

Website: https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm



SOCIO-ECONOMIC IMPACT OF UNDERUTILIZED NATURAL RESOURCES: A CASE STUDY OF EKITI STATE

Oluwaleye, E. F. I.

Department of Public Administration, The Federal Polytechnic Ado Ekiti, Ekiti State. E-mail: folahrotimi@gmail.com

Abstract

Ekiti State, located in southwestern Nigeria, is endowed with diverse natural resources, including minerals, fertile agricultural land, and scenic landscapes. Despite this wealth, the state faces significant socio-economic challenges, characterized by high poverty rates, unemployment, and heavy reliance on federal allocations. This study examines the socio-economic impact of underutilized natural resources in Ekiti State, investigating how inadequate resource management affects local economic development. Using a descriptive research design, data were collected from multiple local government areas to assess the extent of resource neglect, infrastructural deficiencies, and political barriers that hinder economic growth. Studies reveal that while Ekiti state possesses resources with substantial economic potential. These assets remain largely untapped due to political inaction, infrastructural limitations, and lack of public awareness. The study underscores the need for strategic resource management, infrastructure development, and public-private partnerships to unlock the state economic potential. Recommendations include policy reforms aimed at sustainable resource utilization, investment in infrastructure, and community-driven awareness programs to foster economic resilience and reduce dependency on federal support.

Keywords: Ekiti State, Natural resources, Underutilization, Federal dependency.

1. INTRODUCTION

Nigeria is the most populous black nation in the world endowed with a variety of resources, which if tapped will promote sustainable national development (Ahmad and Daoud, 2019). The major natural resources in Nigeria include petroleum, agriculture and solid minerals. Nigerian agricultural resource is diverse, abundant and covers a wide range and large area of food and cash crops and a arable respectively land (Asadu, Materilola, 2017). The country economy has been largely dependent on oil revenue which has over the years faced varying challenges as a result of unstable global oil prices (Abubakar et al., 2016). The total dependence on oil has rendered Nigeria vulnerable, especially when oil revenues wane, forcing the country to seek other revenue sources. Despite this, Nigeria has remained underdeveloped in other resource sectors, particularly mineral resources, where much of extracted minerals are either unexploited or unreported, with lots of minerals extracted smuggled out of the inefficiencies country. Broader underutilization of the country's abundant natural resources also characterise the situation. Various scholars and reports have blamed the debacle on the bad leadership in the country. Administrative and executive negligence across different levels government is one of the major causes for the underdevelopment of Nigeria's mineral resources sector (Nwonwu, 2016). Many state governments, including governors and local heads, have played a minimal role in mining the mineral wealth in jurisdictions (Elaigwu, 2006).



Providy Spongored by:

EETFUND
TERTIARY EDUCATION TRUST FUND
TETFUND/ESS/POLY/ADD-EKITI/ARJ/3

Website: https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm

these states receive almost all of their revenues from federal allocations, which keep them dependent and stop local economic development and resource exploration. The reliance on federal support has rendered the economic potential of states marginalised even as they have unique resource endowments. A few of Nigeria's 36 states and the Federal Capital Territory, Abuja had actively pursued internal revenue generation initiatives. More than two thirds of these states depend on borrowing to fund their projects, leaving the natural resources within their borders untapped (James, 2018; Adam, 2018; Okoh & Okoh, 2021).

Natural resources are gifts of nature that have been created (Adloff, 2022). It is a way for a nation or a state to become economically viable as it play important roles in the development of states. But effective utilisation is not done by magic, it is done strategically planned and executed. However, Young (2022) stressed that, "Resource management is however a complex issue because of numerous political, economic, social and cultural factors surrounding their ownership and use (Young, 2022; Stone et al., 2024). In areas where industry and infrastructure are based on the production of primary goods, the natural resources of a region are vital to development. socio-economic Natural resources are defined broadly as any naturally occurring material that can satisfy human needs or contribute to economic growth (Elisha, 2022). Terry (2020) claims that: "The global race has geographical difference in the natural resources share" In a world where some countries have limited natural resources compared to others, the gift of human wisdom is given as compensation. If well utilized, it aids in becoming one of the world's most successful nations." such nations as Japan, South Korea, Italy, Hong-Kong, Taiwan, Singapore, Belgium, Switzerland etc. These resources in various states in Nigeria, which are not only sources of potential revenue but also inputs into possible local and international markets. Efficient management of these resources would result in an increase in local revenue, creation of jobs, and decrease in levels of poverty, rendering the state a financially stable body.

The utilisation of natural resources has been identified globally as a pivotal factor in the driving of economic development. For instance, some countries in Africa such as; Ghana and Rwanda have been able to achieve some tangible economic and social improvements through management and exploitation of their natural resources (Mukeshimana, et al., 2021). For example, Ghana has used its gold and cocoa production (Kuusaana, et al., 2021), and Rwanda its water resources, to boost its economic standing on the international stage through hydroelectric power generation and more agricultural productivity (Imasiku & Ntagwirumugara, 2020).). These are examples of how judicious use of natural assets can bring ripple effects into an economy by investment, employment and better living standards on the local populace. However, Nigeria's experience with its natural resources which are not properly managed and neglected exposes the consequences of negligence as the state's economy is weak, relies on federal allocation, remains poor and has unemployment.

In line with the underutilization of mineral resources across the Nigerian states, this study focuses on the specific challenges in Ekiti State as a representative case of this national problem. Just as many states in Nigeria are, Ekiti State is endowed with many natural resources such as gold, clay, kaolin, iron ore, precious stones, and timber



Providly Spongored by:

CETTURE
TERTIARY EDUCATION TRUST FUND
TETFUND/ESS/POLY/ADD-EKITI/ARJ/3

Website: https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm

amongst others as well as fertile lands and water resources which can be used for agriculture and tourism. Despite these advantages, the economy of Ekiti is constrained by high levels of poverty, unemployment and heavy dependency on inadequate federal allocations. This inability of the state to fully exploit its natural resources has not only resulted in fiscal problems such as salary arrears and mounting debt, but it also constitutes an indicator of a general problem of strategic management and neglect.

This study is focused on determining the root causes of underexploited resource potential of Ekiti State with a view of finding an avenue to sustainable economic growth. Unexploited abandoned resources are economic opportunities that, when strategically managed, can reduce poverty, create jobs and reduce dependence of the state on external funding. If Ekiti State resolves these challenges, the state could move towards self-sustainable economic development and be a model for other Nigerian states struggling with similar problems.

2. METHODOLOGY

The study adopted a descriptive design to investigate strategies for optimal utilisation of natural resources in Ekiti State to promote socio economic development. The study's population included Ekiti State, made up of sixteen local government areas, which offered a broad space to study the utilisation resources in various areas.

Eight of the sixteen local government areas were sampled using convenient sampling

techniques to capture a representative cross section of the state. The selected areas were Ado, Irepodun/Ifelodun, Ikole, Ekiti West, Ijero, Moba, Gbonyin, Ido/Osi. The selection ensured that the research captured insights from areas that were known for their potential for significant resource endowment and economic activity.

A sample of 150 participants was selected, and questionnaires were distributed through different government agencies secondary institutions. A total of 146 of the 150 questionnaires were returned and included responses from the Ekiti State Teachers' Commission, Housing Corporation, Ministry of Environment and Mineral Resources, Gossy Water Ikogosi, Ara Ekiti community and Ado and Ijero Local Government Secretariats. The high response rate therefore provided a robust data set for analysis.

The primary data collection instrument was a self-designed questionnaire divided into four sections: For Section A where personal data was the focus, Section B concerned availability of natural resources, Section C related to potential internal revenue generation while Section D had additional information. The 146 questionnaires were scrutinised and viable responses were subjected to an unbiased analysis. The Statistical Package for Social Sciences (SPSS) was used to process the data, and descriptive statistics like percentages and ranking were applied to the means and standard deviations of responses such that the analysis of the research findings was well rounded.



Providly Sponzored by:

ETEITIARY EDUCATION TRUST FUND

TETFUND/ESS/PDI.Y/ADD-EKITI/ARJ/3

Website: $\underline{\textit{https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm}}$

3. RESULTS AND DISCUSSION

3.1 Results Presentation

Table 1, Demographic Data

Category	Classification	Frequency	Percentage	Rank
Age	Below 20 years	9	6.16%	3rd
	20-40 years	68	46.57%	1st
	40-60 years	68	46.57%	1st
	Above 60 years	1	0.68%	4th
Marital Status	Single	13	8.90%	2nd
	Married	131	89.72%	1st
	Widow	2	1.36%	3rd
	Widower	0	0	
Academic Qualification	O level	22	15.06%	3rd
	Degree	90	61.64%	1st
	Post Graduate	31	21.23%	2nd
	Doctorate	3	2.05%	4th

Table 2, Natural resources of Ekiti State

Natural resources	Frequency	Rate
Granite	24	1 st
Timber	21	2 nd
Limestone	19	3 rd
Clay	17	4 th
Precious stone	15	5 th
Gold	14	6 th
Rocks	13	7 th
Cocoa	10	8 th
Kaolin	9	9 th
Dam	8	10th
Palm oil &fesper	6	11 th
Crude oil, tantalite & kolanut	4	12th
Bauxite &coal	3	13th
Warm spring & quartz	2	14th
Iron-ore, honey, psalmite, chalk, rubber, ethanol tarmalin, zinc	1	15 th





Website: $\underline{\textit{https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm}}$

Table 3: Availability of Natural Resources in Ekiti State

Options	Frequency	Percentage	Rank
Yes	118	80.82%	1
No	28	19.17%	2
Total	146	99.99%	

 Table 4: Research Question 3 - Best Use of Natural Resources in Ekiti State

Options	Frequency	Percentage	Rank	
Yes	55	37.67%	2	
No	91	62.32%	1	
Total	146	99.99%		
Effective Utilization of Resources				
Fairly used	16	10.95%	4	
Moderately used	24	16.43%	3	
Perfectly used	10	6.84%	5	
Neglected	60	41.09%	1	
Undiscovered	36	24.65%	2	
Total	146	99.96%		

Table 5.

Research Question	Statement/Options	SA	A	D	SD	AB	UN
Ways for government to	There is no room for utilization of	17	30	57	36	3	3
generate internal revenue	natural resources						
	Rank	4	3	1	2	5	5
	Political culture causes neglect of natural resources	42	54	23	21	4	2
	Rank	2	1	3	4	5	6
How much does government care about natural resources?	Natural resources in Ekiti State are underutilized	48	58	17	21	-	2
	Rank by Agreement	2	1	4	3		5
Are all natural resources in Ekiti State discovered?	Natural resources in Ekiti State are all discovered	18	18	69	28	10	3
	Rank	3	3	1	2	5	6
	Government ignorance of natural resources	23	29	36	49	8	1
	Rank by Agreement	4	3	2	1	5	6
Impact of natural resources on economic development	Proceeds from resource utilization affect economic development	27	43	45	28	-	3
	Rank	4	2	1	3		5
	Proceeds from resources do not improve the economy	31	55	33	21	2	4
	Rank	3	1	2	4	6	5
	Natural resources are no longer economically viable	21	20	38	59	8	-
	Rank by Agreement	3	4	2	1	5	



Providly Spongored by:

ETETIARY EDUCATION TRUST FUND
TETFUND/ESS/POLY/ADD-EKITI/ARJ/3

Website: https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm

3.1 Discussion

1. Socio-Economic Demographics

The study's demographic analysis reveals a substantial proportion of economically active respondents within the 20-60 age range, which constitutes 93.14% of the sample population. This age distribution underscores the potential workforce available for local industries if natural resources were optimally utilized. Additionally, the high level of tertiary respondents education among 61.64% holding degrees and 21.23% holding postgraduate qualifications) indicates a skilled labour force that could effectively support initiatives aimed at resource exploitation and economic diversification. predominance The married respondents (89.72%) highlights the societal dependency on stable economic conditions and government support, reflecting the need for effective management of resources to economic stability and job enhance creation.

2. Availability and Types of Natural Resources in Ekiti State

The study identifies a wide variety of natural resources in Ekiti State, ranging from granite, timber, and limestone to precious stones, clay, and agricultural products like cocoa and palm oil. The high availability of resources, such as granite (ranked highest in availability), timber, and limestone, suggests that Ekiti State is well-positioned to establish robust industries in mining and agriculture. Despite these resources' potential economic value, the study reveals that only 37.67% of

respondents perceive these resources as effectively utilized. This finding indicates a significant gap between the availability of resources and their actual economic contribution, driven by underutilization and lack of a structured approach to resource exploitation.

3. Current Utilization of Natural Resources

A major theme in the study's results is the widespread perception of neglect regarding Ekiti's natural resources, with 62.32% of respondents affirming that the resources are not adequately utilized. The majority of respondents (41.09%)describe resources as "neglected," while 24.65% believe they remain "undiscovered." These perceptions reflect both the physical and strategic limitations within the state. For instance, minerals such as uranium, gold, and other precious stones remain largely untapped, potentially due to political neglect, limited exploration initiatives, and the state's overreliance on federal agricultural allocations. The sector, previously a strong contributor to Ekiti's suffers economy, also from insufficient underinvestment. modernization, and declining productivity due to inadequate infrastructure and outdated farming practices.

These findings align with studies in resource-rich African regions that highlight the adverse impact of resource neglect and underinvestment on local economies. The lack of strategic management and inadequate policy focus on Ekiti's natural assets further compounds these challenges,



Proudly Spongored by:

ETERTIARY EDUCATION TRUST FUND
TETFUND/ESS/POLY/ADD-EKITI/ARJ/3

Website: https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm

obstructing the potential for resourcedriven economic transformation.

4. Role of Government and Political Culture in Resource Utilization

One of the central issues identified by the study is the role of political culture in the neglect of natural resources. A significant portion of respondents (80%) attribute resource underutilization to the political climate, citing ineffective leadership, shortterm focus among political elites, and inconsistency in policy as critical barriers. This finding is consistent with broader research in resource economics, which highlights that political stability and consistent policy frameworks are essential for the optimal utilization of natural resources. In the case of Ekiti, the lack of commitment government to the management perpetuates state's reliance on federal allocations, while political elites often prioritize short-term benefits over long-term economic planning.

Comparatively, regions like Rwanda and Ghana demonstrate the socio-economic benefits of effective governance and policy-driven resource management. Rwanda's tourism sector, supported by the government's commitment to preserving natural assets, has become a major source of revenue and employment, while Ghana's mineral on exploitation strengthened its economic standing. These cases illustrate the transformational impact of effective policy and leadership, which Ekiti could emulate by establishing a long-term transparent, resource management strategy focused sustainable development.

5. Economic Impact of Underutilized Resources

The study highlights the severe socioeconomic consequences of underutilized resources, including high unemployment, poverty, and fiscal dependency on federal allocations. These conditions echo those other resource-rich economically stagnant regions in Africa, where the potential for resource wealth remains unrealized. In Ekiti State, this underutilization manifests in a stagnant local economy characterized by low productivity and limited internal revenue generation. For example, the failure to invest in the mining and agricultural sectors has prevented these industries from contributing significantly to employment and state revenue, exacerbating poverty and economic instability.

By effectively utilizing available resources, Ekiti could stimulate local industries, creating employment opportunities and fostering economic growth. The underutilization of resources such as timber and agricultural products presents a lost for opportunity establishing export markets, generating foreign exchange, and reducing the trade deficit. Furthermore, leveraging mineral resources through wellregulated mining initiatives could attract private investment and contribute to the diversification of the state's economy. These strategies align with the economic diversification policies adopted countries like Botswana and South Africa, where targeted resource exploitation has generated substantial economic returns.



Proudly Spongored by:

ETETIARY EDUCATION TRUST FUND
TETFUND/ESS/POLY/ADD-EKITI/ARJ/3

Website: https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm

6. Barriers to Effective Resource Utilization

Several barriers to resource utilization were identified, including political instability, inadequate infrastructure, and limited public awareness. The poor state of infrastructure—particularly road networks transport facilities—impedes distribution and commercial exploitation of agricultural and mineral resources. Additionally, the lack modern of agricultural equipment limits productivity, as farmers are unable to increase crop yield or compete in larger markets. These infrastructural limitations prevent effective utilization and discourage both local and foreign investors.

Furthermore, the study notes a lack of public awareness regarding the economic potential of Ekiti's natural resources. Without sufficient knowledge of the benefits and opportunities associated with resource development, local communities are less likely to advocate for policies that would enhance resource utilization. Similar research in Mozambique and Ghana shows that addressing these barriers requires both political will and strategic investment partnerships between the government and private sectors.

7. Comparative Analysis with Other Regions

The study's comparative analysis with other African regions emphasizes that Ekiti State can potentially emulate successful cases of resource management. Rwanda's investment in its tourism sector, built upon its natural beauty and wildlife, has become a model for resource-driven development,

creating employment and boosting its GDP. Similarly, Ghana has strategically harnessed its gold and cocoa industries, positioning itself as an economic leader in West Africa. These examples suggest that with proper policy reform and investment, Ekiti State can achieve similar economic gains by focusing on its unique resources, its mineral including wealth and agricultural potential.

8. Implications for Policy and Economic Development

Based on the findings, the study recommends several policy measures to enhance the economic utilization of Ekiti State's natural resources. Creating awareness through government-led educational campaigns could empower local communities to understand and advocate for effective resource management. Infrastructure improvements, particularly in transport and farming technology, are essential for enabling resource-based industries to thrive. The study also advocates for public-private partnerships, as private investment could provide the capital and expertise needed to develop industries like mining agriculture.

Moreover, policy reforms are crucial to ensure consistency and transparency in resource management. A clear regulatory framework that emphasizes long-term economic development over short-term political gains could encourage investment and sustainable growth. These recommendations align with development strategies adopted by other resource-rich regions and underscore the importance of a



Providity Spongored by:

EETEURO

TERTIARY EDUCATION TRUST FUND

TETFUND/ESS/POLY/ADD-EKITI/ARJ/3

Website: https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm

stable policy environment for realizing Ekiti State's economic potential.

4. Conclusion

Ekiti State abundant natural resources hold potential substantial for economic development. However, as this study highlights, these resources remain largely underutilized due to a combination of political neglect, inadequate infrastructure, policy inconsistency. and consequences of this underutilization are evident in the state's high levels of poverty and unemployment. This have collectively hindered self-sustaining economic growth. Ekiti's experience mirrors that of many resource-rich but economically underperforming regions in Africa, underscoring the critical role of effective governance strategic and resource management.

The study reveal a need for the State to shift from dependency on external revenues to leveraging its own natural assets for socioeconomic stability. The majority of respondents expressed dissatisfaction with the current management of resources, citing political culture and lack of infrastructure as primary barriers. By addressing these limitations. Ekiti could foster local industries, stimulate job creation, and diversify its economy. Comparative examples from regions like Rwanda and

REFERENCES

Abubakar, M. Y., Ahmad, S. S. A., Sani, S. B., and Jinjiri, A. Y. (2016). Analysis of the impact of oil Revenue on the Nigerian economy. *IOSR Journal of*

Ghana demonstrate that a focused approach to resource management, guided by consistent policy and supportive infrastructure, can transform economic landscapes and improve living standards for the population.

To achieve these outcomes. Ekiti State

should prioritize the following actions: Initiate public awareness campaigns to educate citizens about the economic potential of local resources, fostering community engagement in resource development initiatives. Invest in infrastructure improvements, particularly road networks and modern farming technology, to enable efficient resource

and increase

agricultural

distribution

productivity.

actively pursue public-private partnerships by offering incentives and tax relief to attract investors who can bring capital and expertise into the state's mining and agricultural sectors and; implement policy reforms that promote long-term economic planning over short-term political gains, establishing a clear regulatory framework that encourages sustainable development and responsible resource management. By following these recommendations, Ekiti State could harness its natural wealth, reduce poverty, and lay the groundwork for a resilient, self-sufficient economy.

Economics and Finance, 7(4), 10-21.

Adam, H. A. K. (2018). The Politics of Natural Resources Governance in Africa: Environment, Conflict and Security Nexus in Nigeria's Niger Delta Region (Doctoral



Providy Spongored by:

EETEURO

TERTIARY EDUCATION TRUST FUND

TETFUND/ESS/POLY/ADD-EKITI/ARJ/3

Website: https://seemjournals.fedpolyado.edu.ng/index.php/fedpoladjm

- dissertation, London South Bank University).
- Adloff, F. (2022). Gifts of nature. In *Politics of the Gift* (pp. 108-118). Bristol University Press.
- Ahmad, A. A., and Daoud, B. A. (2019). Chapter-3 Natural Resources, a Curse towards National Development: A Case of Nigeria and the Democratic Republic of Congo. MULTIDISCIPLINARY, 39.
- Asadu, C. L. (2015). Analytical overview of agricultural conditions in Nigeria. *Agro-Science*, 14(1), 1-17.
- Elaigwu, J. I. (2006). The Federal Republic of Nigeria. *A Global Dialogue on Federalism*, 2, 207-237.
- Elisha, O. D. (2022). Natural resources and environmental security for sustaining peacebuilding in Nigeria. *International Journal of Institutional Leadership, Policy and Management*, 4(1), 15-38.
- Imasiku, K., and Ntagwirumugara, E. (2020). An impact analysis of population growth on energy-water-food-land nexus for ecological sustainable development in Rwanda. *Food and Energy Security*, 9(1), e185.
- James, G. (2018). *Introduction to Nigeria*. Gilad James Mystery School.
- Kuusaana, M. M., Adu-Gyamfi, S., and Darkwa, B. D. (2021). Cocoa production in Ghana (1879-

- 1976). *Studia Historiae Oeconomicae*, *39*(1), 55-76.
- Matemilola, S. (2017). The challenges of food security in Nigeria. *Open Access Library Journal*, 4(12), 1.
- Mukeshimana, M. C., Zhao, Z. Y., and Nshimiyimana, J. P. (2021). Evaluating strategies for renewable energy development in Rwanda: An integrated SWOT–ISM analysis. *Renewable Energy*, 176, 402-414.
- Nwonwu, F. O. (2016). The paradox of natural resource abundance and widespread underdevelopment in Africa. International Journal of African Renaissance Studies-Multi, Inter-and Transdisciplinarity, 11(2), 52-69.
- Okoh, A. S., and Okoh, A. S. (2021). Fossil Fuel Exit: Which Way Nigeria? *Oil* mortality in post-fossil fuel era Nigeria: beyond the oil age, 89-124.
- Stone, R. J., Cox, A., Gavin, M., and Carpini, J. (2024). *Human resource management*. John Wiley & Sons.
- Terry R., A., Gillogly, K., and Hutterrer, K. L. (2020). *Ethnic diversity and the control of natural resources in southeast Asia* (p. 243). University of Michigan Press.
- Young, O. R. (2022). Natural resources and the state: The political economy of resource management (Vol. 6). Univ of California Press.