



# Marine Resource Development and Economic Diversification in Nigeria: An Examination of Grand Bonny, Rivers State, Nigeria.

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## Abstract

Economic diversification has been a cardinal objective of state policy in Nigeria even before the attainment of independence. The objective received added impetus in the face of the emergence of more oil producing nations and the volatility of oil prices in the world market. However economic diversification has remained elusive in spite of the state's best efforts. Against this background this work examines the reasons behind failure of economic diversification policies in the country. It aims at accounting for the abysmal performance of current attempts at diversification; and then evolving a more workable and realistic economic diversification paradigm. Using both primary and secondary data, the work argues that there is a mineral bias in Nigeria's diversification policy, and this accounts largely for policy failure in this direction. Using the wetlands of Grand Bonny, as a test case, the work observes that Grand Bonny, and indeed the Niger Delta, could significantly advance diversification of the Nigerian economy. Tourism, ship building, commercial fish farming, shell fish grooming, and cultivation of rice and sugar cane, amongst others, could be undertaken in the region. The work therefore recommends that economic diversification policy should be anchored on tapping marine resources and the adjoining wetlands; and production here should be for the international markets.

**Keywords:** Marine Resources; Development; Economic Diversification; Wetland.

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## **INTRODUCTION**

Strong economies across the world enjoy a diversified economic base, with several sectors contributing to national well-being. Deep in one sector of the national economy is easily compensated for and mitigated by fairly buoyant sectors. Citizens' standards of living, per capita income, Gross Domestic Product, foreign exchange earnings, and other indicators of economic performance are not adversely affected. Though the American economy has been a highly diversified one for as long as memory could carry, the Trump administration felt there was a strong case for further diversification of the national economy. He therefore embarked on roll back of regulations which, in his thinking, stifle effective diversification of the American economy. Impetus was given to production of crude oil in designated reservation and conservation areas, reopening of coal mines long shut down and so on. He has also downgraded the status of the Leahy principle which ties arms sales to other nations. Few months of Trump presidency has witnessed growth, upsurge in stock markets performance, remarkably low unemployment rates, and massive inflow of foreign investments, among many other positive indicators.

Managers of the Nigerian economy understand both the benefits and the desirability of economic diversification. Okonjo-Iweala (2012) observes that the Nigerian economy has remained undiversified since the 1970s, helplessly dependent on an oil sector that accounts for over 96 per cent of exports and more than 75 per cent of government revenues. She shows further that "oil prices are internationally determined, highly volatile, and unpredictable; hence oil revenues in any economy are highly volatile" (p.20). She adds that oil driven monoculture is a dangerous proposition since oil is a depleting natural resource. National leaders, both civil and military, fully aware of these concerns, attempt steering the nation's economy in the direction of diversification. In spite of this, the Nigerian economy continues on a trajectory of dependence on oil, with the attendant economic shocks and political upheavals. Naanen (2015) explains that "Government policy failures and the weak and unproductive character of this class have continued to be a source of unproductive monocultural economy to this day" (p. 36). Naanen here refers to what he calls 'indigenous entrepreneurial class', the group the Nigerian state expects to pilot the nation's industrialization efforts.

This work seeks explanations for the failure of economic diversification policies in Nigeria. Specifically it would attempt to answer the questions: "why has Nigeria failed to transcend monoculture in spite of an abundance of mineral, agricultural, and marine resources? What factors explain failure of diversification policies in the country? The research has two basic objectives: accounting for the abysmal performance of economic diversification policies; and evolving a more workable approach to the issue of diversification. The central argument of the work is that there is a mineral bias in Nigeria's diversification efforts, and a peripheral consideration for agriculture. This paints an erroneous picture of the nation's natural resource base. Such an economic management framework narrows the scope of the policies as well as their chances of success. Primary and secondary data were used. Non-participant observation was the primary instrument used for the collection of primary data as the researchers visited the research locale.

## **CONCEPTS OPERATIONALIZATION**

### **Marine Resource**

This refers to a broad spectrum of minerals, plant life, organisms and materials found in the oceans and the ecology that supports their healthy existence; these have medicinal, food, industrial, and tourism relevance to man.

## **Development**

This is the capacity of a polity to meet legitimate needs for food, shelter, health, education, human rights, security, and good governance for the present generation without endangering the well-being of future generations.

## **Economic Diversification**

This refers to an economy with several functioning and mutually reinforcing sectors such that a deep in one sector is compensated for, and mitigated by others.

## **Wetland**

This refers to a land located close to a river or ocean, mostly covered by water and marshy.

## **The Research Locale**

Several natural resources are located in the world's oceans. They range from fishes, marine mammals, oil and gas deposits, coral reefs, and so on. The oceans hold a healthy quantity of oxygen which man and other land-based organisms depend on. Grand Bonny finds itself at the tip of the Atlantic Ocean and therefore manifests all the features of similarly located communities. Grand Bonny shares environmental characteristics with other coastal communities in the Niger Delta, of which it is a part. There is a healthy population of wildlife, a long stretch of mangrove forests and sandy beaches. In tune with its deltaic character, it has a lot of rivulets, streams and a generally marshy terrain.

Grand Bonny is a community made up of several islands tied together by location, culture, religion and even ancestry. It currently constitutes Bonny Local Government Area in Rivers State. It was one of the leading city-states in the Niger Delta, and enjoyed centuries of unfettered economic and diplomatic relations with various European nations. It is noteworthy that the interactions with Europeans were conducted on equal terms until about the middle of the 19<sup>th</sup> Century. The location in which they find themselves made them natural middlemen in the Trans-Atlantic slave trade and the legitimate trade that followed. As Isichei (1973) notes, "yet this long continued trading relationship took place only through intermediaries – the Delta middlemen" (p.70). She was recounting the long trade that took place between the Igbo and the Europeans. Both parties engaged in the trade without coming in contact with each other. Niger Delta middlemen, including Grand Bonny, effectively and efficiently serviced both parties. Its location also enabled it to serve as one of the centers from which British colonial officials administered their territories in the Niger Delta. It was to graduate into the headquarters of Bonny Division, and later into the headquarters of the old Bonny Local Government Area which covered present day Okrika, Ogu/Bolo, Andoni, and Opobo/Nkoro Local Government Areas.. The environment accommodates wildlife, various species of fish, shell fish, shrimps, and several medicinal trees, saps, barks, and so on. Some trees served as sources of energy, and even raw materials in the production of several commodities, including art works, military weapons, kitchen utensils, masks, and canoes, the primary means of transportation for the people. These were the resources that permitted the participation of Grand Bonny in the international economy for centuries as demonstrated above. However the emergence of an oil based economy has dictated a jettisoning of earlier economic forms with a high toll.

The economic and political roles Grand Bonny played over the centuries were hoisted on it largely by its location. It is safe for European habitation; it is at one end of the Atlantic Ocean; it has a natural deep harbor that allows for the berthing of large ships; it is a gateway into the hinterland; and it is safe from military invasions. Grand Bonny therefore became an attractive location for doing business by both Europeans and Africans. The petroleum industry in Nigeria has exploited these natural advantages to make Grand Bonny its veins and arteries, though the community itself has very little to offer in terms of oil and gas deposits. Grand Bonny is host to the Nigerian Liquidified Natural Gas plant, several oil transnationals, service industries, shipping concerns, and so on. It is the position of this work that the same factors that make Grand Bonny a successful player in the international economy for centuries can be exploited to effect economic diversification for Nigeria.

### **Tapping the Marine Resources of Grand Bonny**

Grand Bonny, as already indicated above, has a marshy terrain because of its deltaic features. The world over, such environments are good grounds for cultivation of rice and sugar cane. A reasonable number of Asian rice producing nations cultivate their crops in marshy conditions. The Conversation, in an article entitled 'How Farmers in Africa are Finding Ways to Sustainably Use Wetlands', establishes the positive contributions made by swampy and marshy environments to food production. The article shows that across the globe, and especially in Africa, rice and sugar cane estates are taking over the wetlands, in the process improving food security and food exports. Several Niger Delta states (including Cross River and Bayelsa) have begun experimental schemes in this direction with encouraging outcomes. The wetlands of Grand Bonny could be used to cultivate sugar cane and rice, as well as other crops that can be accommodated by the environment. The army of the unemployed could be engaged and given requisite training for effective participation in this sector. Ninety per cent, at least, of the products of these farms should be for the international market. The existing port and shipping facilities should be exploited to the fullest to the ultimate benefit of the Nigerian economy.

The mangrove forests of Grand Bonny could be harnessed and used for raising oysters, periwinkles, pearls, lobsters, and many other shell organisms. Though these are indigenous organisms, observations show that Nigerians now import them. Raising them would not only meet local demand; they could also be exported for foreign exchange earnings. Areas where these organisms are raised should be made restricted and no go areas. Regular patrolling of the area will be needed with the objective of keeping out poachers. Community participation has to be encouraged through the engagement of local people at all levels of the production process. Alienation of local people is the principal reason for the current resource given conflicts in Nigeria. There is therefore need to always carry the local people along, not the absentee rent demanders who claim to be the body, soul and spirit of the people.

The various creeks and streams should be adapted into fish farms. Several fish species are native to the area, but the people only harvest the fish without making any attempt to replenish stock. Years of over fishing have taken its toll on fish stock. However going into commercial fish farming would change the situation for the better. No feeds might be required since the fishes are to be groomed in their natural habitat. Fishes elsewhere could be trapped and brought to the farms. The farms should be restricted and no go areas, and regular patrols should be effected in order to keep away intruders. Production for the international market should as usual be the cardinal objective of the farms. Again the excellent port and shipping facilities should be explored and exploited to the fullest advantage.

Grand Bonny has had a long shipping tradition, running into hundreds of years. It has also been at the center of the nation's petroleum industry for several decades. Its location, combined with its long participation in shipping, qualifies it eminently to develop a ship building industry and a dry dock. Building and servicing of oil carrying ships and other categories of vessels involved in the oil sector should be the main business of the industry. Many African nations have joined the ranks of oil producing countries. Being new entrants, many of them lack the infrastructure needed for efficient participation in the international oil market. Nigeria could go into production of vessels for both domestic and export purposes. The technology for this is readily available locally. The Rivers State Government successfully went into a partnership with local boat manufacturers to build gun boats for the Nigeria Navy. A shipping industry in Grand Bonny holds a lot of promise for the development of the Niger Delta and indeed the entire Nigerian economy.

During the various boat rides through the creeks and mangrove forests of Grand Bonny for primary data collection, the researchers observed presence of wildlife, including hippopotamus, crocodiles, antelopes, and several species of reptiles. Enactment of anti-poaching laws and religious enforcement of same would help to keep poachers away. Trapping and introduction of animals from other places could also be effected. Such measures would also ensure increase in the population of the animals. Once effective conservation measures are put in place, a healthy tourism sector could be established in the area. Grand Bonny has played host to a cosmopolitan population for centuries, as already shown in this study, therefore servicing the demands of a tourism sector will not present insurmountable obstacles. Wildlife habitat described here enjoys some uniqueness given that it is different from the East and Southern African environments. Commercials and documentaries on local and international media outlets at prime time would draw local and international attention to the region.

This entire diversification effort has to be anchored on joint venture arrangements. George and Jones (1996) explain that joint ventures are business agreements in which organizations commit themselves to pulling their resources and skills together in order to produce and market their goods together. Nigerian business concerns have to source for and attract international organizations that have the skills, capital, experience, markets, and relevant connections. The Nigerian concerns have to bring to the table their knowledge of local conditions, and their mastery of the Nigerian legal framework. They too need to come up with capital and skills. Joint venture arrangements would enable Nigerian products to gain unfettered access to international markets. Such arrangements would also act as checks, hopefully, against government incursions into the operations of these businesses.

The discussion above shows a clear departure from the conventional wisdom on economic diversification in Nigeria. Diversification policy and debate center around going into solid minerals and crop farming on land. This work departs from this conventional wisdom by focusing on the domestication and exploitation of marine resources. Turning attention on wetland agriculture is a novelty. The research setting is also not one of the places people will mention when considering this subject matter. In addition solid minerals and oil were off the menu, a clear pointer to the fact that there is national economic life in Nigeria outside crude oil and solid minerals. A departure from mineral bias is inevitable if efforts at diversification are to achieve their stated objectives

The measures outlined above are capable of enhancing economic diversification in Nigeria, and therefore effect national economic well-being. The nation would be able to export several food items, besides ensuring national food self-sufficiency. More exports translate into more foreign exchange earnings, and this would strengthen the national currency. Rate of unemployment will nosedive, and the national economy will enjoy the multiplier effects. Government tax and non-oil revenues will go up, and so it would be in a

better position to meet its obligations to the people. However for all of these to come into being, there are at least two major pre-conditions to be met.

### **Pre-conditions for Sustainable Diversification**

Decades of oil exploration and exploitation have taken a huge toll on the Nigerian environment, especially in the wetlands of the Niger Delta, the hub of the nation's petroleum industry. The state has in place a weak regulatory framework, and the transnational oil corporations have blackmailed state institutions into inaction. Joint ventures between the oil companies and the state oil giant, Nigerian National Petroleum Corporation, account in the main, for the inability of the state to enforce even its weak legal framework. Thus the oil sector operates in an irresponsible manner as long as the environment is concerned. Much scholarly attention has been given to the pollution caused by oil production in the country.

Naanen (2015) explains that 'unsustainable oil exploitation creates environmental crises which destroy local livelihoods' (p. 42). The bulk of the international oil companies that do business in Nigeria are from Europe and the United States where environmental considerations constitute the spirit of capitalism. However West Atlantic capitalism operates on different rules when abroad, and so it has carried out its activities in Nigeria without regard for the environment. Azaiki (2007) describes the nature of the environmental crises faced in the region. According to him, "Sedimentation and siltation: leading to the narrowing of creeks, reduction in creek depth, increase in inter-tidal zones, farming and dam construction... Degradation and depletion of Water and Coastal Resources: caused by industrial effluents, oil pollution, salt intrusion, industrial waste, watershed degradation and invasion of aquatic weeds" (pp. 83-84). Moro (2009) explains the effects of the situation described by Azaiki above thus: "this subsequently affects the waters, plants, fishes and animals and also the inhabitants of the Niger Delta that feed from them" (p.55).

The postulations contained herein are anchored on a principle of environmental protection, preservation and conservationism. Destruction of ecosystem constitutes an antithesis to the position of this paper. Therefore an urgent and inevitable need arises for the restoration of the Grand Bonny, and indeed the entire Niger Delta, environment. Remediation measures should be undertaken on a grand scale in the region. This is a sine qua non for economic diversification using the wetlands of the Niger Delta. A restored environment would permit a return of threatened fish and wildlife species in the area. This nature of economic development is eco-friendly, with little or no negative impact on the environment. It brings to life the environmentalist mantra 'we did not inherit the environment from our parents, we borrowed it from our children'. It is this kind of development that gives present generation a high standard of living without compromising the comfort of future generations: that is sustainable development.

A well thought out, carefully crafted legal framework, drawn up in line with international best practices, has to be evolved. This framework has to take care of ownership structure, community participation, the place of international and local capital, environmental protection, and related issues. A problem that would easily come up in this regard is the abuse of legal processes in Nigeria and irreverence of the rule of law. International participation in the ventures would however mitigate much of these legal challenges.

### **CONCLUSION**

This work examined the reasons responsible for the failure of economic diversification policy in Nigeria from the 1950s to date. The work among other things observed that policy focus has been on going into land based agriculture and harnessing the solid mineral potentials of

the country. The study holds this mineral and conventional farming bias in policy accountable for the failure of economic diversification efforts in Nigeria. The study therefore recommends a shift of attention to the wetlands of the Niger Delta region. The work further recommends a shift of policy focus to wetland agriculture, tourism, fish and shell fish farming, ship building, and provision of dry dock services. It is the hope of the work that the data and interpretations contained herein would not only produce economic diversification, but would also bring about employment generation, food security, foreign exchange earnings, remediation of the environment, and improved standard of living for citizens.

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