933X
Vol.6,No.1 (June) 2025,pp.1-14
DOI: https://doi.org/10.61090/aksujoss.2025.011
URL: htpp://www.aksujournal.com/vol.5.2

Received: **February 21, 2025**
Accepted: May 28, 2025
Published online: **June 12, 2025**

The Oil, Political Dynamics of Elite Capture and Sustainable Development in Nigeria

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Abstract

This paper examines the interplay between oil and political dynamics in Nigeria, specifically examining how the concentration of oil wealth in the hands of a small number of political and economic elites has influenced the country's governance and development. The main purpose is to investigate the relationship between oil wealth, political power, and economic inequality, and the mechanisms through which elites retain control over the nation's resources and political structures. The study employed the historical/qualitative approach and gathered relevant data from secondary sources. The theoretical framework draws upon Elite Theory and Rentier State Theory, which suggest that elites exploit national resources for personal enrichment, while the state becomes overly dependent on oil revenues rather than taxation. This development has far-reaching implications for sustainable development. The finding reveals that the concentration of oil income among Nigeria's political elite has led to entrenched corruption, economic stagnation, and growing socio-economic inequality. The study advocates for policy reforms aimed at decentralising oil resource management, improving transparency, and reinforcing democratic institutions to break the cycle of elite capture and promote inclusive development. Tackling the structural factors that sustain elite control is essential for Nigeria to shift from a rentier state to a fairer and more sustainable economy.

Keywords: Elite capture, elite theory, oil wealth, politics, rentier state, sustainable development

Introduction

Nigeria, often referred to as the "Giant of Africa," with a population of over 200 million and, among its various national capabilities, has traditionally been Africa's largest producer of Crude Oil and one of the world's leading oil producers. A recent report by the Chief Executive of the Nigerian Upstream Petroleum Regulatory Commission, Komolafe (2024) revealed that Nigeria continues to dominate as Africa's largest producer of Crude Oil, boasting proven reserves of 37.50 billion barrels and a production capacity of approximately 2.19 million barrels per day (mbpd). The first quarter of the 2025 OPEC report (cited in Serrari Financial Analyst, 2025) also highlights Nigeria's continued dominance in Africa's oil sector, indicating that Nigeria led the

continent with 1.539 million barrels per day, surpassing Algeria, which produced 907,000 barrels per day. Congo followed as the third-largest producer, with 251,000 barrels per day. This positions the country in a paradoxical light on the global stage. Specifically, as Osaghae and Suberu (2005) have pointed out, the discovery of oil in Nigeria in the late 1950s marked the beginning of a significant economic transformation, positioning the country as a dominant player in the global oil market.

However, despite its vast oil wealth, the expected benefits of these resources have not materialized for the majority of Nigerians. Instead, the country continues to grapple with high levels of poverty, corruption, and insecurity. As Akinbobola (2015) puts it, the oil wealth notwithstanding, Nigeria continues to face widespread poverty, social inequality, and

underdevelopment. This disparity, where the wealth generated from oil fails to lead to national prosperity, has prompted extensive investigation into the structural and political factors shaping the country's development path. At the core of this issue is the concept of "elite capture," which refers to the process by which influential political and economic elites exploit and control state resources for their own or their group's benefit, often to the detriment of the broader society (Ijaiya, 2019). The oil sector, vital to Nigeria's economy, has become a central arena for such elite capture, influencing political dynamics and obstructing sustainable development. Bardhan (2005) observes that the phenomenon of elite capture is especially pertinent in Nigeria, where oil wealth has enabled political elites to entrench themselves in power, exert control over state resources, and perpetuate policies that serve their interests at the expense of public welfare. As a result, one of the main factors impeding Nigeria's progress is the issue of elite capture, which involves the systematic seizure of national resources by a small group of political and economic elites.

In Nigeria where oil accounts for over 90% of the country's export revenue and approximately 85% of government revenue, the sector has become a site of intense competition for control and access to resources by the powerful few (Eweje, 2006). This concentration of wealth and power in the hands of a few individuals has led to the diversion of oil revenues from public welfare projects to private pockets, exacerbating inequality and entrenching political patronage networks (Bello & Ogege, 2012). As a result, state institutions and governance structures have become weak, characterized by corruption, inefficiency, and a lack of accountability. The central problem lies in the way oil wealth has exacerbated the dynamics of elite capture, leading to the monopolisation of resources, political power, and policy-making by a select group of individuals. This situation has led to significant questions about the political and economic structures that enable elite capture in the oil sector and the broader implications for Nigeria's long-term development. How do elites maintain control over oil resources? What are the political dynamics that allow for elite capture to persist? What are the implications of these dynamics for sustainable development in Nigeria?

Therefore, the main objective of this research is to investigate the political dynamics of elite capture in Nigeria's oil sector and examine its implications for sustainable development. Specifically, the study seeks to establish the relationship between oil wealth, political power, and elite capture: This objective explores how Nigeria's oil wealth has been appropriated by political and economic elites, and how this process has shaped governance structures and national development outcomes. Furthermore, the paper identifies the mechanisms through which elite capture occurs in the oil sector and assesses the impact of elite capture on sustainable development. Based on the findings, the research will offer practical solutions for reducing elite capture and promoting more equitable and sustainable development outcomes in Nigeria.

Conceptual and Theoretical Issues

Conceptualising Elite Capture

Scholars and writers have offered different perspectives or viewpoints on the meaning of "elite capture" and its indicators. According to Le Billon (2001), the term has been widely used to describe the process by which powerful political and economic elites exploit national resources for their personal or group benefit, often at the expense of the broader population." In the context of resource-rich countries, particularly those in Africa, political elites leverage state control over valuable resources, such as oil, to enhance their wealth and maintain political power. This

concentration of economic and political authority in the hands of a few not only exacerbates social inequality but also stymies the development potential of the country. Le Billon (2001) suggests that elite capture occurs when the state, under the influence of these elites, becomes a tool for sustaining their dominance. In such cases, the wealth generated from national resources, instead of being invested in public welfare, infrastructure, and other developmental sectors, is diverted to sustain the privileged status of these elites. By manipulating state policies and institutions, elites can monopolise the benefits of resource extraction, effectively excluding the broader population from accessing the wealth that could otherwise contribute to national development.

Writing from the prism of oil politics in Africa, Ross (2012) posits that elite capture is seen as a mechanism whereby a small group of individuals or families appropriate the economic benefits derived from oil extraction. This process often leads to the reinforcement of inequality and exclusion, as the wealth generated from oil does not translate into widespread development or better governance. Corroborating the above assertion, Auty (2021) asserts that elite capture in oil-producing African countries often results in corruption and weak state institutions. The concentration of oil wealth in the hands of political elites stifles the development of democratic governance and creates a system where decision-making is driven by personal and group interests rather than national priorities. This dynamic limits the capacity of the state to address the needs of the majority, further entrenching poverty. Consequently, elite capture of oil revenues often exacerbates political conflict in African nations. By controlling the distribution of oil wealth, elites foster instability, leading to armed conflicts and undermining national unity. The control over oil resources becomes a key source of patronage, which elites use to secure loyalty and suppress opposition, contributing to a cycle of violence and corruption (Keen, 2005).

In the view of Herbst (2000), elite capture is linked to a dependency on oil revenues, where elites leverage the wealth generated from oil to maintain political dominance. This leads to the marginalization of other sectors of the economy and fosters a rentier state structure, in which the state's legitimacy is based on the distribution of oil rents rather than efficient governance or democratic practices. From the standpoint of Ijaiya (2019).The dynamics of elite capture in resource-rich African nations are not limited to mere economic exploitation; they often involve systematic manipulation of state institutions, including legal and political systems, to legitimise their control over national resources. This creates a cycle where corruption becomes institutionalised, undermining both governance and development. The resulting inequality fuels social unrest, erodes public trust in government institutions, and weakens the overall governance framework, making it difficult for the country to address critical developmental challenges. As a result, developmental needs are sidelined, and public resources that could be allocated to improving the living standards of the population are instead channelled into perpetuating elite interests.

Defining Sustainable Development

Sustainable development is a comprehensive and multifaceted concept, defined in numerous ways across different academic disciplines, particularly concerning the intersection of economic, social, and environmental dimensions. In the context of oil and political dynamics, particularly concerning elite capture in Nigeria, achieving sustainable development becomes a formidable challenge due to the complex relationship between resource wealth, political power, and social inequality. The most widely accepted definition of sustainable development comes from the Brundtland Commission (1987), which defines it as "development that meets the needs of the

present without compromising the ability of future generations to meet their own needs." This definition underscores the importance of intergenerational equity, implying that economic growth should not come at the expense of future generations' ability to benefit from the environment and its resources. In the Nigerian context, this definition holds particular significance, as the oil wealth generated within the country has not translated into widespread prosperity due to elite capture and the mismanagement of state resources. Rather than fostering long-term economic, social, and environmental sustainability, the control of oil revenues by elites serves to perpetuate inequality and hinder development (Akinbobola, 2015).

An alternative definition of sustainable development is provided by Sachs (2015), who views it as a process that integrates economic growth, environmental stewardship, and social inclusion. According to this perspective, sustainable development involves not only ensuring that economic activities do not deplete natural resources or damage the environment but also ensuring that the benefits of development are distributed equitably across society. In Nigeria, although the oil sector presents significant economic opportunities, it has been predominantly captured by political elites who control oil revenues for their gain. This concentration of wealth has aggravated social inequality, undermining the principle of equitable development that lies at the core of sustainable development. Consequently, the potential for sustainable growth in Nigeria is hindered by the concentration of wealth and power in the hands of a small elite (Ijaiya, 2019). Furthermore, sustainable development is framed within the context of the United Nations Sustainable Development Goals (SDGs), which aim to eradicate poverty, protect the environment, and ensure prosperity for all. Goal 16, in particular, emphasises the promotion of "peace, justice, and strong institutions," which is closely linked to the issue of elite capture in Nigeria.

The connection between oil wealth and sustainable development is further examined by Ross (2012), who explores the concept of the "resource curse." This phenomenon describes the paradox whereby nations abundant in natural resources, such as oil, often experience slower economic growth, higher levels of corruption, and increased political instability. In the case of Nigeria, elite capture exacerbates this issue, as the concentration of oil wealth in the hands of a small elite has led to the neglect of broader development objectives, thereby obstructing the nation's ability to achieve sustainable economic and social advancement. Ross (2012) argues that effective governance, transparency, and accountability in the management of oil revenues are crucial to breaking the cycle of elite capture and fostering sustainable development. In conclusion, the application of the sustainable development concept to Nigeria's oil sector necessitates not only the equitable management of resources but also the establishment of political and institutional frameworks capable of addressing elite capture. The various definitions of sustainable development underscore the importance of social inclusion, political accountability, and environmental stewardship, principles that are compromised by elite capture within Nigeria's oil industry. Thus, sustainable development in Nigeria can only be achieved by tackling the structural inequalities and political dynamics that sustain elite control over oil resources.

Theoretical Framework

The Elite Theory and Rentier State Theory offer a valuable lens for understanding the political dynamics of elite capture, particularly in the context of Nigeria's oil sector. Elite Theory emerged as a critique of pluralist and democratic theories, which posited that political power is widely distributed and that political decisions are shaped by the collective will of the people.

Instead, Elite Theory, pioneered by sociologists such as Vilfredo Pareto (1901), Gaetano Mosca (1896), and Robert Michels (1911), argues that a small group of elites inevitably controls the key resources and decision-making power in any society. While Pareto focused on the idea that society is divided into elites and non-elites, Mosca emphasised the "circulation of elites," suggesting that elites are a constant feature of political systems. Michels, known for his "Iron Law of Oligarchy", suggested that all organisations, even those founded on democratic principles, will inevitably develop into oligarchies, where a small group of leaders controls the majority. In this context, elites will use their power to preserve their position and interests. Overall, the theory assumes as follows: Firstly, that a small group of elites inevitably controls the majority of power and resources in society. These elites, whether political, economic, or social, use their influence to shape decisions in ways that benefit their group. Secondly, there is inherent inequality in the distribution of political power. Ordinary citizens, despite their numbers, have limited influence over political outcomes compared to the small elite group that controls resources and decision-making processes.

Thirdly, elites seek to maintain their power and privilege, often at the expense of the broader population. Elites, therefore, act to perpetuate their interests, ensuring that the distribution of resources, such as oil wealth in Nigeria, remains skewed in their favour. Fourthly, elites often work together to preserve their collective interests. This cooperation helps sustain their dominance, despite occasional conflicts within elite groups. Fifthly, the elites in any given society often resist reforms or efforts to redistribute power and resources, as it threatens their position. This resistance to change creates a system where inequality and exploitation persist. Therefore, elite theory explores how a small, privileged group comprising political, economic, and social elites maintains control over resources and political power, often at the expense of the wider population. Elite theory offers valuable insights into the political dynamics of elite capture in Nigeria's oil sector.

In a related development, Rentier State Theory popularised by scholars such as Hossein Mahdavy (1970) and Michael Ross (2001) explored how the economic dependence of certain states on natural resources, particularly oil, leads to distinct political and social outcomes. Mahdavy (1970) is often credited with coining the term "rentier state" to describe countries that rely on income from natural resources, especially oil, to fund their government budgets. Mahdavy examined the economic and political consequences of rentierism, arguing that such reliance on external rents weakens state-society relations and encourages authoritarian governance. Similarly, Ross (2001) highlights how oil wealth impacts state behaviour, democracy, and economic development. According to Ross, rentier states often experience political instability, high levels of corruption, and inefficient governance because they do not rely on taxes from citizens and have little incentive to be accountable to the public. Ismael and Ismael (1989) also contributed to rentier state theory by focusing on the socio-political structures that evolve in oil-rich nations, arguing that governments in such states often function less as accountable democracies and more as centralised autocracies.

In sum, rentier state theory assumes that the state's economy depends heavily on rents generated from the extraction and export of natural resources, particularly oil. This creates an economic structure where the government's revenue comes primarily from resources rather than domestic taxes, reducing the state's need for public support or accountability. In a rentier state, economic control tends to be centralised within the government or political elites. The state exercises significant control over the resource wealth, which in turn enhances the power of

political elites who can use these resources for personal gain, thereby fostering authoritarian rule and reducing the possibility of democratic participation. Rentier states often encourage elite capture, where a small group of political and economic elites dominate the distribution of resource rents, creating patronage systems that maintain elite power while neglecting broader social and developmental needs. This perpetuates inequality and underdevelopment, as elites use state resources to secure political control rather than invest in the broader population. The over-reliance on natural resource rents can lead to political instability. As the state's revenue is tied to fluctuating global commodity prices, rentier states can face economic volatility, which in turn contributes to political unrest. Elite control of these rents can lead to social divisions and conflict, as non-elites demand a more equitable distribution of wealth.

Methods and Materials

The study adopts historical and qualitative survey methods. This involves an exploration of historical contexts, complex political dynamics, social structures, and the socio-political implications of elite capture in the oil sector in Nigeria and its effects on sustainable development within the current democratic period. The primary data were derived from focus group discussions with key informants, including foremost scholars of oil politics, policy analysts and oil sector experts. In addition, the study uses academic databases such as Google Scholar, JSTOR, and ProQuest to search for scholarly articles and publications related to the present study. These were complimented with information sourced from textbooks, journal articles, government documents and policy reports, newspapers, and online reports. The data were analysed qualitatively.

Historical Background to Nigeria's Oil Industry

Nigeria's oil industry, which plays a pivotal role in shaping the nation's economic and political landscape, has experienced considerable changes since oil was first discovered in the 20th century. The country's oil sector began to develop in the early 1950s following the discovery of commercial quantities of oil in the Niger Delta. This discovery significantly influenced Nigeria's socio-economic systems, government policies, and international relations. Oil exploration in Nigeria dates back to the early 1900s, with the first major discovery made in 1956 by Shell-BP in Oloibiri, located in the Niger Delta (Akinyemi, 2001). However, it was not until the 1960s that the oil industry experienced substantial growth. The government's efforts to attract foreign investment started to show results, as major oil corporations such as Shell, Chevron, and Mobil set up operations in Nigeria (Watts, 2008). By 1960, the country gained independence, and oil exploration and export became central to its economy. In 1970, Nigeria emerged as a significant oil producer, and by the mid-1970s, it had joined the Organization of Petroleum Exporting Countries (OPEC) (Ashton, 1997). The oil boom of the 1970s, which was largely a result of the global oil crisis, transformed Nigeria from an agrarian-based economy to one heavily reliant on oil revenue (Okonta & Douglas, 2003). In an attempt to maximise profits, the Nigerian government began nationalising the oil industry, acquiring a 35% stake in oil production by 1971 (Akinyemi, 2001).

Following independence, Nigeria experienced considerable political instability, marked by military coups in 1966, 1976, and 1983, which brought a succession of military regimes characterised by corruption, poor governance, and mismanagement of oil revenues (Gellner, 1995). Under the military regime of General Sani Abacha (1993-1998), the government assumed greater control over oil revenues, but this period was also marked by widespread corruption and the diversion of resources (Human Rights Watch, 1999). Throughout this period, Nigeria's oil

industry became a focal point for both domestic and international actors. The country's dependence on oil revenues deepened, but it also faced numerous challenges, including environmental degradation, conflicts in oil-producing regions, and the exploitation of local populations in the Niger Delta. Communities in the Niger Delta began to voice their dissatisfaction with the government and multinational oil companies for their failure to address environmental degradation, human rights violations, and the lack of development in the region (Watts, 2008).

The oil boom and subsequent bust during the 1980s and early 1990s had mixed effects on Nigeria's political and economic situa tion. While oil revenue remained a key source of foreign exchange, the Nigerian economy faced significant challenges, including mismanagement and fluctuating global oil prices (Auty, 1993). The volatility of the oil market exposed Nigeria's over-reliance on the sector, leaving the economy vulnerable to price shocks. After years of military rule, Nigeria transitioned to a civilian government in 1999, electing Olusegun Obasanjo as president. The new democratic government aimed to reform the oil sector by improving transparency, increasing local content, and managing oil revenues more effectively. The restructuring of the Nigerian National Petroleum Corporation (NNPC) and the passage of the Nigerian Oil and Gas Industry Content Development Act in 2007 were intended to enhance the involvement of Nigerian companies and workers in the oil industry (Lubeck & Watts, 2001).

Despite these reforms, the oil industry has continued to suffer from corruption, mismanagement, and elite capture, with oil wealth largely benefiting a small group of political and economic elites (Okonta & Douglas, 2003). These issues have been compounded by ongoing militancy in the Niger Delta, where groups such as the Movement for the Emancipation of the Niger Delta (MEND) and others have protested the exploitation of resources and the lack of development in their communities (Ikelegbe, 2005). The Niger Delta conflict has resulted in widespread violence, environmental damage, and displacement of local populations. Oil revenue still accounts for over 90% of Nigeria's foreign exchange earnings, and the country remains one of the largest oil producers in Africa (International Energy Agency [IEA], 2020). However, despite the wealth generated by the oil industry, Nigeria continues to face significant challenges related to poverty, inadequate infrastructure, and sustainable development. The contestation over oil resources continues to fuel political conflicts and exacerbate the country's development crisis.

Results and Discussion

Elite capture is a sign ificant issue in Nigeria's oil sector, with profound implications for the country's political, economic, and social spheres. As previously noted, elite capture refers to the process through which political and economic elites those with access to power and resources state institutions, including the oil industry, for their gain, often to the detriment of the wider population. In Nigeria, while oil has been a crucial source of wealth, the benefits have predominantly been concentrated in the hands of a small number of powerful individuals and groups. This concentration of oil revenues, the allocation of oil wells among political elites, and the chronic mismanagement of the oil sector have had negative consequences for the country's sustainable development. The concentration of oil revenues in the hands of political and economic elites is a defining characteristic of elite capture in Nigeria. Since oil was first discovered in the 1950s, the Nigerian government has relied heavily on oil as its primary source of revenue, with the sector accounting for over 90% of the nation's foreign exchange earnings (International Energy Agency [IEA], 2020). However, rather than these revenues benefiting the

broader population, they have been diverted to a select few individuals, often those with strong political connections.

This situation is exemplified by the close relationships between the state and multinational oil companies, which have made arrangements with political elites, allowing them to extract wealth with minimal accountability. Watts (2008) argues that these elites frequently use their control over oil revenues to consolidate political power, thereby securing their positions and increasing their wealth. The Nigerian state's failure to redistribute oil wealth effectively has resulted in significant inequalities, with political elites controlling large portions of the nation's oil wealth, while the general populace especially in oil-rich areas continues to face poverty, inadequate infrastructure, and environmental degradation.

One of the most prominent manifestations of elite capture within Nigeria's oil sector is the practice of allocating oil blocks among political elites. This practice has been a defining feature of the Nigerian oil industry since its inception, with key government officials, military leaders, and their associates securing profitable oil blocks and contracts. For instance, during General Ibrahim Babangida's military regime, Nigeria witnessed significant changes in the oil sector, particularly through the discretionary allocation of oil blocks to politically connected individuals and companies. These allocations were often made without formal bidding processes, leading to criticisms of favouritism and corruption. Table 1 shows the allocation of notable oil blocks during President Ibrahim Babangida's Military regime.

Table 1: Allocation of Oil Blocks during President Ibrahim Babangida's regime(1985 – 1993)

Year	Political Leader/Elite	Oil Block Allocated	Affiliated Company	Political Connection
1991	Alhaji Mohammed Indimi	OML 115	Oriental Energy Resources	A close associate of Babangida; his daughter is married to Babangida's son.
1991	Alhaji Saleh Mohammed Jambo	OPL 215	NorEast Petroleum Nigeria Ltd	Alleged ties to Babangida; awarded during his regime.
1992	Otunba Mike Adenuga	OPL 206	Conoil Producing Ltd	A business associate of Babangida; was awarded an oil block during his tenure.
1993	Folorunso Alakija	OPL 216	Famfa Oil Ltd	Close ties to Babangida's wife; awarded shortly before Babangida left office.
1993	Alfred James Petroleum (Ooni of Ife's family)	OPL 302	Alfred James Petroleum	Spiritual leader of the Yoruba; awarded during Babangida's regime.
1993	Basorun MKO Abiola	OPL 98 & OPL 99	Summit Oil International Ltd	A close friend of Babangida; was awarded multiple oil blocks.

Source: Diminas (2013); compiled and updated by the Authors.

From the Table and as Amaka (2019) observes, these allocations were part of a broader strategy to increase local participation in the oil industry. However, the lack of transparency and the involvement of politically connected individuals raised concerns about the fairness and integrity of the process. Many of the awarded blocks were marginal fields with uncertain prospects, leading to debates about the true beneficiaries of these allocations.

Similarly, during General Sani Abacha's military regime in the 1990s, there was a widespread allocation of oil blocks to military officers, political allies, and their families, with minimal regard for transparency or fair distribution (Human Rights Watch, 1999). Table 2 shows the allocation of oil blocks during General Sani Abacha's Military regime.

Table 2:Allocation of Oil Blocks during General Sani Abacha's Regime (1993–1998)

Year	Political Leader/Elite	Oil Block Allocated	Affiliated Company	Political Connection
1993	Sani Abacha (Military Head of State)	OPL 246	Malabu Oil & Gas	Direct allocation to Abacha's associates, including political allies and family members
1994	General Oladipo Diya (Deputy Head of State)	OPL 247	Various joint ventures with foreign partners	Allocations to key military and political allies
1995	Mohammed Abacha (Son of Sani Abacha)	OPL 216, OPL 237	Various Nigerian and foreign oil companies	Allocated through family connections
1997	General Tunde Idiagbon (Military Leader)	OPL 238	Associated Nigerian oil companies	Allocation linked to high-ranking military officials
1998	General Sani Abacha (Posthumous)	OPL 254	Various consortiums, including Shell	Allocations continued even after Abacha's death through associated networks.

Source: Author's Compilation from Field Survey, 2025.

Table 2 shows a sample of political leaders and military figures who were allegedly involved in the allocation of oil blocks during the Abacha regime. Many of these allocations were said to be part of a broader strategy of political patronage and cronyism. Some of these allocations are tied to military elites and their families, with oil blocks being granted as a form of political reward, often to the detriment of public welfare and economic transparency. The allocation of oil blocks during this period was highly controversial, with many oil blocks allegedly allocated to military officers, political allies, and their associates, with little transparency and often through informal or non-competitive means.

The allocation of oil blocks in Nigeria from 1999 to 2024 has been marked by a combination of competitive bidding rounds and discretionary awards, often influenced by political connections. Table 3 shows the allocation of oil blocks in the Fourth Republic.

Table 3: Allocation of Oil Blocks in the Fourth Republic (1999 - 2024)

Year	Political Leader/Elite	Oil Block Allocated	Affiliated Company	Political Connection
1999	Olusegun Obasanjo (President)	OPL 245 (Offshore Block)	Malabu Oil & Gas	Close ties to Obasanjo, associated with elite networks
2000	President Olusegun Obasanjo	OPL 242	Ocean Energy Limited	Alleged ties to the political elite; were awarded during Obasanjo's administration.
2001	President Olusegun Obasanjo	OPL 245	Malabu Oil & Gas	Awarded to Dan Etete, former Minister of Petroleum; later revoked and re-awarded.
2003	Atiku Abubakar (Vice President)	OPL 318	Gas and Oil Company (GOC)	Alleged allocation through political influence
2006	President Olusegun Obasanjo	OPL 246	Not specified	Awarded to General Theophilus Danjuma; later revoked due to political disagreements.
2007	Goodluck Jonathan (Vice President)	OPL 289	Niger Delta Petroleum	Connected to Niger Delta elites
2010	Diezani Alison-Madueke (Minister)	Multiple (various offshore blocks)	Various consortiums (e.g., Shell)	Political and personal connections to key figures
2011	President Goodluck Jonathan	OML 30	Heritage Oil	Initially blocked sale to Mike Adenuga's Conoil; later sold to Heritage Oil.
2014	President Goodluck Jonathan	OML 29	Aiteo Energy	Acquired from Shell by Aiteo-led consortium for $2.7 billion.
2015	Muhammadu Buhari (President)	OPL 98 (marginal fields)	Various oil consortia	Influence in Northern Elite circles
2024	President Bola Tinubu	PPL 2000–2007	Various companies including TotalEnergies, First E&P, Dewayles International, Applefield Oil, R28 Holdings	Awarded through competitive bidding; specific political connections are not detailed.

Source: Author's Compilation from the Field Survey, 2025

❖ OPL (Oil Prospecting License) is a common designation for oil blocks in Nigeria.

- OML (Oil Mining Lease) allows the commercial production of oil and gas.
- PPL (Petroleum Prospecting License) introduced by the Petroleum Industry Acts (PIA) 2021 allows for the exploration and appraisal of oil and gas.

Table 3 illustrates the allocation of oil blocks to Nigerian elites in the Fourth Republic, shedding light on the ongoing pattern of elite capture within the country's oil sector. From 1999 onwards, oil blocks have been allocated to individuals with close political and economic ties to those in power, reflecting the enduring influence of political patronage in Nigeria's oil industry. As the president, Obasanjo's administration was closely linked to the allocation of OPL 245, an offshore block, to Malabu Oil & Gas. This allocation highlights the intersection of political power and the control of Nigeria's valuable oil resources, with the deal benefiting individuals within elite networks that were loyal to Obasanjo. As vice president, Atiku Abubakar's alleged involvement in securing OPL 318 for the Gas and Oil Company (GOC) showcases the use of political influence to gain access to oil wealth. The practice of awarding oil blocks based on political connections rather than merit or transparency remained prevalent.

By the time Jonathan became vice president, allocations continued to favour those with connections to the Niger Delta, an oil-rich region. The granting of OPL 289 to Niger Delta Petroleum reflected the regional and political ties that played a role in determining who controlled oil wealth during this period. As the Minister of Petroleum Resources, Diezani Alison-Madueke oversaw the allocation of multiple offshore blocks to various consortia, including international players like Shell. These allocations suggest the continued practice of rewarding personal and political connections, particularly in the upper echelons of Nigeria's political sphere. Although Buhari campaigned on an anti-corruption platform, the allocation of OPL 98 to various oil consortia under his administration signals the persistence of elite capture in the oil sector, with influential northern elites gaining access to oil resources. Overall, the table underscores the ongoing centralisation of oil wealth in the hands of politically connected elit es, perpetuating a system where access to resources is governed more by loyalty and influence than by merit or the broader public good. This practice continues to undermine the equitable development of Nigeria's oil sector, contributing to economic inequality and political instability.

The manifestation and entrenchment of elite capture within Nigeria's oil sector significantly undermines the pursuit of sustainable development, which necessitates not only economic advancement but also social inclusivity and environmental stewardship. In the Nigerian context, the concentration of oil-derived wealth and influence among a narrow elite has fostered a persistent cycle of economic misgovernance, ecological degradation, and political volatility, each of which impedes sustainable development efforts. A key repercussion of this dynamic is the intensification of economic inequality. Despite the country's substantial petroleum resources, large segments of the population, particularly those residing in oil-producing areas such as the Niger Delta, continue to live in poverty. Rather than facilitating broad-based development and improved living conditions, oil revenues have been disproportionately appropriated by a privileged minority, exacerbating disparities in wealth and access to opportunities. As Okonta and Douglas (2003) observe, while political elites and multinational oil companies have reaped considerable benefits from oil exploitation, local communities remain mired in socio-economic deprivation, marked by high unemployment, deficient infrastructure, and limited access to essential services.

Elite capture is deeply interwoven with systemic corruption within Nigeria's political economy, particularly in the context of oil revenue management. The privileged access political

elites have to oil-generated wealth facilitates widespread misappropriation of public resources, thereby undermining institutional integrity and resulting in inefficient public expenditure. Corruption within the oil sector manifested through practices such as bribery, illicit financial transactions, and non-transparent contractual arrangements (Gellner, 1995). These have persistently obstructed effective governance and have precluded meaningful investment in key sectors such as agriculture, manufacturing, and renewable energy, all of which are essential to Nigeria's efforts at economic diversification and sustainable growth. Additionally, pervasive corruption discourages both domestic and foreign investment in non-oil sectors, thereby constraining broader economic development.

The disproportionate concentration of oil wealth among elites has also significantly contributed to environmental degradation, especially in the Niger Delta, Nigeria's primary oil-producing region. The area has endured severe ecological damage due to frequent oil spills, routine gas flaring, and general environmental neglect. Despite persistent appeals from affected communities, environmental concerns are routinely overlooked, owing to the influence wielded by political elites and multinational oil corporations (Watts, 2008). The government's persistent failure to enforce environmental protection laws or sanction corporate malpractice is often attributable to elite entrenchment in the sector, where political stakeholders with vested interests prioritize economic gains over ecological sustainability.

Moreover, the inequitable distribution of oil wealth has fueled social unrest and heightened political instability, particularly in the Niger Delta. The marginalization and exploitation experienced by local communities have given rise to militant movements, most notably the Movement for the Emancipation of the Niger Delta (MEND), which emerged as a response to prolonged neglect and systemic injustice (Ikelegbe, 2005). These groups have resorted to violent resistance, including the sabotage of oil infrastructure, which has further destabilized the region and impeded economic productivity. The ensuing insecurity diverts governmental focus and financial resources from essential public sectors, such as education, healthcare, and infrastructure, thereby exacerbating the country's developmental challenges.

Finally, elite capture undermines the Nigerian state's ability to govern effectively. When elites hold disproportionate control over the countr y's resources, state institutions often become weak and ineffective. Government officials are more focused on maintaining control over oil wealth than on promoting good governance or addressing the needs of the population. This weak governance results in poor policy implementation, ineffective regulatory frameworks, and a lack of accountability in the oil sector, all of which hinder the achievement of sustainable development goals.

Conclusion and Policy Recommendations

The phenomenon of elite capture within Nigeria's oil sector has had far-reaching implications for the nation's political, economic, and social development. The processes governing resource allocation have often been characterized by a lack of transparency and accountability, resulting in the disproportionate accumulation of oil wealth by a small, politically connected elite. Rather than catalyzing inclusive national development, oil revenues have frequently been diverted to private interests. The allocation of oil blocks, in particular, has tended to reflect political patronage rather than considerations of technical competence or developmental objectives. In numerous cases, influential political actors have exploited their positions to secure lucrative oil assets under preferential terms, often in the absence of effective regulatory scrutiny. This pattern

of resource capture not only impedes equitable economic progress but also poses a significant threat to the sustainability of Nigeria's development trajectory.

To counter the adverse effects of elite dominance in the oil sector and advance sustainable development, a comprehensive framework of institutional reforms is required. Central to this effort is the establishment of autonomous regulatory bodies tasked with overseeing the allocation of oil blocks and the management of petroleum revenues. Such institutions must operate with a high degree of independence and be legally mandated to conduct regular audits, enforce compliance, and publicly disclose information related to oil resource governance. Moreover, the criteria for allocating oil blocks should prioritize merit, technical capacity, and transparent, competitive bidding procedures. This would not only curb the influence of political elites in the resource allocation process but also enhance the efficiency and developmental impact of oil wealth utilization. By promoting transparency, accountability, and equitable distribution, these measures can help ensure that Nigeria's oil resources serve the broader public interest and support long-term, sustainable development.

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