

February 2023

# THE POLITICS OF AN OIL CRASH: HOW THE 2020 OIL SHOCK AFFECTED POLITICAL SETTLEMENTS IN NIGERIA AND IMPLICATIONS FOR FUTURE SHOCKS

Jared Miller

# ABOUT

## Carbon Compacts, Decarbonization, and Peace in Fragile States in Africa and the Middle East Project

The Carbon Compacts, Decarbonization, and Peace in Fragile States in Africa and the Middle East project was a 21-month research project led by the World Peace Foundation at Tufts University and funded by the United States Institute for Peace. Our goal within the project was to analyze how traumatic decarbonization—a rapid loss of oil rents—would affect peace processes and political settlements in fragile oil-producing states in Africa and the Middle East. Under this project, a series of cross-cutting analyses and case studies (Iraq, Nigeria, South Sudan, Sudan, and Venezuela/Ecuador) were produced and are available at The World Peace Foundation website (<https://sites.tufts.edu/wpf/carbon-compact-decarbonization-and-peace-in-fragile-states-in-africa-and-the-middle-east/>)

## World Peace Foundation

The World Peace Foundation, an operating foundation affiliated with The Fletcher School at Tufts University, aims to provide intellectual leadership on issues of peace, justice, and security. We believe that innovative research and teaching are critical to the challenges of making peace around the world and should go hand-in-hand with advocacy and practical engagement with the toughest issues. To respond to organized violence today, we not only need new instruments and tools—we need a new vision of peace. Our challenge is to reinvent peace.

## Author

**Jared Miller** is a peacebuilding, anti-corruption, and governance researcher-practitioner focused on how to strengthen accountable governance in contexts of systemic corruption. He is Researcher with The World Peace Foundation, a Senior Associate with The Corruption, Justice, and Legitimacy Program, and a PhD candidate at The Fletcher School at Tufts University. At The World Peace Foundation, he analyzes political systems where corruption is systemic and how they contribute and respond to major shocks (e.g. humanitarian crises, loss of oil rents, and protests). In his work with the Corruption, Justice and Legitimacy Program, Jared focuses on the relationship between civil servants, social norms, and corruption and the implications for anti-corruption strategies. Lastly, Jared is pursuing a PhD at The Fletcher School at Tufts University where he is focusing on the intersection of peacebuilding and anti-corruption efforts in Nigeria. Previously, Jared worked on community-based peacebuilding programs with Search for Common Ground in northern Nigeria.

# INTRODUCTION

---

**“I have to survive before I become incorruptible.”<sup>1</sup>**

— Timipre Sylva, former Governor of Bayelsa State and current  
Minister of State for Petroleum Resources, 2010

---



**“They will do anything to make sure  
the oil will continue to flow.”<sup>2</sup>**

— Niger Delta Activist, 2010

---

From the Nigerian people to scholars, and even Nigerian government officials, the Nigerian government is often described as an elite cartel focused on dividing up the immense oil spoils. Oil has historically accounted for 65 – 85 percent of government revenues, but what happens when the oil money dries up? In essence, what happens when Nigeria’s rentier state loses its main source of revenue? While this was once a distant question, the 2020 twin demand and supply shocks to oil have not only brought this question center stage but have also provided evidence of how traumatic decarbonization, rapid loss of oil revenues, will affect contemporary Nigerian politics.

This paper analyzes how the 2020 twin oil shocks affected political settlements in Nigeria and the implications for future oil shocks or transitions. It is based on information that was available to policymakers at the time to understand how they made decisions, what they prioritized, and the implications of those decisions. In tracing the evolution of these shocks, I argue three points. First, despite the loss in oil revenues, patronage and the “contractocracy”, government contracts used as mechanisms to channel rents to the elite, were largely maintained and set to expand massively in 2021. The drop in government revenues has been supplemented by \$13.7 billion in new loans, approximately 40 percent of the 2021 federal budget.

Second, when faced with a choice between long-term or short-term benefits from the oil sector, evidence suggests an elite consensus on short-term benefits further emphasizing the nature of short political horizons in Nigeria. Depending on how these dynamics evolve, this may hasten the end of the oil sector in Nigeria.

---

1 Timipre Sylva speaking in 2010 when he was Governor of Bayelsa State, quoted in Burgis, Tom. (2015). *The Looting Machine: Warlords, Oligarchs, Corporations, Smugglers, and the Theft of Africa’s Wealth*, New York: Public Affairs, 189.

2 Quoted in Burgis 2015, 201.

Lastly, I argue the 2020 twin oil shocks have demonstrated both the logic of political corruption in Nigeria and limits in how it can be addressed. While President Buhari's administration has sought reforms aimed at stemming the loss of oil rents, these have been met with significant resistance and resulted in a series of "stunted reforms."<sup>3</sup> Buhari summarized this dynamic saying, "when you fight corruption, you can be sure it will fight back."<sup>4</sup>

This analysis utilizes the political marketplace framework, a methodology of analyzing political systems in which transactional politics and bargaining dominate institutions.<sup>5</sup> In this system, money and control of violence are used to buy and maintain political power. In the context of Nigeria, oil is one of the key sources of political budgets that has fueled political competition.

## I NIGERIA'S POLITICAL MARKETPLACE

Since 1999, Nigeria has operated as a federal republic composed of federal, state, and local governments. On the surface, Nigeria officially operates as a federal republic, but the real politics are transactional, rent-based politics in which political power is bought and sold using political budgets and at times, violently fought over. In essence, political power becomes a commodity traded and fought for within a marketplace and competition is fierce.<sup>6</sup>

Due to its federal structure, Nigeria operates as a multi-tiered, hierarchical political marketplace in which no single actor or entity has a monopoly on political power or violence. Structurally and in practice, the federal government led by the president is at the top of this hierarchy, followed by the states, and then the local governments within each state. While the three branches of government—executive, legislative, and judicial—are meant to be equal and maintain checks and balances on each other, in practice, the executive branch and the legislatures maintain an outsized share of power, with the executive branch being dominant. Key actors within the marketplace include the top elected executives (president, vice-president, governors, and deputy governors), all of whom enjoy immunity while in office<sup>7</sup>, elected national legislators, appointed federal ministers, wealthy businessmen and women, and Nigeria's infamous "godfathers."<sup>8</sup> Godfathers are well-connected and often extremely wealthy individuals who are believed to pull the strings behind the scenes by choosing and bankrolling candidates for office and negotiating their success

3 This term comes from Gillies, Alexandra, (2010). "Oil Sector Reform in Africa: The Case of Nigeria," Unpublished Dissertation. Queens' College, University of Cambridge.

4 Buhari, Mohamadu, (2019). "Corruption Threatens Nigeria – And its Election," *Facebook* (February 10) <Accessed January 8, 2020>: <https://m.facebook.com/1528952840718244/posts/2338773303069523/>.

5 The political marketplace framework comes originally from de Waal 2015 and further work is available from the Conflict Research Programme, a partnership between the London School of Economics and the World Peace Foundation: <https://www.lse.ac.uk/ideas/projects/conflict-research-programme/political-marketplace>.

6 For a detailed analysis of how the marketplace developed, see Joseph, Richard. (1987). *Democracy and Prebendal Politics in Nigeria: The Rise and Fall of the Second Republic*, Cambridge: Cambridge University Press; Falola, Toyin and Heaton, Matthew M. (2008). *A History of Nigeria*, Cambridge: Cambridge University Press, 209-242; and Ellis, Stephen. (2016). *The Present Darkness: A History of Nigerian Organized Crime*. New York: Oxford University Press, 137-156.

7 This comes from Section 308 of Nigeria's 1999 Constitution. For a detailed discussion of the immunity clause, see Okeke, GN and CE Okeke. 2015. "An Appraisal of the Functional Necessity of the Immunity Clause in the Political Governance of Nigeria," *Journal of African Law*, 59, 1, 99-120. doi:10.1017/S0021855315000030.

8 For a detailed discussion of the power of godfathers, see Albert, Isaac Olawale, (2005) "Explaining 'godfatherism' in Nigerian Politics," *African Sociological Review*, Vol. 9, No. 2: 79-105.

in elections.<sup>9</sup> Godfathers have been present active in Nigerian politics since independence, and by some accounts, are “the most *decisive force in Nigerian politics* [emphasis added].”<sup>10</sup> This results in ongoing negotiations among state and non-state actors at multiple levels to achieve and maintain political power. One’s success in the political marketplace is inextricably linked to wealth—either to have it or be backed by it—or violence.

Nigeria’s political market is both lucrative and expensive, meaning that politics has been a major source of wealth but that achieving and maintaining political power is extremely costly. From 1960 to 2006, more than \$380 billion is believed to have been embezzled from the government.<sup>11</sup> In 2006 alone, more than two-thirds of Nigeria’s governors were under investigation for corruption. By 2012, another \$20 billion was estimated to have been stolen from the state, and that was before the dust had settled from Nigeria’s the 2008 to 2014 oil boom, Nigeria’s most profitable oil boom in history. This money is not just going into the pockets of politicians and their supporters but is used to fund their campaigns for office. In 2015, Goodluck Jonathan is alleged to have spent more than \$10 billion on the People’s Democracy Party campaigns, much of it believed to have come from government funds, allegations that Jonathan has denied.<sup>12</sup> While the 2015 PDP expenditure is disputed, there is evidence of massive use of public funds for campaigns, both in 2015<sup>13</sup>, and historically.<sup>14</sup> One of the dangerous implications is that it is inflationary and to date, largely dependent on volatile oil revenues, exacerbating the potential impact of traumatic decarbonization.

## Black Gold: Government Revenues and Political Budgets

Nigeria’s oil industry is a series of drastic contradictions. It is one of the top oil producers in Africa, yet it imports approximately 80 percent of its own fuel needs.<sup>15</sup> Its four semi-operational refineries have historically only operated at 10 percent of capacity despite billions of dollars in investments.<sup>16</sup> Nigeria has one of the highest costs of production in the world, yet recent legislation and lack thereof have only increased costs and perpetuated investor uncertainty. Despite calls to exit

---

9 Thurston, Alexander, (2015). “Background to Nigeria’s 2015 Elections” Center for Strategic & International Studies, (January).

10 Thurston 2015, 2.

11 BBC News, “Nigerian leaders ‘stole’ \$380 Billion,” 20 October 2006. [Accessed 24 June 2020]: <http://news.bbc.co.uk/2/hi/africa/6069230.stm>.

12 Premium Times, 2015b. “Jonathan denies spending N2 trillion on election campaign,” April 19: <https://www.premiumtimesng.com/news/headlines/181722-jonathan-denies-spending-n2-trillion-on-election-campaign.html>.

13 In 2019, the EFCC successfully tried and won the conviction of the INEC Deputy Director under Goodluck Jonathan, Auwal Jibrin, for having received bribes channeled by then-Petroleum Minister, Diezani Alison-Madueke. Alison-Madueke is alleged to have diverted over \$115 million for bribes in the 2015 elections and is currently being prosecuted for wire fraud in the UK. Premium Times. (2019). “Diezani Bribe: INEC Deputy Director jailed six years,” (June 30): <https://www.premiumtimesng.com/news/top-news/338001-diezani-bribe-inec-deputy-director-jailed-six-years.html>. For a comprehensive analysis of corruption in the 2015 election, see Owen, Oly and Zainab Usman. 2015. “Briefing: Why Goodluck Jonathan Lost the Nigerian Presidential Election of 2015.” *African Affairs*. no. 114 (456): 445-471.

14 For a comprehensive analysis of corruption in the 2015 election, see Owen, Oly and Zainab Usman. 2015. “Briefing: Why Goodluck Jonathan Lost the Nigerian Presidential Election of 2015.” *African Affairs*. no. 114 (456): 445-471. For a historical account of the practice of borrowing money from benefactors and repaying it with public money, see Joseph’s description of “prebendalism” in Joseph 1987.

15 Munshi, Neil. (2020b). “Nigeria Steps up effort to modernise oil and develop gas,” *Financial Times*, (October 28): <https://www.ft.com/content/3c7ecbfd-faa-4f23-81c5-24309baad610>.

16 Munshi 2020b.

the petroleum industry and transition to renewable energy, the Nigerian government continues to increase investments in the industry. While seemingly unrelated, these contradictions can be explained by understanding the role of oil rents within Nigeria's political marketplace.

Nigeria's political marketplace is largely funded by domestic oil rents channeled through and diverted from government budgets. Historically, oil-derived revenues have constituted 65 to as much as 85 percent of all net government revenues divided across the federal, state, and local governments.<sup>17</sup> In fact, the International Monetary Fund (IMF) reports that Nigeria has one of the lowest levels of revenue collection in the world, and future estimations are not optimistic.<sup>18</sup> In 2020, the majority of states were bordering on bankruptcy, even before the oil shocks, and except for Rivers State, all were dependent on federal account allocations for their budgets.<sup>19</sup> While all levels of the Nigerian government have historically been dependent on oil rents, the economy has not.

Since 2014, oil revenues have accounted for less than 10 percent of GDP.<sup>20</sup> In fact, since the fall in oil prices in 2014, migrant remittances to Nigeria have outpaced oil revenues by a margin of 30 to 40 percent (\$7.1 billion – \$9.3 billion).<sup>21</sup> A key distinction though is who has control over these revenues. To date, Nigeria has developed little state internal revenue-generating capacity and is reliant on tax collection mechanisms targeting the petroleum sector. While the oil sector constitutes a minor percentage of GDP, oil revenues do, however, account for a majority of Nigeria's foreign exchange and as much as a third of banking sector loans.<sup>22</sup> So while oil does not compose a significant percentage of GDP, shocks to the price of oil have reverberated throughout Nigeria's economy.

Revenues are collected via a decentralized network of government agencies that are mandated to remit revenues to the Federal government, but there are many leaks in the pipeline to the federal government's centralized account. For example, following an external audit of government accounts from 2010 to 2015, the National Economic Council discovered that the Nigerian National Petroleum Corporation (NNPC), Nigerian Maritime Administration and Safety Agency, and Nigeria Ports Authority and Nigerian Customs Service failed to remit more than N8.53 trillion (\$23 billion) to the Federal Account.<sup>23</sup> The NNPC alone accounted for approximately \$21.6 billion of these unremitted revenues.

---

17 Nigeria operates on a federally enshrined formula for revenue distribution after other statutory deductions (e.g. 13% of oil revenues for oil-producing states). 52.68 percent of collected revenues are allocated to the federal government; 26.72 percent to the 36 state governments; and 20.60 percent to the 774 local government areas.

18 International Monetary Fund (IMF), (2020). "IMF Staff Completes 2020 Article IV Mission to Nigeria." (December 11): <https://www.imf.org/en/News/Articles/2020/12/11/pr20369-nigeria-imf-staff-completes-2020-article-iv-mission>.

19 Okeowo, Gabriel. (2020). State of States: The 2020 Revised Edition. budgIT. <https://yourbudget.com/wp-content/uploads/2020/11/State-of-States-2020-Revised-Edition.pdf>.

20 World Bank, (2020). "The World Bank in Nigeria," <Accessed December 17, 2020>: <https://www.worldbank.org/en/country/nigeria/overview>.

21 Chinery, Nafi, Aaron Sayne, and Alexandra Gillies, (2020). "Nigeria: Updated Assessment of the Impact of the Coronavirus Pandemic on the Extractive Sector and Resource Governance." *National Resource Governance Institute* (November 13): <https://resourcegovernance.org/analysis-tools/publications/nigeria-updated-assessment-coronavirus-extractive>; Nevin, Andrew S., and Omomia Omosomi, (2019). "Strength from Abroad: The Economic Power of Nigeria's Diaspora," *Price Waterhouse Cooper*: <https://www.pwc.com/ng/en/pdf/the-economic-power-of-nigerias-diaspora.pdf>.

22 Chinery, Sayne, Gillies 2020; Opoola, Latifat, (2020), "Nigeria: Government Records 65% Deficit in Oil Revenue Projections – Ahmed," *The Daily Trust*, (July 20), <Accessed January 3, 2021>: <https://allafrica.com/stories/202007200149.html>.

23 Note all currency conversions are based on official annual averages of exchange rates as reported by the Central Bank of Nigeria: <https://www.cbn.gov.ng/rates/ExchRateByCurrency.asp>.

An inherent tension within Nigeria's political marketplace is who controls the oil rents—whether they are centralized within the federal government's accounts and then allocated through inflated budgets, diverted before they are remitted to the federal government, or a combination of the two. In essence, there is a structural power struggle between the decentralized collection of revenues and their centralized allocation. One of the key places this competition has played out is within the NNPC.

## The Nigerian National Petroleum Corporation: An Intentionally Leaky Structure

Nigeria, like almost all major oil-producing nations, has a nationally-owned oil company—the Nigerian National Petroleum Corporation (NNPC)—to manage and oversee oil production. It is also charged with essentially regulating itself, a design which creates inherent resistance to reforms that establish independent regulators. The NNPC has been identified as one of the key sources of corruption in the oil sector due to inflated costs, layers of sub-contractors, and at times an intentional lack of oversight costing billions of dollars in lost (or embezzled revenue) each year.<sup>24</sup> Attempting to go after these corruption schemes has been incredibly challenging.

Former President Olusegun Obasanjo (1999-2007), a relatively reform-minded politician, is known for declaring that there would be no “sacred cows” in the fight against corruption. At the same time, however, this meant that Obasanjo would be up against some of the most powerful individuals in the country, many of whom were and continue to be connected to the oil industry. A close advisor of Obasanjo bluntly stated this danger saying, “if the president goes after them, they could destabilize the country, cause a coup, a civil war. They are powerful, they could bring the state down.”<sup>25</sup> The political realities required Obasanjo to keep the sector in disarray.<sup>26</sup> However, what appears as inefficiencies or disorder within the oil industry can be explained by political marketplace dynamics. These inefficiencies and opaque structures are strategic mechanisms used to divert revenues into political budgets. Control over these rents is a closely guarded prize and used to both keep allies in check and to prevent the rise of well-financed opponents.

The Minister of Petroleum is one of the most powerful positions in the Nigerian government due to the Minister's discretion in managing the petroleum sector overall and their control over the NNPC specifically. Recognizing this, both Obasanjo and Buhari, arguably the two more skilled in maintaining power in the marketplace, have served as their own Ministers of Petroleum Resources during their presidencies.<sup>27</sup> A key aspect of the ministry is that what may be viewed as corruption is in some cases legal.<sup>28</sup> For example, the Minister of Petroleum has the discretion to award certain contracts, set contract terms, make tenders public or confidential, and solicit single source bids thereby providing ample opportunity to legally divert funds to allies and shell companies. Additionally, the NNPC has been allowed to first deduct its own operating costs from oil revenues before remitting the balance to the federal government, creating another opportunity to divert oil rents before they are collected and accounted for by the federal government. Exemplify-

---

24 See Sayne, Aaron, Alexandra Gillies, and Christina Katsouris, (2015). “Inside NNPC Oil Sales: A Case for Reform in Nigeria,” *Natural Resource Governance Institute*, (August); Gillies, Alexandra. (2020). *Crude Intentions: How Oil Corruption Contaminates the World*, Oxford: Oxford University Press.

25 Walker, Andrew, 2008. “Blood oil” dripping from Nigeria, BBC. <http://news.bbc.co.uk/2/hi/africa/7519302.stm>.

26 Gillies 2020, 68.

27 Gillies 2020, 66.

28 For a detailed discussion of this, see Gillies 2020, 60-80.

ing these dynamics is the embezzlement case of Diezani Alison-Madueke, Minister of Petroleum from 2010 to 2015, who was arrested in London in 2015 and is currently on trial there for corruption charges.<sup>29</sup> As previously discussed, a 2015 audit found over \$21.6 billion in revenue the NNPC never remitted to the federal government. The missing revenues are believed to not only have been funneled for Alison-Madueke's personal benefit, but that they were funneled to her allies, and—most tellingly—then-president Goodluck Jonathan's 2015 re-election campaign. Jonathan is alleged to have spent more than \$10 billion in stolen government funds on the People's Democracy Party campaigns<sup>30</sup>, an allegation that Jonathan has denied.<sup>31</sup>

In his 2015 campaign for office, President Buhari made two promises: to fight corruption and to fight Boko Haram. Buhari has a legacy of being an anti-corruption reformer, but he is also well-versed in the rules of the marketplace and what it takes to acquire and maintain power. In 1980, Buhari led a military coup to overthrow the corrupt civilian government and served as the military head of state until 1984. In those four years, he instituted major anti-corruption and economic reforms before being ousted by Ibrahim Badamasi Babangida.<sup>32</sup> Buhari returned to power in a democratic victory in 2015 and sought to continue with an anticorruption agenda. Buhari developed what a former director of the NNPC described as a "siege mentality" and remained committed to reform,<sup>33</sup> although critics charge these reforms and anti-corruption campaigns have often spared his allies.<sup>34</sup> These reforms largely took force through unilateral executive action that did not require legislative approval. These will be further detailed in part four of the paper.

## The 2020 Twin Oil Shocks

Twenty-twenty brought two major shocks to the price of oil—one demand-side and one supply-side shock—that have triggered what may become Nigeria's most severe economic downturns in decades.

First, demand for oil dropped precipitously with the onset of the COVID-19 pandemic and successive country lockdowns massively reducing economic activity across the globe.<sup>35</sup> Second, a feud between Saudi Arabia and Russia over agreed production limits led Saudi Arabia to dump massive amounts of oil on the global market to drive the price of oil down and financially hurt Russia.<sup>36</sup> These two shocks drove the price of Bonny Light, Nigerian crude oil, from \$65.89 in January

---

29 Premium Times 2019; Gillies 2020, 61-77.

30 The People's Democratic Party is one of the two main political parties in Nigeria and held the presidency from 1999 to 2015.

31 Premium Times, 2015b.

32 For a detailed discussion of this period, see Falola and Heaton 2008, 181-208.

33 Payne, Julia and Alexis Akwagyiram, (2015). "'Siege Mentality' grips under-fire Nigerian state oil firm," *Reuters*, (July 14): <https://www.reuters.com/article/nigeria-oil-nnpc/siege-mentality-grips-under-fire-nigerian-state-oil-firm-idUSL8N0ZP3GA20150714>.

34 Centre for Democracy & Development. (2020). "Buhari's Corruption Fight: A Five-Year Assessment," (May): <https://www.cddwestafrica.org/buharis-corruption-fight-a-five-year-assessment/>.

35 Bordoff, Jason, (2020). "Why this oil crash is different," *Foreign Policy*, (March 9): <https://foreignpolicy.com/2020/03/09/opecc-russia-shale-oil-price-collapse/>.

36 Cook, Steven A., (2020). "Russia is losing the oil war—and the Middle East," *Foreign Policy*, (April 9): <https://foreignpolicy.com/2020/04/09/russia-saudi-arabia-oil-price-war-middle-east/>.



2020 to a low of \$15.54 in April 2020.<sup>37</sup> In April, the price was so low that Nigeria, like many other oil-producing nations, had several shipments of oil floating off its coast for which it was unable to find buyers.<sup>38</sup> These shocks manifested themselves in two ways: a severe budget shortfall and an emerging economic crisis.

As previously discussed, oil accounts for less than 10 percent of Nigeria's GDP, but shocks to the oil industry reverberate through Nigeria's economy. Oil revenues account for 80 percent of Nigeria's exports, a majority of Nigeria's foreign reserves, and a third of banking sector loans go to the oil industry.<sup>39</sup> A shock to oil prices causes foreign exchange liquidity issues and tightens credit availability in the banking sector.<sup>40</sup> At the time, the International Monetary Fund estimated that Nigeria's economy was set to contract by as much as 3.25 percent in 2020.<sup>41</sup> To make matters worse, in 2019, Nigeria was just starting to recover from the 2015–2016 recession and was already facing a modest GDP growth of 2.2 percent and inflation above 10 percent.<sup>42</sup>

## The Budget Crunch

As a result of the drop in oil price and later reductions in OPEC limits, it was clear that there would be a major budget shortfall. The original 2020 federal budget was N10.59 trillion (\$34.7 billion) and was based on a forecasted oil price of \$57 per barrel.<sup>43</sup> Oil-based revenues were estimated to account for 31 percent of the federal budget and total N2.64 trillion (\$8.66 billion) for 2020. More than 20 percent of the 2020 budget was to be paid for by loans and the privatization proceeds. In March 2020, President Buhari convened his National Economic Council and tasked them with revising the federal budget and coming up with a COVID-19 response plan. Their response can be separated into immediate actions (from March to December 2020) and longer-term actions (beyond December 2020). In relation to the government budget, President Buhari's administration began to respond in two key ways: attempt to cut spending (at least initially) and limit leakages from the collection of government revenues. Each faced immense political opposition.

Beginning in March 2020, the NEC provided a series of recommendations on ways to cut spending and bolster the economy. These included dropping the long-debated fuel subsidy<sup>44</sup>, devaluing the Naira, executive reforms of the NNPC, seeking loans, and planning an economic stimulus. Dropping the subsidy alone was reported to have saved the Nigerian government as much as N1 trillion (\$2.6 billion). The Buhari administration's proposed 2020 budget amendment reduced government spending from N10.59 trillion to N10.51 trillion. The revised budget was based on a

---

37 OPEC, (2020). "Deepening Dialogues: The Importance of Multilateral Cooperation, OPEC November 2020 Bulletin," Vol. LI, No. 7 (November): [https://www.opec.org/opec\\_web/static\\_files\\_project/media/downloads/publications/OB112020.pdf](https://www.opec.org/opec_web/static_files_project/media/downloads/publications/OB112020.pdf), 77.

38 Chinery, Sayne, and Gillies 2020.

39 Chinery, Sayne, and Gillies 2020; Opoola 2020.

40 For a detailed analysis of these dynamics, see Chinery, Sayne, and Gillies 2020.

41 IMF 2020.

42 World Bank 2020.

43 Budget Office of the Federation. (2020b). Revised 2020-2022 Medium Term Fiscal Framework: <https://www.budgetoffice.gov.ng/index.php/resources/internal-resources/budget-documents?task=document.view-doc&id=805>.

44 Dropping the fuel subsidy has proven highly contentious in Nigeria's history. See Branch, Adam and Zachariah Mampilly. (2015). *Africa Uprising: Popular Protest and Political Change*, London: Zed Books in association with the International African Institute, the Royal African Society, and the World Peace Foundation, 86-113.

predicted oil price of \$20 per barrel and would rely on \$5.51 billion in new borrowing from multi-lateral lenders to cover the estimated deficit from a drop in oil revenues.<sup>45</sup> In the end, the National Assembly passed a revised 2020 budget of N10.8 trillion (\$28.5 million) which Buhari signed into law.<sup>46</sup> This included more than N500 billion (\$1.3 billion) for COVID-19 response and economic support to the Nigerian people. However, many of the COVID-19 response programs have been plagued with allegations of corruption.<sup>47</sup>

In October, the Buhari administration submitted a 2021 budget proposal of N13.08 trillion (\$34.5 billion), based on a projected \$40 per barrel. At this point, oil prices had somewhat rebounded and were consistently averaging above \$50 per barrel. The 2021 budget was a 21 percent increase from the revised 2020 budget, but echoed a historic ethos of high levels of spending and inflated budgeting due to short-term political horizons.<sup>48</sup> More importantly, almost 40 percent of the 2021 federal budget (\$13.7 billion) would be funded by new domestic and international loans.<sup>49</sup> Both the revised 2020 and 2021 budgets included substantial funding for COVID-19 response and economic stimulus but what is significant are the recommended reforms and technocratically prudent changes to the budget and the NNPC that did not happen.

## The Future of the Oil Industry

In addition to the Paris Climate Accord and global commitments to the decarbonization of the energy sector, the post-2020 future of Nigeria's petroleum industry is undercut by two key factors: one of the world's highest costs of production and a lack of investor confidence in its regulatory environment.

Nigeria has historically had one of the highest costs of production in the world making it extremely vulnerable to oil price shocks. In 2016, the average cost per barrel of oil in Nigeria was \$28.99 whereas Saudi Arabia was \$8.98 and Iran \$9.08.<sup>50</sup> In 2020, the average cost to produce one barrel of oil in Nigeria ranged from \$15 to \$35, and the NNPC Group Director said their goal was to reduce that cost to \$10 per barrel in 2021.<sup>51</sup> While the Nigerian government is keenly aware of the effect

---

45 Schipani, Andres, Joseph Cotterill, and Neil Munshi, (2020). "Africa's COVID-19 Corruption: 'Theft doesn't even stop during a pandemic,'" *Financial Times*, (August 31): <https://www.ft.com/content/617187c2-ab0b-4cf9-bdca-0aa246548745>.

46 The Basic Health Fund and Basic Education Fund are specific funds intended to supplement the Ministries of Health and Education. They are statutory budget items meaning that they have constitutionally-backed minimum levels of funding from total government revenues. In the original 2020 budget, these were allocated more than their statutory minimum.

47 For an example from the alleged COVID-19 related corruption within the Niger Delta Development Commission, see: Sahara Reporters, 2020. "We Used N1.5bn to take care of ourselves as COVID-19 Palliative, Says NDDC MD, Pondei," (July 9): <http://saharareporters.com/2020/07/09/we-used-n15bn-take-care-ourselves-covid-19-palliative-says-nddc-md-pondei>.

48 Gillies 2010, 133.

49 Budget Office of the Federation, Federal Republic of Nigeria, (2020a). 2020 Appropriation Act. Under Buhari's administration, between 2015 – 2020, central bank financing of the Nigerian government has tripled to a total of almost N3 trillion in 2020. For a discussion of the Nigeria's use of the Central Bank for loans, see Soto, Alonso. (2021). "Nigeria's Addiction to Central Bank Money Seen Hard to Cure," *Bloomberg*, January 27: <https://www.bloomberg.com/news/articles/2021-01-28/nigeria-s-dependence-on-central-bank-money-will-be-hard-to-cure#xj4y7vzkg>.

50 WSJ News Graphics, (2016). "Barrel Breakdown," (April 15): <http://graphics.wsj.com/oil-barrel-breakdown/>.

51 Gupte, Eklavya (Jan 4, 2021) "Nigeria's oil revival unlikely in 2021 without major reforms," S&P Global <Accessed 4

that the cost of production and taxes have on investments and the future of the industry, there is evidence of the government prioritizing short-term benefits even at the cost of long-term growth.

For example, in late 2019, the National Assembly passed the Deep Offshore and Inland Basin Production Sharing Contract (PSCs) Amendment which established a new royalty system applicable when oil was above \$20 per barrel. PSCs comprise approximately 24 percent of Nigerian oil contracts.<sup>52</sup> The hope was that this would increase government revenues, but industry experts report that the amendment negatively affected future oil investments in Nigeria.<sup>53</sup> This begins to get at Nigeria's bigger issue—investor confidence in its regulatory environment. In February 2021, the NNPC Managing Director, Mele Kyari, said that investments in Nigeria's petroleum sector had stagnated since 2000, in large part because of a lack of investor confidence.<sup>54</sup> Investors have been skeptical of Nigeria's oil sector due to its opaque regulatory environment and widespread corruption. Kyari has repeatedly argued that reforming the sector is fundamental to being able to maximize revenues before it becomes unprofitable in the context of a climate change agenda. Kyari has even gone as far as to suggest that the government needs to rapidly divest from the sector before it becomes unprofitable. It remains to be seen, however, how widely held this view is in the government.

In the interim, international oil companies and investors are delaying planned projects and investments in Nigeria. At the time, no major oil projects in Nigeria were expected to be approved or come online in 2021.<sup>55</sup> Shell, Total, and ExxonMobil, key international oil companies operating in Nigeria, all announced project and investment delays. In October 2020, Chevron Nigeria announced that it was planning to cut its local workforce by 25 percent.<sup>56</sup> Restoring investor confidence and reforming the petroleum sector is fundamental to its future, but it is unclear if the reforms, or stunted reforms, will have sufficient support within Nigeria's political marketplace to be passed let alone implemented.



## Who Benefits, Who Loses?

The 2020 twin shocks to oil most logically would affect the political marketplace by constraining political budgets—but in many ways, that did not happen. Instead, budget gaps were supplemented with massive new loans. If budgetary decisions made during a crisis are indicative of government priorities, then the 2020 amended budget and 2021 budget speak volumes about the com-

---

January 2021> <https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/010421-feature-nigerias-oil-revival-unlikely-in-2021-without-major-reforms>.

52 Department of Petroleum Resources, (2018). "Nigerian Oil and Gas Industry Oil Report," Government of Nigeria: <https://www.dpr.gov.ng/oil-gas-industry-annual-reports-ogiar/#>, 8.

53 African Energy Chamber, (2020), "Africa Energy Outlook, 2021," (November 2): [https://www.rystadenergy.com/globalassets/pdfs/aec-outlook-2021\\_digital\\_compressed.pdf](https://www.rystadenergy.com/globalassets/pdfs/aec-outlook-2021_digital_compressed.pdf), 74; KPMG, (2019). "Deepoffshore and Inland Basic PSC (Amendment) Act, 2019," *KPMG in Nigeria*, Issue 12.3, (December): <https://assets.kpmg/content/dam/kpmg/ng/pdf/tax/deep-offshore-and-inland-basin-psc-amendment-act.pdf>.

54 Onogu, Sanni, (2021). "PIB...Putting national interest above selfish sentiments," *The Nation*, (February 18): <https://thenationonline.net/pibputting-national-interest-above-selfish-sentiments/>.

55 African Energy Chamber, (2020), "Africa Energy Outlook, 2021," (November 2): [https://www.rystadenergy.com/globalassets/pdfs/aec-outlook-2021\\_digital\\_compressed.pdf](https://www.rystadenergy.com/globalassets/pdfs/aec-outlook-2021_digital_compressed.pdf), 74.

56 George, Libby, (2020a). "Nigeria's oil output could fall 35% without reforms – Wood Mackenzie," (February 13): <https://www.reuters.com/article/nigeria-oil/nigerias-oil-output-could-fall-35-without-reforms-wood-mackenzie-idUSL8N2AD2ZT>; Reuters, (2020). "Chevron Nigeria plans to cut 25% of staff after oil price drop," (October 3): <https://www.reuters.com/article/us-nigeria-chevron-idUSKBN26O0V4>.

mitment to protecting sources of political budgets. These decisions are made more significant in comparison to the experience of the Nigerian people in the aftermath of the 2020 oil shocks.

With more than 200 million people, Nigeria is the seventh most populous country in the world.<sup>57</sup> Prior to the pandemic and oil crash, 40 percent (80.8 million people) lived below the poverty line of living on less than \$1 per day.<sup>58</sup> Another 25 percent (52 million) were vulnerable and predicted to fall below the poverty line in 2020/2021 as unemployment and food inflation rose dramatically. In mid-2020, unemployment reached 27.1 percent, 34.9 percent among youth.<sup>59</sup> On average, food prices rose 18.3 percent, 20–32 percent in the Niger Delta, from November 2019 to November 2020.<sup>60</sup> In short, life for the average Nigerian became more difficult than it already was. Against this background, multiple levels of the government acted to protect political budgets.

## Challenging the “Contractocracy”

One of the ever-growing corruption schemes to divert Nigerian government funds into political budgets is known as the “contractocracy.”<sup>61</sup> In this scheme, those with political power direct contracts (often inflated to include kickbacks to the awarding politician) to their allies or those wealthy enough to secure the contracts.<sup>62</sup> This encompasses both the government contracts as well as what Buhari has called “the international corruption industry,” the layers of lawyers, shell companies, foreign banks, and contractors that help hide ill-gotten government funds and are paid for their efforts.<sup>63</sup> What may appear on paper as legitimate budgetary expenses or allocations are in reality, carefully inflated budget lines designed to divert government funds into political budgets. Defense contracts and the oil sector are the most infamous sectors for these contracts, but they occur in almost every section of the government.<sup>64</sup> With the 2020 oil crash and successive budgetary crisis, these contracts came under fire but emerged with more allocated resources than ever before.

On March 6, 2020, news broke of a leaked Finance Ministry memo that called for massive federal budget cuts in response to the crash in projected oil revenues.<sup>65</sup> These cuts included a federal

---

57 World Bank, (2020). “Population Ranking Table,” <https://databank.worldbank.org/data/download/POP.pdf>.

58 Federal Government of Nigeria, (2020). “Bouncing Back: Nigeria Economic Stability Plan,” Available at: <https://media.premiumtimesng.com/wp-content/files/2020/06/ESC-Plan-compressed-1.pdf>.

59 National Bureau of Statistics (NBS) 2020a. “Labor Force Statistics: Unemployment and Underemployment Report, Abridged Labour Force Survey Under COVID-19 (Q2 2020),” (August).

60 NBS 2020b. “Selected Food Prices Watch, November 2020,” (December).

61 This was termed by Noo Saro-Wiwa, the daughter of Niger Delta activist Ken Saro-Wiwa, to describe what she saw in her travels across Nigeria. See Saro-Wiwa. (2012), *Looking for Transwonderland: Travels in Nigeria*, Berkeley, CA: Soft Skull Press, 241. For an example of the “contractocracy” see Burgis 2015, 73.

62 There is a long history of this as a means to repay campaign debt stretching back to Nigeria’s Second Republic (1979-1983). See Joseph 1987.

63 Buhari 2019.

64 For examples from the defense industry, see Perlo-Freeman, Samuel. 2017. “Nigeria’s Armsgate Scandal.” Somerville: World Peace Foundation. [Accessed 24 June 2020] <https://sites.tufts.edu/corruptarmsdeals/nigerias-armsgate-scandal/>; and Transparency International, (2019). “Country Overview: Nigeria – 2020 Government Defence Integrity Index,” (October). For examples from the oil industry, see Sayne, Gillies, and Katsouris 2015.

65 Adebayo, Taiwo-Hassan, (2020). “Buhari’s 2020 budget cuts affect National Assembly, federal jobs, capital expenditure,” *Premium Times*, (May 6), <Accessed 6 Jan 2020> <https://www.premiumtimesng.com/news/headlines/391602-exclusive-buharis-2020-budget-cuts-affect-national-assembly-federal-jobs-capital-expenditure.html>

hiring freeze, a 25 percent cut in all capital expenditure and overhead budgets, elimination of non-vital administrative capital expenditures, and cuts in funding for zoning projects. Potentially foreseeing that many of these cuts would not be made in the final amended budget, the memo is also reported to note that despite what the National Assembly eventually authorize, GOEs will still be pressured to cut capital expenditure spending by 25 percent.<sup>66</sup>

While perhaps technically prudent, they directly challenged the many ways politicians funneled government funds into their personal budgets. For example, since 2017, N100 billion (\$264-277 million) has been allocated for what are called “zonal projects.” On paper, zonal projects are local projects proposed by national legislators for community development and capacity-strengthening that are implemented by government ministries, departments, and agencies (MDAs). However, in practice, zonal projects are often ways to direct funds to local constituencies and allies and many of the projects are never carried out.<sup>67</sup> Despite fluctuations in the federal budget over the last three years, and especially in the 2020 amendment, the zonal project line has stayed constant at N100 billion (now \$264 million). Overall, the original 2020 budget is alleged to have included more than N264 billion (\$862 million) in fraudulent spending.<sup>68</sup>

Despite repeated discussions of drastic cuts, none came. Buhari’s administration did submit a reduced 2020 amended budget (N10.51 trillion), but it did not include many of these proposed cuts outlined in the leaked memo, and in the end, the National Assembly passed a larger budget (N10.8 trillion) than was originally passed for 2020 (N10.59 trillion). While many MDAs did have budget cuts, their spending has still outpaced the budgeted amount.<sup>69</sup> The 2021 federal budget provided more space for spending.

The 2021 budget was named the Budget of Economic Recovery and Resilience and had the stated goals of promoting economic recovery, social inclusion, and strengthening the resilience of the economy. However, by the government’s own admission, many of the funding increases were in sectors that had historically done more to fund political patronage than benefit the Nigerian people or economy.<sup>70</sup> Out of the total budget of N13.08 trillion (\$34.5 billion), a 21 percent increase from the amended 2020 budget, approximately 10 percent (\$3.56 billion) was allocated to government-owned entities (GOEs). This increase—almost a 200 percent increase from the amended 2020 budget, and a 144 percent increase from the original 2020 budget—represented the single largest increase in budget lines in the 2021 budget. In contrast, the Ministries of Defense and Health received 7 to 29 percent increases respectively, despite the fact they responding to widespread insecurity and a health crisis. GOEs include the NNPC, Nigerian Electric Power Authority (locally called Never Expect Power Always), and Nigerian Airways among a long list

---

66 Ibid.

67 Ibid.

68 Akinpelu, Yusuf. (2019). “Beware Buhari. 2020 Budget Passed by N’Assembly contains N264 billion fraudulent projects,” *Premium Times*, (December 17): <https://www.premiumtimesng.com/news/headlines/368471-exclusive-beware-buhari-2020-budget-passed-by-nassembly-contains-264-billion-fraudulent-projects.html>.

69 Ahmed, Zainab Shamsuna. (2020b). “Public Presentation of 2021 FGN Budget Proposal – Breakdown & Highlights,” (Presentation). October 13. Accessed January 8, 2021. <https://www.budgetoffice.gov.ng/index.php/resources/internal-resources/budget-documents/hmfonp-public-presentation-of-2021-fgn-approved-budget/viewdocument/242>.

70 Ahmed, Zainab Shamsuna. (2020a). “Public Presentation of 2021 FGN Approved Budget – Breakdown and Highlights,” (Presentation). Federal Government of Nigeria. January 12. Accessed January 8, 2021.; Bureau of Public Enterprises, (Undated). “What is the current condition of Nigeria’s public enterprises?” <Accessed January 6, 2021>: <https://bpe.gov.ng/what-is-the-current-condition-of-nigerias-public-enterprises/>.

of entities within the petroleum sector. These GOEs are a widely recognized source of political patronage. The Nigerian government itself has called these “reverse Robin Hoods” because they consume government revenues and subsidies while providing little economic benefit to the broader population.<sup>71</sup> If past patterns hold, the federal stimulus included in the 2021 budget is likely to act more as a stimulus for political budgets rather than the larger economy or support to the average Nigerian.

## The National Assembly and the Cost of Power

While government revenues decreased in 2020, the cost of politics did not and the National Assembly’s approach to budget lines under its discretion demonstrates this. As previously stated, the Buhari Administration’s proposed 2020 budget amendment originally sought to make cuts across the federal budget, allocate money towards COVID-19 and an economic stimulus, and reduce overall spending. In the end, the National Assembly passed a revised 2020 budget of N10.8 trillion (\$28.5 million) which Buhari signed into law.<sup>72</sup> What is telling is how the National Assembly amended the statutory transfers that were under its discretion, or more importantly, the ones it did not modify.

Statutory transfers are budget allocations backed by law that are outside the control of the President or Executive branch. This process is intended to ensure the independence of these agencies/government bodies from the executive, but it also creates a shield in that these agencies are not required to release their detailed budget.<sup>73</sup> There are currently nine statutory transfers, four of which have minimum funding formulas enshrined in law.<sup>74</sup> For example, the Niger Delta Development Commission and the North East Development Commission both have a legally mandated derivation of three percent of total government revenues. The remaining five statutory transfers—the Independent Nigerian Election Commission, the National Judicial Council, National Assembly, Human Rights Commission, and Public Complaint Commission, are subject to National Assembly (NASS) discretion.

The 2020 amended budget made significant changes to these statutory transfers. In line with the massive decline in oil-based revenues, the four with legally mandated funding formulas saw cuts of 41 to 43 percent, while the areas subject to NASS discretion saw either a 10 percent reduction or no change at all. What is striking is that in the context of a pandemic and the critical need for healthcare and educational support to children, the Basic Healthcare Fund and Universal Basic Education funds were cut by 41 and 53 percent respectively.<sup>75</sup> In addition, the Ministry of Education and Ministry of Health received overall reductions of four and two percent respectively. The amended 2020 budget did however include more than N500 billion for the COVID-19 response.

---

71 Ibid.

72 The Basic Health Fund and Basic Education Fund are specific funds intended to supplement the Ministries of Health and Education. They are statutory budget items meaning that they have constitutionally-backed minimum levels of funding from total government revenues. In the original 2020 budget, these were allocated more than their statutory minimum.

73 BudgIT, (2020), “Fiscal Transparency: No Exemption for Statutory Agencies,” Medium, (May 6): <https://medium.com/@BudgITng/fiscal-transparency-no-exemption-for-statutory-agencies-cfbdc77a1fb5>.

74 These include the NNDC (15% of FAAC), NEDC (10% of North East’s Share of FAAC), the Universal Basic Education Commission (2% of the Consolidated Revenue for the Federation (CRF)), and Basic Health Care Fund (1% of CRF).

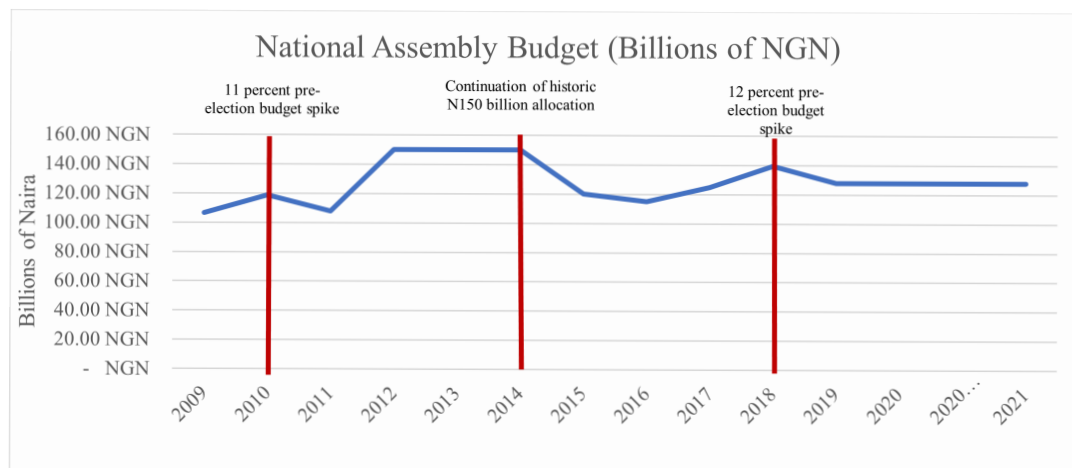
75 Author calculations based on the original 2020 Budget and amended 2020 budget.

Arguably, this can be explained by pointing to the Universal Basic Education and Basic Healthcare Funds being pegged to a percentage of federal revenues meaning that as government revenues decrease so do these allocations. However, critics charge that at a time they are needed most, and given the NASS' discretion over their funding, health and education budgets should not have been cut. In contrast to the Basic Healthcare Fund and Universal Basic Education funds, the NASS statutory transfer, emerged untouched. In contrast to the BHF and UBE, the NASS budget is key to national legislators' ability to operate in Nigeria's political marketplace.

Since 2011 the NASS has been funded as a statutory transfer and has never published a full breakdown of how it spends its N106 to N150 billion budget (approximately \$716 million to \$825 million).<sup>76</sup> In a 2017 press conference, the National Assembly provided some surface-level detail, which provided limited transparency and was not followed up with any public documents. Similarly, in December 2020, Barau Jibrin, Chairman of the Senate Committee on Appropriation, briefly told reporters broad categories of how the NASS's N128 trillion (\$337 million) would be spent. He stated that the House of Representatives would receive N52 billion, the Senate N33.2 billion, N9.6 billion for legislative aides, N15.9 billion for National Assembly Management, and N9.1 billion for "general service" along with a few other broad categories.<sup>77</sup> However, no detailed budget was ever made publicly available.

An analysis of the last 11 years of the publicly available budget shows an interesting pattern— National Assembly budgets rise or remain high, sometimes substantially, in the year preceding a national election, and then decrease in the year following the election (see Figure 1). For example, leading up to the 2019 national elections, the National Assembly increased their own budget to N14.5 billion (approximately \$40 million). In 2014, the NASS funding did remain constant at N150 billion, but this was likely due to the historic rents reaped from the 2008 – 2014 oil boom.

**Figure 1: Elevated NASS Funding Trends ahead of National Election Years**



76 For an example, see Budget Office of the Federation, Federal Republic of Nigeria, (Undated), "National Assembly," <Accessed 6 Jan 2020> <https://www.budgetoffice.gov.ng/index.php/resources/internal-resources/budget-documents/2020-budget/2020-initially-approved-budget?layout=columns&start=15>.

77 Additional categories included N275.2 million for the Office of retired clerks and permanent secretaries, N389.3 million for service-wide vote of the legislature, N7.3 billion for the National Institute of Legislative and Democratic Studies. Iroanusi, Queen Esther, (2020a). "Amidst dwindling govt revenue, National Assembly increases its budget to N134 billion," *Premium Times*, (December 25): <https://www.premiumtimesng.com/news/headlines/433082-amidst-dwindling-govt-revenue-national-assembly-increases-its-budget-to-n134-billion.html>.

National Assembly legislators are reported to be among the highest-paid in the world, but because of the secrecy surrounding the budget, this is difficult to prove. In late 2020, Simon Karu, a member of the House of Representatives from Gombe state, broke ranks and publicly said that representatives earn an official salary of N800,000 (\$2,110) per month but when you calculate their benefits and privileges, each member of the House truly earns N9.3 million (\$24,500) each month.<sup>78</sup> Senators are reported to earn as much as N13.5 million (\$35,600) per month. In contrast, the minimum wage in Nigeria is N30,000, though over 40 percent of the population lives on approximately N11,000 (\$29) per month.<sup>79</sup> When asked about these salaries and benefits, Karu said that the majority of these funds were spent on their “constituents’ high demands.”<sup>80</sup> This echoes the marketplace logic that while political power provides opportunities to bolster personal political budgets, those political budgets are needed to achieve and maintain power. In this case, by providing cash that can be handed out to supporters or used to purchase items to give to supporters. A key aspect is that while these funds may be providing goods, services, or benefits to constituents, they are flowing through personal connections, largely to supporters, meaning opponents and those without connections to the legislator are excluded. These funds may also be used to increase the individual legislator’s personal wealth or standard of living.<sup>81</sup>

The President’s 2021 budget proposal included a N3 billion increase for the National Legislature from N125 billion to N128.<sup>82</sup> The Premium Times reported that the National Legislature considered raising their allocation to N134 billion before settling on Buhari’s proposed figure.<sup>83</sup> When asked about the NASS’s self-allocated increase, Benjamin Kalu, Spokesman for the House of Representatives responded saying: “That should not be the question. The question should be why the National Assembly now gets one percent of the total budget from the four percent it got in the past.”<sup>84</sup> The NASS’s percentage of the federal budget has shrunk from approximately 5 percent in 2009 to a 2021 allocation of less than one percent. Kalu’s response exemplifies the belief that not only that the expenses are justified, but that the sentiment that NASS is not getting its fair share of the national budget or national cake, even if that comes at the expense of other budget lines—like the Ministry of Health.



## Stunted Reforms & Short Political Horizons

Buhari’s reform agenda has had both successes and setbacks, which can in part be explained by political marketplace dynamics. In an analysis of attempted oil reforms from 1999 to 2009, Gillies describes a process of “stunted reforms,” meaning uneven or incomplete implementation or reform, often due to a leader’s tendency to abandon or subvert reform to protect their discretionary

78 Ayitogo, Nasir, (2020). “We earn N9.3m monthly – Rep Member,” *Premium Times*, (October 1): <https://www.premiumtimesng.com/news/top-news/417971-we-earn-n9-3m-monthly-rep-member.html>.

79 Federal Government of Nigeria, (2020). “Bouncing Back: Nigeria Economic Stability Plan,” Available at: <https://media.premiumtimesng.com/wp-content/files/2020/06/ESC-Plan-compressed-1.pdf>.

80 Ayitogo 2020.

81 For a discussion of links between Nigerian politicians, illicit wealth, and properties in Dubai, see Page 2020.

82 There are some conflicting reports on whether this increase was part of the budget submitted to the NASS by President Buhari or whether this was self-increased by the NASS.

83 Iroanusi, Queen Esther. (2020b). “2021 Budget: Again Buhari overlooks National Assembly’s frivolous earnings,” *Premium Times*, (December 31): <https://www.premiumtimesng.com/news/headlines/434199-2021-budget-again-buhari-overlooks-national-assemblys-frivolous-earnings.html>.

84 Iroanusi 2020a.



control over channels of distribution.<sup>85</sup> Gillies argued that stunted reform was more likely during periods of political contestation or when leaders face short horizons. The Nigerian government's response to the 2020 twin oil shocks provides evidence not only of how political market dynamics continue to drive stunted reform but also how short political horizons are in Nigeria.

## The Power and Limitations of Executive Action

---

**“As we have intensified our war on corruption, so we have found that corruption innovates to resist the law. . . Once the enablers are let in – as they have been in the past – the greed of those they collude with grows. We have closed the door on them, but unfortunately, there still remain individuals who are willing to open windows.”**

- President Buhari, February 10, 2019<sup>86</sup>

---

In March 2020, as the twin oil shocks set in, Buhari's administration began to look at ways to cut government spending and free up funds to respond to the pandemic. Their initial strategy was two-fold: cut non-vital federal spending (as previously described) and plug leakages in the collection of government revenues. Put bluntly: the goal was to reduce government funds being diverted to political budgets. While prudent from a technocrat's perspective, this approach clashed (intentionally or not) with marketplace dynamics. The following sections focus on three different areas where parts of the Buhari administration tried to amend the budget and how these amendments were shaped and blocked by marketplace dynamics. While Buhari's administration arguably tried to close doors to corruption, others made sure windows stayed open.

### ***Unilateral Action to Reform the Petroleum Industry***

President Buhari's attempts to reform the oil industry began before the 2020 twin shocks but have largely been limited to unilateral executive action instead of sweeping legislative reforms. Most tellingly, however, these executive actions to seemingly challenge the ability of politicians to divert oil rents into political budgets, have continued throughout the revenue shortfall when competition over them is heightened.

In July 2019, President Buhari appointed Mele Koyo Kyari as the Managing Director of the NNPC to oversee an agenda focused on increasing transparency in the NNPC.<sup>87</sup> This began in January

---

85 Gillies 2010.

86 Buhari 2019.

87 Gamawa, Murjanatu Ibrahim, (2020). "What NNPC's financial statement shows us – and why it matters," Extractive Industry *Transparency Initiative*, (Nov. 5): <https://eiti.org/blog/what-nnpcs-financial-statement-shows-us-why-it-matters>.

2020 with the monthly release of reports detailing oil revenues, operational costs, and the total funds remitted to the federal government.<sup>88</sup> While this was a newfound openness, it is worth noting that as of 2021, these were unaudited statements. In June 2020, the NNPC released the 2018 audited statements of its subsidiaries, the first time the NNPC had ever released any kind of audited statement in its 43-year history.<sup>89</sup> These statements gave a discouraging picture of an industry ripe with losses. For example, the Duke Oil Company, the NNPC's international trading arm generated \$41 million in gross profits in 2018 but paid only \$40,419 to the Nigerian government. Kyari explained that the balance of the profits had been reinvested into the business.<sup>90</sup>

Two months later, the NNPC built on its newfound commitment to transparency and became an Extractive Industries Transparency Initiative (EITI)-supporting company.<sup>91</sup> In October 2020, the NNPC released the 2019 audited statements of its subsidiaries showing major success in cutting down losses (or likely corruption) from the previous year. The statements showed that from 2018 to 2019, NNPC reduced losses by 99.7 percent from N803 billion in 2018 to N1.7 billion in 2019.<sup>92</sup> This was allegedly driven partly by a 22 percent reduction in administrative expenses from N984 billion in 2018 to N696 billion in 2019.<sup>93</sup> While Buhari's administration recorded some success in stemming leakages from the NNPC, other attempts have failed or were simply never even attempted.

### **Keeping Windows Open in the NNPC**

In March 2020, a special advisory committee to the National Economic Committee (NEC) met to discuss reforms to the NNPC in light of the emerging economic and budgetary crisis of 2020. This special advisory committee was led by Vice-President Yemi Osinbajo and included the Minister of Finance, Budget Minister, Deputy Oil Minister, NNPC Managing Director, Central Bank Director, as well as key northern Governors Nasir el-Rufai and Atiku Bagudu. Their recommendations focused on how to address revenue leakages in the NNPC, but interestingly, their recommendations were not part of the government's response or larger reform agenda.<sup>94</sup>

The proposed reforms focused on two areas renown for corruption: 1) how much revenue the NNPC can retain before remitting it to the government; and 2) the NNPC's domestic crude allocation.<sup>95</sup> The NNPC is legally allowed to subtract its costs from the oil revenues before remitting

---

88 These Federal Allocation Account Committee reports are available at: <https://nnpcgroup.com/NNPC-Business/Business-Information/Pages/Monthly-Performance-Data.aspx#collapse8>.

89 Addeh, Emmanuel. (2020). "In Historic Move, NNPC Releases Audited Results to Public," *This Day News*, (June 16): <https://www.thisdaylive.com/index.php/2020/06/16/in-historic-move-nnpc-releases-audited-results-to-public/>.

90 Munshi, Neil. (2020a). "Nigeria oil chief promises more transparency at state producer." *Financial Times*, (June 28): <https://www.ft.com/content/f53bbf2e-b177-4e2b-987c-8c6cc0847dc2>.

91 Extractive Industry Transparency Initiative, (2020). "Nigerian National Petroleum Corporation becomes an EITI supporting company," (August 18): <https://eiti.org/news/nigerian-national-petroleum-corporation-becomes-eiti-supporting-company>.

92 NNPC, (2020). "NNPC Releases 2019 Audited Financial Statement, Reduces Loss by 99.7%," Government of Nigeria, (October 14): <https://nnpcgroup.com/News-and-Media/newsupdate/Pages/NNPC%20Releases%202019%20Audited%20Financial%20Statement.aspx>.

93 Ibid.

94 Africa Confidential, (2020). "The Shake-up that didn't happen," Vol. 61, No. 15, (July 23): [https://www.africa-confidential.com/article/id/13036/The\\_shake-up\\_that\\_didn%e2%80%99t\\_happen](https://www.africa-confidential.com/article/id/13036/The_shake-up_that_didn%e2%80%99t_happen).

95 Ibid.

them to the government, but historically experts believe this had incentivized the NNPC to inflate its operational costs and losses to divert oil revenues into political budgets. The advisory committee recommended capping how much the NNPC could retain before remitting the profits to the federal account, but this recommendation was never taken forward.

Second, the advisory committee recommended ending the NNPC's domestic crude allocation which allows the NNPC to purchase up to 445,000 barrels of oil every day at a discounted rate. In theory, the domestic crude allocation is a provision to allow the NNPC to purchase discounted crude to supply Nigeria's domestic refineries. In practice, given that these refineries are operating at less than 10 percent capacity, much of the NNPC's domestic crude allocation goes unused by the refineries giving the NNPC the opportunity to trade its allocation for refined products on the international market in opaque, often lucrative deals.<sup>96</sup> In the end, neither reform was taken forward by the NEC or Buhari Administration without a clear reason as to why. However, some have speculated that it may be because the original advisory committee included governors who stood to benefit in decreasing leakages in the collection of revenues whereas the final officials involved in the reforms were those with potential interests in maintaining the current arrangements.<sup>97</sup> While some doors were closing, the political marketplace required windows to be left open.

## Power of the Pen: Rewriting (or not) the Rules of the Petroleum Industry

---

**Only the patient one can milk a lion.**

—Yoruba Proverb

---

As previously mentioned, Nigeria has one of the highest oil production costs in the world, in part because of political marketplace dynamics that leave the petroleum industry in regulatory disarray. The Petroleum Industry Bill (PIB) is the technocratic overhaul of Nigeria's petroleum industry that it needs to improve regulation, reduce graft and costs, and restore investor confidence. Essentially, it, or a similar omnibus bill is what is needed to ensure that the Nigerian oil industry has a future. On the other hand, the PIB directly challenges the ways in which the oil industry funds political budgets and unsurprisingly, languished for more than a decade before being signed into law in August 2021.<sup>98</sup> At its core, it epitomizes both the recognition of the issues within the petroleum sector and also the limits of reform within Nigeria's political marketplace.

The PIB has a long history in Nigeria. Its first iteration was introduced in 2008, though discussions of reform of the industry date back to the discovery of oil in 1956. The PIB was the outcome of a committed inaugurated by Obasanjo in April 2000, though Obasanjo never saw it as feasible to introduce the bill during his time as president. The 2008 bill focused on governance, regulatory frameworks, fiscal arrangements (taxes and royalties), and host communities, and sought to replace a series of

---

96 Ibid.

97 Ibid.

98 Izuaka, Mary. (2021). "Buhari signs PIB, ignores concerns over 3% host communities fund." *Premium Times*, (August 16). Accessed February 21, 2023. <https://www.premiumtimesng.com/news/headlines/479516-buhari-signs-pib-ignores-concerns-over-3-host-communities-fund.html?tztc=1>.

laws dating from 1969 and the NNPC Decree of 1997.<sup>99</sup> These provisions were designed to address inefficiencies in the regulatory environment and bolster investor confidence in the sector. The bill failed to reach consensus in the National Assembly and the bill went in circles being reintroduced and withdrawn multiple times.<sup>100</sup>

In 2017, discussions of the PIB were revived and again failed, but are illuminating in what was put forward and for the reasons it failed. In an attempt to pass portions of it, the bill was broken into pieces and introduced as individual bills. The governance portion gained traction. The governance bill attempted to reorganize the NNPC into three commercial entities (the Nigerian Petroleum Assets Management Company, National Petroleum Company, and the Nigeria Petroleum Management Company) and the current assets and liabilities of the NNPC would be split between the three. It opened a door for private investment, mandating that at least 10 percent of NNPC shares be divested, with 30 percent being divested within ten years. Notably, the bill would have established a new Nigerian Regulatory Commission that would be charged with overseeing the industry and having the power to grant, amend, renew, extend or revoke any license or lease required for petroleum exploration, a power that currently lies with the Minister of Petroleum, a title held by President Buhari himself.<sup>101</sup> It was passed by both houses of the National Assembly (notably it passed the Senate while Buhari was on medical leave in the UK and Buhari had handed over power to his Vice President, Yemi Osinbajo), but Buhari did not sign it into law. Officially, Buhari rejected it because of “constitutional and legal” reasons, but some believe that Buhari rejected it because it moved the power to grant, amend, renew, extend or revoke any license or lease required for petroleum exploration, from the Minister of Petroleum to a newly created body outside the president’s direct control.<sup>102</sup> Some argued that such a reallocation of power was a check and balance of power.<sup>103</sup> Others argued that it was opening the door for a new set of political operators to control petroleum contracts without accountability to citizens. In either case, the PIB would remain on hold for the next three years.

In September 2020, President Buhari submitted a new Petroleum Industry Bill (PIB) to the National Assembly. The bill’s drafting was led by the Petroleum Ministry, before being reviewed by Buhari and later submitted to the National Assembly. The National Assembly delayed consideration of the bill until January 2021 to prioritize passing the 2021 federal budget.<sup>104</sup> In August 2021, almost a year after Buhari had introduced the revised PIB, it was passed and then signed into law by President Buhari (becoming the Petroleum Industrial Act). Notably, the bill faced significant opposition, especially from lawmakers and community groups in the Niger Delta.<sup>105</sup> Senate President Lawan, a member of Bu-

---

99 BudgIT, (2017). “Analysis of the Petroleum Industry Governance Bill,” <https://yourbudgit.com/wp-content/uploads/2017/05/Petroleum-Industry-Governance-Bill-INFOGRAPHICS.pdf>.

100 For a discussion of this period, see: This Day Live, (2020). “Petroleum Industry Bill: A Delay without End,” <https://allafrica.com/stories/202005310044.html>.

101 Akwagyiram, Alexis. (2017). “Nigeria oil governance bill aims to break up state oil company NNPC,” *Reuters*, (May 26) <https://fr.reuters.com/article/nigeria-oil-idINL8N1S2IW>.

102 Udo, Bassey. (2018). “Why Buhari withheld assent to PIGB – Presidential Aide,” *Premium Times*. (August 29) <https://www.premiumtimesng.com/news/top-news/281790-why-buhari-withheld-assent-to-pigb-presidential-aide.html>.

103 This Day 2020.

104 Chinery, Sayne, and Gillies 2020; George, Libby. (2020b). “Nigeria’s long-awaited oil reform bill to go to president – sources,” *Reuters*, (August 18): <https://www.reuters.com/article/us-nigeria-oil-exclusive/exclusive-nigerias-long-awaited-oil-reform-bill-to-go-to-president-sources-idUSKCN25E205>.

105 Nwuke, Kasirim. (2021). “Nigeria’s Petroleum Industry Act: Addressing old problems, creating new ones.” Brookings. <https://www.brookings.edu/blog/africa-in-focus/2021/11/24/nigerias-petroleum-industry-act-addressing-old-problems-creating-new-ones/>; Amaize, Emma, Festus Ahon, Egufe Yafugborhi, Ike Uchechukwu, Chioma Onuegbu, Davies Iheamnachor, and Ozioruva Aliu. (2021). “Niger Delta stakeholders reject PIB,” *Vanguard*.

hari's party, commented on the bill's opposition saying that there were vested interests "working desperately" to prevent the bill from being passed.<sup>106</sup> This could be interpreted as the vested elite interests Buhari pointed to that when trying to close the door on corruption, others make sure windows stay open, but there were also concerns from communities. One of the key points of contention was the provision that 30 percent of oil and gas profits of the newly established commercial NNPC Ltd. would go into a fund for future oil and gas exploration, something that may bankroll the development of oil fields in the North.<sup>107</sup> This provision would decrease the amount of revenues allocated to development in oil-producing communities, revenues that communities felt were rightfully theirs..

The Petroleum Industrial Act sought to reform the oil and gas sector by introducing a new fiscal framework for the oil sector with the intention of boosting oil profits at the expense of taxes and introducing a new regulatory framework. Specifically, the PIA transformed the NNPC into a limited liability quasi-commercial enterprise and transferred many of the powers of the Ministry of Petroleum Resources to two new regulators: the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) to oversee oil and gas exploration and production; and the Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), which is responsible for the technical and commercial regulation of petroleum operations.<sup>108</sup> However, under the PIA, the Minister of Petroleum, currently President Buhari, still holds significant authority to formulate, monitor, and administer government policy under the PIA, including making appointments to important governing boards.<sup>109</sup> It is common practice to balance appointments among Nigeria's six geopolitical zones, but many of the newly established boards under the PIA do not have six seats, meaning a geopolitical balance is unlikely unless the board seats are increased.<sup>110</sup>

On paper, the PIA was the reform package that oil companies and investors had waited more than two decades for—the "gold standard" of natural resource management.<sup>111</sup> However, the reality has fallen short. As Nwuke argues, "the results are conditional on Nigeria's political and oil industry leaders overcoming some key challenges."<sup>112</sup> These include ambiguous and imprecise language, capacity building to be able to enforce the new regulations, and tensions over revenue sharing, especially tensions between the north and south over the 30 percent allocation to future oil and gas exploration.<sup>113</sup> In addition, in 2022 the government has seen oil and gas revenue going to federal account drop significantly due to the costly fuel subsidy.<sup>114</sup> A year after its passage, the World Bank called the PIA "a failed reform."<sup>115</sup> It remains to be seen if it will be the hoped-for overhaul of the sector.

---

(August 16). <https://www.vanguardngr.com/2021/08/niger-delta-stakeholders-reject-pib/>.

106 Umoru, Henry, (2020). "Senate to pass PIB before end of first quarter of 2021 – Lawan," *Vanguard*, (December 31): <https://www.vanguardngr.com/2020/12/senate-to-pass-pib-before-end-of-first-quarter-of-2021-lawan/>; Reuters. 2021). "Nigeria's senate president vows action on long-delayed oil reform law," (January 13): <https://www.reuters.com/article/uk-nigeria-oil/nigerias-senate-president-vows-action-on-long-delayed-oil-reform-law-idUSKBN29I0R8>.

107 KPMG. (2021). *Petroleum Industry Bill (PIB) 2021 – A Game Changer?* KPMG in Nigeria, (July). [https://assets.kpmg/content/dam/kpmg/ng/pdf/tax/petroleum-industry-bill-\(pib\)-2021-a-game-changer.pdf](https://assets.kpmg/content/dam/kpmg/ng/pdf/tax/petroleum-industry-bill-(pib)-2021-a-game-changer.pdf).

108 Nwuke 2021; World Bank. (2021). *Nigeria Country Economic Memorandum: Charting a New Course*. Washington, DC: World Bank Group. <https://www.worldbank.org/en/country/nigeria/publication/nigeria-economic-update-charting-a-new-course>.

109 Nwuke 2021.

110 Ibid.

111 Nwuke 2021.

112 Ibid.

113 Ibid.

114 World Bank 2022.

115 Ibid.



## What's Next? Implications for the Future

### New Sources of Political Budgets

While 2020 was characterized by oil shocks, it also signaled a further shift towards natural gas. Nigeria has the ninth-largest proven reserves of natural gas in the world and while it is the second-largest producer in Africa, its natural gas reserves are largely untapped.<sup>116</sup> Plans for the development of its natural gas reserves were already in progress, but the 2020 twin oil shocks added urgency to them. Top Nigerian petroleum officials and legislators have declared 2021 to 2030 the years of natural gas.<sup>117</sup> As Nigeria looks at a stagnated and diminishing oil future, natural gas may prove to be an effective rent replacement.

The 2021 federal budget reflects substantial investments in the petroleum industry that will be directed at developing Nigeria's substantial natural gas resources. These will have not only domestic implications but regional and international as well. For example, Nigeria is currently in development of the Ajaokuta-Kaduna-Kano (AKK) gas pipeline to connect to the Trans Sahara Gas Pipeline and Nigeria-Morocco pipeline to export natural gas to Europe.<sup>118</sup> Domestically, this has obvious implications for new sources of government revenues, but it also has the potential to be the domestic energy source that oil has failed to be.

As previously mentioned, Nigeria currently has four semi-operational refineries, but for a variety of reasons (many allegedly connected to corruption schemes), these refineries have only operated at 10 percent of capacity leaving Nigeria to import approximately 80 percent of its fuel needs.<sup>119</sup> Nigerian billionaire Dangote is currently building a privately-owned refinery outside Lagos set to come online in 2023. Once it comes online, it will be the largest refinery in the world and raise Nigeria's domestic refining capacity by 650,000 barrels per day.<sup>120</sup> Natural gas has the potential to revolutionize domestic energy. It does not need to be refined but can be piped directly into factories and electricity-generating facilities. This has two potential risks—uneven development and pipelines that are vulnerable to attack by non-state armed groups—risks that have also characterized oil extraction.

Nigeria's natural gas reserves overlay the oil fields in the Niger Delta and the offshore oil fields.<sup>121</sup> If they are developed and channeled to factories and electricity-producing facilities, geographic proximity and existing infrastructure will likely disproportionately benefit the south, perpetuating current North-South divisions. Northern Nigeria has a history of poverty, low levels of formal education, chronic government mismanagement, and a feeling of political and socio-economic

---

<sup>116</sup> Gupte 2021; Department of Petroleum Resources 2018; Munshi 2020b.

<sup>117</sup> Ike-Eboh, Edith, (2020). "FG strategises for post COVID-19 oil, gas sector era – Sylva," *News Agency of Nigeria*, (December 17): <https://www.nannews.ng/fg-strategises-for-post-covid-19-oil-gas-sector-era-sylva/>.

<sup>118</sup> International Trade Administration, (2020). "Nigeria – Country Commercial Guide: Oil, Gas, and Mining Sectors," United States Government, (September 9), <Accessed January 4, 2020>, <https://www.trade.gov/country-commercial-guides/nigeria-oil-gas-and-mining-sectors>.

<sup>119</sup> Munshi 2020b.

<sup>120</sup> Ibid.

<sup>121</sup> Oil has been discovered around the Kolami River between Bauchi and Gombe States and President Buhari inaugurated the sites for development in November 2022. This would be the first significant oil project in the North. See Sunday, Simon Echewofun. (2022). "Buhari Arrives North's Oil Drill Site," *Daily Trust*. (November 22), <https://dailytrust.com/buhari-to-arrive-norths-oil-drill-site-soon/>.

marginalization from the rest of Nigeria, especially in contrast to the oil-rich Niger Delta and the patronage networks that flowed through the People's Democratic Party.<sup>122</sup>

Secondly, a lasting legacy of the Niger Delta militancy was the vulnerability of oil pipelines to sabotage. Sabotaging pipelines was used both as a tactic to divert oil (bunkering) and sell on the black market and as a tactic to pressure government officials to address their concerns.<sup>123</sup> With oil production down a third as a result of the militancy, the Nigerian government was forced to act. The government was unable to defeat the militants through force, so they made a deal for a payroll peace. The government negotiated the surrender of key militant leaders and their members in exchange for amnesty and consistent payment. These payments continue today. Natural gas pipelines have the same vulnerability. In addition, the fundamental grievances underlying the Niger Delta militancy—environmental degradation, lack of benefit to communities, and embezzlement of development funds—still remain.<sup>124</sup>

## Competition in the Marketplace: Shrinking Political Horizons

Nigeria's political marketplace has historically been characterized by short political horizons making long-term reforms and investments extremely difficult. However, in the midst of elections, political horizons become even shorter.

In terms of competition within Nigeria's political marketplace, 2020 could be considered the best time for a shock like this to happen because political horizons were at their furthest between election cycles. It was after the dust had settled from the 2019 elections and before the 2023 election cycle had begun. While political budgets are key within the marketplace, they are most needed in preparation for and during election cycles. The immediate post-election period may have been (and still may be) a key moment when meaningful reform was possible. The PIA was passed and signed into law in August 2021, but some experts believe more serious discussions on reform will be tabled until after the 2023 election. Time will tell. If the past is prologue, support for the PIA will become increasingly fractured and contentious as election season approaches meaning that the window for its real implementation is shrinking. In addition, the longer the oil and gas sector remains as is, the greater the effect it will have in diminishing investor confidence. Already international oil companies have announced delays on major planned investments and deep-water projects which are key to the future of Nigeria's oil sector. At the same time, however, keeping the oil and gas sector in some degree of disarray can provide opportunities to divert funds into much needed political budgets for the 2023 election. If past electoral patterns hold, the 2023 elections will be the most expensive in Nigeria's history, though that will depend in part on the government revenues available and who has control over them.

---

122 Crisis Group, 2016. "Boko Haram on the Back Foot?" Crisis Group Africa Briefing No. 120 (May 4), 9; and Smith, Mike. (2015). "Boko Haram: Inside Nigeria's Unholy War," London: I.B. Tauris & Co. Ltd.

123 Crisis Group, (2015). *Curbing Violence in Nigeria (III): Revisiting the Niger Delta*, Africa Report No. 231, Brussels: International Crisis Group. <https://icg-prod.s3.amazonaws.com/231-curbing-violence-in-nigeria-iii-revisiting-the-niger-delta.pdf>.

124 Ejoh, Ediri. (2020). "Governors, Others Accused of Diverting 13 Percent NNDC Oil Communities' Benefits," *Vanguard*, (November 17): <https://allafrica.com/stories/202011170276.html>.

## What about the people?

In 2020, Nigeria experienced massive economic and budgetary crises triggered by twin oil shocks, but it also saw one of the largest protest movements in decades; a protest movement in part driven by public outrage over government abuse of power and corruption raising the lasting question— how will the people affect marketplace dynamics going forward?

In October 2020, sparked by a Special Anti-Robbery Squad (SARS) public, extrajudicial killing of an unarmed civilian, Nigerians took to the streets to protest security abuse.<sup>125</sup> Following the October incident, hundreds of Nigerians began sharing stories of abuses by SARS and calling to #EndSARS.<sup>126</sup> The protests built on past protests against SARS and quickly garnered more support than ever before.<sup>127</sup> Soon thousands across the country had taken to the streets to demand police accountability for abuses and systemic reform. The #EndSARS protests began with the immediate goal to disband the unit and seek accountability for the unit's abuses, but it grew to include grievances of elite corruption, the rising cost of food, and extreme levels of unemployment, especially among youth, motivating thousands to join the protests.<sup>128</sup>

In 2020, food inflation ranged from 20 to more than 30 percent across the country, unemployment reached 27 percent (34.9 percent among youth), and almost half the country is surviving on less than \$1 per day. In addition, insecurity created by Boko Haram, armed bandits, other non-state armed groups, and clashes between farmers and herders remained widespread. Nigerians have taken to the streets to demand change, yet the institutions mandated to protect, represent, and serve the people have been weaponized to brutally suppress and end the calls for change.<sup>129</sup>

To date, despite speeches to address these concerns, the government response has been characterized by the very heavy-handed nature and abuses that sparked the movement in the first place.<sup>130</sup> Peaceful protestors have been labeled as “subversives” and “alleged terrorists.” Security services, including the military, have been tasked with responding to the protests, at times clashing and killing protestors (e.g. Lekki Tollgate shooting).<sup>131</sup> Intelligence services have been tasked

---

125 Brisibe-Ughelli, Perez, (2020). “Photographer behind viral SARS video in Ughelli tells his side of the story,” *Vanguard*, (October 6): <https://www.vanguardngr.com/2020/10/photographer-behind-viral-sars-video-in-ughelli-tells-his-side-of-the-story/>; Crisis Group. --(2020). “Nigeria’s #EndSARS Protest: Deescalate Tensions, Start Deep Police Reform,” *Press Statement*, (October 26): <https://www.crisisgroup.org/africa/west-africa/nigeria/nigerias-endsars-protest-de-escalate-tensions-start-deep-police-reform>.

126 See <https://endsars.com/>;

127 Falola, Toyin, (2020). “SARS has been ‘disbanded’ but without total systemic reform nothing will change,” *The Independent*, (October 13): <https://www.independent.co.uk/voices/sars-police-nigeria-corruption-government-reform-protest-b1013164.html>.

128 See <https://endsars.com/>.

129 Maclean, Ruth. (2020). “Nigeria Goes on Offensive Against Youth Protesting Police Brutality,” *New York Times*, (November 13): <https://www.nytimes.com/2020/11/13/world/africa/Nigeria-EndSARS-protests.html>; Rotinwa, Ayodeji, (2020). “Is the Nigerian government trying to #EndSARS or end protests?” *African Arguments*, (October 20): <https://africanarguments.org/2020/10/20/is-the-nigerian-government-trying-to-endsars-or-end-protests/>.

130 For example, see Buhari. (2020). “Buhari Speaks on #EndSARS, promises to reform police,” *TVC News Nigeria*, (October 12): [https://www.youtube.com/watch?v=FPDbue\\_7rew](https://www.youtube.com/watch?v=FPDbue_7rew).

131 Amnesty International, (2020a). “Nigeria: Killing of #EndSARS protestors by the military must be investigated,” (October 21): <https://www.amnesty.org/en/latest/news/2020/10/killing-of-endsars-protesters-by-the-military-must-be-investigated/>; Amnesty International. (2020b). “Nigeria: Attempt to cover up killing of #EndSARS protestors exposed,” (October 28): <https://www.amnesty.org.uk/press-releases/nigeria-attempt-cover-killing-endsars-protesters-exposed>; Busari, Stephanie, Nima Elbagir, Gianluca Mezzofiore, Katie Polgase, Alex Platt,



with identifying protest leaders who then had their bank accounts frozen by the Central Bank and were harassed and at times unlawfully detained. Against continuous harassment, however, the protests continued into 2021.

Nigerians have taken to the streets to demand change, yet the institutions mandated to protect, represent, and serve the people have been weaponized to brutally suppress and end the calls for change. In the aftermath of the 2020 oil shocks, and the quickly approaching 2023 election cycle, the question remains—will the people be able to shift marketplace dynamics?

## Conclusion:

### Business as Usual? (Once again?)

Elite actors in Nigeria's political marketplace emerged from the 2020 twin oil shocks relatively unscathed, if not enriched, while the Nigerian people bore the consequences. Nigeria is facing widespread insecurity across the north, massive unemployment and poverty, a citizenry that is increasingly frustrated with the heavy-handedness of security forces, and an ever-increasing cost of conducting politics at a time when it has fewer domestic resources than at any time in the last decade to respond. For now, Nigeria will continue to take on massive loans to fund its federal budget while it bets its future on squeezing out the remaining oil rents and tapping its immense natural gas reserves. This will require implementing reforms that go counter to marketplace dynamics. In the words of the World Bank, making tough decisions to reform the oil and gas industry will be key for Nigeria to rise to its potential, and not doing so, will contribute to a scenario “that could be dubbed *things fall apart*” [Emphasis in original].<sup>132</sup> To date, it is unclear whether there will be sufficient consensus among political marketplace operators to sacrifice short-term gains in favor of long-term benefits. Political horizons in Nigeria are short and challenges of this magnitude require a commitment to the long-term.

In 2010, when asked about the need to engage in corruption in politics, Timipre Sylva, then governor of Bayelsa State said “I have to survive before I become incorruptible.”<sup>133</sup> Sylva captured one of the key dynamics of the Nigerian political marketplace. While you may not agree with the rules of the marketplace, you still have to play them in order to achieve and maintain power. Sylva is now the Minister of State for Petroleum Resources, the top petroleum official under Buhari, and one of the key individuals involved in promoting transparency. As the Buhari administration seeks to close the door on some sources of political budgets, a question remains at what it will cost to close those doors and what windows may be left open.

---

Barbara Arvanitidis, Mohammad Darwish, and Oscar Featherstone, (2020). “Analysis of CCTV footage from Lekki toll gate raises new questions about shooting,” *CNN*, (November 24): <https://www.cnn.com/2020/11/24/africa/nigeria-shooting-lekki-toll-gate-cctv-analysis-intl/index.html>; Maclean 2020; and Rotinwa, 2020.

<sup>132</sup> World Bank 2022.

<sup>133</sup> Timipre Sylva speaking in 2010 when he was Governor of Bayelsa State, quoted in Burgis, 2015, 189.

# REFERENCES

- Addeh, Emmanuel. (2020). "In Historic Move, NNPC Releases Audited Results to Public," *This Day News*, (June 16): <https://www.thisdaylive.com/index.php/2020/06/16/in-historic-move-nnpc-releases-audited-results-to-public/>.
- Adebayo, Taiwo-Hassan, (2020). "Buhari's 2020 budget cuts affect National Assembly, federal jobs, capital expenditure," *Premium Times*, (May 6), <Accessed 6 Jan 2020> <https://www.premiumtimesng.com/news/headlines/391602-exclusive-buharis-2020-budget-cuts-affect-national-assembly-federal-jobs-capital-expenditure.html>.
- Africa Confidential, (2020). "The Shake-up that didn't happen," Vol. 61, No. 15, (July 23): [https://www.africa-confidential.com/article/id/13036/The\\_shake-up\\_that\\_didn%e2%80%99t\\_happen](https://www.africa-confidential.com/article/id/13036/The_shake-up_that_didn%e2%80%99t_happen).
- (2021). "Ready to Rumble," Vol. 61, No. 1, (January 7): [https://www-africa-confidential-com/article/id/13184/Ready\\_to\\_rumble](https://www-africa-confidential-com/article/id/13184/Ready_to_rumble).
- African Energy Chamber, (2020), "Africa Energy Outlook, 2021," (November 2): [https://www.rystadenergy.com/globalassets/pdfs/aec-outlook-2021\\_digital\\_compressed.pdf](https://www.rystadenergy.com/globalassets/pdfs/aec-outlook-2021_digital_compressed.pdf).
- Ahmed, Zainab Shamsuna. (2020a). "Public Presentation of 2021 FGN Approved Budget – Breakdown and Highlights. (Presentation). Federal Government of Nigeria. January 12. Accessed January 8, 2021.
- (2020b). "Public Presentation of 2021 FGN Budget Proposal – Breakdown & Highlights," (Presentation). Federal Government of Nigeria. October 13. Accessed January 8, 2021. <https://www.budgetoffice.gov.ng/index.php/resources/internal-resources/budget-documents/hmfbnp-public-presentation-of-2021-fgn-approved-budget/viewdocument/242>.
- Akinpelu, Yusuf. (2019). "Beware Buhari. 2020 Budget Passed by N'Assembly contains N264 billion fraudulent projects," *Premium Times*, (December 17): <https://www.premiumtimesng.com/news/headlines/368471-exclusive-beware-buhari-2020-budget-passed-by-nassembly-contains-₦264-billion-fraudulent-projects.html>.
- Akwagyiram, Alexis. (2017). "Nigeria oil governance bill aims to break up state oil company NNPC," *Reuters*, (May 26) <https://fr.reuters.com/article/nigeria-oil-idINL8N1IS2IW>.
- Albert, Isaac Olawale, (2005) "Explaining 'godfatherism' in Nigerian Politics," *African Sociological Review*, Vol. 9, No. 2: 79-105.
- Amaize, Emma, Festus Ahon, Egufe Yafugborhi, Ike Uchechukwu, Chioma Onuegbu, Davies Iheamnachor, and Ozioruva Aliu. (2021). "Niger Delta stakeholders reject PIB," *Vanguard*. (August 16). <https://www.vanguardngr.com/2021/08/niger-delta-stakeholders-reject-pib/>.
- Amnesty International, (2020a). "Nigeria: Killing of #EndSARS protestors by the military must be investigated," (October 21): <https://www.amnesty.org/en/latest/news/2020/10/killing-of-endsars-protesters-by-the-military-must-be-investigated/>.
- (2020b). "Nigeria: Attempt to cover up killing of #EndSARS protestors exposed," (October 28): <https://www.amnesty.org.uk/press-releases/nigeria-attempt-cover-killing-endsars-protesters-exposed>.
- Ayitogo, Nasir, (2020). "We earn N9.3m monthly – Rep Member," *Premium Times*, (October 1): <https://>

[www.premiumtimesng.com/news/top-news/417971-we-earn-n9-3m-monthly-rep-member.html](http://www.premiumtimesng.com/news/top-news/417971-we-earn-n9-3m-monthly-rep-member.html).

BBC News, "Nigerian leaders 'stole' \$380 Billion," 20 October 2006. [Accessed 24 June 2020]: <http://news.bbc.co.uk/2/hi/africa/6069230.stm>.

Bordoff, Jason, (2020). "Why this oil crash is different," *Foreign Policy*, (March 9): <https://foreignpolicy.com/2020/03/09/opec-russia-shale-oil-price-collapse/>.

Branch, Adam and Zachariah Mampilly. (2015). *Africa Uprising: Popular Protest and Political Change*, London: Zed Books in association with the International African Institute, the Royal African Society, and the World Peace Foundation.

Brisibe-Ughelli, Perez, (2020). "Photographer behind viral SARS video in Ughelli tells his side of the story," *Vanguard*, (October 6): <https://www.vanguardngr.com/2020/10/photographer-behind-viral-sars-video-in-ughelli-tells-his-side-of-the-story/>.

Budget Office of the Federation, Federal Republic of Nigeria,

--(2010), "Federal Appropriation Bill, 2010,"

--(2011), "Federal Appropriation Bill, 2011,"

--(2012), "Federal Appropriation Bill, 2012,"

--(2013), "Federal Appropriation Bill, 2013,"

--(2014), "Federal Appropriation Bill, 2014,"

--(2015), "Federal Appropriation Bill, 2015,"

--(2016), "Federal Appropriation Bill, 2016,"

--(2017), "Federal Appropriation Bill, 2017,"

--(2018), "Federal Appropriation Bill, 2018,"

--(2019), "Federal Appropriation Bill, 2019,"

--(2020a), "Federal Appropriation Bill, 2020,"

--(2020b). "Revised 2020-2022 Medium Term Fiscal Framework": <https://www.budgetoffice.gov.ng/index.php/resources/internal-resources/budget-documents?task=document.viewdoc&id=805>.

--(2020b), "Federal Appropriation Bill Amendment, 2020,"

--(2021), "Federal Appropriation Bill, 2021,"

--(Undated), "National Assembly," <Accessed 6 Jan 2020> <https://www.budgetoffice.gov.ng/index.php/resources/internal-resources/budget-documents/2020-budget/2020-initially-approved-budget?layout=columns&start=15>.

BudgIT, (2017). "Analysis of the Petroleum Industry Governance Bill," <https://yourbudgit.com/wp-con->

[tent/uploads/2017/05/Petroleum-Industry-Governance-Bill-INFOGRAPHICS.pdf](#).

--(2020), "Fiscal Transparency: No Exemption for Statutory Agencies," *Medium*, (May 6): <https://medium.com/@BudgTng/fiscal-transparency-no-exemption-for-statutory-agencies-cfbdc77a1fb5>.

Buhari, Mohammatu, (2019). "Corruption Threatens Nigeria – And its Election," *Facebook* (February 10) <Accessed January 8, 2020>: <https://m.facebook.com/1528952840718244/posts/2338773303069523/>.

--(2020). "Buhari Speaks on #EndSARS, promises to reform police," *TVC News Nigeria*, (October 12): [https://www.youtube.com/watch?v=FPDbue\\_7rew](https://www.youtube.com/watch?v=FPDbue_7rew).

Bureau of Public Enterprises, (Undated). "What is the current condition of Nigeria's public enterprises?" <Accessed January 6, 2021>: <https://bpe.gov.ng/what-is-the-current-condition-of-nigerias-public-enterprises/>.

Burgis, Tom. (2015). *The Looting Machine: Warlords, Oligarchs, Corporations, Smugglers, and the Theft of Africa's Wealth*, New York: Public Affairs.

Centre for Democracy & Development. (2020). "Buhari's Corruption Fight: A Five-Year Assessment," (May): <https://www.cddwestafrica.org/buharis-corruption-fight-a-five-year-assessment/>.

Central Bank of Nigeria, (2021). "Daily Crude Oil Price," <Accessed January 3, 2021>: <https://www.cbn.gov.ng/rates/DailyCrude.asp>.

Chinery, Nafi, Aaron Sayne, and Alexandra Gillies, (2020). "Nigeria: Updated Assessment of the Impact of the Coronavirus Pandemic on the Extractive Sector and Resource Governance." *National Resource Governance Institute* (November 13): <https://resourcegovernance.org/analysis-tools/publications/nigeria-updated-assessment-coronavirus-extractive>.

Cook, Steven A., (2020). "Russia is losing the oil war—and the Middle East," *Foreign Policy*, (April 9): <https://foreignpolicy.com/2020/04/09/russia-saudi-arabia-oil-price-war-middle-east/>.

Crisis Group, (2015). *Curbing Violence in Nigeria (III): Revisiting the Niger Delta*, Africa Report No. 231, Brussels: International Crisis Group. <https://icg-prod.s3.amazonaws.com/231-curb-ing-violence-in-nigeria-iii-revisiting-the-niger-delta.pdf>.

--(2016). "Boko Haram on the Back Foot?" Crisis Group Africa Briefing No. 120 (May 4).

--(2020). "Nigeria's #EndSARS Protest: Deescalate Tensions, Start Deep Police Reform," *Press Statement*, (October 26): <https://www.crisisgroup.org/africa/west-africa/nigeria/nigerias-endsars-protest-de-escalate-tensions-start-deep-police-reform>.

Busari, Stephanie, Nima Elbagir, Gianluca Mezzofiore, Katie Polgase, Alex Platt, Barbara Arvanitidis, Mohammad Darwish, and Oscar Featherstone, (2020). "Analysis of CCTV footage from Lekki toll gate raises new questions about shooting," *CNN*, (November 24): <https://www.cnn.com/2020/11/24/africa/nigeria-shooting-lekki-toll-gate-cctv-analysis-intl/index.html>.

de Waal, Alex, (2015). *The Real Politics of the Horn of Africa: Money, War, and the Business of Power*. Cambridge: Polity.

Deloitte, (2020). "Petroleum Industry Bill 2020 Submitted to the National Assembly," (October 1): <http://blog.deloitte.com.ng/petroleum-industry-bill-2020-submitted-national-assembly/>.

- Department of Petroleum Resources, (2018). "Nigerian Oil and Gas Industry Oil Report," Government of Nigeria: <https://www.dpr.gov.ng/oil-gas-industry-annual-reports-ogiar/#>.
- Eboh, Camillus. (2020). "Nigeria's President Submits revised 2020 budget to parliament," *Reuters*, (May 28): <https://www.reuters.com/article/nigeria-budget/nigerias-president-submits-revised-2020-budget-to-parliament-idUSL8N2DA6Q9>.
- Ejoh, Ediri. (2020). "Governors, Others Accused of Diverting 13 Percent NNDC Oil Communities' Benefits," *Vanguard*, (November 17): <https://allafrica.com/stories/202011170276.html>.
- Ellis, Stephen. (2016). *The Present Darkness: A History of Nigerian Organized Crime*. New York: Oxford University Press.
- Extractive Industry Transparency Initiative, (2020). "Nigerian National Petroleum Corporation becomes an EITI supporting company," (August 18): <https://eiti.org/news/nigerian-national-petroleum-corporation-becomes-eiti-supporting-company>.
- Falola, Toyin and Heaton, Matthew M. (2008). *A History of Nigeria*, Cambridge: Cambridge University Press.
- Falola, Toyin, (2020). "SARS has been 'disbanded' but without total systemic reform nothing will change," *The Independent*, (October 13): <https://www.independent.co.uk/voices/sars-police-nigeria-corruption-government-reform-protest-b1013164.html>.
- Federal Government of Nigeria, (2020). "Bouncing Back: Nigeria Economic Stability Plan," Available at: <https://media.premiumtimesng.com/wp-content/files/2020/06/ESC-Plan-compressed-1.pdf>.
- Gamawa, Murjanatu Ibrahim, (2020). "What NNPC's financial statement shows us – and why it matters," *Extractive Industry Transparency Initiative*, (Nov. 5): <https://eiti.org/blog/what-nnpcs-financial-statement-shows-us-why-it-matters>.
- George, Libby, (2020a). "Nigeria's oil output could fall 35% without reforms – Wood Mackenzie," (February 13): <https://www.reuters.com/article/nigeria-oil/nigerias-oil-output-could-fall-35-without-reforms-wood-mackenzie-idUSL8N2AD2ZT>.
- (2020b). "Nigeria's long-awaited oil reform bill to go to president – sources," *Reuters*, (August 18): <https://www.reuters.com/article/us-nigeria-oil-exclusive/exclusive-nigerias-long-awaited-oil-reform-bill-to-go-to-president-sources-idUSKCN25E205>.
- Gillies, Alexandra, (2010). "Oil Sector Reform in Africa: The Case of Nigeria," Unpublished Dissertation. Queens' College, University of Cambridge.
- (2020). *Crude Intentions: How Oil Corruption Contaminates the World*, Oxford: Oxford University Press.
- Gupte, Eklavya. (2021). "Nigeria's oil revival unlikely in 2021 without major reforms," S&P Global, (January 4). <Accessed 4 January 2021>, <https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/010421-feature-nigerias-oil-revival-unlikely-in-2021-without-major-reforms>.
- Human Rights Watch, (2016). "Tell me Where I can Be Safe' The Impact of Nigeria's Same Sex Marriage (Prohibition) Act," (October 20): <https://www.hrw.org/report/2016/10/20/tell-me-where-i-can-be-safe/impact-nigerias-same-sex-marriage-prohibition-act>.

- Ike-Eboh, Edith, (2020). "FG strategises for post COVID-19 oil, gas sector era – Sylva," *News Agency of Nigeria*, (December 17): <https://www.nannews.ng/fg-strategises-for-post-covid-19-oil-gas-sector-era-sylva/>.
- International Monetary Fund (IMF), (2020). "IMF Staff Completes 2020 Article IV Mission to Nigeria," (December 11): <https://www.imf.org/en/News/Articles/2020/12/11/pr20369-nigeria-imf-staff-completes-2020-article-iv-mission>.
- International Trade Administration, (2020). "Nigeria – Country Commercial Guide: Oil, Gas, and Mining Sectors," United States Government, (September 9), <Accessed January 4, 2020>, <https://www.trade.gov/country-commercial-guides/nigeria-oil-gas-and-mining-sectors>.
- Iroanusi, Queen Esther, (2020a). "Amidst dwindling govt revenue, National Assembly increases its budget to N134 billion," *Premium Times*, (December 25): <https://www.premiumtimesng.com/news/headlines/433082-amidst-dwindling-govt-revenue-national-assembly-increases-its-budget-to-n134-billion.html>.
- (2020b). "2021 Budget: Again Buhari overlooks National Assembly's frivolous earnings," *Premium Times*, (December 31): <https://www.premiumtimesng.com/news/headlines/434199-2021-budget-again-buhari-overlooks-national-assemblys-frivolous-earnings.html>.
- Izuaka, Mary. (2021). "Buhari signs PIB, ignores concerns over 3% host communities fund." *Premium Times*, (August 16). Accessed February 21, 2023. <https://www.premiumtimesng.com/news/headlines/479516-buhari-signs-pib-ignores-concerns-over-3-host-communities-fund.html?tztc=1>.
- Joseph, Richard. (1987). *Democracy and Prebendal Politics in Nigeria: The Rise and Fall of the Second Republic*, Cambridge: Cambridge University Press.
- KPMG, (2019). "Deepoffshore and Inland Basic PSC (Amendment) Act, 2019," *KPMG in Nigeria*, Issue 12.3, (December): <https://assets.kpmg/content/dam/kpmg/ng/pdf/tax/deep-offshore-and-inland-basin-psc-amendment-act.pdf>.
- (2021). *Petroleum Industry Bill (PIB) 2021 – A Game Changer?* KPMG in Nigeria, (July). [https://assets.kpmg/content/dam/kpmg/ng/pdf/tax/petroleum-industry-bill-\(pib\)-2021-a-game-changer.pdf](https://assets.kpmg/content/dam/kpmg/ng/pdf/tax/petroleum-industry-bill-(pib)-2021-a-game-changer.pdf).
- Macleane, Ruth. (2020), "Nigeria Goes on Offensive Against Youth Protesting Police Brutality," *New York Times*, (November 13): <https://www.nytimes.com/2020/11/13/world/africa/Nigeria-End-SARS-protests.html>.
- Munshi, Neil. (2020a). "Nigeria oil chief promises more transparency at state producer." *Financial Times*, (June 28): <https://www.ft.com/content/f53bbf2e-b177-4e2b-987c-8c6cc0847dc2>.
- (2020b). "Nigeria Steps up effort to modernise oil and develop gas," *Financial Times*, (October 28): <https://www.ft.com/content/3c7ecbfd-1faa-4f23-81c5-24309baad610>.
- National Bureau of Statistics, (2020a). "Labor Force Statistics: Unemployment and Underemployment Report, Abridged Labour Force Survey Under COVID-19 (Q2 2020)," (August).
- (2020b), "Selected Food Prices Watch, November 2020," (December).

- Nevin, Andrew S., and Omomia Omosomi, (2019). "Strength from Abroad: The Economic Power of Nigeria's Diaspora," *Price Waterhouse Cooper*: <https://www.pwc.com/ng/en/pdf/the-economic-power-of-nigerias-diaspora.pdf>.
- NNPC, (2020). "NNPC Releases 2019 Audited Financial Statement, Reduces Loss by 99.7%," Government of Nigeria, (October 14): <https://nnpcgroup.com/News-and-Media/newsupdate/Pages/NNPC%20Releases%202019%20Audited%20Financial%20Statement.aspx>.
- Nwuke, Kasirim. (2021). "Nigeria's Petroleum Industry Act: Addressing old problems, creating new ones." Brookings. <https://www.brookings.edu/blog/africa-in-focus/2021/11/24/nigerias-petroleum-industry-act-addressing-old-problems-creating-new-ones/>.
- Okeke, GN and CE Okeke. 2015. "An Appraisal of the Functional Necessity of the Immunity Clause in the Political Governance of Nigeria," *Journal of African Law*, 59, 1, 99-120: doi:10.1017/S0021855315000030.
- Onogu, Sanni, (2021). "PIB...Putting national interest above selfish sentiments," *The Nation*, (February 18): <https://thenationonline.net/pibputting-national-interest-above-selfish-sentiments/>.
- OPEC, (2020). "Deepening Dialogues: The Importance of Multilateral Cooperation, OPEC November 2020 Bulletin," Vol. LI, No. 7 (November): [https://www.opec.org/opec\\_web/static\\_files\\_project/media/downloads/publications/OB112020.pdf](https://www.opec.org/opec_web/static_files_project/media/downloads/publications/OB112020.pdf).
- Opoola, Latifat, (2020), "Nigeria: Government Records 65% Deficit in Oil Revenue Projections – Ahmed," *The Daily Trust*, (July 20), <Accessed January 3, 2021>: <https://allafrica.com/stories/202007200149.html>.
- Owen, Olly and Zainab Usman. (2015). "Briefing: Why Goodluck Jonathan Lost the Nigerian Presidential Election of 2015." *African Affairs*. no. 114 (456): 445-471.
- Okeowo, Gabriel. (2020). *State of States: The 2020 Revised Edition*. budgIT. <https://yourbudgit.com/wp-content/uploads/2020/11/State-of-States-2020-Revised-Edition.pdf>.
- Page, Matthew. (2020). *Dubai Property: An Oasis for Nigeria's Corrupt Political Elites*, Washington: Carnegie Endowment for Peace. <https://carnegieendowment.org/2020/03/19/dubai-property-oasis-for-nigeria-s-corrupt-political-elites-pub-81306>.
- Payne, Julia and Alexis Akwagyiram, (2015). "'Siege Mentality' grips under-fire Nigerian state oil firm," *Reuters*, (July 14): <https://www.reuters.com/article/nigeria-oil-nnpc/siege-mentality-grips-under-fire-nigerian-state-oil-firm-idUSL8N0ZP3GA20150714>.
- Perlo-Freeman, Samuel. 2017. "Nigeria's Armsgate Scandal." Somerville: World Peace Foundation. [Accessed 24 June 2020] <https://sites.tufts.edu/corruptarmsdeals/nigerias-armsgate-scandal/>.
- Premium Times, (2015a). "Buhari orders federal ministries, agencies, to open treasury single account," (August 9): <https://www.premiumtimesng.com/news/headlines/188074-%E2%80%8Ebu-hari-orders-federal-ministries-agencies-to-open-treasury-single-account.html>.
- (2015b). "Jonathan denies spending N2 trillion on election campaign," April 19: <https://www.premiumtimesng.com/news/headlines/181722-jonathan-denies-spending-n2-trillion-on-election-campaign.html>.
- (2019). "Diezani Bribe: INEC Deputy Director jailed six years," (June 30): <https://www.premi->

[umtimesng.com/news/top-news/338001-diezani-bribe-inec-deputy-director-jailed-six-years.html](http://umtimesng.com/news/top-news/338001-diezani-bribe-inec-deputy-director-jailed-six-years.html).

Reuters, (2020). "Chevron Nigeria plans to cut 25% of staff after oil price drop," (October 3): <https://www.reuters.com/article/us-nigeria-chevron-idUSKBN260OV4>.

--(2021). "Nigeria's senate president vows action on long-delayed oil reform law," (January 13): <https://www.reuters.com/article/uk-nigeria-oil/nigerias-senate-president-vows-action-on-long-delayed-oil-reform-law-idUSKBN29IOR8>.

Rotinwa, Ayodeji, (2020). "Is the Nigerian government trying to #EndSARS or end protests?" *African Arguments*, (October 20): <https://africanarguments.org/2020/10/20/is-the-nigerian-government-trying-to-endsars-or-end-protests/>.

Sahara Reporters, 2020. "We Used N1.5bn to take care of ourselves as COVID-19 Palliative, Says NDDC MD, Pondei," (July 9): <http://saharareporters.com/2020/07/09/we-used-n15bn-take-care-of-ourselves-covid-19-palliative-says-nddc-md-pondei>.

Saro-Wiwa, Noo, (2012), *Looking for Transwonderland: Travels in Nigeria*, (Berkeley, CA: Soft Skull Press).

Sayne, Aaron, Alexandra Gillies, and Christina Katsouris, (2015). "Inside NNPC Oil Sales: A Case for Reform in Nigeria," *Natural Resource Governance Institute*, (August).

SBM Intel, (2020). "The SBM Jollof Index: Acceleration," (October 20): <https://www.sbmintel.com/2020/10/the-sbm-jollof-index-acceleration/>.

Schipani, Andres, Joseph Cotterill, and Neil Munshi, (2020). "Africa's COVID-19 Corruption: Theft doesn't even stop during a pandemic," *Financial Times*, (August 31): <https://www.ft.com/content/617187c2-ab0b-4cf9-bdca-0aa246548745>.

Smith, Mike. (2015). "Boko Haram: Inside Nigeria's Unholy War," London: I.B. Tauris & Co. Ltd.

Soto, Alonso. (2021). "Nigeria's Addiction to Central Bank Money Seen Hard to Cure," *Bloomberg*, January 27: <https://www.bloomberg.com/news/articles/2021-01-28/nigeria-s-dependence-on-central-bank-money-will-be-hard-to-cure#xj4y7vzkg>.

Sunday, Simon Echewofun. (2022). "Buhari Arrives North's Oil Drill Site," *Daily Trust*. (November 22), <https://dailytrust.com/buhari-to-arrive-norths-oil-drill-site-soon/>.

This Day Live, (2020). "Petroleum Industry Bill: A Delay without End," <https://allafrica.com/stories/202005310044.html>.

Thomas, David, (2020). "What you need to know about Nigeria's Petroleum Industry Bill," *African Business*, (October 2): <https://african.business/2020/10/energy-resources/what-you-need-to-know-about-nigerias-petroleum-industry-bill/>.

Thurston, Alexander, (2015). "Background to Nigeria's 2015 Elections" Center for Strategic & International Studies, (January).

Transparency International, (2019). "Country Overview: Nigeria – 2020 Government Defence Integrity Index," (October).

Udo, Bassey. (2018). "Why Buhari withheld assent to PIGB – Presidential Aide," *Premium Times*. (August)



29) <https://www.premiumtimesng.com/news/top-news/281790-why-buhari-withheld-assent-to-pigb-presidential-aide.html>.

Walker, Andrew, (2008). "Blood oil" dripping from Nigeria, BBC. <http://news.bbc.co.uk/2/hi/afri-ca/7519302.stm>.

Wood Mackenzie, (2020). "Nigeria's Petroleum Industry Bill scales new heights of fiscal complexity," (November 16): <https://www.woodmac.com/news/opinion/nigeria-petroleum-industry-bill/>.

World Bank, (2020). "The World Bank in Nigeria," <Accessed December 17, 2020>: <https://www.worldbank.org/en/country/nigeria/overview>.

--(2020), "Population Ranking Table," (July 1): <https://databank.worldbank.org/data/download/POP.pdf>.

--(2022). *Nigeria Country Economic Memorandum: Charting a New Course*. Washington, DC: World Bank Group. <https://www.worldbank.org/en/country/nigeria/publication/nigeria-economic-update-charting-a-new-course>.

WSJ News Graphics, (2016). "Barrel Breakdown," (April 15): <http://graphics.wsj.com/oil-barrel-break-down/>.

Umoru, Henry, (2020). "Senate to pass PIB before end of first quarter of 2021 – Lawan," *Vanguard*, (December 31): <https://www.vanguardngr.com/2020/12/senate-to-pass-pib-before-end-of-first-quarter-of-2021-lawan/>.

# WORLD PEACE FOUNDATION

World Peace Foundation  
at The Fletcher School  
Tufts University  
169 Holland Street, Suite 209  
Somerville, Massachusetts, 02144  
Ph: +1 (617) 627-2255  
worldpeacefoundation.org



**The Cargon Compacts, Decarbonization and Peace in Fragile States in Africa and the Middle East program is funded in part by a grant from the U.S. Institute of Peace.**

The opinions, findings, and conclusions or recommendations expressed are those of the author and do not necessarily reflect the views of the United States Institute of Peace.