Oil has continued to remain a significant determinant of the economic policy of countries where it is produced. The commodity may not necessarily be the most precious or valued in the international market but, its economic importance has made it one of the most glorified commodities in the global economy and market today. Oil to be specific, is the leading source of foreign earning to government of states where it is produced. And Nigeria, Angola, Libya, Gabon, Sudan and Chad are the major exporters of crude oil from the African continent. Countries like Niger, Cameroun and Ghana just came on board as exporters of the commodity from Africa and with the discovery of the commodities at various locations across Africa, there is likely the possibility that the list of exporting countries on the continent will increase with time. Oil to be specific, is the leading source of foreign earnings to government of countries where it is produced.

Rise in price of oil at the global economy level leads to appreciative return for oil producing states in Africa. In 1998, Angola’s Gross Domestic Product (GDP) stood at $11 billion while in 2007, the estimate was $80 billion. Equivalent figures in Nigeria were $106 billion and $294 billion giving almost a similar picture with Angola and smaller oil producing scaled states on the continent like Gabon, Republic of Congo, Equatorial Guinea and Chad. Though, at the international market, oil price fluctuates. But, since 2003, global increase in the price of the commodity has been witnessed (reaching an extraordinary high of $120 per barrel in early May 2008. This implies how well oil exporters from Africa are flushed with huge amount of revenues. The amounts earned as revenue from oil export by global index is unprecedented for African standard. And, this has resulted in oil producing states been envied by poor
states on the continent. In decades to come, a handful number of oil endowed countries in Africa will experienced a flow of about $500 billion into their coffers especially the continent petrol-giants

like Angola and Nigeria. 2. This may well be the largest inflow of money into Africa in history if it happens. Although, previous booms in price of crude oil at the international market over the years have generated staggering amount of foreign earnings to African countries where it is produced. But then, infrastructural development and improve standard of living of citizens never rise as expected. Instead, complains of poor state of facilities, poverty and little attention to infrastructural development dominated the political discourse of such countries.

Wealth from oil has not only made its producing states in Africa sluggish in the area of economic diversification. It has also made political leaders on the continent familiar with wealth of a petro-economy because fortune provided by oil of states they govern create adequate revenue from which they better their lots. Second boom witnessed between late 1990s to mid-2000s also bears attribute of corruption and mismanagement among political leaders of oil producing states in Africa. During this era, wasteful spending and extravagances of revenue from oil became seriously visible and severe even than in earlier booms. Helicopters and presidential jets worth billions of monies were purchased by oil producing states governments using revenue generated by their oil sector while infrastructural development projects on water, roads, hospital, school, energy and power among others were given inadequate attention. It is also obvious that oil price fluctuates but then, boom also comes sometimes above expectation and prediction with the commodity producing states recording higher revenue from oil than other sectors of their economies. Cases where oil countries generated higher revenue from oil with some maintaining empty foreign reserved have been witnessed in some of the previous booms development that signifies the growth of politics of extravagant squandering among political leaders of oil producing countries in Africa.

Statement of Problem

Oil is a natural endowment. A blessing which is indeed turning dangerous in Africa. Crude oil has been the cause of internal conflict in countries where it is produced in Africa. Debates on it ownership, management and resource usage have contributed to disunity among the people. Fortune from oil has found greater concentration in the hands of political leaders than majority of the citizens and thus distanced the former from the latter. Majority of the citizens are fast becoming less significant and irrelevant due to no access to fortune from oil and poor state of infrastructure for them to live a decent life. Hence, corruption and mismanagement of oil wealth by political leaders continue making oil producing countries in Africa even more distance from development than agricultural and tourist-based economy countries.

Several studies on oil and politics in Africa have been conducted over the years by different scholars among which Oliveira is very common and popular. These studies concentrated more on the contribution of the commodity usage and ownership to internal conflict. Non-has been able to point out the implication of fortune from the commodity on the growth of politics of extravagant squandering among political leaders of oil producing countries in Africa. Little or no attention was also given to corruption and mismanagement among political leaders promoted by rise in oil revenue. And the implication of the foregoing on infrastructural development in oil producing countries was not also addressed.

Also, in the area of methodology, previous studies like Nwabuzor, Cohen, Lewis and Waal have adopted the secondary method of analysis which is not sufficient to address the implication of corruption and mismanagement of oil revenue by political leaders in oil producing countries. In order to be able to analyze this problem adequately, views of experts are also needed using primary method to gather a first hand and reliable data on the matter. The use of primary method in addition to content analysis will provide a better understanding of the situation leading to coming up with sustainable solutions that will ameliorate the problem. It is in view of the above stated problems and the desire to bridge up gaps created by previous studies as mentioned above that this study was necessitated.

RESEARCH OBJECTIVE

The research objectives are to:
1. Identify the level of inflow of oil revenue to oil producing countries in Africa.
2. Investigate the nature of extravagant squandering (corruption and mismanagement) of oil revenue by political leaders of oil producing countries in Africa.
3. And, find out the implications of extravagant squandering of oil wealth by leaders on infrastructural development in oil producing countries in Africa.

RESEARCH QUESTION

The Study Raised the Following Questions:
1. What is the level of inflow of oil revenue to oil producing countries in Africa?
2. What is the nature of extravagant squandering of oil revenue by political leaders in oil producing countries in Africa?
3. What are the implications of extravagant squandering of oil wealth by leaders on infrastructural development in oil producing countries in Africa?

**HYPOTHESIS**

The Following Hypotheses Are Formulated To Guide the Study:

**H1:** Inflow of oil revenue to oil producing countries in Africa is high

**H2:** Extravagant squandering of oil revenue among leaders of oil producing countries in Africa is discouraging

**H3:** Extravagant squandering of oil wealth by leaders has implication on infrastructural development in oil producing countries in Africa.

**LITERATURE REVIEW**

Repeated rise in price of crude oil at the international market over the years has fetched government of oil exporting countries in Africa staggering amount of foreign earning which were expected to be invested in the direction of infrastructural development and improved standard of living. But unfortunately, huge flow of revenue to government of such countries has translated in minimal infrastructural development accompanied by vicious circle of poverty and underdevelopment in those countries. High record of revenue generation promoted by rise in price of crude oil at the global economy scene has created in Africa countries where oil export is the main source of foreign earning, a politics of extravagant squandering. A politics where political leaders are more concerned with how much they make for themselves form the huge flow of revenue to their countries than investing in infrastructural development to improve the living condition of their citizens. And thus, corruption and mismanagement became visible in state governance as political leaders are into competition of amassing wealth to build luxury houses, own expensive cars, marry beautiful wives, invest and maintain huge international bank accounts outside Africa.

In Sudan, oil is now the heart beat of the country’s politics. After oil export started in 1999, national budget in the country rose 15-fold. Oil price has collapsed some years back between 2015-2018 but still, the argument is that foreign earnings from the commodity before this period signified that Khartoum must have generated billions of dollars as foreign earnings from the country’s oil before the collapsed came up 6. Khartoum’s oil revenues were estimated at $4.3 billion with Juba’s income and share estimated at $1.5 billion both in 2007 alone 7. Amidst this inflow of huge foreign earnings from oil, political leaders displayed fortune and concentrated infrastructural development at Khartoum to facilitate their well-being and those of their immediate families while majority of the Sudanese especially in the South Sudan and Darfur region are left with virtually low or no social and basic infrastructures to live on. The frustration created by this neglect catapulted Sudan into a state of anarchy in the Darfur region and grow in the call for referendum leading to the dismemberment of South Sudan from the country.

Gabon in record, produces and exports 240, 000 barrels of crude oil on daily basis. Government revenue in the country is dominated with inflow from oil which represents 60% of government earnings, 50% of Gross Domestic Product (GDP) and 80% of exports. Oil production and export statistics of the country shows that huge revenue flows into the government coffer but with this, low housing standard, poor and little motorable roads, joblessness, poverty, illiteracy, neglect in the health sector and inadequate water supply system among others form the lots of the majority of the Gabonese citizens. Instead of joy, oil has become a curse to the people of African countries that produce and export the commodity.

Oil companies from all part of the globe expanded investment to the Gulf of Guinea region decades ago as a result of the richly endowed nature of the area in crude deposit. This investment resulted in serious inflow of Direct Foreign Investment (DFI) into Africa from abroad 11. Though, accumulated profits may likely be expatriated abroad rather than invested in Africa but still, such inflow justify a positive increase in the revenue base of Africa countries in which such investment owners pay taxes. Nigeria is the largest producer of crude oil in the Gulf of Guinea with several Multi-National oil companies operating in the country’s oil sector. The presence of petrol giant companies like Shell Petroleum Development Company (SPDC), Exxon Mobile, Total, Texaco and the others has not been able to lead to the delivering of effective social corporate responsibility service to the people of the oil producing communities.

Communities hosting oil companies, Nigerian authority and the Multi-National Corporations operating in Nigeria’s oil rich Niger Delta region on the other hand are in constant conflict over the non-development of infrastructures in the communities. Huge flow of oil revenue into the country has not been able to translate in the development of infrastructures in the region due to corruption and mismanagement at the leadership level 13. Oil revenue has been spent extravagantly in developing life improvement projects outside the Niger Delta region- projects that were never executed to completion level in some cases 14. The refusal to flourish oil producing communities with life improving projects has culminated in the rise of youth restiveness and ethic militia championing the cause of resource control in the region 15. Though, corruption at
leadership level has made revenue from oil incapable of developing infrastructures to improve the living condition of people in oil producing communities in the country. But then, reasonable part of same revenue has been invested in the development of infrastructures in communities outside the oil producing ones at several regions of Nigeria. This disparity triggers the cry of socio-economic and political marginalization from the part of people in oil producing communities leading to hostage taking of foreign oil companies expatriates, oil theft and bombardment of oil facilities in the region.

On a daily basis, Sudan exports between 500,000 to 750,000 barrels of crude oil. And, with this production target, Sudan’s oil wealth is only evident in Khartoum—where there is a growing number of cars, hotels, restaurants and businesses opening every day 16. The production target per day for Libya is 1.72 million barrels 17. Angola and Nigeria maintain production target of over 2,000,000 barrels per day. These production targets sustained over years by major oil producing countries in Africa is a reflection of how richly endowed oil producing countries in Africa are. Though, mouthwatering earning from oil revenue has deceived political leaders of the countries from developing infrastructures to improve the living condition of the citizens but rather enriching themselves while poverty remains the picture of the situation ordinary citizens are suffering from. And, as infrastructural development continues to remained discouraging in Africa’s oil producing countries, the questions of oil resource ownership, management and how revenue generated from oil are invested become sensitive and important subjects of discussion and debate among the ordinary citizens.

In Africa, poor state of life improving facilities in oil producing countries shows that oil is truly a curse. As leaders in the Arabian states of Saudi Arabia, Qatar, Oman and others are investing oil revenue on infrastructural development, political leaders of Africa’s oil nations are not only turning autocratic but using primitively accumulated fortune from oil revenue to frustrate their citizens. And the reaction from the part of the citizens to autocracy and mismanagement of oil revenue is turning into internal conflicts and demand for regime change. The battle for the ownership and control of the oil rich Abyei region between authorities at Khartoum and Juba, Cabinda region in Angola, unending demand for oil resource control in Nigeria’s Niger Delta as well as the repeated rebellion targeting N’Djamena demanding for regime change in Chad are reaction to improper management cum investment of oil revenue in the development of infrastructures to better the living conditions of the people especially in the oil producing communities.

**Methodology**

The study used both primary and secondary methods. Secondary data for the study were sourced through text books, journal articles, magazines and internet-based information. Primary data were sourced through the administration of closed ended questionnaire on 25 oil experts and academicians selected from universities in five oil producing countries in Africa. Each of these countries (Angola, Chad, Gabon, Nigeria and Sudan) is represented by 5 respondents systematically chosen using the probability sampling technique. Questionnaires were administered and all retrieved by the researcher. And in order to arrive at reliable findings on how huge inflow of oil revenue led to the politics of extravagant squandering (mismanagement and corruption) among political leaders of oil producing countries in Africa and the implication of this wasteful spending on infrastructural development, the Correlation Analysis (CA) was adopted in analyzing data collected where; statistical correlation was measured by coefficient correlation where numerical values ranges from +1.0 to -0.1 gave the indication of the strength of relationship. Such as:

- $r > 0$ indicated positive relationship
- $r < 0$ indicated negative relationship
- $r = +1.0$ described a perfect positive correlation
- $r = -0.1$ described a perfect negative correlation

**The closer the coefficients were to +1.0, the greater the strength of relationship and the closer they were to -0.1, the lower the strength of relationship as specified below:**

<table>
<thead>
<tr>
<th>Value or $r$</th>
<th>Strength of relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1.0 to -0.5 or 1.0 to 0.5</td>
<td>Strong</td>
</tr>
<tr>
<td>-0.5 to -0.3 or 0.3 to 0.5</td>
<td>Moderate</td>
</tr>
<tr>
<td>-0.3 to -0.1 or 0.1 to 0.3</td>
<td>Weak</td>
</tr>
<tr>
<td>-0.1 to 0</td>
<td>Non-or very weak</td>
</tr>
</tbody>
</table>

The frequency, percentage, mean and standard deviation tool was adopted in testing the hypotheses formulated to guide the study.
PRESENTATION OF DATA
The Data Collected For This Study Are Hereby Presented.

Table 1: Oil revenue, the nature of extravagant squandering and implication on infrastructural development in oil producing countries in Africa.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Variables</th>
<th>1.0 SR</th>
<th>0.5 MR</th>
<th>0.3 WR</th>
<th>0.1 VWR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>There is low level of inflow of oil revenue to oil producing countries in Africa</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>The nature of extravagant squandering (corruption and mismanagement) of oil revenue by political leaders in oil producing countries in Africa is high and discouraging</td>
<td>4%</td>
<td>8%</td>
<td>20%</td>
<td>68%</td>
</tr>
<tr>
<td>Q2</td>
<td>Extravagant squandering (corruption and mismanagement) has no implication on infrastructural development in oil producing countries in Africa</td>
<td>19</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Establishment of independent anti-corruption agency is a good measure to controlling extravagant squandering (corruption and mismanagement) by political leaders in oil producing countries in Africa</td>
<td>76%</td>
<td>12%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>Q3</td>
<td>This pattern of correlation is demonstrated by the number of responses on the view. As 22 (18+4) out of the 25 respondents rejected the view. This rejection reflected in table 1 as 0.3 and 0.1 which means r&lt;0 and stand for weak and very weak relationship.</td>
<td>18</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>There is perfect positive correlation (r = + 1.0) between oil and the politics of extravagant squandering in Africa with infrastructural development. The table shows that 22 (19+3) of the 25 respondents accepted the view as represented by 1.0 and 0.5 which are r&gt;0 and stand for strong and moderate relationship.</td>
<td>72%</td>
<td>16%</td>
<td>8%</td>
<td>4%</td>
</tr>
</tbody>
</table>

| Q4  | The correlation between oil and politics of extravagant squandering in Africa with infrastructural development with the view that extravagant squandering (corruption and mismanagement) has no implication on infrastructural development in oil producing countries in Africa has negative correlation (r = 0.1). This pattern of correlation is demonstrated by the number of responses on the view. As 22 (18+4) out of the 25 respondents rejected the view. This rejection reflected in table 1 as 0.3 and 0.1 which means r<0 and stand for weak and very weak relationship. | 18     | 4      | 2      | 1       |
|     | And the view that the establishment of independent anti-corruption agency is a good measure to controlling extravagant squandering (corruption and mismanagement) by leaders of oil producing countries in Africa has positive correlation (r = + 1.0) with oil and extravagant politics implication on infrastructural development in oil producing countries of Africa. Hence, 22 (18+4) out of the 25 respondents accepted the view as shown in table 1 where 1.0 and 0.5 are r>0 and stand for strong and moderate relationship. | 72%    | 16%    | 8%     | 4%      |

Source: Authors field survey (2020)
Ibrahim Baba; *IAR J Bus Mng*; Vol-1: Iss- 1 (May-June, 2020): 12-19

**Figure 1:** Oil revenue, the nature of extravagant squandering and implication on infrastructural development in oil producing countries in Africa

*Source:* Authors field survey (2020)

**Table 2; Testing the hypotheses**

<table>
<thead>
<tr>
<th></th>
<th>H1: Inflow of oil revenue to oil producing countries in Africa is high.</th>
<th>H2: Extravagant squandering of oil revenue among leaders of oil producing countries in Africa is discouraging.</th>
<th>H3: Extravagant squandering of oil wealth by leaders has implication on infrastructural development in oil producing countries in Africa.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>A</td>
<td>5</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>SA</td>
<td>15</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>M</td>
<td>5</td>
<td>37.2</td>
<td>22</td>
</tr>
<tr>
<td>SD</td>
<td>26.8</td>
<td>5</td>
<td>22</td>
</tr>
</tbody>
</table>

Table 2 which tested the hypotheses formulated to guide the study shows that, H1, H2 and H3 recorded equal mean score of M=5, H2 recorded the highest standard deviation score of SD=37.2 while H3 recorded the lowest standard deviation score of SD=22. On a general average, table 2 shows that, 18.67% of the respondents agreed (A) with the hypotheses formulated and tested to guide the study while 61.33% of them strongly agreed (SA) with them. This implies that the hypotheses formulated to guide the study tested positive on 80% (A = 18.67% + SA = 61.33% = A + SA = 80%) of the respondents chosen and involved in the study.

**DISCUSSION OF RESULTS**

Billions of dollars flow into the coffers of governments of oil producing countries in Africa. The level of such flow is often high and above expectation in the invent of rise in crude oil price at the international market. The level of inflow of oil revenue to oil exporting countries in Africa implies that been the main source of foreign earnings, governments are expected to judiciously utilize oil earnings in the direction of improving citizens condition of living through the development of infrastructures to better the living standard of the people. On the contrary, reverse is the case as oil exporting countries leaders in Africa are married with the politics of concentrating infrastructural development in urban cities where as majority of population in Africa are rural based. Corruption and mismanagement on the part of political leaders in Africa’s oil exporting countries are high and discouraging. And this has resulted into extravagant squandering of oil revenue on personal than public needs. Corruption and mismanagement by political leaders of oil exporting countries in Africa are swallowing up oil revenue these countries produced on daily basis. Government in these countries spend too much on election and ministerial positions than infrastructural development. And with enough not spent on public services, sixty percent of the population remains below the poverty line but still oil revenue accruing to government of these countries keep growing especially in cases of oil boom.

In the 1970s, an enormous expansion in oil production in Nigeria, Gabon and other countries in West and Central Africa coupled with high prices to provide oil-rich states with fabulous windfalls- without
exception, political leaders spent these resources foolishly. A great deal was consumed by white-elephant projects trying to mimic the physical apparatus of modernity such as the billions sunk into Nigeria’s Ajaokuta Steel Complex- a complex which never actually produced any steel. Also, Corruption of epic proportions was rife in the form of extravagant squandering of oil revenue for private means, contracts for insiders or plain theft. A lot of money was simply wasted on ostentatious consumption. Congo and Gabon fought for the title of the world’s leading importers of champagne per capita while social and basic infrastructures were inadequate in several communities in both Congo and Gabon. And the Nigerian elite’s spending trips abroad became legendary: yet more monies were safely stowed away in Western bank accounts. At the same time, the availability of easy rents and the negative impact of oil monies on other productive sectors of the economy meant that labor-generating activities like agriculture were neglected. When the boom ended with debt crisis and the decline in oil prices in the 1980s, not a single one of the African oil producers had managed to spread the benefits or plant the seeds of a post-oil economy. And today, the state of social and basic infrastructures in Africa’s oil producing countries is a mere fun and sympathy due to the fact that little or no attention was given to infrastructural development.

MAJOR FINDINGS

The Major Findings of the Study Are;

1. The level of inflow of oil revenue into Africa’s oil producing countries is high.
2. The nature of extravagant squandering (corruption and mismanagement) of oil revenue by political leaders of Africa’s oil exporting states is high and discouraging.
3. Extravagant squandering (corruption and mismanagement) has implication on infrastructural development in Africa’s oil producing countries.
4. And, the establishment of independent anti-corruption agency is a good measure to controlling extravagant squandering (corruption and mismanagement) by political leaders in Africa’s oil producing countries.

CONCLUSION AND RECOMMENDATIONS

The conclusion of this study is that the level of inflow of oil revenue into Africa’s oil producing countries is high especially during boom and rise of the commodity at the international market. It is also concluded by the study that extravagant squandering thus corruption and mismanagement of oil revenue by political leaders in Africa’s oil producing states is not only high but discouraging. Extravagant squandering (corruption and mismanagement) as the study also concluded has negative implication on the development of infrastructures in Africa’s oil producing states. And it is also part of the conclusion of this study that, the establishment of independent anti-corruption agency is a good measure to controlling extravagant squandering by political leaders of Africa’s oil producing countries.

Based on the major findings made and the conclusion arrived at, this study recommended that:

1. Government of Africa’s oil producing countries should establish an independent anti-corruption agency free from political control. This agency should be empowered by law to arrest and forward suspected leader for prosecution in the court of law. Although, political leaders enjoy greater level of immunity and cannot be prosecuted in power. Therefore, this agency should be empowered to invite political leaders for interrogation on unclear wealth accumulated in power as soon as they leave office. It is also important to ensure that this agency is back up with law to operates without interference by political leaders or else it will become a political tool for molesting opposition by party in government. The agency should also be empowered by law to confiscate assets acquired using looted fund and to also block account stashed with looted money. The court of law should be made to support the agency in the prosecution of leaders found with the habit of corruption and mismanagement of public fund.

2. Special code of conduct bureau is also necessary in Africa’s oil producing countries. And places where it exists, it should be given more power to commit political leaders into declaring their assets before and after leaving power to ascertained that revenue generated from oil exports has not been embezzled for personal enrichment. There should be a coordinated working arrangement between the anti-corruption agency and conduct bureau so as to easily identify and prosecute corrupt political leaders.

3. And finally, a special task force or committee should be formed and supported with law to monitor revenue generated from oil and how it is spent. It should be a matter of law and not political will that certain percent of generated oil revenue is invested in the area of infrastructural development to improve the living condition of the ordinary citizens which form the bulk of national population.

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