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THE NIGERIAN STATE AND IMPLEMENTATION OF THE LOCAL CONTENT POLICY IN THE OIL INDUSTRY, 2015-2023

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ABSTRACT
This paper examines the efforts of the Nigerian state to enforce the local content policy in Nigeria's oil industry. Specifically, the study investigates the link between the Nigerian government's dependence on expatriate technology and the implementation of the local content policy in the oil industry. The paper relied on the rentier state theory which avers that Nigeria is a capitalist state per excellence and as such, government policies, programmes, and initiatives are formulated and enforced depending on how they foster, sustain and project the long-term interest of capital. Adopting the documentary method based on secondary data and content analysis, relevant data were generated and analyzed. The paper finds that contrary to the proposition, the study demonstrated that there has been an improvement in the implementation of the local content policy given the increase in the employment of managerial staff in the sector. The study recommended the need for a total overhaul of the Nigerian traditional educational programme to have direct relevance to the country's oil and gas industry which would enhance the technical capabilities of workers of Nigerian origin. Also, the government of Nigeria should encourage more research and development (R&D) through adequate funding to enhance the global competiveness of the oil and gas industry.
Keywords: The State, Local Content Policy, Oil Industry, Rentier State theory.

Introduction

Since oil was discovered in commercial quantities in 1956, it has continued to be the mainstay of the Nigerian economy. According to data from Oil Producing and Exporting Countries (OPEC), Nigeria is Africa's top oil producer (1.989 million barrels per day), deriving 95% of its export earnings, 70% of government revenue and 5.15% of real Gross Domestic Product (GDP) from the oil sector (Igwe, 2020). The rise of Nigeria as a strategic player in the global oil market has been dramatic. In the late 1950s, Nigeria's petroleum output was insignificant, amounting to less than 2 percent of total exports. Between 1960 and 1973, however, this increased to over 600 thousand barrels per day. As a consequence, government's oil-revenue increased exponentially. Unfortunately, the inability to properly manage the huge oil resources coupled with weak indigenous technological base has resulted in the dominance of Nigeria's oil industry by the International Oil Companies (IOCs). Thus, the contribution of Nigeria oil and gas sector to the national GDP remains unimpressive despite the stupendous resources the sector provides. According to Sasu (2023), before the Covid-19 pandemic, Nigeria's oil sector generally accounted for about nine percent of the country's gross domestic product (GDP). Between October and December 2020, the oil industry contributed to 5.9 percent to the total real GDP, a decrease of roughly three percentage points compared to the previous quarter. In the second quarter of 2023, the contribution of the oil sector to the country's GDP reached 5.34 percent. Thus, there had been a continuous decrease in value. The noticeable absence or minimal involvement of

indigenous participants in the oil industry, given that over 80 percent of the goods and services needed for projects are imported from foreign countries (Sule, 2013), accounts for this unpleasant development.

The domination of the International Oil Companies (1OCs) in Nigeria's oil and gas industry and the huge amount of money spent in maintaining the expatriates has resulted in huge capital flight. Only a fraction of the millions of dollars out of the billions of dollars spent in the industry annually remained in Nigeria. The rest is spent abroad on procurement of goods and services for the industry (Fada & Solomon, 2021). This was corroborated by Ihua, Ajayi & Eloji (2009) who noted that in 2009, the Nigerian government invested as much as US $10 billion in the sector with 5.5 billion USD spent on procurement and services. Less than 20 percent of this investment was domesticated resulting in a net overflow of about 4.4 billion USD from the country through technical services executed and goods procured from abroad.

The quest for local content policy in Nigeria dates back to 1971 when Nigeria joined OPEC as its eleventh member. The Nigerian Oil and Gas Development Law (2010) defines local content as the quantum of composite value added to or created in the Nigerian economy by a systematic development of capacity and capabilities through the deliberate utilization of Nigerian human, material resources and services in the Nigerian Petroleum industry.

Chevron Nigeria Limited to train Nigerians for service in the oil and gas industry. The Gulf Act No. 25 of 1973 with the Petroleum Technology Development Fund (PTDF), among others, was "to serve as a vessel for the development of indigenous manpower and the domiciliation of oil and gas technology in the Nigerian Petroleum Industry as well as to make Nigeria a human resource centre for the West African Sub-region".

The efforts of the Nigerian government to address the issue of local content through legislation, however, yielded meagre returns; hence the clamour for a change in response, a Nigerian Content Unit within the Department of Petroleum Resources (DPR) was established in 2000. This was followed by the creation of the Nigerian Content Division (NCD) in 2006 and subsequent initiation of the local content policy, the 23 content policy directives or domiciliation guidelines issued then by NNPC set out to achieve 45 percent local content by 2006 and 70 percent by 2010. The inability to achieve the set targets gave birth to the Nigerian Oil and Gas Industry Content Developers Act of 2010. The Act sought to increase indigenous participation in the oil and gas industry by prescribing minimum thresholds for the use of local services and materials and to promote transfer of technology and skill to Nigerian staff and labour in the industry. The Act is comprehensive, running into 107 sections and applies to all operators, contractors and other entities involved in any project in the oil and gas industry. It takes precedence over all other existing enactments and laws in respect of all matters pertaining to Nigerian content carried out in the oil and gas. Against this background, this present study examines the effect of the nature and character of the Nigerian state on the implementation of the local content policy by scrutinizing the link between the Nigerian government's dependence on expatriate technology and the implementation of the local content policy in Nigeria's oil industry between 2015 and 2023.

Theoretical Framework

The framework for analysing this study was the rentier state theory. Mahdavy (1970) is credited with the original conceptualization of the theory in his discourse of the patterns and problems of economic development of oil-producing states in the Middle East, especially Iran. The concept conveys the notion of state dependence on external sources of unearned income, which weakens the state's ability to be accountable to its citizens and inversely creates a lack of pressure from the citizens for democratic change. Thus, when a state relies on external factors and sources for what it earns, it does not bother to disturb its citizens for taxes, and therefore, the citizens do not equally bother to put the government to task in its

inability to perform and govern effectively through the provision of relevant amenities for the polity. The theory has gained popular currency as the most influential theoretical model in explicating the absence of, and resultant expectations of democracy in resource-rich developing countries. Thus, the rentier state theory has systematically linked the polity (structure), the politics (process) and the policy (outcome) of a political system to its income base (Beblawi, 1987)

The focus of the study of oil rentierism is on the effects of natural resource abundance on the nature of political regimes and their relationship with their citizens. The basic logic of oil rentierism follows that natural resource abundance leads to great wealth derived from resource rents. This rent wealth has foreign sources and accrues directly to the state. Because the state has vast amounts of wealth independent of the domestic society and economy, it is not accountable to its own society, which leads to authoritarian political regimes. Thus, the rentier state is one that, based on the nature of its political economy, is largely dependent on extractive resource rents, taxes and royalties paid by trans-national companies, and on profits from its equity stakes in transnational companies' investments. Rentier states are therefore significantly shaped by a combination of colonial legacy in the state structure and the luxury of natural resource revenues otherwise called the 'rentier largesse'. To a great extent, the extractive nature and primary commodity centeredness of most rentier economies were foisted during colonial history and extended in the post-colonial dispensation. And post-colonial Nigeria has received all these attributes to the hilt.

Government's Dependence on Expatriate Technology undermined the Implementation of the Local Content Policy in Nigeria's Oil Industry

The institutions and structure of the state are not only defined and constantly shaped by the nature of capitalist mode of production and social formation, but also functioned to preserve the long-term interests of capital and capitalism. A distinct feature of capitalist mode of production is the character of technological market, which is highly monopolistic. Technological backwardness and dependence, thus allow developed countries to exercise control over what developing countries produce and own. The state of Nigeria's technology is, therefore, a critical aspect of her dependence. To this end, public policies, laws, programmes and initiatives are formulated and enforced in Nigeria depending on how they foster, sustain and project the long-term interest of capital. It is against this backdrop that this study examines the effects of government's external technological dependence on the enforcement of the local content policy in Nigeria's oil industry. The study specifically investigates how the dominance of Research & Development (R&D) by multinational oil companies due to weak integration of R&D in the petroleum technology development in Nigeria, and expatriates' dominance of oil production, maintenance and transportation in Nigeria's oil industry on account of insufficient indigenous experts undermines the enforcement of Nigeria's local content policy in terms of inability to increase the work force of Nigerian origin occupying managerial positions and non-attainment of Nigeria's local content targets.

Dominance of Research & Development by Multinational Oil Companies due to Weak Integration of R&D in Petroleum Technology Development in Nigeria

Research and development is defined as a creative work undertaken on a systematic basis with a view not only to increase the stock of knowledge of man, culture and society, but also to use this stock of knowledge to devise new applications (Manual, 2012). Frascati Manual (2002) defines research and development produces knowledge which is utilized to improve the economic growth and other societal concerns. The term R & D covers three activities: basic research, applied research and experimental development (Frascati Manual, 2002) R&D plays fundamental role in the development of any country. This is in line with the contention

of Niosi (2010) that the total factor of productivity of a country depends not only on how much R&D it carries out, but also on how R&D is done in other countries with which it engages in trade and investment.

The role of scientific research and technology in advancing both our understanding of nature and economic growth is indisputable. Modern science and technology is undoubtedly the principal engine driving the world industrial and socioeconomic development and indeed, the key to competitiveness in the global market. To be an effective partner in the emerging global market, a country must master the necessary tools of industrial production and sociopolitical development which are based almost on the critical roles of its Science, Engineering, Technology and Innovation System (SETI) (Akpokodje, 2010). Science and technology, rather than bring about a convergence of income in nations as expected, has led even more to greater income divergence in countries at a multidimensional level. It has divided countries by creating a wide separation between the advanced and developing countries. This explains why the developed countries are striving to increase their spending on R&D activities. Investigations in R&D are often closely linked to GDP and economic outlook.

Only those nations which annually spend more than 100 million dollars are included the size of circle reflects the relative amount of annual R&D spending by the indicated country. It is seen that the US spends the highest amount annually on R&D followed by China and Japan respectively. It is also evident that African countries, with the exception of South Africa, are excluded because they spend meagre amount on Research and Development. This obviously explains why African countries are not only limited by under-developed R&D capabilities, but also technologically rely on developed countries. The relatively higher amount of annual R&D spending by the developed countries ensures their mastery of science and technology which are instrumental in understanding and transforming nature into higher forms. The dominance of R&D by the developed countries and corresponding technological reliance on them by the developing countries has serious implication on virtually all the sectors of the world economy, particularly the oil and gas sector.

The foregoing ugly scenario is exacerbated by the refusal of MNOCs in Nigeria to adopt innovations generated in R&D institutions in Nigeria as well as the absence of law requiring MNOCs to adopt such. Worst still, the laws requiring MNOCs to contribute to the R&D activities in Nigeria are not strictly monitored let alone enforced, MNOCs that avoid any means of divulging vital information on science and technology to protect their business interest, therefore, dominate R&D activities in Nigeria's oil industry. The point being made is that lack of inter-organizational linkages, weak integration of R&D in Nigeria’s oil industry by the Petroleum Technology Development Fund and lack of attention to R&D activities by the Nigerian government account for the dominance of Research & Development by the multinational oil companies and the dominance of expatriates in oil production, transporting, maintenance and marketing in Nigeria's oil industry, this forms the topic of our discourse in the next sub-heading.

Dominance of Production, Maintenance and Transportation in Nigeria’s Oil Industry by Expatriates on Account of Insufficient Indigenous Experts

With proven oil reserve of about 37.14 billion barrels (African Development Bank Group, 2013), Nigeria is in the top ten countries with largest crude oil in the world. There are about eighteen (18) international oil companies operating in Nigeria, with a few dominant players such as Shell, Exxon/Mobil, Chevron/Texaco, EIf and Agip accounting for an estimated 99 percent of the crude oil production (EIA, 2011), Some of these dominant players, for instance Shell which accounts for about 50 percent of Nigeria’s total daily production, have had a presence in Nigeria since the 1950s (Okorie, 2005). For the greater part of the last four

decades, the Nigerian oil industry has been dominated by multinational oil companies, with large numbers of expatriate workers being deployed to carry out projects in various onshore and offshore locations in the country. Oil production is undertaken by multinational oil companies, mainly in Production Sharing Contract (PSC) with the state-owned oil company, Nigerian National Petroleum Corporation (NNPC), Fields for which the multinational are operators account for about 95 percent of total production (Okorie, 2005).

Production Sharing Contract (PSC) and the Dominance of Expatriates in Exploration and Production of Oil in Nigeria

The reality in Nigeria's oil industry indicates that the Nigerian National Petroleum Company (NNPC) exercises, on behalf of the Nigerian government, the exclusive right to exploit the hydrocarbons. in the past years, the NNPC had engaged in Joint Venture Agreement (UVA) with MNOCS in the exploration and exploitation of petroleum resources. However, this was characterized by poor funding, due to the imbalance in the financial capacity of the different joint venture partners, especially the Nigerian government, which led to the reduction in oil operation and consequential loss of revenue. In the bid to overcome these challenges, enhance the country's oil reserve and improve Nigeria's economy, Production Sharing Contract (PSC) was introduced as a policy for the exploration of the country's petroleum resources (Saidu, 2014).

Production Sharing Contract in Nigeria is mainly regulated by the Deep Offshore and Inland Basin Production Sharing Contract Act, Laws of the Federation of Nigeria 2004. Under this arrangement, the contracting parties are usually the NNPC and Multinational Oil Company (MNOCs). First, the NNPC, on behalf of the Federal Government, delineates the contract arc into blocks and authorize them for exploration and production. Thereafter, a competent contractor, petroleum exploration and production companies, particularly multinational oil company (or its subsidiary duly registered) duly registered in Nigeria is engaged to carry out petroleum operations in Nigeria. The contractor undertakes the initial exploration risks and if oil is discovered and extracted, the contractor will be allocated a portion of the oil produced sufficient to reimburse its costs of production (cost oil), as well as payment of royalty which is fixed in accordance with the location of the oil field such that the deeper the concession is from onshore, the lower the royalty rate that is applicable. Also from the production, a portion is allocated as tax to the Nigerian Government (tax oil). Whatever remains after these deductions is shared among the parties by the ratio stated in their agreement (profit oil), The MNOC/contractor in a PSC is, however, responsible for funding the exploration work and bears exploration risk if no oil or gas is discovered (Saidu, 2014).

In the PSC arrangement, the concession ownership remains entirely in the NNPC and this gives it a high degree of participation in oil production, The contractor is permitted to explore, produce and market the portion of the production allocated to cost oil, tax oil, and contractor's share of the profit oil but at the price fixed by the NNPC. It is evident, therefore, that the interest and title of NNPC are attached mainly to a higher percentage of the oil profit. Apparently, this is rewarding to the Nigeria government since the financial burden involved in oil exploration and production is taken away from her. However, under PSC, the Nigerian government desire for higher profits is often achieved at the expense of proper enforcement of the relevant laws. And since government shares potential profits without having to make a direct investment in exploration and production, MNOCs in PSC, therefore hardly toed the Nigeria laws on technology transfer, local content and environmental management. Thus, Nigerian government has been unable to achieve technology transfer in her oil industry through the use of technology transfer clauses. This has ensured the preponderance of expatriates in oil exploration, production and transportation in Nigeria.

Exploration is the method used to find oil and gas. Since crude oil is trapped in rock formations located underground a hole is drilled with "drilling rig into the earth to a depth where oil and gas are located successful discovery of oil/or gas results in the drilling of a 'well' production on the other hand. is the process by which the oil and gas discovered (by exploration/seismic activities) is brought to the surface and separated to begin its transportation to destination-port or refinery. The dominance of the expatriates in exploration, production and transpiration in Nigeria's oil industry is made possible due to the high level of commitment by MNOCs to R&D. The outcome of this is invention of new exploration and production technology that has made substantial impact on Nigeria's petroleum potentials. For instance, high resolution seismic technology involving enhanced 2-D seismic and the advent of 3-D seismic technology have revealed petroleum prospects at greater depths than before. Consequently, subtle traps and deep-seated structures have been discovered which, in many cases, are large reservoirs than their shallower and more structurally complex counterparts.

Similar improvements in drilling technology have been beneficial. Wells can now be drilled in less than half the time it took in the fifties and sixties. Also, with Shell blazing the trail horizontal doling is now possible in Nigeria. This involves the use of top drive drilling and flexible drill pipes. Drilling through deep temperature over-pressured shale into deeper reservoirs is now also feasible. Moreso, Chevron has embarked upon secondary oil on recovery from fields where the reservoir pressure is too low to lift crude oil to the surface. Secondary recovery is through the injection of water into the reservoirs. In Delta South and Merton fields where the natural pressures have declined, Chevron has conducted successful secondary recovery. The point being made is that on account of landmark achievements by MNOCs in oil exploration and production, the Nigerian government gas companies inevitably depend on them for techniques, equipment, facilities and methods of production.

Aside oil exploration and exploitation, another area where Nigeria's dependence on external technology is quite evident is in transportation of crude oil. Although there are other means of transporting crude oil, there is no other mode as cheap as water (tanker) owing to the international nature of the trade. Basically, depends on water vessels in exporting her crude oil and importing petroleum products. One of the major challenges facing Nigeria at present is that it has no meaningful participation in the Shipping Industry on which her export of crude oil and import of petroleum products. As a result, almost all Nigerian exports are shipped "Free on Board" (FOB), while its imports are shipped 'Cost Insurance and Freight' (CIF) (Ekpo, 2020). Under the FOB terms, the supplier pays the shipping costs that usually also include the insurance costs from the point of production to a specified destination. Buyers of Nigeria's crude oil are responsible for arranging shipment of their purchase, thus not only denying Nigerians the opportunity of capturing the value that would have accrued to the economy from such exercise, but also facilitates dependence on external technology. 'Cost Insurance and Freight' (CIF) on the other hand is a trade term requiring the seller to arrange for the carriage of goods by sea to a port of destination, and provide the buyer with the documents necessary to obtain the goods from the carrier.

Again, the oil rigs in Nigerian waters and the vessel which service them are owned and controlled by foreigners. Even the vessels involved in Coastal trade and Inland Waterways covered by the Cabotage Act are mostly controlled by foreign ship owners. Nigerians neither own any Very Large Crude Carrier (VLCC) nor Ultra Large Crude Carrier (ULCC) which carries Nigerian crude oil. While Nigeria has its location advantage, there is no adequate ship repair or shipbuilding facility in Nigeria which could accommodate ships in the range of 200,000 GT. **Table 1** highlights Nigeria's dependence on external technology in oil transportation. The tables clearly indicate that crude oil terminals and ships that pas through them are virtually controlled by foreign firms. The Nigerian government depends on these terminals and ships for export of crude oil and import of petroleum products.

The dominance of oil transportation by foreign companies is as a result of the perennial crises in Nigeria's national shipping industry occasioned by investment difficulties, management inefficiency and organizational problems among others. The formulation and implementation of national shipping policies have not been able to fully arrest this deterioration in the productivity of the national carriers. To this end, the Nigerian government depends on foreign shipping companies for export of crude oil and import of petroleum products due to lack of vessels of their own.

The point being made here is that the MNOCs due to their advancement in Research and Development, develop, dominate and control the techniques, facilities, equipment and methods of oil exploration, production, maintenance and transportation. The Nigerian government, therefore, inevitably depends on these oil majors in harnessing her petroleum resources. This has ensured the dominance of the expatriates in production, maintenance and transportation in Nigeria's oil industry. We now proceed to examine how the Nigerian government's dependence on expatriate technology undermines the implementation of the local content policy in Nigeria's oil industry.

Inability to Increase the Work Force of Nigerian Origin Occupying Managerial Positions in Nigeria's Oil Industry

Before April 2010, there was no precise legislation for the Nigerian content in the oil and gas industry except the Petroleum Act of 1969 and the NNPC directives. Paragraph 37, Schedule 1 of the Petroleum Act of 1969 provides that within 10 years of grant of Oil Mines Leased (OML), Nigerians in managerial, pro fissional and supervisory grades in connection with lease must be 75 percent of total staff; Nigerians in any one grade must not be less than 60 per cent of the total, and all skilled, semi-skilled and unskilled workers must be citizens of Nigeria (Petroleum Act, 1969). For about thirty (30) years of this Act (1969-1999), Nigeria attained less than 20 percent of indigenous labour force in the oil industry (Adewumi & Adenugba, 2010). Between 1999 and 2019, the Nigerian government came up with a number of measures to address this anomaly. In spite of all these measures implemented by the government, available data in 2018 indicate that there are 1452 permanent junior and senior employees of Nigeria Agip Oil Company; it also had 3221 contract casual employees. For Chevron, there were 562 permanent as against 2830 contract/casual employees, while in the case of Shell Petroleum Development Corporation; there were 3625 permanent employees as against 17,000 contract/causal employees (Adewumi & Adenugba, 2019). This shows that permanent workforce of Nigerian origin occupying managerial positions in the oil industry in 2018 was not up to 6 percent.

Non-attainment of Nigerian Local Content Targets

To ameliorate this unpleasant development, the Nigerian government in 2006 under Obasanjo's administration formally initiated the local content policy. The 23 content policy directives or domiciliation guidelines issued then by Nigerian National Petroleum Corporation (NNPC) set out to achieve 45 percent local content by 2006 and 70 percent by 2010. The inability to achieve the set targets gave birth to the Nigerian Oil and Gas Industry Content Development Act 2010. The Act seeks to increase indigenous participation in the Oil and gas industry by prescribing minimum thresholds for the use of local services and materials and to promote transfer of technology and skill to Nigerian staff and labour in the industry The Act requires that all operators, contractors, sub-contractors and other entities carrying out projects, operations, activities or transactions in the Nigerian oil and gas industry must to consider Nigerian content as an essential factor in their project's conceptualization, development and management (Ovadia, 2013).

Although the Local Content policy has resulted in increased contract awards and participation of indigenous companies in Nigeria's oil industry, this cannot yet be considered as higher SMEs participation, because it only led to increased contract awards to existing companies, without significantly enhancing the participation of new entrants into the industry. Therefore, the capacity of indigenous firms remains hugely underutilised since the industry is still dominated by foreign firms handling projects which could ordinarily be undertaken by local firms. Hence, the expected gains which ought to have accrued to Nigerians with respect to employment generation, capacity building and economic empowerment have remained elusive. Available data indicate that the Nigerian National Petroleum Corporation (NNPC) was unable to attain its stated targets of achieving 45 percent of local content in 2006 and 70 percent of local content by 2010 (Ovadia, 2013). For example, the Nigerian Content Division (NCD) data show that after years of actively pursuing Nigerian content policy objectives, Nigerian content has grown from just below 10 percent to over 35 percent based on scientific metrics used for measurement as at 2008 (Ajumogobia, 2009). In agreement, Mbamalu (2009) observes that available data show that Nigerian National Petroleum Corporation (NNPC) was able to attain local content value of between 30 percent and 35 percent in 2009.

This abysmally low contribution of Nigeria's oil industry is often blamed on the high foreign content as well as low inputs/or low participation by Nigerian firms in the sector. In the view of Ndu (2008), the poor implementation of the local content policy and as such poor performance is as a result of lack of commitment on the part of NNPC-NCD to effectively enforce compliance. Similarly, the set out targets were *ab initio* not realizable considering the situation on the ground and other prevailing logistics, problems or inadequacies.

In addition, industry-wide, NEITI stressed that there exists a total of 12,056 employees of which 82% were male and 18% female, stating that of this distribution, the percentage of top management was 5%, middle management was 33% and 62% were lower-level staff. Broken down further, of the top management in the oil and gas industry in the country, 78% was male and 22 per cent was female, while in the middle and lower management, 82% was male and 18% was female. According to the report, the addition of those statistics was prompted by the Extractives Industries Transparency Initiative (EITI) Standard, which was introduced in 2019 and which involved the reporting of disaggregated employment by gender, company, and occupational level data for the extractive sector. It added that the report sought to present information on gender, occupational level, the locale of employees (indigenous to communities of operation, national or are expatriates), and information on physically challenged employees. In the document, as earlier reported, NEITI recorded that total social expenditure was $896.891 million, with non-mandatory contribution of $81.297m (9.06%) and mandatory contribution of $815.594 million (90.94 per cent). In the same vein, the report reiterated that the mandatory contributions consisted of the Niger Delta Development Commission's (NDDC's) 3% levy of $721.275m and Nigerian Content Development Monitoring Board (NCDMB's) 1% levy of $94.319m. For quasi-fiscal expenditure, which includes public social expenditure such as payments for social services, public infrastructure, fuel subsidies, outside of the national budgetary process, the report stated that Nigerian National Petroleum Corporation (NNPC) expended ₦341.295b. The amount shows a reduction of 57% (from 2018) in the amount spent by NNPC outside the budgetary process.

Conclusion

This paper examines the effect of the nature and character of the Nigerian state on the enforcement of the local content policy in Nigeria's oil industry, between 2015 and 2023. The study specifically seeks to ascertain the link between government's dependence on expatriate technology and the implementation of the local content policy in Nigeria's oil industry. The

findings indicate that government's external technological dependence as seen in the dominance of Research & Development by the multinational oil companies accounts for the inability to increase the work force of Nigerian origin occupying managerial positions as stipulated by the 2006 Nigerian Content Policy Section 10(1) (v) and the Nigerian Oil and Gas Industry Content Development Act, 2010, Section 28(1). The relegation of R&D in Nigeria by the government is further compounded by the inability of the Petroleum Technology Development Fund (PTDF) to properly integrate R&D in Nigeria's oil and gas industry.

Recommendations

Based on the above result, we make the following recommendations:

1. There is need for a total overhaul of the Nigerian traditional educational programme to have direct relevance to the country's oil and gas industry. This would enhance the technical capabilities of workers of Nigerian origin.

2. The government of Nigeria should encourage more research and development (R&D) through adequate funding to enhance the global competiveness of the oil and gas industry.

3. An adequate monitoring and enforcement of the local content policy which would require MNOCs to contribute to the development of R&D in universities and research institutes in Nigeria would help in revamping the sector.

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