

Non-Oil Mineral Development and Sustainability of State Economy in Nigeria: A Perfunctory Theory Test and Ebonyi State Experience

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Abstract

Theoretically, ownership of property connotes among other things, “the right to use, perhaps to abuse save in so far as no damage or harm is caused to the adjoining owners of land or neighborhood”.¹ Ownership of property further connotes right to exclusive possession and the unfettered right to alienate, develop or transfer such property or right in it when it is desired. This poser supports the maxim of cuius est solum, eius est usque ad coelum et ad inferos It arises with respect to a given property. Just like Petroleum Act and Nigeria Constitution, the Mineral Act handed over solid minerals to the government of the federation. Ebonyi State is one of the States in the South Eastern Nigeria with enormous solid minerals. However, Mineral Act took a different dimension in approach of exploration and development of the solid minerals thus, giving local community and local government vis-à-vis the immediate landowners some recognitions or participatory roles in negotiation of leases. But prospective miners must get approvals from Ministry of Mines and Steel Development through its Mining Cadastre Office and not through State Department of Mineral Development. Development and sustainability of state economy through the development of non-oil resources across the nation is hampered due to the uncharitable stance of section 44 (3) of the Constitution of Nigeria. Thus, the ‘sacrosanct’ of this proviso makes the state’s right to develop or participation solely on the collection of tolls and land taxes and not rights of developing the minerals per se to boost the independence of state’s economic stand. In this article, the writer is considering the above legal issues and how best states with non-oil minerals can develop them to reduce their dependency on federal monthly allocation. It is also aimed to exploring in-depth, principles or theorems that may be best applied in formulating State’s non-oil mineral policies, legislations, proven system integration and reforms in solid mineral management in Nigeria to building a sustainable economic development in Ebonyi State Nigeria. The author will have a quick look at Ebonyi State agricultural prowess and make recommendations. This work adopts a doctrinal methodological approach where relevant primary and secondary data will be required.

Keywords: Solid minerals, Resources, Non-Oil and Gas, Sustainability, Diversification, Economy, Revenue, Development, Ebonyi State,

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1.0 INTRODUCTION

Ebonyi State was carved out of the former Abia and Enugu States in the eve of 1st October 1996. The State is in the South East geo-political zone and among 36 states of Nigeriawith population of three (3) million according to National Population Commission Data for National Development. It derived its name from her River (‘Ebonyi’ meaning River). The state capital is Abakaliki. The State shares a border with Benue State to the North, Enugu

¹I. A. Uwmezulike, *ABC of Contemporary Land Law in Nigeria* (Revised and Enlarged Edition), (Snaap Press Nigeria Ltd 2013) at p 14. See also the Nigerian Supreme Court decision on *Ashiru v Olukoya* (2006) 11 NWLR PT 991 P. 1.

State to the west, Imo and Abia States to the south and Cross River State to the east with area of 5,533km² (2,136sqmi) according to Canback Global Income Distribution Database(C-GIDD). The State is divided into thirteen local governments and the people of State are predominantly farmers, artisan miners and traders. It is referred to as the **Salt of the Nation** due to its salt at the Okposi and Uburu Salt Lakes in Ohaozara Local Government Area. The State is blessed with vast solid mineral deposits across all Local Governments. Major minerals in the state include: zinc, lead, limestone, granite, clay and gypsum among others with tourist attractions. One of the foremost premier cement industries was located in it i.e., the Nigerian Cement Company (NIGERCEM) at Nkalagu and Amoffia Ngbo in old Ishielu LGA (now Ishielu and Ohaukwu LGAs) respectively. The main crops produced in the State are rice, yam, palm produce, cocoa, maize, groundnut, plantain, banana, cassava, melon, sugar cane, beans, fruits, vegetables and fishing due to her large river basin.

The state has been through hurdles of infancy since creation and slowly grooming into adolescence. It is one of the lowest economically viable rated in Nigeria prior to the present administration. The State is volcanically gearing up having discovered her solid mineral potentialities which the State is giving a facelift. As noted above, the state depends primarily in the monthly federal allocation but it has potentialities to create her revenues that may lift her standing and perhaps place her on a high stand of economic self-reliance in Nigeria and that may consolidate the federal economic ties. Thus, effective exploitation of the solid mineral deposits in Ebonyi State like many other states across the country would obviously accelerate the development of these states and the nation's economic stand more enterprising.

Unarguably, Ebonyi State is an economic hotbed with the natural endowments that spot her entire landscape. The state is not known as one of the colossi in economic independence in Nigeria but it has viable solid mineral resources to compete with any state in the country. However, the State dwindling approach to solid mineral development changed in 2015 when the present administration was inaugurated. The administration is making efforts to revolutionise the state solid mineral sector thereby pushing it to become her economic hub. Without doubt, the state government is ambitious to change the economic dependence narrative and make the state's old dream to manifest. Therefore, now the state has resolved to extract and commercialize her mineral resources, it will create new avenues that would lift its standing and possibly place it on a pedestal of economic self-reliance. It will also make the state less dependent on federal allocation and oil and gas sector. The state government has, however, been speculated to have given several incentives to investors in the solid mineral and agro-allied sectors to encourage production. However, the impacts of such incentives are yet to be fully felt as these solid mineral deposits are still dormant or partially mined.

Thus, this work will make a concise history of solid mineral development in Nigeria and in particular the Ebonyi State experience. It will give a description of an overview of the government entities involved in the flow of revenue from the mining operators to the government accounts from the federal, state and local Government areas in sustaining her economy. These revenue streams in the solid mineral sector will be reviewed accordingly to x-ray the importance of the sector in the national and state economic building and diversity. The article will provide an overview of the legislative framework on property rights and general concepts of ownership of solid minerals and its activities in Ebonyi State of Nigeria. This is most relevant to the government and potential investors particularly the foreign investors considering investing in Ebonyi State and Nigeria's mining sector at large. Some major problems and risk areas that desire to be emphasised will still be considered in greater detail within the context of Ebonyi State experiences and Nigeria's general investment stocks, fiscal, land and mineral laws in general.

2.0 DEVELOPMENT OF NON-OIL MINERALS IN NIGERIA: BACKGROUND OF EBONYI STATE (THE EASTERN REGION) PRIOR TO OIL AND GAS ECONOMY

Generally, Nigeria is heavily blessed with massive mineral resources. Greater parts of these solid minerals are deposited in Ebonyi State and were partially mined in 1970s and early 1980s when NIGERCEM Nkalagu was operational. When the exploration was gathering momentum, the sector was abandoned due to oil boom. The ineffective utilization and development of the sector left the country to focus and depend wholly on petroleum exploitation and in extension compelling Ebonyi State to hinge on its monthly federal allocation for the running of the state capital projects, taking care of its workforce and daily survival. For Ebonyi State that has large human and mineral resources with population of over three (3) million to move away from state of backwardness, economic despondency and over-dependency on monthly allocation, it needs to turn the fortunes of her resources around for good. Its government must need to move on a higher stride and drive her solid mineral developmental projects most prudently. Its effects on the state polity, unemployment, under-development and economic meltdown will continue to grow if the state fails to move fully into the exploration of the solid mineral resources deposited across the state since the oil price began to dwindle. As chronicled by Former Minister in the Ministry of Solid Minerals and Mining Development of Nigeria;

For long, West Africa has been a destination of choice for mining executives the world over, with countries like Burkina Faso, Ghana, Ivory Coast and Niger being

actively explored and mined. Now, Africa's most populous nation, Nigeria, fortuitously located in this remarkably prospective region is opening up its mining sector and taking aggressive steps to become an alternate mining destination.¹

Prior to oil and gas era, solid mineral resources had been economically viable in Nigeria. Nigeria had depended on this abandoned sector prior to the discovery of mineral oils for its economic survival. Also, locally, it had been a source of income generation for quacks, local miners and landowners of land where these minerals are found. The Nigeria Extractive Industries Transparency Initiative (NEITI) Secretariat Scoping Study on the Nigerian Mining Sector Trust Fund had stated that mining work in Nigeria has existed for over 2,400 years old. It opined that the initial mining took place in form of artisanal mining as practiced by local communities while they were searching for natural resources within their environment for their social and economic benefits². More so, the aforesaid is similar with cases of the ancient civilizations regarding the Nok Culture (340 BC), the Igbo Ukwu bronze civilization (705 AD) in today Anambra State, Ife and Benin Bronze works flourished between 1163–1200 AD in today Edo State and 1630–1648 AD³ respectively, when clays, base metals and gold among other things were used. But, it was not devoid of ownership contests customarily and statutorily. Thus, the viability of commercialization of non-oil minerals depends hugely on liberalization of the legal framework of the mineral ownership which will give room for states and private right or participation in the development of the sector without recourse to federal approval through the Cadastre Office.

However, systematized mining began in Nigeria at about 1903 after the authorization of the mineral surveys of the Nigeria Southern and Northern protectorates in that year. The structured mining activities of cassiterite and its associated minerals including and not limited to tantalite and columbite took off in the regions in 1905 by the Royal Niger Company in Jos, today Plateau State while Coal exploration and mining commenced in 1906. It is noted that the Geological Survey of Nigeria was established as a department of the government in 1919 to take over the work of the survey teams which earlier began in 1903.⁴ Government established the Nigerian Coal Corporation in 1950 and subsequently the Nigerian Mining Corporation (NMC) in 1972 with activities opening in 1973 and the National Iron Ore Mining Company (NIOMCO), Itakpe in 1979.⁵ These efforts of 1972 upward were moved towards developing the solid mineral sector in Nigeria after gaining her independence from the Britain in 1960 and to boast her economic strength because of its economic importance globally.

In this bid, the Federal Government made further efforts to attract foreign investors to develop the Nigerian solid mineral Sector. These brought some transformational process and good economic experiences at its infancy thus, diversifying the nation's agricultural based economy. The result of this gave rise to following:

- i. the increase in mineral exploration activities arising from the creation of the NGSA which has successfully carried out the resources' geophysical survey of the country.
- ii. the creation of the MCO which was saddled with the administration of mineral titles on a 'first-come-first-serve and use-or-lose-it' basis resulting in increase in mineral title acquisition by both local and international mining operators.
- iii. the increasing the capacity of Ministry Staff to carry out designated functions as well as increasing the capacity of the Artisanal and Small Scale Mining – (ASM) to carry out mining in a sustainable manner through the activities of the Sustainable Management of Mineral Resources Project – (SMMRP).⁶ These also contributed to the reduction of unemployment and boasted economic independence and infrastructural development as a young nation from colonialists.

Note that the Mineral Ordinance of 1946, the Coal Ordinance of 1950 as well as the Explosives Act of 1964 and the Explosives Regulations of 1967 were all English laws that provided the legal frameworks for the development of solid minerals in Nigeria at birth. These preceded the later Minerals and Mining Act,⁷ after it was replaced by the Nigerian Minerals and Mining Act 2007. This was made for the purpose of regulating all aspects of exploration and exploitation of solid minerals in Nigeria. In 2011, the Nigerian Minerals and Mining Regulations were produced to guide the implementation of the 2007 Mineral Act and verse versa. In the sector's formative years, the NMC was mandated by Decree 25 of 1972 to acquire, prospect, procure and dispose minerals found within Nigeria territorial region excluding coal, petroleum, and iron ore. Nigeria Coal Corporation was responsible for coal exploration and exploitation, and the National Iron Ore Mining Company –

¹'Mining In Nigeria –The Nigerian Minerals and Mining Act, 2007', Online version of a paper presented by Obiora L., (Former Minister in the Ministry of Solid Minerals Development on Mining in Nigeria. http://gbc-law.com/Mining_in_Nigeria.pdf accessed on 23/4/2019.

²See the Nigeria Extractive Industries Transparency Initiative (NEITI) Secretariat Scoping Study on the Nigerian Mining Sector Trust Fund No. 95381; Project No P114267 (Final Report, 2011) pp. 26 and 27

³See the Nigeria Extractive Industries Transparency Initiative (NEITI) Final Report, 2011 *op cit* pp. 26 and 27.

⁴*Ibid* see Pp 26 and 27.

⁵*Ibid* p. 27

⁶*Ibid* Pp 27 and 28.

⁷No. 34 of 1999 (now Act 2007). This Act was same in spirit and intent with English Mineral Act even though that it has been said to have undergone some review and amendment after independence.

(NIOMCO) was given the responsibility to produce iron ore for the country's steel plants.¹ While the first two have been scrapped by Government with most of its subsidiary companies privatized, the third organization is yet to be privatized but it is currently not producing due to government indecision as to what should be its fate or its economic feasibility.

It is interesting to note that solid minerals activities in Nigeria before the establishment of the Nigerian Mining Corporation in 1972 was dominated by the private sector, especially in tin production. Government was only facilitating mining activities through the provision of infrastructure in mine fields as well as collecting royalties, rents and other related rates from mining operators. Note again that Nigeria was at one time the largest exporter of columbite and number eight in tin production in the world.² The nationalization policy of the early 1970s compelled foreign company owners to exit from Nigeria mining sector, thus, leading to a sharp drop in solid mineral production. However, the later discovery of petroleum in 1956 in today Bayelsea State and the global energy crisis in the seventies finally shifted government attention from solid mineral sector to the petroleum sector resulting to the very poor development of the sector as witnessed today. Interestingly, the recent oil price drop at the international oil market is another opportunity for a reconsideration of the solid mineral sector.

3.0 EXPLORATION OF SOLID MINERAL, DIVERSIFICATION AND WEALTH CREATION IN NIGERIA: A PERFUNCTORY THEORY TEST IN EBONYI STATE

Taking account of Nigeria economic and developmental status prior to oil advent, the nation had sustained its economy and nation building through agricultural produce and one time with solid minerals. Simply put, Nigeria was depending on this sector and coal prior to the present era. Suffice to say that palm oil, groundnut and cocoa were prominence in Nigeria's economy and nation growth before the discovery of oil in commercial quantity in 1956. This foundation and prospects were laid by the development of agricultural sector and subsequent solid mineral development. As experienced earlier, this will play its traditional role with economic theory predicting that the process will revamp the economic downtrodden especially when solid mineral sector is reconsidered and vastly developed. The diversification will give states of Nigeria a stable economy. The roles agricultural sector played could summarily include product contribution, market influence, factor involvement and foreign exchange input³ and this is foreseeable in solid mineral sector. Despite the prominence of the oil dominance in the past three decades, it is interesting to note that other sectors including solid mineral had done well before and if resuscitated will remain the largest circle and unarguably the most important revenue generation sector⁴ and economic revival in this century. Before now, agricultural and solid mineral sectors had contributed to gross domestic product (GDP) at stable 30 to 42 percent, and it had employed 65 percent of the labour force.⁵ In summary, non-oil sector is estimated to be the largest contributor to foreign exchange earnings and economic call back when revisited.

The Ministry of Mines and Steel Development (MMSD) which was established in 1985 was an attempt by the Nigeria government to spur the rapid and beneficial development of the country's solid mineral resources. The Ministry has been set up to unlock the economic potentials of the solid minerals subsector. Also, the Ministry is the principal organ for information, policy and regulatory oversight in the solid mineral sector in Nigeria. The general policy on solid minerals comprises the increase of the public awareness as it concerns the importance of the resources with providing reliable geological information, creating favorable investment climate and encouraging the private sector to take roles in expanding the sector for economic stability. The aims involve the speeding up of the processes of the application of mining titles and establishing Mineral Resources Committee in each state of the federation with the remittance of the processing of the mining titles⁶. Unfortunately, how far the policies made have gone is not ascertainable. It appears that it is just a mere 'black and white' policy.

It is therefore correct to say that solid minerals and agricultural sectors⁷ hold immense potentials for

¹ All these arrangements had been changed by the proviso of Section 44 (3) of the Nigeria Constitution.

² *Ibid* at p. 26.

³ B. F. Johnston, and J.W Mellor, "The Role of Agriculture in Economic Development", American Economic Review (September, 1961) Pp. 566-93. See also CBN (1993) Perspective of Economic Policy Reforms in Nigeria, Research Department (Lagos). CBN (2000) The Changing Structure of the Nigerian Economy and Implications for Development, Research Department.

⁴ B. E. Aigbokhan, "Resuscitating Agricultural Production (Cocoa, Cotton, Groundnuts, Palm Oil, Rubber, Etc) For Exports". Paper Presented at the 10th Annual Conference of Zonal Research Units of the Central Bank of Nigeria, on the theme 'Resource Endowment, Growth And Macroeconomic Management In Nigeria; Held in Owerri, June 4-8, (2001), Pp 2 – 5.

⁵ *Ibid*

⁶ See 'The Ministry of Mines and Steel Development Sustainable Management of Ministry Resources Project Report, Sectorial Environmental and Social Assessment', MMSD (January 2011) Pp 41 - 42

⁷ B. F. Johnston, and J.W Mellor had noted that "a notable policy then was the creation of marketing boards for the major cash crops at the time. On attainment of self-rule, regional governments took advantage of the operations of the boards to generate financial resources to finance their development programmes". This will be the case of Ebonyi State if the resources in the state could be tapped and developed with vigor.

enhancing and stabilizing Nigeria's economy in general and Ebonyi State in particular with high foreign exchange earnings if well harnessed. This is because the limited direct linkage effect of crude oil sector on the economy is well recognized in the literature and which is coupled with the persistent volatile nature of crude oil price on the world market, and mounting evidence that the bulk of the poor people in Nigeria are in local mining business, artisans and agricultural sectors. Thus, there is a pressing case for revitalization of these sectors to boost the general well-being of the state. Mining of solid minerals with production of cash crops for exports in particular need to be encouraged in Ebonyi State due to its fertile land. This could be done through propping, propagating new and reviewing previous legislations and policies towards it. The performances of these sectors will certainly rebirth the country's dwindling economy.

The Ebonyi State is not known to be one of the colossi in economic independence in the nation but it has viable mineral resources to compete with any state in the country. Therefore, if the state can resolve today to extract and commercialize her solid mineral resources, it will create new avenues that would lift its standing and possibly place it on a pedestal of economic self-reliance. It will also make the state less dependent on federal allocation from oil and gas sector. The state is an economic hotbed with the natural endowments that can spot the entire landscape of Nigeria. There is hardly any state in Nigeria that can equal Ebonyi in natural resources. Unfortunately, there is little work done on this aspect of mineral sector since its abandonment especially in Ebonyi State thus, there is dearth information. However, it was geological surveys and previous mining activities that had remained notes on it for now. It is only the federal legislations and regulations that guide national mineral extraction activities. From the Trade, Anglo-Mineral and Investments Potentials of Ebonyi State', Published by the Ministry of Commerce and Industry of the state, there are over 25 solid minerals in the state at commercial quantity that wait to be explored as illustrated below.¹

Table Showing the solid mineral resources deposits in Ebonyi State, and their uses²

S/N	NAME/MINERAL RESOURCES	AREA/LOCATION	DEGREE OF EXTRACTION/DORMANCY	USES
1.	Brine (salt)	Uburu, Okposi in Ohaozara LGA; AmeriIkwo LGA	Dormant	Refining yields native salt, caustic soda, sodium hypochlorite
2.	Barites	Nwezenyi-IgbeaguIzzi LGA & Ivo LGA	Dormant	Drilling mud in oil and gas companies
3.	Lead-Ore	Onicha LGA; Enyigba in Abakaliki LGA; Ameka in Ezza North LGA; Ameri in Ikwo LGA; Ivo LGA, Nkpuma-Akwaokuku; Nkpuma-Akapata	Partially Exploited	Pencils, Solders, Bearing, Batteries, Alloys, Ammunitions, Bronze etc
4.	Iron Ore	Enyigba in Abakaliki LGA; Izzi LGA	Locally Exploited	Used for the production of machine parts
5.	Copper-Ore	Onicha LGA; Enyigba in Abakaliki LGA; Ameka in Ezza North LGA; Ameri in Ikwo LGA; Ivo LGA, Nkpuma-Akwaokuku; Nkpuma-Akapata	Partially exploited	Alloy making, electric conductors etc
6.	Zinc-Ore (Sphalerite)	Onicha LGA; Enyigba in Abakaliki LGA; Ameka in Ezza North LGA; Ameri in Ikwo LGA; Ivo LGA, Nkpuma-Akwaokuku; Nkpuma-Akapata	Partially exploited	Alloy making, lithographic plates, galvanizing etc
7.	Limestone	Nkalagu in Ishielu LGA, AmoffiaNgbo in Ohaukwu LGA	Partially and locally exploited	Cement making, animal feeds, road, building & construction works, glasses, water treatment, tanning, chalk etc

¹ See 'Trade, Anglo-Mineral and Investments Potentials of Ebonyi State', Published by the Ministry of Commerce and Industry Ebonyi State in commemoration of the 2014, Silver Jubilee Edition of Enugu International Trade Fair of (28th March – 7th April, 2014) Pp. 15 – 16.

²Information available in the Ministry of Solid Mineral Development of Ebonyi State. See generally 'Trade, Anglo-Mineral and Investments Potentials of Ebonyi State', Published by the Ministry of Commerce and Industry Ebonyi State *ibid* Pp. 15 – 16. See also Sectoral Environmental and Social Assessment', Published by Ministry of Mines and Steel Development (MMSD) Abuja Nigeria on Sustainable Management of Mineral Resources Project, (January, 2011) Pp. 13, 33 – 41.

S/N	NAME/MINERAL RESOURCES	AREA/LOCATION	DEGREE OF EXTRACTION/DORMANCY	USES
8.	Kaolin	Ozizza Beach, Ndibe Beach in Afikpo North LGA; Afikpo South LGA; Ishiagu in Ivo LGA	Locally exploited	Ceramines, pharmaceuticals, detergents, agricultural uses, steel, Paints, rubber,
9.	Granite	Ishiagu in Ivo LGA, Otam in Izzi LGA	Partially exploited	Chippings for roads works, building construction works etc.
10.	Sands	Afikpo North LGA, Uburu in Ohaozara LGA, Ikwo, Ezza&Ishielu LGAs	Highly exploited locally but not with mechanized equipments	Mortar, concrete production, used generally for construction works.
11.	Marble Stone	Ishiagu in Ivo LGA &Ezza North LGA	Locally exploited	Building and art works
12.	Gypsum	Agaga-AmangwuEdda in Afikpo South LGA, AmoffiaNgbo in Ohaukwu LGA &Okpoto in Ishielu LGA;	Dormant	Cement production, plastics, chalks, pharmaceuticals etc.
13.	Phosphates	Ishielu&Afikpo South LGA	Dormant	Fertilizer and detergents
14.	Chalcopyrite (fool's gold)	Enyigba in Abakaliki LGA, Ishiagu in Ivo LGA	Dormant	Ornaments, used for gold plating, power generation etc.
15.	Coal/Lignite	Enohia, Ozizza, Ndibe, Ubeyi in Afikpo North LGA	Dormant	Energy and power generation, batteries, pencils, make-up kits etc.
16.	Pyrites	Enyigba in Abakaliki LGA	Dormant	Motor brushings, vehicle parts etc
17.	Quartz	Abakaliki and Izzi LGAs	Partially exploited	Making of glasses, diode, scientific equipments etc
18.	Fluorite	Ivo LGA	Dormant	Utilized in optics and metallurgy
19.	Marcasite	Ezza South LGA	Partially exploited	Valuable materials for the production of sulphuric acid etc
20.	Ilmenite (Iron Titanium Oxide)	Abakaliki LGA	Dormant	Used as pigment in paint manufacturing companies, feed stocks for the production of white pigment and titanium sponge etc
21.	Fullers Earth	Uwanna in Afikpo LGA	Dormant	Foundry, glasses, abrasives, oil wells and breweries, electronics, water filtrating etc.
22.	Dolerites (Pryoclastics)	Nkaliki in Abakaliki LGA	Locally exploited	Road and building construction etc
23.	Copper Ore	Enyigba in Abakaliki LGA and Izzi LGA	Locally exploited	Making for wire, alloy etc
24.	Laterites	All over/across Ebonyi State	Locally exploited	Construction work generally
25.	Crude Oil/Natural Gas	Edda in Afikpo South LGA	Dormant	Energy and power generation

Unarguably, if the above noted solid minerals are well harnessed and explored, Ebonyi State and Nigeria government will become major exporters of not only oil and gas but other luxuriant solid minerals. This will in no small measure increase and promote their internal income generation and the overall GDP especially with the recent fluctuation of national oil price in international market. It will further create employments that may possibly lessen insurgency and militancy militating against the country in general, promotes international

relations, reduce the state over-dependency on federal revenue distribution, and improve on the state and national economy. But the ugly precepts, abandonment of these minerals with its non-expertise miners, local and illegal activities on the sector with the local communities' vis-à-vis the immediate landowners struggle of resource control grossly affect the state of the sector.

Note that the Nigeria crude has hit its lowest level in a decade as a irksome oversupply of physical oil takes its toll thus, making reconsideration of solid mineral so imperative. The Nigerian National Petroleum Corporation (NNPC) had lowered the official selling price of crude for its largest crude oil streams, the lowest differential since May 2005¹. This has wantonly drenched the nation's economy most rudely even though the country is celebrated as the Africa best economy. A consequence of the above is the non-attention to other national and states' solid mineral sector. Note again that the country's crude price drop followed the North Sea crude, which hit a 10 year low earlier June 2015 as all Atlantic Basin sellers, particularly those with light, sweet oil, struggle to place cargoes.² Presently, the nation is playing along now, towing the line with other OPEC members to try and capture market share. The result of these challenges is oil bearing economy and alternative way out is solid mineral re-visit.

More so, the failure of the state and national economy and increase of unemployment could mostly be traced to over reliance on exploitation and export of crude oil and this had affected Ebonyi State in a serious way. It had resulted to the nation's dependence on importation of petroleum products even with her enormous crude been produced in the Niger Delta region. The much needed industrialization was neglected to the extent that the few industries in the country cluster around consumer goods production and no serious effort has been made to diversify the income base of the country into other sectors and in particular, the solid minerals as enumerated in this work especially as seen in Ebonyi State where these minerals are dormant. The recent volatility of the oil market and declining oil revenues are now dictating new thinking to diversify the economic resource base of the country through Ebonyi States' solid mineral exploration.

In view of that, Nigeria is particularly having a hard time with the glut, as the shale boom in its once-key market and the United States has all but shut out its exports of the crude. The US Energy Information Administration³ has stated that the United States once absorbed more than a third of Nigeria's nearly 2 million barrels per day (bpd) of exports but this slumped to close to 60,000 bpd on average for the first three months of the year (2015) and which had continued unabated till now. Also, sellers of Nigerian crudes have aggressively pushed into new markets from Uruguay to China, but they are coming up against other crude producers, including fellow members of the Organization of the Petroleum Exporting Countries - OPEC, as well as the new refineries that are geared towards heavier oil.⁴ As a result, as much as 10 million barrels of Nigerian grades that have already loaded are floated in vessels in 2015, taking months in some cases to find buyers As PM News had noted. The issue is also taking a toll on the country at large, which is heavily reliant on oil revenues to balance its budget external reserves. It is a really messy situation for a country with abundance of other mineral resources to abandon them for *just only oil*. Now that the crude price kept swinging and wobbling especially with Nigeria's low marginal cost per barrel and substantial cash reserves, the nation with its 36 states and Federal Capital Territory are struggling to survive the implications and consequences of over dependence on oil and gas for its economic sustainability. The writer therefore calls for a quick rethink.

In so doing, government must be desirous of incorporating into its policy frameworks, a mechanism of promoting export of limestone, metals and other solid mineral products outside oil as vehicle for rapid economic recovering and growth in Ebonyi State and Nigeria at large. The vehicle for achieving this is to accelerate the export of bye-products of solid minerals and other related non-oil mineral resources. This will substantially improve the non-oil foreign exchange paychecks of the country to boosting the national GDP in general and her foreign reserves in particular. Ebonyi State mineral deposits in combination of other states' solid mineral resources can do this great deed. This should target over 500% of the current foreign exchange earnings of the country in less than ten years. The government could achieve this through local and foreign policies, legislations, liberalization of mineral ownership and industrialization of the sector which will attract foreign investors. In doing so, compliances shall be desirous to consolidate those policies and ensure that it achieves its aim.

Again, the national regional economic stands need to be revisited. Obviously, in terms of contribution to GDP, B. F. Johnston, and J.W Mellor had noted that agriculture was the leading sector in the 1950s and 1960s before the advent of coal and the recent oil development. In the period 1960-64, agricultural output accounted for 63 percent of GDP, and in 1965-69 for 54percent. As noted below, the share declined significantly only from the 1970s. In 1970-74 it declined to 33 percent, a period which marked the watershed in Nigeria's economic

¹ PM News, Nigeria crude differential hits 10-year low as glut takes toll via its official website
<http://www.pmnewsnigeria.com/2015/06/20/nigeria-crude-differential-hits-10-year-low-as-glut-takes-toll/> accessed on 20/06/2015.

² *Ibid*

³ *Ibid*

⁴ *Ibid*

history through the 1973/74 crude oil price shocks¹ while percentage Average of Distribution of Nigeria's GDP at 1984 Constant Factor Cost (%)².

Again, there are barriers to implementation of federal policies in the solid mineral sector due to distances between federal capital territory and pit sites in local areas of solid mineral communities where most offices that control this sector situate. Too, underdevelopment of these communities do not support good outcome of solid mineral businesses and finally, corruption and or political interests especially at the community levels affect the sector's production. However, it was clearly observed that NEITI have done some good work in oil and gas sector *to wit*, monitoring and promoting transparency in the sector. Therefore, there should be similar states' policies to introduce NEITI that State House of Assembly should legislate to promote intelligibility to simplify and promoting genuine and legal mining activities. Why the inclusion of the solid mineral sector in NEITI activities would help is to infuse transparency and accountability in the non-oil sector. As rightly noted above, nothing can work well with level of corruption whacking Nigeria system over the years especially in mineral sectors. Generally, there is need for unadulterated commitment in government to increase transparency and accountability in the management of public resources. Moreover, this will promote considerable public interest if government ensures that revenues from mining or other solid mineral resources exploitation are used to develop mining states and communities while promoting foreign relationship. Furthermore, government should prevent uncoordinated and illegal mining while policies must ensure that mining companies pay what they are expected to pay.

To achieve this economic diversity through the set target, solid mineral sector needs some enterprising specific strategies that would pursue the reinvigoration of the country's economic meltdown. The state and federal government need to work together with programmes and policies that *inter alia*:

- i) Promote policies aimed at catalyzing the emergence of indigenous capacity that can satisfy a good substantial percentage of needed support for local production of goods and services and surplus for export;
- ii) Promote competitiveness of value added products so as to stimulate domestic and export demand of solid mineral products outside crude oil;
- iii) Simplify export procedures of solid mineral resources;
- iv) Encourage intra-African and more international trades through bilateral and multilateral agreements;
- v) Accelerate the development of necessary multinational, inter and intra-African transportation infrastructure not only through oil and gas but through other mineral resources export devolution ;
- vi) Strengthen of the export processing zones and factories;
- vii) Evolve a strategic market development plan that would make Nigeria a regional leader and a global player in export of metal and mineral products;
- viii) Streamline state mineral resources implantation and enforcement through legislations;
- ix) Ensure security and safety of the local and foreign investors and their investments and,
- x) Promote the devolution of mineral resources ownership, its control and state control.³

Once again, it must be noted that the quarry and allied industries are dependent on solid minerals which have great potentials in Ebonyi State. Interestingly as earlier opined, NIGERCEM Cement Factory is situated at Nkalagu in Ishielu Local Government Area and AmoffiaNgbo in Ohaukwu Local Government Areas of the State. This premier cement plant in Nigeria succeeded because of the abundance of the quality and quantity of limestone in these areas. Though in recent time, government of Ebonyi State had tried to address some groundwork towards actualizing or re-establishing new cement plants in state but, the proposal is yet to come alive.⁴ However, this premier cement factory if revitalized and well reconnoitered into a reality can sustain Ebonyi State annual expenditure or more but it has been abandoned over the years. The local miners and the few mining companies give the immediate landowners and community just token while huge sum of money is taken away by miners and state government is usually left with just the collection of insignificant haulages – tolls and taxes which form part of her internally generated revenues. The reason is due to the exclusivity of mineral resources by the federation through the instrumentality of the law⁵.

Finally, against this background, some countries with huge influence in international oil market like OPEC may survive mono economy and noted imbroglios resulting from the abandonment of solid mineral sector. Thus, nation such as Saudi Arabia with much influence on OPEC and too, having a marginal cost per barrel at around \$30 with its substantial cash reserves, can afford to stick it out with crude at these levels. But Nigeria needs

¹ B. F. Johnston, and J.W Mellor *op cit* at pp 4, 5 and 6.

² Source: CBN "Perspective of Economic Policy in Nigeria", Annual Report and Statement of Accounts (several issues) and Statistical Bulletin (December 1998), (1993). Figures for the periods of 1960-69; 1970-74, and 1975-79 are said to be annual averages.

³ *ibid*

⁴ See again 'Trade, Anglo-Mineral and Investments Potentials of Ebonyi State', Published by the Ministry of Commerce and Industry Ebonyi State *ibid*.

⁵ See particularly section 44(3) of the 1999 constitution of Nigeria.

crude around \$115-120 to balance its budget. Note more importantly that OPEC's 'effective' spare capacity was estimated at 2.55 mb/d in April, up slightly from 2.42 mb/d in March 2015, with Saudi Arabia accounting for nearly 90% of the surplus.¹ Unarguably, Nigeria will not be facing this competitive woes and economic ill if the country has developed its abundant solid mineral resources through liberalization of her mineral laws and commercialization of the sector to enable states and other stakeholders to take control of their solid mineral sector for its economic sustenance.

4.0 CONCLUSION AND RECOMMENDATIONS

It is right to say that solid minerals and agricultural sectors² hold immense potential for enhancing and stabilizing Nigeria's economy in general and in state of Ebonyi in particular with high foreign exchange earnings if well harnessed. The writer is marriage with Johnston, B.F. and J.W Mellor³ where they adumbrated thus, "a notable policy then was the creation of marketing boards for the major cash crops at the time. On attainment of self-rule, regional governments took advantage of the operations of the boards to generate financial resources to finance their development programmes". This will be the case of Ebonyi State if the resources in the state could be tapped and developed. This is because the limited direct linkage effect of crude oil sector on the economy is well recognized in the literature and which is coupled with the persistent volatile nature of crude oil price on the world market, and mounting evidence that the bulk of the poor people in Nigeria are in local mining business, artisans and agricultural sectors. Thus, there is a pressing case for revitalization of these sectors to boast the general well-being of the state. Mining of solid minerals with production of cash crops for exports in particular need to be encouraged in Ebonyi State due to its fertile land and abundance of solid minerals. This could be done through propping, propagating new and reviewing previous laws and policies towards it. The performances of these sectors will certainly rebirth the country's dwindling economy and promote state's economic sustainability.

At the national level, government needs to rediscover that developing a comprehensive work plan for approaching a total overhauling of solid mineral sector is an important prerequisite for law and policies implementation and economic resuscitation in Nigeria. It is against the aforementioned background that it is recommended that the national and states solid mineral work plan be set up and to contain the following elements to boast states and nation's economy. These include:

- (a) Bringing together stakeholders – foreign and local investors into the sector;
- (b) Removing barriers to implementation – corruption and non-adherence to the rule of law and due process by the beneficiaries, developers or miners thus, overhauling all legal instruments therefrom;
- (c) Building capacity in Government – productive policies and better administration and,
- (d) Building capacity in companies and civil society to promote due processes and revenue generation.

Therefore, the success of NEITI in the petroleum sector is a clear indication as to why similar policy such as NEITI would be able to be included in the solid mineral sector in states of Nigeria. Finally, a modernized approach to solid mineral production in Ebonyi State will improve the market value of non-oil minerals and this can create employment and earn foreign exchange for the state if well organized. This will involve reviewing and amending the mineral laws in Nigeria to boost states' to ownership of mineral resources and development to promote and procure economic sustainability in states of Nigeria.

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¹ See Oil Market Report of 13 May 2015 as reported via <https://www.iea.org/oilmarketreport/omrpublic/currentreport/> accessed on 22nd of June, 2015.

²B. F. Johnston, and J.W Mellor *Ibid*.

³ *Ibid* note 20 above.

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