



## PROMOTING AND UTILIZATION OF NIGERIA NATURAL RESOURCES FOR ECONOMIC DEVELOPMENT

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**ABSTRACTS:** *The development of Nigeria has direct link with her natural resources, what are they and how they are utilized. Following the significance of natural resource to economic development, policies needs to be in place to ensure both short term and long term benefits. Apart from crude oil, the biodiversity sector has rich natural medicinal resource most especially the medicinal plants which is a driving force for development all over the world. Nigeria despite her immense economic promise is in dire need following the fact that unemployment rate remains high at 33.3% and the multidimensional poverty rate is 63%. Nigeria blessed with over 10,000 species of medicinal plants has only utilized less than 20% of its medicinal plant resources. To partake in the fortune of the global medicinal plant market that was estimated to reach \$5trn by 2050 and has what it takes to provides economic development to nations, there is every need for the country to promote and utilize her natural resource for economic development. This paper thus explores; natural resources, economic development, natural resource potential for economic development and utilization of natural resources for economic development.*

**KEYWORDS:** Natural resources, economic development, utilization, biodiversity, benefits.



## INTRODUCTION

The existence of human society has been anchored on the sustained manipulation between man and his natural environment. This manipulation wholesomely depends on man's initiative to develop tools within a social organization to harness natural resources in the desire for meeting his survival and developmental needs. Generally speaking, development embraces several dimensions such as political, technological, socio-cultural, economical and other important factors in line with national objectives. However, utilization of natural resources is more concerned with environmental, physical and economic resources and development that emphasize the need for efficient production and management of natural gift, mobilization and efficient use of talent as well as full employment. The development of Nigeria has a direct relationship with her natural resources, what they are and how such resources are utilized. Different kinds of resources could be identified. These are water, energy, physical, forests, wildlife, climate, minerals, manpower, and others that can be regarded as the nation's sources of wealth, collective means of support and defense of the nation. Natural resources be it renewable or non-renewable and services from the ecosystem are part of a nation's real wealth. They constitute natural capital from which other capital is made. They contribute towards poverty reduction, income and fiscal revenue. Sectors utilizing natural resources provide jobs and are the basis of livelihoods in poorer communities. Following this basic significance of natural resources, they must be efficiently utilized. Government plays crucial roles in ensuring that policies are put in place to enable natural resources to contribute to the nation's economic development not only in the short-term revenue generation, but also in the long-term. Quality governance in the present, and planning for the future is the only means through which resource curse can be handled. This paper discusses natural resource, economic development, natural resource potential for economic development and utilization of natural resources for economic development.

### Natural Resources

Natural resources to [1] are those things available to man as 'gift of nature' which are renewable or non-renewable such as agriculture, mineral, water, atmospheric resources and forest. The concept of natural resources refers to the material and energy that can be used by human beings in nature, which cover both the ground surface and underground, including soil, mineral, water, forest, grassland, wetland, and marine resources which are closely related to human survival and development [2]. Some resources such as plants and trees, are renewable because they quickly and relatively regenerate while others such as oil and minerals are considered non-renewable because of the much longer form it takes to form. Natural resources are naturally occurring resources found either below, above, on the surface of the earth, in water, in the air or anywhere around the environment. They are materials or substances occurring in nature which can be exploited for economic benefits. Natural resources include raw materials such as fuels, minerals and metals, soil, water, air, sunlight, land, biomass and ecosystems. Natural resources also include living (biotic) and nonliving things (abiotic). It also includes vegetation, human beings, animals and birds with other microorganisms which if adequately utilized results in economic development.



## Economic Development

The economic development of a country or nation is the process of accumulating capital and incorporating technical progress into work and capital that leads to increased productivity, wages, and the average standard of living for the population [3]. [4] viewed economic development to include increase in production and per capita income, production structure changes and allocation of resources between sectors, structural changes as well as technical and institutional arrangements. It is a process that increases people's levels of life, freedom, self-confidence and improves the quality of people's lives and abilities. According to [5], economic development is the increase in the nation's population with sustained growth from a simple, low-income economy to a high-income economy. Its scope consists of the policies and process by which a country improves the political, economic and social well being of its people. In addition, [6] sees economic development as a "structural change process in economic, social, cultural and political fields as well as production and income increases in a nation". Development comprises processes such as increasing material welfare, eliminating the root of poverty, changing the composition of inputs and outputs used in production, and a move towards production with more effective and differentiated methods in order to maintain or raise the current level of social life standard".

However, Nigeria's economic development is without employment generation and provision of basic human needs and thus fails to raise the current level of social life standard of her people. This was supported by the [7] which shows that Nigeria's unemployment rate remained high at 33.3% and the multidimensional poverty rate stood at 63%. Nigeria has all it takes to emerge a continental and global force that influences national economics and policies. Its economic development holds great potential when properly harnessed. With the teeming population of Nigerians, abundance of human and natural resources to facilitate trade, Nigeria has the economic potential to be ranked among great countries. However, the economic outlook of the country does not reflect her immense economic promise. Unfortunately, the economic growth and development of the country is under threat due to high illiteracy, unemployment and poverty rate. Hence, there is a need for promoting and utilizing the abundant natural resources for economic development.

## Natural Resource Potential for Economic Development

Nigeria is blessed with a large and huge quantity of natural resources. The Nigerian economy is greatly dependent on the oil sector of which accounted for more than 90% of exports earnings and about 40% of government revenue [8]. According to [9], the contribution of petroleum to the Gross Domestic Products is as high as 78% and Nigeria's total annual revenue and foreign exchange earnings is up to 90%. [8] estimated that Nigeria produces about 2.9 million barrels of oil per day. Nigeria has an abundance of natural gas, coal and renewable energy resources. The country holds the largest deposits of natural gas reserves in Africa and the ninth in the world [8].

According to [10], Nigeria has a total area of 923,768km<sup>2</sup>, of which 910,768km<sup>2</sup> is land and 13000km<sup>2</sup> of water. It was reported that 33% (300,550km<sup>2</sup>) of the land is use for arable crops, 3.1% (28,235km<sup>2</sup>) is for permanent crop, 44% is under permanent pasture, 12% is under forest and woodland while 0.3% (2, 820km<sup>2</sup>) is under irrigation.

Biomass resources of Nigeria include agricultural crops, grasses, charcoal, shrubs, wood, residues and wastes (agricultural, forestry, municipal and industrial) and aquatic biomass [10].



Studies show that bio-energy potential of Nigeria stood at 83 million tonnes of crop residue per annum, 61 million tonnes of animal waste per year and fuel wood [11]. Nigeria has the largest capacity for oil palm plantation and is the largest producer of cassava in the world, which serves as a great source of bio-diesel [10].

There are several agricultural raw materials and solid minerals in Nigeria. Nigeria contributes grossly in the world's export of agro materials such as cashew nuts/kernels, cocoa, and rubber, among others. Other agro materials in abundance are tomatoes, onions, palm, cereals, cassava, yam, ginger, gum arabic, and sesame, among others [10]. Nigeria is endowed with a variety of natural resources much of which is yet to be exploited. Most important of these natural resources is the natural medicinal resources of Nigeria which holds a greater premium for the economic development of Nigeria.

Nigeria is rich in biodiversity which presents great arrays of untapped resources for natural medicine development. The biodiversity is a rich source of medicinal plants which has the capacity of funding the county's annual budget if adequately utilized. Almost 90% of the total medicines comes from the plant kingdom [12]. [13] reported that 70-80% of the world's population of most developing countries like Asia, Africa, and Latin America, depends on natural medicines of which medicinal plants constitute the bulk of raw materials for the medicines. Nigeria has over 10,000 species of medicinal plants but less than 20% of these medicinal plants are being utilized with the market value of N200 billion. It was projected that by the year 2025, the market value of medicinal plants will hit about N1 trillion while the global market will hit over \$5trn by 2050 [13]. This sector of the economy has a great potential for economic development of Nigeria if adequately utilized. The domestication, cultivation and commercialization of medicinal plants provides business and investment opportunities for Nigerians, as many who are living in abject poverty could be fed, clothed, housed and employed by engaging in medicinal plant farming. The domestication and commercialization of medicinal plants is an opportunity to benefit Nigerians. The industry will create jobs for the rural and pre-urban unemployed people. It will help the poor to secure a steady income, which invariably helps them to maintain a healthy living condition. There is a steady and increasing global demand for natural medicinal plant products due to the emergence of new products like health foods, natural cosmetics and hygiene products [14]. Developed countries such as the USA and Europe are devising medicinal systems that require the use of medicinal plant products and resources. Thus, a marked increase in world demand for medicinal plant resources has emerged in recent years and that has provided a great opportunity to medicinal plants exporting nations to expand their economic shares in this sector. Countries that are major users of medicinal plants are Japan, USA and Europe, while about 30% of the global export is from Egypt and Morocco (Africa), India and China (Asia), Chile and Peru (South America), Albania and Bulgaria in Europe [15]. Almost 80% of the global medicinal plant supply comes from traditional indigenous plants [16]. The essential products to be traded from medicinal plants includes; phyto-pharmaceuticals, nutraceuticals and cosmeceuticals.

Currently, the world demand for spices, medicinal plants and herbs has increased in different ways, because of the increasing interest of the health care sector in the therapeutic activities of phytochemicals associated with indigenous medicinal plants. The current industrial use of these medicinal plants to produce herbal teas, extracts, nutraceuticals, decoctions, plant-based pharmaceuticals and cosmeceuticals is growing faster than the conventional medications and allopathic drugs. Hence, the medicinal plants-based industrial sector has huge potential for the economic growth of a nation.



### **Utilization of Natural Resources for Economic Development.**

Natural resources utilization is concerned with the ability of a country to plan and manage its resources consumption. The fast population and economic growth has put remarkable pressure on resources and the environment [17]. The world population has grown from the past 50 years from 3.7 billion to 7.8 billion [18]. However, natural resources continue to be utilized and wasted, leading to the over-exploitation and utilization of natural resources [19]. The irrational use of natural resources does not only destroy the environment but also threatens the sustainable economic development of the nation [20]. Thus the issue of effective utilization of natural resources is important in order to save the resources, protect the environment and ensure sustainable economic development.

As for the issue of natural resource utilization, humans are faced with several basic needs in life such as spirituality, culture, economic development and environmental protection. As the subject of natural resources has social, natural, economic and ecological attributes, rational exploitation and utilization can satisfy the various human needs. Therefore, humans purposefully invest capital, technology, and labor to use resources to obtain products and services. The process of natural resources from exploitation and utilization to providing products and services to humans will go through a period of time, and the form and size of its benefits will change constantly. More so, human needs at different stages of social development are not the same, thereby leading to changes in the goals of resource exploitation and changes in natural resources utilization benefits. Thus, the continuous monitoring and evaluation of natural resource utilization benefits is to a large extent a reflection of the changes in social and economic development of Nigeria.

The economic, ecological and social benefits are three parts of the natural resource utilization benefits system [21]. These three have connected influences as shown below. Humans exploit and utilize natural resources based on their own needs to acquire economic gains and place the economic gains into public services and infrastructure development to obtain social benefits [22]. In this process, if the resource utilization mode is rational and within the carrying capacity of resources and the environment, significant economic and social benefits can be achieved continuously. If undesirable outputs such as environmental pollution and ecological damage are produced by the limitation of capital or technology, the ecological benefits will be affected. Improvement of social benefits promotes the accumulation of production factors to improve the environmental quality and production conditions [23]. The increase in ecological benefits has a positive effect on the social benefits by improving living conditions and also creates favorable resource and environmental conditions for economic development.

### **CONCLUSION**

Nigeria has huge natural resources calling for efficient utilization. The available natural resources in Nigeria hold the potential for economic transformation and development. Despite these vast resources, economic development is not commensurate with the resource abundance, there exists a high rate of unemployment, poverty and low level standard of living. Owing to the huge potentials of natural resources to the economic development of the nation it is important to utilize these resources rationally to ensure continuous supply of their benefit.

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