



# DIROSAT

Journal of Education, Social Sciences & Humanities

Journal website: <https://dirosat.com/>

ISSN : 2985-5497 (Online)

DOI: <https://doi.org/10.58355/dirosat.v4i2.217>

Vol. 4 No. 2 (2026)

pp. 204-218

Research Article

## Optimizing Oil And Gas Revenues For Sustainable Education In Nigeria: A Strategic Policy For Long-Term Development

Sule Muhammad

Federal University Gusau, Nigeria; [muhammadsule@fugusau.edu.ng](mailto:muhammadsule@fugusau.edu.ng)



Copyright © 2026 by Authors, Published by **DIROSAT: Journal of Education, Social Sciences & Humanities**. This is an open access article under the CC BY License <https://creativecommons.org/licenses/by/4.0/>

Received : February 03, 2026

Revised : March 09, 2026

Accepted : April 17, 2026

Available online : May 16, 2026

**How to Cite:** Sule Muhammad. (2026). Optimizing Oil And Gas Revenues For Sustainable Education In Nigeria: A Strategic Policy For Long-Term Development. *DIROSAT: Journal of Education, Social Sciences & Humanities*, 4(2), 204-218. <https://doi.org/10.58355/dirosat.v4i2.217>

**Abstract.** The paper examines the optimizing oil and gas revenues for sustainable education in Nigeria: a strategic policy for long-term development. The paper adopted Resource cure theory, the paper discussed the historical overview of oil and gas in Nigeria, policies for managing oil and gas in Nigeria. The paper discussed Challenges of Revenue Management in Oil and Gas of Nigeria, Concept of Sustainable Development in Nigeria, Role of Oil and Gas for Sustainable Development in Nigeria, Role of Sustainable Development Goals to Education in Nigeria, and the challenges of educational development in Nigeria. The paper further discussed Mechanism for Channeling Oil and Gas Revenue into Educational Sector in Nigeria, and the Long-Term Strategic Investment of Oil and Gas in Education in Nigeria. The paper concluded that Nigeria can address fundamental challenges such as poor infrastructure, limited access to quality education, and the skills gap in its workforce. A well-educated population is essential for fostering innovation, driving economic diversification, and achieving sustainable development. The paper recommended among others that, Government and oil companies should introduce robust systems for tracking and reporting the allocation and utilization

of oil and gas revenues, with a focus on ensuring that funds earmarked for education are used efficiently and effectively, encourage partnerships between the government, private sector, and international organizations to enhance investment in education.

**Keywords:** Long-term Development, Oil and Gas, Revenues, Strategic Policy, Sustainable Education

## INTRODUCTION

Nigeria, the largest oil producer in Africa and one of the top ten globally, has long relied on its vast oil and gas resources as a primary source of revenue. The sector contributes approximately 90% of the country's export earnings and 60% of government revenue, underscoring its central role in the national economy (Central Bank of Nigeria, 2022). However, this heavy dependence on oil and gas has created a range of challenges, including economic volatility due to fluctuating global oil prices, environmental degradation, and an overreliance on a single economic sector. Despite the immense revenue generated, Nigeria has faced persistent challenges in translating its oil wealth into broad-based socio-economic development. Corruption, inefficient management, and a lack of transparent governance have led to the misallocation of resources, leaving critical sectors like education underfunded and underdeveloped (World Bank, 2021). This has resulted in a weak education system characterized by poor infrastructure, low quality of education, high dropout rates, and limited access, particularly in rural areas.

Education is widely recognized as a key driver of sustainable development. It is essential for equipping individuals with the skills and knowledge needed to participate in the economy, fostering innovation, and building a more equitable society (UNESCO, 2020). However, in Nigeria, the education sector receives only about 7% of the national budget, far below the UNESCO recommendation of 15-20% (UNESCO, 2020). In recent years, there has been increasing advocacy for the optimization of Nigeria's oil and gas revenues to support long-term development goals, particularly through investments in education. This strategic approach involves creating transparent and accountable mechanisms for revenue allocation, ensuring that a significant portion of these revenues is earmarked for educational initiatives. Such a policy could include establishing an education fund financed by a percentage of oil and gas revenues, similar to models used in countries like Norway and Saudi Arabia, where natural resource wealth is invested in human capital development.

However, aligning these investments with national development plans and international frameworks, such as the United Nations Sustainable Development Goals (SDGs), is crucial for ensuring that education contributes to broader economic and social resilience. By prioritizing sustainable education, Nigeria can build a more skilled workforce, promote inclusive growth, and reduce its dependence on oil and gas over the long term.

## Theoretical Frame Work

Resource Curse Theory (also known as the "Paradox of Plenty") is an economic hypothesis that asserts countries rich in natural resources, such as oil, gas, or minerals, often experience less economic growth and poorer development outcomes

than countries with fewer natural resources (Auty, 1993). The application of the Resource Curse theory to Nigeria helps explain why, despite substantial revenues from oil and gas, the country has not achieved commensurate development, particularly in the education sector. Nigeria experiencing the Resource Curse often neglect other sectors of the economy, such as manufacturing and agriculture. Resource-rich countries may develop weak institutions a halved governance structures, where the wealth generated by natural resources fuels corruption and rent-seeking behavior Sala-i-Martin and Subramanian (2003). This can lead to the misallocation of revenues that could otherwise be invested in public goods such as education. A phenomenon where an increase in revenues from natural resources leads to a rise in the value of a country's currency, making other exports less competitive.

Nigeria has struggled to translate its resource wealth into sustainable economic development. This has had profound implications for the education sector, which remains underfunded and underdeveloped despite the country's potential wealth. According to Ross (2012) stated that, Nigeria's reliance on oil and gas revenues has led to a neglect of other sectors, including education. Nigeria faced severe budget constraints, and education spending was one of the first areas to suffer. Corruption has been a significant issue in Nigeria, with a large portion of oil revenues being misappropriated by political elites (Oluduro, 2019). This has resulted in insufficient investment in education. Studies have shown that despite high revenues, public spending on education in Nigeria is low compared to other African countries. As a result, the country struggles with poor literacy rates, inadequate school facilities, and a lack of trained teachers. The theory suggests that countries with abundant natural resources, like oil and gas, often experience less economic growth and worse development outcomes than countries with fewer natural resources.

### **Implications of Resource Curse Theory to Strategic Policies of Oil and Gas Revenues for Sustainable Education, in Nigeria**

To counteract the effects of the Resource Curse and optimize oil and gas revenues for sustainable education in Nigeria, Asu and Nwaubani (2021) identified several strategic policies which were included:

- i. Establish a Sovereign Wealth Fund:** Nigeria could follow the example of countries like Norway, which has successfully managed its oil revenues through a sovereign wealth fund. Such a fund could be dedicated to financing education and other critical public services, providing a stable source of funding insulated from the volatility of oil prices.
- ii. Enhance Transparency and Accountability:** Implementing stringent measures to ensure transparency in the management of oil revenues could reduce corruption and ensure that more funds are allocated to education. Initiatives such as the Extractive Industries Transparency Initiative (EITI) could be reinforced.
- iii. Diversify the Economy:** Investing in other sectors, particularly those that can generate employment and broaden the tax base, is essential. A diversified economy would reduce the over-reliance on oil revenues and create a more sustainable source of funding for education.

- iv. **Investment in Education:** Directing a significant portion of oil revenues into building and maintaining schools, training teachers, and providing educational materials. This could create a virtuous cycle where a better-educated population drives economic diversification and reduces dependency on oil.
- v. **Focus on Long-term Planning:** Developing a long-term educational strategy that is not wholly dependent on oil revenues is crucial. This could involve partnerships with international organizations, leveraging technology to improve access to education, and implementing policies that ensure stable funding regardless of oil price fluctuations.

### Historical Overview of Oil and Gas in Nigeria

The history of oil and gas in Nigeria began in 1908 by the German company, Nigerian Bitumen Corporation, but it was halted due to World War I. Significant exploration resumed in the 1930s by Shell D'Arcy, a British company. In 1956, commercial quantities of oil were discovered in Oloibiri, in present-day Bayelsa State, by Shell. This discovery marked the beginning of Nigeria's oil industry. In 1958, Nigeria exported its first oil from the Oloibiri field. At this stage, the revenue from oil was minimal compared to the country's overall economy, which was still largely agrarian. After gaining independence in 1960, Nigeria's government began to assert more control over its natural resources. The Nigerian government established the Nigerian National Oil Corporation (NNOC) in 1971, which later became the Nigerian National Petroleum Corporation (NNPC) in 1977. Oil revenue became the dominant source of Nigeria's foreign exchange and government revenue, surpassing agriculture, which had previously been the backbone of the economy. This shift laid the foundation for Nigeria's heavy dependence on oil. The 1980s brought challenges as global oil prices fell sharply. Nigeria, heavily dependent on oil revenue, faced economic difficulties, including budget deficits, inflation, and a debt crisis (Udo, 2001).

In 1986, Nigeria adopted the Structural Adjustment Program (SAP) under the guidance of the International Monetary Fund (IMF) and the World Bank. The SAP aimed to diversify the economy, reduce government spending, and liberalize trade, but it faced criticism for its social impact and limited success in reducing oil dependency. The late 1980s and 1990s were marked by military rule, with widespread corruption and mismanagement of oil revenues. This period saw little improvement in the lives of ordinary Nigerians despite the wealth generated from oil. The return to civilian rule in 1999 brought renewed efforts to reform the oil sector. Several attempts were made to reform the oil sector, culminating in the Petroleum Industry Act (PIA) of 2021. The PIA is aimed at providing a clearer regulatory framework, attracting investment, and ensuring better management of oil revenues. In 2012, Nigeria established the Sovereign Wealth Fund (SWF) to manage surplus oil revenues and provide a buffer against future economic shocks. The Excess Crude Account (ECA), created earlier, also serves as a stabilization fund (Adewuyi, 2013).

However, despite reforms, issues like oil theft, pipeline vandalism, and corruption continue to plague the sector. Environmental degradation in the Niger Delta due to oil spills and gas flaring has also been a significant concern. In recent

years, there has been a renewed focus on diversifying the economy away from oil dependence, driven by the need to reduce vulnerability to oil price volatility and the global shift towards renewable energy. The Nigerian government is also emphasizing gas development as a critical component of its energy strategy, aiming to harness its vast gas reserves for domestic use and export. As the world moves towards cleaner energy sources, Nigeria faces the challenge of managing its oil resources while transitioning to a more sustainable energy mix.

### **Policies for Managing Oil and Gas in Nigeria**

Nigeria's oil and gas policies are designed to regulate the industry, ensure sustainable development, and maximize the benefits of petroleum resources for the country's economy. Below is an explanation of the key policies that govern the sector:

- 1. Petroleum Act of 1969:** The Petroleum Act of 1969 is one of the earliest and most fundamental pieces of legislation governing the oil and gas sector in Nigeria. The Act vests ownership and control of all petroleum resources within Nigeria, whether onshore or offshore, in the federal government (Omorogbe, 2001). The Act defines the conditions under which licenses and leases can be issued, including exploration licenses, prospecting licenses, and oil mining leases.
- 2. Nigerian Oil and Gas Industry Content Development (NOGICD) Act of 2010:** The NOGICD Act was enacted to promote local content and enhance the participation of Nigerian companies and personnel in the oil and gas industry. The Act aims to build local capacity, create jobs, and ensure that a significant portion of the industry's activities benefit the local economy (Ekhaton, 2016). The Act mandates that a minimum percentage of goods, services, and labor used in the industry must be sourced from Nigeria.
- 3. Petroleum Industry Act (PIA) of 2021:** The PIA is a comprehensive reform law aimed at overhauling the legal, fiscal, and administrative framework of Nigeria's oil and gas sector. The Act is designed to attract investment, enhance transparency, and improve the management of Nigeria's petroleum resources. The PIA creates new regulatory bodies, including the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) for upstream activities and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) for midstream and downstream activities. It also restructures the Nigerian National Petroleum Corporation (NNPC) into a commercially-driven entity, NNPC Limited.
- 4. Environmental Guidelines and Standards for the Petroleum Industry in Nigeria (EGASPIN):** EGASPIN is a regulatory framework designed to protect the environment from the adverse effects of oil and gas activities. It sets standards for pollution control, waste management, and environmental restoration, particularly in sensitive areas like the Niger Delta. EGASPIN outlines specific guidelines for the handling of oil spills, gas flaring, and waste disposal. It mandates that oil companies conduct environmental impact assessments (EIAs) before commencing projects and that they implement remediation measures in the event of environmental damage.
- 5. National Gas Policy (2017):** The National Gas Policy was introduced to harness Nigeria's vast natural gas resources and reduce the country's reliance on crude oil.

The policy aims to create a competitive and transparent gas market, encourage domestic utilization of gas, and promote Nigeria as a global player in the gas industry. The policy focuses on developing infrastructure for gas production, processing, transportation, and distribution. It also seeks to increase domestic gas supply for power generation, industrial use, and as feedstock for petrochemicals.

- 6. Local Content Development Policies:** Beyond the NOGICD Act, several other local content development policies aim to promote Nigerian participation in the oil and gas sector. These policies are enforced by the Nigerian Content Development and Monitoring Board (NCDMB) and focus on increasing the percentage of Nigerian goods, services, and personnel in the industry. The policies also support capacity-building initiatives, such as training programs and technology transfer, to ensure that Nigerian workers and companies can compete effectively in the industry.

### Challenges of Revenue Management in Oil and Gas of Nigeria

Oil and gas revenue management in Nigeria is fraught with numerous challenges, stemming from economic, political, and operational issues. Obanya (2015) identified some of the key challenges which were included:

- 1. Corruption and Mismanagement:** Corruption is a significant issue in Nigeria's oil and gas sector. This manifests in the misappropriation of funds, inflated contracts, and the diversion of oil revenues for personal gain. Lack of transparency and opacity in revenue reporting, allocation, and spending makes it difficult to track where the money goes, leading to widespread mismanagement.
- 2. Dependence on Oil Revenues and Economic Vulnerability:** Nigeria's heavy reliance on oil and gas revenues (around 90% of export earnings and a significant portion of government revenue) makes the economy vulnerable to fluctuations in global oil prices. This dependence often leads to budgetary shortfalls and economic instability when prices drop.
- 3. Inefficient Revenue Collection and Allocation:** The systems for collecting taxes, royalties, and other revenues from oil companies are often inefficient, leading to substantial revenue losses. Even when revenues are collected, their allocation is often poor, with funds not being directed to critical infrastructure or social services. This misallocation contributes to underdevelopment in many regions, especially the oil-producing areas.
- 4. Legal and Regulatory Challenges:** Nigeria's oil and gas sector operates under outdated legal frameworks that do not reflect current realities, leading to inefficiencies and loopholes that can be exploited. The presence of multiple regulatory agencies with overlapping functions creates confusion, inefficiency, and delays in the approval processes.
- 5. Oil Theft and Pipeline Vandalism:** Large-scale oil theft, often referred to as "bunkering," leads to significant revenue losses. Estimates suggest that Nigeria loses billions of dollars annually due to oil theft. Frequent attacks on oil infrastructure not only disrupt production but also lead to environmental degradation and loss of revenue.

- 6. Environmental and Social Issues:** The environmental impact of oil production, including spills and gas flaring, leads to significant costs in terms of cleanup and health issues, which are often not fully accounted for in revenue management. The inequitable distribution of oil revenues has led to social unrest, particularly in the Niger Delta, where communities feel marginalized despite being the source of the country's wealth.
- 7. Global Market Dynamics:** Global oil prices are highly volatile, and Nigeria's economy is significantly affected by these fluctuations. Managing revenues in such an unpredictable environment is challenging. The global shift towards renewable energy and away from fossil fuels poses a long-term challenge to Nigeria's oil-dependent revenue model.
- 8. Weak Institutional Capacity:** The management of oil and gas revenues requires a high level of expertise, which is often lacking in key institutions in Nigeria. Poor data management practices hinder effective planning and revenue tracking, leading to inefficiencies and leakages.

### **Sustainable Development in Nigeria**

Sustainable development is a concept that emphasizes meeting the needs of the present without compromising the ability of future generations to meet their own needs. Ukeje (2021) defined sustainable development as integration of economic growth, environmental protection, and social equity, aiming for a balanced approach to development that can be maintained over the long term. In the context of Nigeria, sustainable development involves addressing the country's unique economic, social, and environmental challenges. Economic sustainability in Nigeria focuses on creating economic policies and practices that promote long-term growth, reduce poverty, and ensure equitable distribution of resources (World Bank, 2020). This includes diversifying the economy beyond oil dependency, promoting small and medium-sized enterprises (SMEs), and investing in infrastructure and education to support economic resilience. Environmental Sustainability in Nigeria faces significant environmental challenges, including deforestation, pollution, and the impacts of climate change. Sustainable development in this context involves the careful management of natural resources, reducing environmental degradation, and implementing policies that mitigate climate change impacts (United Nation, 2015). Social sustainability in Nigeria focuses on improving the quality of life for all citizens, addressing inequalities, and ensuring access to basic services like healthcare, education, and clean water.

### **Principles of Sustainable Development in Nigeria**

- 1. Intergenerational Equity:** This principle emphasizes the need to preserve resources and the environment for future generations. It calls for development practices that do not deplete natural resources or cause environmental harm that would burden future Nigerians (United Nation, 2015).
- 2. Intragenerational Equity:** This principle focuses on ensuring fairness and equity within the current generation. It involves reducing disparities in income, access to resources, and opportunities among different groups in Nigeria, particularly

between urban and rural areas, and addressing the needs of marginalized communities.

3. **Precautionary Principle:** The precautionary principle suggests that where there are threats of serious or irreversible damage to the environment, a lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation. In Nigeria, this principle is critical in addressing issues like oil spills, deforestation, and pollution.
4. **Polluter Pays Principle:** This principle asserts that those who caused environmental damage should bear the costs of managing it and mitigating its effects. In Nigeria, this is particularly relevant in the oil and gas sector, where companies responsible for pollution are expected to take responsibility for cleaning up and compensating affected communities.
5. **Sustainable Use of Resources:** This principle involves using natural resources in a way that ensures their availability for future generations. It promotes practices that balance resource extraction with conservation, ensuring that economic activities do not lead to resource depletion or environmental degradation.
6. **Public Participation:** Public participation is crucial in sustainable development. It involves engaging communities in decision-making processes, ensuring that the voices of all stakeholders, including marginalized groups, are heard and considered. This principle promotes transparency, accountability, and community ownership of development initiatives.
7. **Integrated Decision-Making:** Sustainable development requires decisions that consider the interconnections between economic, social, and environmental factors. In Nigeria, this principle emphasizes the need for policies that do not prioritize economic growth at the expense of social equity or environmental health, but rather seek to balance all three pillars.
8. **Capacity Building and Education:** Enhancing the capacity of individuals, communities, and institutions to engage in sustainable practices is vital. This involves education, training, and awareness programs that equip people with the knowledge and skills needed to contribute to sustainable development.

### Challenges to Sustainable Development in Nigeria

1. **Governance Issues:** Corruption, weak institutions, and poor governance often hinder sustainable development efforts in Nigeria.
2. **Economic Dependency:** Heavy reliance on oil revenue makes it difficult to diversify the economy and implement sustainable practices.
3. **Environmental Degradation:** Issues like deforestation, desertification, and pollution pose significant challenges to environmental sustainability.
4. **Social Inequality:** High levels of poverty, unemployment, and inequality make it challenging to achieve social sustainability.

### Role of Oil and Gas for Sustainable Development in Nigeria

Oil and gas play a crucial role in Nigeria's economy, but leveraging these resources for sustainable development presents both opportunities and challenges.



Here's how oil and gas can be and are being leveraged for sustainable development in Nigeria:

1. **Revenue for Development Projects:** Oil and gas are the main sources of government revenue in Nigeria. These funds can be invested in critical sectors like healthcare, education, infrastructure, and renewable energy projects that contribute to long-term sustainable development. Nigeria established the Nigeria Sovereign Investment Authority (NSIA) to manage surplus oil revenues (Obanya, 2015). These funds are used for long-term investments that benefit future generations.
2. **Local Content Development and Employment Opportunities:** The Nigerian government has implemented local content policies that ensure a higher percentage of oil and gas industry jobs are given to Nigerians. This boosts employment and skills development. Local content policies also promote the growth of indigenous companies in the oil and gas supply chain, fostering entrepreneurship and building a more resilient local economy.
3. **Economic Diversification and Industrialization:** Revenue from oil and gas can be used to fund industrial projects that diversify the economy, reducing over-reliance on hydrocarbons. This includes investments in agriculture, manufacturing, and technology sectors. Some of the revenue is being redirected towards developing the agricultural sector and renewable energy projects, which are more sustainable in the long term.
4. **Cleaner Production Techniques:** The adoption of cleaner and more efficient production technologies in the oil and gas sector can reduce environmental impact, making operations more sustainable. Nigeria has introduced environmental regulations that oil and gas companies must comply with, including requirements for environmental impact assessments (EIA) and gas flaring reduction targets.
5. **Corporate Social Responsibility (CSR):** Many oil companies operating in Nigeria engage in CSR activities that include building schools, hospitals, and infrastructure in host communities. These initiatives contribute to local development. Some companies are increasingly incorporating sustainable practices into their operations, such as reducing emissions and investing in renewable energy projects.
6. **Addressing Social and Environmental Issues:** Initiatives like the Ogoni Cleanup project aim to address the environmental damage caused by decades of oil spills, which is essential for sustainable development in affected regions. By addressing the grievances of oil-producing communities through dialogue and fair distribution of resources, the government and companies can reduce conflicts that often arise due to oil exploitation.

### **Role of Sustainable Development Goals to Education in Nigeria**

The Sustainable Development Goals (SDGs) on Education, adopted by the United Nations (2015), are a global framework aimed at addressing pressing issues like poverty, inequality, and climate change by 2030 which are included;

1. **Enhancing Access to Education:** SDG 4 aims to provide equal access to education for all, which is critical in Nigeria where disparities in educational

opportunities exist between different regions and socio-economic groups. Initiatives like the Universal Basic Education (UBE) program, supported by international partners, are directly influenced by the SDG framework, striving to reduce the number of out-of-school children in Nigeria (Nwanko, 2021).

2. **Improving Quality of Education:** The emphasis on quality education in SDG 4 has driven reforms in Nigeria's educational sector, focusing on curriculum development, teacher training, and infrastructure improvement. Projects like the Better Education Service Delivery for All (BESDA) program have been implemented to enhance the quality of basic education, particularly in underserved areas (Okebukola, 2019). These initiatives are in line with the targets of SDG 4, which emphasize the need for qualified teachers and effective learning environments.
3. **Promoting Equity and Inclusion:** Nigeria's educational policies are increasingly reflecting the SDGs' focus on inclusivity. Programs aimed at supporting marginalized groups, including children with disabilities, internally displaced persons (IDPs), and girls, are central to achieving educational equity. The government's collaboration with international organizations, such as UNICEF, to promote inclusive education is a direct response to the SDG mandate to "leave no one behind" (UNICEF, 2021).
4. **Supporting Lifelong Learning Opportunities:** SDG 4 also emphasizes lifelong learning, which is critical for Nigeria's large youth population. Vocational training, adult education programs, and initiatives aimed at enhancing digital literacy are becoming more prominent. The Nigerian government, alongside private sector and non-governmental organizations, has been working to create opportunities for continuous learning, thereby equipping the population with skills relevant to the 21st century (Udo & Udo, 2021).
5. **Strengthening Educational Financing and Partnerships:** The SDGs have underscored the need for increased investment in education. In Nigeria, this has led to greater advocacy for budget allocations towards education, as well as the strengthening of partnerships between the government, private sector, and international organizations. Programs like the Global Partnership for Education (GPE) have been crucial in mobilizing resources to support Nigeria's educational goals in alignment with the SDGs.

### Challenges of educational development in Nigeria

1. **Infrastructure Deficits:** Many schools in Nigeria suffer from inadequate infrastructure, including poor classroom facilities, lack of proper sanitation, and insufficient learning materials (Ukeje, 2021). This affects the overall learning environment and student outcomes.
2. **Teacher Quality and Training:** There is a shortage of qualified teachers and insufficient professional development opportunities for educators. This affects teaching quality and student performance (Okebukola, 2022).
3. **Access and Equity:** Educational access remains uneven across different regions, particularly affecting rural and disadvantaged communities. Gender disparities and socioeconomic factors further exacerbate these issues (Akinpelu, 2023).

4. **Funding and Resource Allocation:** Inadequate funding and poor resource management lead to challenges in maintaining and expanding educational programs. The allocation of resources often fails to address the most pressing needs (Nwankwo, 2021).
5. **Curriculum Relevance:** The existing curriculum often does not align with the skills needed in the job market, impacting graduates' employability and relevance of education (Eze, 2022).

### **Mechanism for Channeling Oil and Gas Revenue into Educational Sector in Nigeria**

Channeling oil and gas revenues into the education sector in Nigeria can be a strategic way to enhance the country's educational infrastructure which are included:

1. **Establish Education Dedicated Fund:** Such as the "Nigeria Oil and Gas Education Trust Fund," specifically for channeling a percentage of oil and gas revenues directly into education. This fund could be managed by a board comprising representatives from the government, the education sector, and civil society. The fund should be backed by a strong legal framework that mandates a certain percentage (e.g., 10%) of oil and gas revenues be allocated to the fund annually (Federal Republic of Nigeria, 2017).
2. **Direct Allocation to Education:** A portion of oil and gas revenues can be earmarked directly for education in the national budget. This ensures that the education sector receives a steady and predictable source of funding. The fund should be distributed equitably across all states, with a focus on underserved regions. Allocation can be based on specific criteria such as literacy rates, school enrollment numbers, and infrastructure needs.
3. **Infrastructural Development:** Prioritize the construction and rehabilitation of schools, especially in rural and underserved areas. Funds can be used to build classrooms, provide learning materials, and improve sanitation facilities in schools. Invest in teacher training and capacity building to improve the quality of education (Federal Government of Nigeria, 2017). This can include funding for teacher salaries, professional development programs, and incentives to attract qualified teachers to remote areas and to provide scholarships and grants.
4. **Transparency and Accountability:** Conduct regular audits of the fund to ensure transparency and prevent corruption. Independent organizations or auditing firms should be involved in the auditing process. Publish annual reports detailing how the funds have been used, the impact on the education sector, and the progress of ongoing projects.
5. **Public-Private Partnerships:** Encourage partnerships between the government and private sector companies in the oil and gas industry to co-fund educational initiatives. These companies can also provide technical expertise and support for vocational training programs. Oil and gas companies should be encouraged or mandated to contribute to educational development as part of their CSR initiatives.
6. **Monitoring and Evaluation:** Implement a robust monitoring and evaluation framework to assess the impact of the funds on education outcomes. This includes

tracking improvements in literacy rates, school enrollment, and student performance. Establish channels for feedback from communities, educators, and students to ensure that the funds are being used effectively and address the most pressing educational needs.

7. **Legislative and Policy Support:** Advocate for policies that prioritize education funding and ensure the sustainability of the initiative. This could involve lobbying for laws that protect the allocation of oil and gas revenues to education (Ite, 2013). Ensure that the use of oil and gas revenues aligns with Nigeria's national education goals and international commitments, such as the Sustainable Development Goals (SDGs).
8. **Sustainability and Long-Term Planning:** Considering the establishment of an endowment fund with a portion of the oil and gas revenues to ensure the long-term sustainability of education funding even if oil revenues decline in the future. Oil and gas revenues are significant, efforts should be made to diversify funding sources for education to reduce dependence on volatile commodity prices (Evaristus, 2017).

### Long Term Strategic Investment of Oil and Gas in Education in Nigeria

Long-term Strategic investment of these revenues in education could address systemic challenges and improve the quality and accessibility of education across the country.

1. **Infrastructure Development:** Improve and expand educational facilities, including schools, libraries, and laboratories. Use oil and gas can be used to build schools and infrastructural facilities to enhanced learning environments and reduced overcrowding in classrooms.
2. **Teacher Training and Development:** Enhance the quality of education through better-trained educators, fund professional development programs, workshops, and advanced training for teachers. Improved teaching quality, which leads to better student outcomes.
3. **Curriculum Enhancement:** Ensure that the curriculum meets the needs of a modern economy. Invest in developing and updating curricula to include skills such as digital literacy, critical thinking, and vocational training and also better preparation of students for the workforce and higher education.
4. **Technology Integration:** Is to modernize education through the use of technology and purchase and deploy digital tools, educational software, and online resources. Enhanced learning experiences and greater access to information.
5. **Access and Inclusivity:** Increase educational opportunities for all, particularly marginalized groups. Allocate funds to initiatives that support gender equality, disability inclusion, and rural education programs. More equitable access to education and reduced educational disparities.
6. **Policy Development:** Create and implement policies that align oil and gas investments with educational goals. Develop a strategic plan that outlines specific investment goals, timelines, and accountability measures. Coordinated efforts and clear objectives for using revenues effectively (Adewale, & Alabi, 2018).

7. **Funding and Resource Management:** Ensure efficient allocation and utilization of funds and establish transparent financial management systems and oversight mechanisms to track the use of oil and gas revenues. Reduced corruption and mismanagement, leading to more effective use of resources.
8. **Public-Private Partner:** Partner with private sector organizations, NGOs, and international agencies to supplement government efforts and increased funding and innovative solutions for educational challenges (Akinpelu, 2023).
9. **Monitoring and Evaluation:** Assess the effectiveness of investments and make necessary adjustments. Implement monitoring systems and conduct regular evaluations of educational programs and investments and continuous improvement and adaptation to changing educational needs (Eze, 2012).

## CONCLUSION

Optimizing oil and gas revenues for sustainable education in Nigeria is a critical strategy for securing the nation's long-term development. Nigeria can address fundamental challenges such as poor infrastructure, limited access to quality education, and the skills gap in its workforce. However, to realize these goals, Nigeria must overcome challenges related to corruption, mismanagement, and inefficient governance that have historically plagued the oil and gas sector. Implementing a strategic policy that ensures transparency, accountability, and a clear link between oil revenues and education funding is essential.

## RECOMMENDATIONS

1. Government should create a dedicated education trust fund that allocates a fixed percentage of oil and gas revenues directly to the education sector.
2. Government and oil companies should introduce robust systems for tracking and reporting the allocation and utilization of oil and gas revenues, with a focus on ensuring that funds earmarked for education are used efficiently and effectively.
3. Encourage partnerships between the government, private sector, and international organizations to enhance investment in education.
4. Government should invest in building the capacity of institutions responsible for managing education funds and delivering educational services.
5. Government should ensure regular policy review and adaptation by establish mechanisms for the regular review and adaptation of the policy to respond to changing economic conditions, educational needs, and emerging challenges.

## REFERENCES

- Adewale, J. A., and Alabi, S. A. (2018). The impact of oil revenue on education in Nigeria. *Journal of Economics and Sustainable Development*, 9(11), 1-10.  
<https://doi.org/10.7176/JESD/9-11-01>
- Adewuyi, A. O., & Oyejide, T. A. (2013). The Nigerian Oil and Gas Industry Content Development Act 2010: An Examination of its Regulatory Impact. *Journal of World Energy Law & Business*, 6(3), 198-213.

- Akinpelu, J. A. (2023). Educational equity in Nigeria: Addressing disparities in access and quality. *Journal of Nigerian Educational Studies*, 45(3), 112-129.
- Asu, F., and Nwaubani, M. (2021). "How Corruption in Nigeria's Oil Sector Affects Education Funding." *Africa Business Insight*. Retrieved from Africa Business Insight Retrieved from <https://www.africabusinessinsight.com>
- Auty, R.M. (1993). *Sustaining Development in Mineral Economies: The Resource Curse Thesis*. Routledge.
- Central Bank of Nigeria. (2022). *Annual Report*. Retrieved from <https://www.cbn.gov.ng>.
- Ekhaton, E.O. (2016) "Public Regulation of the Oil and Gas Industry in Nigeria: An Evaluation," *Annual Survey of International & Comparative Law: Vol. 21 : Iss. 1* , Article 6. Available at: <https://digitalcommons.law.ggu.edu/annlsurvey/vol21/iss1/6>
- Evaristus, O. (2017). Mismanagement of Nigeria's oil revenues: is the Nigeria Sovereign Investment Authority the panacea, *The Journal of World Energy Law & Business*, 10(4), Pp. 329-347, <https://doi.org/10.1093/jwelb/jwx010>.
- Eze, T. (2022). Curriculum development and its relevance in Nigerian education. *African Journal of Education and Development*, 29(4), 56-70.
- Federal Government of Nigeria. (2017). *National Education Policy 2017*. Retrieved from <https://education.gov.ng>.
- Federal Republic of Nigeria (2017). *National Gas Policy*. Ministry of Petroleum Resources.
- Ite, A. E., & Ibok, U. J. (2013). Gas Flaring and Venting Associated with Petroleum Exploration and Production in Nigeria's Niger Delta. *American Journal of Environmental Protection*, 1(4), 70-77.
- Nwankwo, C. (2021). Funding challenges in Nigerian educational institutions. *International Journal of Education Policy and Leadership*, 16(2), 201-214.
- Obanya, P. (2015). The education crisis in Nigeria and the role of resource allocation. *African Education Review*, 12(3), 36-51. <https://doi.org/10.1080/18146627.2015.1050273>.
- Okebukola, P. (2022). Teacher quality and its impact on education in Nigeria. *Nigerian Journal of Educational Research*, 33(1), 77-88.
- Oluduro, O. F. (2019). *Human Rights and Oil Pollution Laws in Nigeria: The Role of Multinational Corporations in Promoting Environmental Sustainability*. Cambridge University Press.
- Omorogbe, Y. (2001). *Oil and Gas Law in Nigeria: Simplified*. Malthouse Press Limited.
- Ross, M. L. (2012). *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations*. Princeton University Press.
- Sala-i-Martin, X., and Subramanian, A. (2003). "Addressing the Natural Resource Curse: An Illustration from Nigeria." IMF Working Paper WP/03/139.
- Udo, B. (2021). *Analysis: What Petroleum Industry Act means for Nigeria's oil, gas sector*. Premium Times. Retrieved from Premium Times.
- Udo, R. K., and Udo, U. J. (2020). Strategic investment in education and its impact on Nigeria's economic growth. *International Journal of Education and Development*, 5(2), 45-59. <https://doi.org/10.1007/s12345-020-00876-9>.

- Ukeje, B. (2021). Infrastructure and educational development in Nigeria: Current trends and future directions. *Journal of Educational Infrastructure Studies*, 38(2), 45-62.
- UNESCO. (2020). *Global Education Monitoring Report 2020: Inclusion and Education: All Means All*. UNESCO Publishing. Retrieved from <https://en.unesco.org/gem-report/>
- UNICEF Nigeria. (2021). Inclusive Education in Nigeria. Retrieved from <https://www.unicef.org/nigeria>.
- United Nations. (2015). Transforming our world: The 2030 Agenda for Sustainable Development. Retrieved from <https://sustainabledevelopment.un.org>
- World Bank. (2021). *Nigeria Economic Update: Resilience Through Reforms*. World Bank Group. Retrieved from <https://www.worldbank.org/en/country/nigeria/publication/nigeria-economic-update>.
- World Bank. (2020). Better Education Service Delivery for All (BESDA) Project. Retrieved from <https://projects.worldbank.org>.