

POLITICAL ECONOMY OF EXTRACTIVE INDUSTRY IN NIGERIA: A STUDY OF MINING COMMUNITIES IN KUJE AREA COUNCIL, ABUJA

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Abstract

This study examined the Political Economy of Extractive Industry in Nigeria: A Study of Mining Communities in Kuje Area Council, Abuja (2020-2023). The study employed a combination of qualitative and quantitative research methodologies. Meanwhile, both secondary and primary data employed in the study help generate information to investigate the problems faced by mining communities in the Kuje Area Council, Abuja. The data gathered were analysed using simple percentages, frequency distribution, and tables. The study adopted the Marxian Instrumentalist theory of the state to guide the research. The study concludes that the extractive industry in Nigeria cannot do without mining communities and demands proper regulation and government attention. The study recommended addressing the issue of mining communities in the Kuje Area Council, Abuja. There was a need to implement transparency and accountability standards to help govern the extractive sector. This includes proper management of our extractive industry with a policy to stop illegal mining activities and other criminal activities that could promote the destruction of mining communities across the country and the Kuje Area council as well, a legal framework to strengthen the extractive industry sector, as well as promote and protect the mining communities, by engaging traditional institutions and local communities.

Keywords: Community, Development, Extractive Industry, Economy, Mining, Political Economy

Introduction

Nigeria is recognised as having the most well-known petroleum and gas reserves in Sub-Saharan Africa. Petroleum has long become the most important aspect of the national economy, accounting for more than half of GDP, about 85 per cent of government revenues, and over 90 per cent of exports. Since oil was discovered in Nigeria more than 5 decades ago, the country has had a turbulent, disappointing development record and remains significantly oil-dependent.

These natural resource control conflicts played out in the Biafran civil war, persistent conflict in the Niger Delta, and undermined governance and service delivery, especially in the oil-producing states. Over the last decade, Nigeria has shown some signs of improving governance, including the return to democratic rule since 1999 and the restoration of key principles of macroeconomic management (World Bank 2009). Since 2003, Nigeria has embarked on an ambitious agenda of reforms aimed at enhancing governance in public financial management (PFM), banking services, power and telecommunications

infrastructures, and transparency and accountability in the oil sector.

However, a country may struggle to turn petroleum revenues into sustainable development for the society at large for many reasons. The case of Nigeria, however, provides clear evidence of the failure to establish accountable institutions that would ensure governance in the public interest. At the time of the significant discovery of oil and its export in the 1960s and 70s, Nigeria had military dictatorships for most of the period, and institutions were either weak or not put in place to manage the resources. This translated into a non-transparent oil sector and revenue management, and into an environment in which politicians could benefit from non-democratic power-building.

Democracy never had an opportunity to establish and sustain itself before 1999, and, as a result, a culture of political and bureaucratic accountability did not develop. Opportunities for rent-seeking have distorted incentives throughout the extractive industries value chain, including, for example, oil block awards and licensing, regulatory institutions, tax administration, state governors, oil producers, and Niger Delta communities. For instance, our political and military elites are believed to have accumulated hundreds of billions of Nigeria's oil dollars in foreign bank accounts. A situation in which the political and military elites are believed to have accumulated hundreds of billions of Nigeria's oil dollars in foreign bank accounts.

However, while common conceptions link the extraction of minerals to wealth and prosperity, in recent decades, a more critical understanding of the potential effects of economies' extractive-led development has also been gaining currency. Epitomised by a socio-economic phenomenon coined the 'resource curse' (Auty, 1993, cited in Abutudu, 1995), this phenomenon highlights that economies that are more dependent on the extraction of resources often grow more slowly than economies less dependent on such activities (Sachs & Warner, 2001; Ross, 1999, cited in Acemoglu et al., 2018). Alongside explanations indicating the potential problems created by the negative externalities of the commodity markets (such as deindustrialisation and economic volatility), mismanagement of mineral wealth is also regularly cited as one of the main contributors to the resource curse phenomenon (Van Der Ploeg, 2011, cited in Andrew and Deza, 2018).

This dissertation aims to increase our understanding of the societal impacts of the extractive sector, as well as the role of the recent policy trend towards implementing transparency and accountability standards to combat its mismanagement. As well as providing greater context for the current heightened national interest in the extractive industries in the mining communities of Kuje Area Council, Abuja (2020-2023).

Statement of the Problem

In recent years, global interest in the extractive sector has risen for at least two key reasons. The first reason arises, counter-intuitively, from increased climate action. Progress on the so-called energy transition (i.e., moving the global economy from high-carbon-intensive to low-carbon-intensive energy production to mitigate against the future effects of climate change) has created much greater knowledge and awareness of the global economy's likely long-term dependence on the extraction of mineral resources. For example, despite ambitious forecasts for the introduction of new renewable energy sources (e.g., solar and wind power), predictions indicate that oil and gas, in particular, are likely to remain an important component of the energy mix for many decades to come.

Subsequently, even countries that are supposed leaders and advocates of accelerating the global energy transition have continued to consider measures to expand current oil and gas production. Further, research on the energy transition has made clear that the technology required to produce renewable energy will demand large quantities of rare mineral resources. A recent study published by the World Bank finds that the production of minerals, such as graphite, lithium, and cobalt, may increase by nearly 500% by 2050 to meet the growing demand for renewable energy technologies (Hund et al. 2020, cited in Arellamo-Yangués, 2021).

In other words, even in a clean-energy future, mineral extraction will remain critical. It may become even more important as scarce materials increasingly support the technologies required to satisfy future demand for goods and energy. The increasing demand for such minerals presents significant economic opportunities, naturally creating substantial commercial and geopolitical interest. For example, Tilley and Manely (2017), cited in Acemoglu et al (2018), describe how the expansion of the production of these minerals could be transformative for the fortunes of many countries where these resources are located, such as Nigeria, the Democratic Republic of Congo, South Africa, India, Chile, Brazil, and Bolivia.

The second reason the extractive sector continues to attract heightened global interest at this time is its purported role in supporting many countries' economies, while local communities are suffering from all forms of land degradation and health pandemics. Following severe civil restrictions and even complete lockdowns, which created barriers to business in many countries, governments around the world are now seeking ways to support economic recovery. For many countries, rising global commodity demand offers a clear prospect for helping communities recover as extractive operations provide jobs and tax revenues to cash-strapped governments. In particular, higher gold prices are helping Tanzania increase its mining revenues to a historical high, and economies such as Chile and Peru are also looking to capitalise on the significant increase in global copper demand. South Africa's economic recovery plan has even identified revitalising the mining industry as a top priority, with plans to simplify mining regulations and fast-track approvals so that mining and environmental permits can be granted more quickly (Fernandez-Stark et al., 2020; Rouget, 2020, cited in Arellamo-Yangués, 2021).

From these recent developments in the extractive sector, it is clear that it will remain economically relevant in many countries and will continue to play an important role in supporting global consumption patterns for the foreseeable future. Rhetoric about the economic potential of countries' mineral resources is continuing to grow in the wake of communities suffering from the activities of legal and illegal miners, and these arguments are likely to proliferate as the energy transition advances and the demand for rare minerals increases. Overall, this points to the importance of continuing to improve our understanding of the impact of the extractive sector on local communities 'society and the strategies that can help ensure that mineral endowments are managed appropriately

Objectives of the study

The broad objective of the study is to examine the Political Economy of the Extractive Industry in Nigeria: A Study of Mining Communities in Kuje Area Council, Abuja. Specifically, the study tends to;

1. Critically examine the state of the extractive industry in Nigeria.
2. Examine the contribution of extractive industries in their host communities.
3. Identify the challenge hindering the effective use of extractive industries to boost local industrialisation.
4. To explore how the Nigerian state responds to mining problems in communities.

Research Questions

- i) What is the state of the extractive industry in Nigeria?
- ii) What are the contributions of extractive industries to their host communities?
- iii) What is the challenge hindering the effective utilisation of extractive industries to boost local industrialisation?
- iv) How has the Nigerian state responded to mining problems in communities?

Conceptual Analysis

Political Economy

There has been some scholarly work that has exposed us to the idea of political economy from the sociological and political discourses, essentially as it was developed in the eighteenth century as the investigation of the economies of states and governmental issues; henceforth, the term political economy. For example, Bohon (2003) opined that sociologically, political economy by and large investigates the creation, distribution, and utilisation of products and enterprises, including the role the state plays in these procedures. Here, it emphatically stresses the social setting that edges monetary creation, wealth circulation and state activity, ordinarily a setting profoundly marked by fundamental imbalances of class, ethno-racial character, sex and country.

However, another exciting conceptualisation of political economy is Groenwegen's (2008) definition, which considers the subject matter to be an understanding of the market analysts of government, or open to general monetary arrangements or to explicit recommendations. In this way, the scholar argues that today, political economy is not used as an equivalent term for financial matters. That is why Maier's (2008) definition is helpful here, as he argues that a political economy approach examines monetary regulations to uncover their sociological and political premises. In outline, it respects financial thoughts and conduct, not as structures for examination, but as beliefs and activities that must be clarified in their own right.

On the other hand, a couple of scholars, such as Henderson (2015), Aregbesola (2011), and Eboh (1999), described the concept as very informative, more crucial than just monetary elements, and an understanding of the social system. According to Eboh (1999), political economy is a methodology cum-subject connecting the structural social system of business sectors and government, the motivating forces, capacities, and conduct of financial specialists, arrangement creators, government employees, and society at large.

Similarly, Aregbesola (2011) asserts that political economy clarifies the role of the government in achieving the socio-economic status of the nation and its people. Consequently,

Henderson (2015) opines that political economy concerns the cooperation between government and financial matters.

In this regard, political economy is an all-encompassing subject matter that provokes as well as provides an increasingly fundamental intellectual capacity of the established orders upon which all economic, social, and political life is constructed. Hence, this article's paper analysis of judicial accountability in post-election justice delivery in Nigeria is more nuanced.

Concept of Extractive Industry

The extractive industry cannot be discussed without mentioning its economic premises. That is why scholars Jacob Viner (1953), Arthur Lewis (1955), and Walter Rostow (1961), cited in Arellamo-Yangués (2021), have all linked to contentious development issues. For instance, this has resulted in the death of many of its Citizens. The reasons for countries' attraction to mineral extraction have been widely discussed and, as the discussion above suggests, are primarily economic. At the core of these explanations is the understanding that rents (or revenues) from the extractive sector may offer a source of investible funds. It is argued that this capital can help societies increase their consumption and relax constraints to economic growth and development. This includes providing countries with opportunities to expand their existing business prospects, attract foreign investment, and create new jobs (Karl, 2004, cited in Arellamo-Yangués, 2021).

However, this view is supported by numerous prominent academic scholars and well-known growth models. For example, economists such as Jacob Viner (1953), Arthur Lewis (1955), and Walter Rostow (1961), cited in Henderson (2015), have all historically asserted that resource extraction could help to finance the growth of domestic markets. Rostow's (1961) widely taught five-stage model of economic growth, for instance, infers that resource endowments can provide economies with the capital needed to industrialise and 'take off' from traditional to modernised high-consumption societies.

Instructively, a related argument, based on the Harrod–Domar model, also suggests that the financial windfalls from extraction could be used to fill financing gaps and start a self-sustaining process of capital accumulation and economic growth (Easterly, 1999, cited in Ibrahim and Garba, 2020). Meanwhile, other arguments have also indicated that these rents may help to finance the development of an economy's infant industries (Balassa, 1980, cited in Henderson, 2015). This view holds that, at the early stages of development, domestic industries often lack the economies of scale to compete with more advanced foreign competitors. Resource revenues may provide the funds to help industries mature, making them more technologically advanced and competitive on an international scale.

In addition, many arguments focus on the role these revenues could play in alleviating societal issues such as poverty and deprivation. In this respect, policy research continues to explore the possibilities of expanding security payments or cash transfers financed by resource revenues (Moss et al., 2015, cited in Arellamo-Yangués, 2021). For example, Segal (2012), cited in Arellamo-Yangués (2021), shows that Mexico nearly eliminated extreme poverty by introducing a universal citizen dividend financed by public resource revenues. Other leading examples of such policies include cash transfer schemes operating in the State of Alaska, United States (Goldsmith, 2010, cited in Arellamo-Yangués, 2021), and within Latin America, Bolivia's universal pension scheme, Renta Dignidad (which is partly

financed by direct hydrocarbon taxes; Segal, 2012). Alternatively, related policy options consider using resource revenues to finance improvements in local infrastructure (such as transport links, the electrical grid, or housing stock), as well as to support public investment in areas such as health and education.

The premise of this extractive industry is also supported by substantial empirical evidence and experience. Numerous examples exist of countries experiencing significant periods of economic growth following a mineral boom. These examples also include a legacy that can be traced back throughout much of humanity's contemporary history. Some early examples point to the importance of appropriated minerals from the Americas, such as gold and silver, in supporting the early development of European colonial superpowers (Hamilton, 1934, cited in Arellamo-Yangués, 2021).

However, more recent examples follow the transformation witnessed by Norway after the discovery of North Sea oil in the 1960s and '70s. Holden (2013), cited in Arellamo-Yangués (2021), further describes Norway's progress from an economy with a modest GDP per capita, 5% below the OECD average in 1970, to one more than 70% above the OECD average by 2010. Larsen (2005; 2006) also provides a comparative analysis highlighting how Norway had even outgrown several of its historically more advanced neighbours, such as Denmark and Sweden, by the 1980s. This growth was reportedly supported by its heavy investment in high-tech industries and, to prevent overheating the domestic economy, by investing the remaining oil revenues in foreign securities through a newly established sovereign wealth fund. A complementary policy, known as the 'Spending Rule', also ensured that public spending did not exceed the financial returns from the fund's assets, thereby safeguarding the country's equitable, long-term principles for the distribution of resource rents across generations.

Nigeria is also often highlighted as another modern 'success story' by proponents of the extractive industry-led development imperative. After discovering its large endowment of crude oil and other solid minerals in the early 1950s, Nigeria enjoyed one of the world's strongest per capita growth rates in the decades that followed (Acemoglu et al., 2003). Nevertheless, what followed, according to Poteete (2009), describes a broad and stable political coalition during the first decades of Nigeria's independence in 1960 that helped encourage the adoption of pro-growth policies and strong institutional governance, as it changed over time.

Empirical Review

In a related study, Auty (1993), cited in Aiyede (2003), examined the extractive industry through a historical example that highlights the role that Latin America's resource revenues played in supporting the rise of the Spanish empire. A more telling ending to this piece of history shows how, along these same lines, these revenues can also be detrimental to an economy's development.

Sachs and Warner (2001), cited in Aiyede (2003), examined the effect of the extractive industry on tax revenue on economic growth. The OLS statistical tool was employed to analyse the impact of non-oil revenue and value-added tax on real gross domestic product. The study's findings showed that extractive industry products, such as non-oil revenue, had a significant positive relationship with economic growth, whereas value-added tax had a negative,

insignificant relationship.

In the same vein, Papyrakis and Gerlagh (2007), cited in Acemoglu et al. (2018), appraise extractive industry revenues in Russia. They used econometric tools, including co-integration and Granger causality, as a framework for data analysis—the study aimed at the relationship between extractive industry revenue sources and economic growth. The study concludes that non-oil revenues, oil revenues, and external debts positively impact economic growth, while domestic debts negatively affect it.

Another study, similar to that of Poteete (2009), cited in Afolayan et al. (2022), examined the effect of extractive industry impacts on economic growth by focusing solely on evidence from local miners' participation. The study relied on data from the Russian Miners' Statistical Bulletin. Meanwhile, it was analysed by using ordinary least squares multiple regression. The study, however, concludes that company income tax and economic growth are unrelated.

Furthermore, the problems surrounding the effects of the extractive industry on Mexican communities were the focal point of the studies by Moss et al. (2015) and Segal (2012), cited in Acemoglu et al. (2018). These scholars critically examine the effects of extractive industry communities in Mexico during the period 2012 to 2014. The study used the OLS method. The study found that the extractive industry significantly impacted communities. Interestingly, the study concludes that the extractive industry has a positive and significant impact on employment rates in Mexico.

However, Afolayan et al. (2022) and Acemoglu et al. (2003) used time-series data in their studies to investigate the role of non-oil revenue variables in the extractive industry on economic growth in Nigeria. Their study employed co-integration and the error-correction mechanism to examine the impact of non-oil revenue on economic growth in Nigeria. By observing, the extractive industries from the non-oil variables analysed are: agricultural revenue and manufacturing revenue. Critically, the study, for better analysis, examines annual observations from 1980 to 2013. The study finds that the extractive industry has a significant impact on Nigeria's economic growth. In conclusion, the study demonstrates the existence of a long-run equilibrium relationship and short-run dynamic adjustment with a speed of about 52% to restore equilibrium.

It is evident, therefore, from the foregoing that these scholarly works did not pay much attention to the extractive industry's impact on mining communities, which has denied the people of their mainstay, such as agriculture, for the livelihood and economy of the people in the Kuje Area Council of FCT Abuja, Nigeria, and the major employer of labour. This indicated a knowledge gap that needed to be filled. This research work will therefore assist in documenting the effects of the extractive industry, particularly on the communities in Kuje Area Council of the FCT, where it started worsening in 2025 and reached its apogee. This is very important, as this research work explored ways to add to knowledge by addressing the gaps it identified in the empirical review.

Theoretical Framework

Marx's theory of the state was expounded by Karl Marx (1818-1883) and Fredrick Engels (1820-1895), as cited in Afolayan et al. (2022). The theory challenges the basic concepts of the liberal state. It emphasises that these concepts have emphasised the enslavement of society, whose emancipation could only be realised through its abolition (Nitisha, 2017,

cited in Aiyede, 2003). The proponents of this theory argued that before the emergence of private property, the human society was stateless. State, according to them, is therefore the product of materialistic history, created by man to protect and advance his economic interest (Nitisha, 2017, cited in Afolayan et al, 2022). Karl Marx traced the emergence of the state to the feudal stage, during which owners of property, seeking protection for their property, created political power to legitimise the property they acquired. The emergence of property ownership gave rise to two (2) classes: those with property and those without. The two

(2) classes engaged in constant conflict with one another. The property class employed the state apparatus to perpetuate its dominance (Nitisha, 2017, cited in Afolayan et al, 2022).

The Communist Manifesto has this as its opening statement: “the history of all hitherto existing societies is the history of class struggle, freeman and slave, patrician and plebian, lord and serf, guild-master and journeyman, in a word, oppressor and the oppressed, stood in constant opposition to one another” (www.gutenberg.org cited in Afolayan et al, 2022).

It is pertinent at this point to define the state which V.I. Lenin defines as a product of society at a certain age of its development; it is an admission that this society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable antagonism which it is powerless to dispel. Nevertheless, so that these antagonisms, these classes with conflicting economic interests might consume themselves and society in fruitless struggle, it became necessary to have a seemingly standing above society, that would alleviate the conflict and keep it within the bounds of "order" and this power, arisen out of society but placing itself above it, and alienating itself more and more from it, is the state (www.marxist.com cited in Afolayan et al. 2022).

The State, in this context, is therefore regarded as a political power that evolved within a given human society to regulate and mediate between the two contending classes in pursuit of their economic agenda. The dominant class applied its material disposition using the state to appropriate resources in its favour, while the dominated class remained perpetually subordinated and exploited. Essentially, the state in this context is viewed as an agency under the control of the ruling class, which it uses at all times to promote its economic agenda. Indeed, it is a daunting instrument of class coercion and the most significant impediment to revolution (Solo, 1978, cited in Ali et al., 2020).

Models/Variants of the Marxist Theory of State

There are two (2) variants of the Marxist Theory of the state, namely;

1. Instrumentalists; and
2. Relative Autonomy

Instrumentalist Marxian Theory of State

Instrumentalist Marxian theory views the state as an instrument used by the property class to advance its economic agenda at the expense of the propertyless class. The leading proponents of this variant include Ralph Miliband (1924-1994), John Burden Halden Sanderson (1892-1964), and Shlomo Avineri (1933), among others, as cited in Ali et al. (2020). Paul Sweezy (1942), cited in Adefolarin (2014a), asserted that the state is an instrument in the hands of the ruling class, and this idea, according to him, has been rooted in classical Marxism, especially the writings of Karl Marx and Fredrick Engels. For instance, in German ideology, they argue that the state “Is nothing more than the form of organisation which the bourgeois necessarily adopt both for internal and external purposes for the mutual guarantee of their property and interests.... the state is the form in which the individual of a ruling class asserts their common interest” (Whetherly et-al, 2006 cited in Acemoglu et al. (2018)). This thought was reiterated in *The Origin of the Family, Private Property and the State* (1884) where Engels asserted that: “It {the state} usually is the most powerful, economically, politically dominant class and so acquires the new means of holding down and exploiting the oppressed class. The ancient state was, above all, the enslaver for holding down the enslaved people, just as the feudal state was the organ of the nobility for holding down the peasant serfs and the bondsman. The modern representative state is the instrument by which capital exploits wage labour (Miliband, 1965, cited in Acemoglu et al., 2018).

Major Assumptions of the Instrumentalists' Variant of the State Theory

1. Society is composed of two (2) classes, namely, the property owners and the property-less.
2. These two (2) classes pursue conflicting economic interests, making conflict among them inevitable.
3. The dominant class uses the state machinery to perpetuate its dominance over the other class.
4. The state is thus an instrument of class domination and the oppression of one class by another.

Relative Model/ Variant of the Marxian Theory of State

The concept of relative autonomy, the Marxian theory of the state, was first coined by Poulantzas (1973), cited in Ali et al (2020). to recognise a structural feature of the capitalist state that began from the relative division of the economic and the political instances in the Capitalist Mode of Production (CMP). It appeared as a contrast to the instrumentalist conception of the Marxist theory of state (Gulaph, 1987, cited in Adefolarin, 2014c). Proponents of the relative autonomy of the Marxian theory of the state argue that it is not always influenced or dictated by the dominant classes, as scholars of the instrumentalist variant claim. Schwarzmantel (1947), cited in Adefolarin (2014b), stated that relative autonomy theory was anticipated by a distinction which Karl Marx made between the dominant class and the governed.

The extreme manifestation of the state's independent role is to be found in authoritarian personal rule, Bonapartism. No class controlled the pre- 1798 French monarchy. The absolute monarchies of other European states were also not states controlled by either the decayed nobility or the rising bourgeoisie (Miliband, 1994, cited in Adefolarin, 2014b). Similarly, Karl Marx (1818-1883) argues that "The ruling class is not always well-organised and sufficiently assertive as it is always divided into various groups and factions," which, in turn, affects its cohesion and its ability to manipulate the state machinery in absolute terms, mainly for its own interests. The ruling class is therefore constrained to make concessions to all other groups; hence, the state, being the most organised and most powerful entity, maintains its role of relative autonomy by mediating between the contending and conflicting groups. This is what Ralph 1924-199 called the secondary view of Karl Marx, in which he describes the state as independent of and superior to all social classes, in view of its dominance in society, rather than as the instrument of a dominant class (Miliband, 1994; Acemoglu et al., 2003).

Major Assumptions of the Relative Autonomy Marxian Theory of State

1. Society is composed of two (2) classes, namely, the property owners and the property-less.
2. These two (2) classes are not well-organised to perpetuate their dominance on society; hence, they pursue contending, irreconcilable, and conflicting economic interests, which weakens cohesion and dominance in absolute terms against other classes.
3. The state is the most well-organised, powerful, and independent of all classes, and it pursues a mediating and conciliatory role among them.
4. The state is the most dominant force in society, independent of all classes.

Application of the Marxian Theory of State to the Study

Kuje Area Council is an agrarian economy characterised by underdeveloped productive forces. The council is one of the six area councils of the FCT Abuja of the Federation, created by the post-colonial Nigerian state in the 1970s. It is composed mainly of the agrarian community's traditional bourgeois ruling class, the residue of feudal order, exploiting the peasantry known as petty-bourgeois elements. It is unlike the capitalist economy typical of metropolitan Europe and the United States, where the class struggle is between the bourgeoisie and the proletariat. In Nigeria, the Kuje Area Council in Abuja, the bureaucracy represents the bourgeoisie and serves as the ruling class. The contest, therefore, is between the peasants and the petty bourgeois elements and the bureaucratically-oriented bourgeois ruling class, and the remnants of feudalism.

In Kuje Area Council, protracted conflicts are prevalent over control of the natural resources, particularly extractive industry activities such as mining precious stones, marbles, gold, both legal and illegal miners, that has led to land degradation, health hazard, destruction, and taking over of farm lands, resulting to bloody confrontations with attendant consequences on lives and property of the citizenry. The petty-bourgeois elements that control the state machinery, both at the Federal and FCT Abuja Levels, through their action and inaction, allow illegal mining activities and the resulting conflicts to degenerate into challenges in mining communities due to state negligence and criminal elements within the council and its environs. This, over the years, led to the poverty of people in mining communities in the Kuje area councils of the FCT, Abuja. This research work, hence, explored the case of the Kuje area council regarding the extractive industry in Nigeria.

However, for this work, the researcher would use the Marxian Instrumentalist theory of the state. The major assumptions of the Instrumentalist state theory, as enumerated by Caparoso and Levine (1992: 74 and 75) are as follows:

1. Irreconcilable differences exist between the economic interests of classes. This conflict arises within society and is based on its defined social problems.
2. This irreconcilable conflict threatens social order.
3. Social order means a social organisation designed to satisfy the economic interests of one class rather than those of another.
4. Given the irreconcilable conflict character of the social order, preservation of order is maintained against the interest of one class of the two classes that compose it.
5. The Kuje Area Council, under the Nigerian state organ that maintains order, is an organ of class oppression.

Justification of the Marxian Theory of State as a Framework of Analysis

Marxian Instrumentalist theory of state is chosen over other theories in view of several reasons, as cited in (www.getrevising.co.uk/gridsmarxsin), which include:

1. The theory analyses power and conflict in society arising from the uneven distribution of resources, including in mining host communities in the Kuje Area Council in the FCT,

Abuja.

2. It helps in explaining conflict and change in society.
3. It exposes injustice in society and fervently believes in the equality of the human race (www.enotes.com).
4. It offers practical ideas to help alleviate economic inequality, which breeds conflict.

The above propositions are germane in understanding the nature and dynamics of the political economy of the extractive industry in Nigeria, as well as providing greater context to the current heightened national interest in the extractive industries in the mining communities of the Kuje Area Council of Abuja.

Materials and Methods

The study used qualitative and quantitative research methodologies. Meanwhile, both secondary and primary data employed by the study help generate information to investigate the problems faced by Mining Communities in the Kuje Area Council, Abuja. The study was conducted with a sample of 200 respondents drawn from the Five Mining Communities (5) of the Kuje Area Councils in the FCT. This is comprised of people from public and private sectors- including Artisan Miners, Legal Miners, Community Leaders, Youth Leaders, Women, Farmers, Artisans, Traders, Public Servants, Academician, NGO Activist, Private Sector Professionals and the various ages and gender across the Five (5) communities that includes; Chukuku, Tkiyi, Chibiri, Shebuko, and Doji of Kuje Area Councils of Abuja, randomly selected and administered questionnaires, while some were interviewed with both open and closed-ended questions asked.

Table 1. Demographic Characteristics of Respondents

Demographic Variable	Response	Frequency	Percentage (%)
Gender	Male	110	55%
	Female	90	45%
Age	Below 30 years	50	29%
	31–35 years	35	17.5%
	36–40 years	38	19%
	41 years and above	65	32.5%
Educational Qualification	Primary Education	100	50%
	Secondary Education	35	17.5%
	Tertiary Education	65	32.5%

Occupation Status	CSO Activist	45	22.5%
	Public Sector/Academia	77	35.5%

	Business/Farming	53	29.5%
	Unemployed	19	9.5%
Marital Status	Married	130	65.7%
	Single	45	22.5%
	Divorce	20	10.0%
	Widow	5	2.5%

Sources: Primary Data, 2025.

Table 1 shows that the demographic characteristics of the respondents indicate a relatively balanced gender distribution, with 50.5% male and 49.5% female participants. The age distribution reveals that the majority of respondents (32.5%) are within the 41 years and above age group, followed by below 30 years (29%), highlighting the active participation of both middle-aged and young adults in discussions on investigating the problems political economy of the extractive industry in Nigeria of Mining Communities in the Kuje Area Council, Federal Capital Territory, Abuja. In terms of educational qualifications, 50% of respondents have attained at least primary education, and 17.5% have attained secondary education, indicating a relatively literate population. In comparison, 32.5% have a tertiary education, enabling them to engage with the political economy of Nigeria's extractive industry. The occupation distribution shows that public sector/academic employees form the largest group (35.5%), followed by business/farming employees (29.5%), while CSO activists and unemployed respondents each account for 22.5% and 9.5%, respectively. The marital status is relatively evenly distributed: 65.7% of respondents are married, 22.5% are single, 10.0% are divorced, and 2.5% are widowed.

Discussion of the Findings

At the beginning of this work, some propositions and questions were raised in line with the objectives of this research, regarding the Political Economy of the Extractive Industry in Nigeria, using Mining Communities in Kuje Area Council, Abuja (2015 – 2023). In answering these questions, which are important for testing the propositions where conclusions will be made, the discussion of the findings was organised based on the objectives of this study, which include the following:

1. Critically examine the state of the extractive industry in Nigeria.
2. Examine the contribution of extractive industries in their host communities.
3. Find out the challenge hindering the effective utilisation of extractive industries to boost local industrialisation.
4. To explore how the Nigerian state responds to mining problems in communities.

Critically examine the state of the extractive industry in Nigeria.

This objective was proven based on data presented in the data collected has indicated that the emerging democracies across the world, as they try to restructure their political, economic, and social services, have become paramount with the full engagement in the

extractive industry by the Nigerian state and other non-state actor groups such as mining companies, artisan miners, and illegal miners in Nigeria. This finding was in line with Acemoglu et al. (2003), who described this phenomenon as the one that gave rise to three areas in the extractive industry that play vital roles in Nigeria's economy. First, they were sites where crude oil was extracted from the ground and natural gas was explored, which, over the long term, served as the nation's financial lifeline. Second, they represent the sphere of the Nigerian society's energy sources, such as petrol, kerosene, and diesel, which were exported and contributed to policy change. Third, extractive industries comprise both liquid and solid raw materials taken from the ground and sold by the Nigerian state and licensed mining companies to earn foreign currency.

The findings are also in line with the view of Auty (1993) cited in Acemoglu et al. (2003), who said that, unlike other industries, the extractive industry is a central objective in the Nigerian economy, over which the Nigerian state has power and is for the distribution of wealth and income amongst the elites. Still, the finding is in line with besides, this is addition confirmed by the findings of Moss et al. (2015), Segal (2012) and Walter (1976) cited in Acemoglu et al. (2018), that extractive industry have

globally become active economic interest that nation state does all its power to use as means of economic and governance saddled with the multifaceted responsibilities of providing social welfare, economic empowerment, humanitarian services, political participation, human capital Development and economic activities. Thus, within the context of economic development, extractive industries provide the means to advance an agenda to improve people's lives and livelihoods in sustainable ways.

To examine the contribution of extractive industries to their host communities

The findings revealed the factors that necessitate the Nigerian extractive industry over the years. The findings are strengthened by Karl (2004), cited in Ali et al. (2020); Acemoglu et al. (2003), findings that point out that factors necessitating an extractive industry are not just the desperation on the part of global economy stakeholders to secure a new alternative to coal and other crude energy sources. This finding was also supported by the findings of Easterly, (1999), as he argued that the search for alternative energy sources on a global scale led to rigorous discovery of fossil fuel and other mineral resources Furthermore, the study finding was also in line with Balassa, (1980) cited in Ali et al (2020) finding that assert that engaging in extractive industry is born out of getting a better source of raw materials that accomplished the processes of producing better across the world.

Again, the study's findings are supported by Songonuga (2015), as cited in Ali et al. (2020). The extractive industry in Nigeria, as a result, has a greater need for the government to sustain the economy and aid the process of democratisation and responsive leadership, which can be repositioned more. He alludes to the fact that Nigerian state was so interested in extractive industry far beyond which explicitly is about getting funds and earning foreign currency to providing social security, expanding and advocating for economic opportunities, rule of law, freedom of press, nipping in the bud ethno- religious violence, provision of basic infrastructural facilities, guarantee of oppositions, and a regular free and fair election.

Consequently, this study's findings reveal that the extractive industry in Nigeria plays a more active role in economic governance in the contemporary period. This would go a long way in providing the benchmark for ensuring funding for economically viable projects. Hence, the state of the extractive industry is germane to the Nigerian state's economic policies over the years.

Find out the challenge hindering the effective utilisation of extractive industries to boost local industrialisation

They revealed the extent to which the extractive industry in Nigeria impacts mining communities. This is in line with the findings of Auty (1993) and Sachs and Warner (2001), cited in Ali et al. (2020), that mining.

Communities have not had their fair share of the extractive industry's activities in their environments. Also, the findings of Papyrakis & Gerlagh (2007), cited in Acemoglu et al. (2018), indicate that mining communities are the recipients of poor management by extractive industry actors, which eventually leads to greater land degradation, pollution, and loss of farm produce in rural areas. He added that, in this light, the extractive industry has no means to address the problems created by mining actors. The table presents factors in the extractive industry that impact mining communities in the Kuje Area Council, FCT, Abuja. The responses in the table revealed several impacts and possible consequences. The items 21-27 indicate the level of how the extractive industry factors that impact mining communities in Kuje Area Council FCT Abuja can be said to have seriously contributed to the government not caring for mining communities in Kuje area council FCT Abuja that includes;| Land degradation, loss of farm produce, Health challenges, Depredation of ancestral heritage, insecurity Government negligence, Pollution Unemployment.

Still, the finding is confirmed by Poteet, (2009) cited in Ali et al (2020) extractive industry activity like mining having disrupted the community that host raw materials that is been extracted from the ground, and had, through lack of sheer commitment to a common goal of taking care of the mining communities, paved the way for the many challenges confronting mining communities globally, essentially in sub-Sahara African, Nigeria and Kuje area council in particular. Still, the findings are in line with the (Reported in Punch Newspaper, 5 October 2022), that mining communities in the FCT Abuja, which were stoned, are being blasted by construction companies, and are suffering from health and infrastructure problems that the government failed to address.

The study's findings show the impacts of extractive industry factors on mining communities in the Kuje Area Council, FCT, Abuja. This goes a long way toward showing that mining communities in the FCT, Abuja, particularly in the Kuje area council, are seriously suffering from extractive industry activities such as mining.

To explore how the Nigerian state responds to mining problems in communities

On the ways by which the Nigerian state responds to mining problems in host communities in Nigeria. Research objective four is to offer actionable recommendations on the operations of mining companies, construction companies, and artisan miners, amongst others. There is no doubt that the extractive industry is playing a significant role in Nigeria's economy; however, to ensure the protection of Nigeria's national interests, host communities, and the sanctity of life and a sustainable environment. However, findings from the study are line with Songonuga, (2015); Karl, (2004); Acemoglu et al., (2003), Auty, (1993); Sachs and Warner, (2001); that suggested mining communities must guard against, in that extractive industry activities and factors that are likely to hinder their practical environmental challenges performance such as;| Land degradation, loss of farm produce, Health challenges, Depredation of ancestral heritage, insecurity Government negligence, Pollution Unemployment. They added that there should be greater advocacy for the government to address the many problems faced by mining host communities and mining sites in Nigeria, as well as establishing and ensuring that mining communities in the FCT, Abuja, receive support

for infrastructure and other amenities needed at the grassroots level.

Conclusion

There is no doubt that the extractive industry is an indispensable sector of the Nigerian economy. The fact that the sector is, at the moment, the primary source of funds for running the Nigerian state requires accountability from mining companies and artisan miners alike. However, no developed nation today has achieved such a position without pragmatic and exemplary leadership by the government or the ruling class. The near absence of purposeful leadership in Nigeria, which is shown through the action of subsequent governments that have come into power since independence till date by their acts of corruption and impunity, especially amongst the executives on electoral malpractices, ethnic prejudices and unwillingness by the ruling class to resolve age long fundamental issues of a failing federal system, weak institutions, flagrant abuse of human rights, subverted legal framework and procedures of government for selfish interest have left Nigeria in a very precarious situation. Particularly, given that mining communities in the Kuje area council are suffering untold hardship as a result of mining activities, there is urgent attention to its attributes in handling critical areas of the extractive industry sector, addressing election-related problems, and improving the livelihoods of these host mining communities in Abuja. Therefore, protecting mining communities is paramount, particularly as the interior of the country is being promoted to achieve economic Development, environmental protection, and sustainable development.

Recommendations

In the course of this study, the following recommendations were made;

1. There is a need for close cooperation between mining communities and mining companies in Nigeria.
2. There is a need to protect mining host communities through mandated partnership, collaboration, and policy thrust from the Nigerian state.
3. There should be clear economic and political objectives, and a resolute government policy effort, supported by a legal institutional framework, to create an enabling environment for artisan miners to be regulated.
4. Lastly, the government must ensure the provision of various amenities for the host mining communities of Abuja, starting with the Kuje area council mining communities.

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