The IMPACT of OIL on a DEVELOPING COUNTRY

The Case of Nigeria

AUGUSTINE A. IKEIN

Foreword by Letha A. See

Contents

Tabl	es	хi
Figu	res	xv
Fore	Foreword Preface	
Pref		
Acknowledgments		xxvii
1	The Evolution of the Oil Industry in Nigeria The Evolution of State Participation in	1
	the Oil Industry	4
	Thoughts on Technology Acquisition	16
	Nigeria's Effort Toward Technology	
	Acquisition	18
	Oil: The Bedrock of Nigeria's Economy	19
	A Brief History of Oil	22
	Problems of Oil and Producing Areas	25

viii Contents

	Inadequate Public Policy for Environmental	
	Regulation and Enforcement	42
	Statement of the Problem	48
	Notes	52
2	Overview: Nigeria in Modern Times	59
	Geography	59
	Politics and Government of Nigeria Since 1963	63
	Oil and Politics — The Civil War	65
	The Economy	71
	The Status of Welfare	78 78
		70
	The Role of Oil and Strategies for	85
	Development Notes	03 104
	Notes	104
3	The Impact of Extractive Economies around the World	109
		109
	Studies on Oil Impact Assessment in the	100
	United States	109
	Studies in the United Kingdom	111
	Studies in Canada	112
	The Mexican Experience	113
	The Brazilian Experience	113
	The Zairian Experience	114
	Oil in the Venezuelan Economy	115
	The Impact of Mining in Iraq	116
	Studies on Canadian Native People	117
	A Study on New Guinea	118
	The Indonesian Experience	119
	Petroleum Industry in the People's Republic	
	of China	120
	The Malaysian Experience	122
	Notes	124

4	Selected Studies on the Oil Industry in Nigeria The Problems of Oil Spillage Notes	127 131 136
5	Assessment Methodology	139
	Impact Assessment Methodology in	
	Extractive Economies	139
	Impact Assessment Methodology in the Oil	
	Industry	141
	Purpose	142
	Procedure	143
	Theory and Analysis	150
	Notes	159
v 6	Findings	161
•	Statistical Analysis	161
	Impact of Oil Production on the Selected	
	Social Indicators	162
7	Summary of Findings and Implications for Social	
	and Economic Policy	169
	Discussion	176
	A Framework for Breaking the Barriers to	
	Development of Mineral Producing Areas	179
	The Need for Community Impact Monitoring	
	Systems	189
	The Establishment of Formal Socioeconomic	
	Monitoring Systems	193
	The Establishment of a Formal Community	
	Impact Agreement with the Oil	
	Companies	194
	The Need for a Permanent Relief Program	196
	Notes	198
	- ·	0

x Contents

8	The Future of Oil and the Producing Areas	203
	The Essentiality of Oil in the World Economy	206
	Industrialized Oil Consuming and Producing	
	Countries	207
	Industrialized Oil Consumer-Exporter	
	Nations	209
	Oil Consuming and Nonproducing	
	Developing Countries	210
	Oil Producers: Developing Countries and	
	OPEC Members	212
	Oil Producers: Developing Countries that are	
	Non-OPEC Members	220
	Oil Producers: Communist Bloc Nations	220
	Oil Consumers in Developed Economies	
	with High Potentials for Developing	
	Alternative Energy Sources	222
	External Influence on Nigeria's Energy	
	Policy	223
	Prospects for the Future Development of Oil	
	Producing Areas	227
	Notes	235
Appendix		239
· · PP·	MANUAL TO SERVICE SERV	
D:1.15		260
RIDI	iography	269
Inde	X	289
•		
Abou	ut the Author	297