# The Politics of Entrepreneurship in Nigeria: A Critical Analysis of Aliko Dangote's Group

Abu Saidu Sabastine Ph.D

*Department of Mass Communication, Bingham University, Karu, Nasarawa State*
*sabastine.abu@binghamuni.edu.ng; 08034523246*

**Abstract**
The study investigates how Nigerian entrepreneurship functions by using Aliko Dangote's business empire as its main case study. Dangote achieved recognition as Africa's top industrialist who embodies native business development, yet his career path demonstrates how resource-abundant nations with weak institutions experience conflicts between business operations and governmental authority. The research employs institutional theories from Acemoglu and Robinson by using their definitions of extractive institutions and the narrow corridor of state-society contestation to conduct a mixed-method study that combines document analysis and elite interview data and secondary economic indicators. The findings demonstrate that Dangote achieved his business success through political patronage, which established his connections, yet his $20 billion refinery investment showed that private capital started to fight against state control of natural resources instead of working together with it. The paper presents an emerging business model called "Dangotisation", which combines multiple business elements to create a new approach that functions as a power system between Nigeria's political and economic structures. The study shows that Dangote's case demonstrates major African industrialisation because oligarchic capital development will produce development through power struggles with the state, which enforces rent-seeking.
**Keywords: Political Entrepreneurship; Nigeria; Dangote Group; Industrial Policy; State-Business Relations**

**Introduction**
In May 2023, the skyline of Lagos's Lekki Free Zone was transformed by the commissioning of the Dangote Refinery, which serves as the world's largest single-train refinery through its operation of a 20-billion-dollar petrochemical facility that processes 650000 barrels of crude oil each day. The refinery achieved its complete operational capacity of 650000 barrels per day in February 2026 after the successful optimisation of its crude distillation unit and motor spirit production block (BusinessDay 2026b). The milestone enabled Nigeria to end its national embarrassment, which had persisted for decades because the country had imported almost all its refined petroleum products despite being one of the top ten oil-producing nations in the world (Ghana Upstream 2026). The business venture represented Aliko Dangote's evolution from a Kano-based trader to a 28.5-billion-dollar net worth business success, which made him Africa's richest person and the world's wealthiest Black individual (Premium Times 2026; BusinessDay 2026).

The refinery achieved success, but this positive result faces challenges from an opposing backstory, which creates issues. Critics assert that Dangote Cement controls 57 to 60 per cent of Nigeria's cement market through import bans and regulatory capture and their practice of raising prices, which resulted in cement bag costs between ₦9,500 and ₦13,000 (Yahaya, 2025; Tell.ng, 2025a). Dangote entered into an intensified battle with the Nigerian Midstream and Downstream Petroleum Regulatory Authority NMDPRA after the refinery achieved its maximum operational capacity because he accused its leader of excessive wealth and requested the Economic and Financial Crimes Commission to conduct an investigation (Okigbo 2025; Ripples Nigeria 2025).

The most powerful business leader in Nigeria who controls the most important resources in the country encountered his most severe challenge from Nigerian regulatory authorities. The business empire achieved real industrial progress, which produced thousands of new employment opportunities and established the largest cement manufacturing facility in Africa, while the business operated its monopolistic activities and political connections, which created obstacles for market competition (Oluwadare et al., 2024; SOAS-ACE, 2025). The Dangote phenomenon demonstrates how political systems determine the development of entrepreneurship in resource-rich countries that lack effective institutional structures (Acemoglu & Robinson, 2012).

The research investigates these issues through a political economy examination of the Dangote Group. The existing interpretations of Dangote as either a heroic industrialist or a predatory monopolist fail to provide complete understanding of his character. We identify Dangote as a political entrepreneur who establishes new political systems that operate at the interface between Nigeria's resource extraction institutions and his business operations. The case study examines the refinery dispute as a critical moment when productive capital begins to challenge rentier extraction methods, which Acemoglu and Robinson (2019) describe as the "narrow corridor" (Okigbo, 2025).

**Problem Statement**

The existing academic research shows two extreme viewpoints that require investigation. The first extreme view advocates complete economic deregulation, which requires states to stop all economic activities. The second extreme view advocates for government-sponsored economic development through industrial planning. The Nigerian economic system proves that both solutions fail to describe its operational reality. The Nigerian state supervises all economic operations while it fails to deliver basic public services. The private sector acquires wealth through its political connections, which enable it to establish certain industries. Nigeria serves as a perfect example of this contradictory situation. Nigeria has experienced economic growth since it restored civilian rule in 1999. The country's manufacturing sector generates less than 10 per cent of gross domestic product. The nation depends on oil revenues to support economic growth, which results in corruption and political patronage networks and creates what researchers call the ‘resource curse'. It is in this environment that Aliko Dangote steps in to operate—a figure who has built Africa's largest industrial conglomerate while simultaneously embodying the pathologies of Nigerian political economy. Understanding this duality is not merely an academic exercise; it bears directly on questions of how industrialisation might be achieved in contexts where formal institutions are weak, where the line between public and private is systematically blurred, and where the most successful entrepreneurs are also the most politically connected. The core problem being understudied is the elevation of an individual citizen into an untamed business giant that dictates the entire country’s political and business policy direction.

**Research Questions**

The study is guided by the following primary research questions:

1. How have the political strategies employed by Dangote Group evolved across different Nigerian political regimes, and what mechanisms have sustained access to state resources and protection?
2. To what extent does Dangote’s market dominance reflect productive efficiency versus political entrepreneurship, specifically the exploitation of import restrictions, privatisation processes, and vertical integration strategies?
3. Does the recent confrontation between Dangote Industries and Nigerian regulators indicate a shift in state-business relations, potentially toward the “narrow corridor” of institutional accountability?
4. What do the development implications of the Dangote Refinery controversy against the oil and gas regulators portend for institutional authority?

**Literature Review**

*Theoretical Frameworks: From Rent-Seeking to the Narrow Corridor*

The analysis uses three theoretical traditions that maintain connections to one another as its foundation. The political entrepreneurship literature extends Schumpeter's (1934) creative destruction concept to show that entrepreneurial success depends on how businesses navigate state structures instead of their ability to develop new products. Baumol (1990) established three entrepreneurship types, which he called productive, unproductive, and destructive, while he showed that institutional rules decide which activities receive rewards. The framework sees Dangote's work as productively unproductive activities because his work produces industrial results through political connections instead of market competition. The SBR literature studies African regions because it shows how personal networks and ethnic solidarity, together with patrimonial logics, influence economic results. Mkandawire (2001) and Whitfield et al. (2015) argue that African developmental states require "embedded autonomy", which combines bureaucratic protection with productive resource access. The Nigerian state proves its failure to achieve embeddedness because it operates according to van de Walle's (2001) concept of "neopatrimonial" logic, which uses formal institutions to hide informal systems of personalised rule.

The study utilises Acemoglu and Robinson's institutional framework to conduct its primary analytical investigations. The authors of Why Nations Fail (2012) establish a distinction between inclusive institutions, which protect property rights and promote innovation and public service delivery, and extractive institutions, which enable powerful groups to take resources from the entire population. The authors of The Narrow Corridor (2019) present their argument that a powerful society needs to restrict a powerful government to achieve both liberty and prosperity. The "narrow corridor" enables development through its power struggle mechanism, which prevents factions from attaining complete resource control. Patrick Okigbo III (2025) established a framework for Nigeria that demonstrates that "liberty is achieved in the 'narrow corridor' because of continuous contestation between the state and society, where neither dominates without resistance".

**Political Entrepreneurship in Nigeria: Existing Scholarship**

Research studies on Nigeria's political economy have discovered that their studies require politically connected capitalists as their main research focus. The indigenous capitalist class emerged in Nigeria after the government introduced the indigenisation decrees, which began in 1970. Lewis (2007) studied how oil wealth created a "rentier state" because government contracts and import licences became the main way people obtained wealth. The SOAS Anti-Corruption Evidence research (2025) studied how Nigeria's major diversified business groups achieved productivity growth through their "regime proximity and rent-seeking behavior" towards Nigeria's Anti-Corruption Evidence research.

This research study identifies Aliko Dangote as the main subject. The 2007 US diplomatic cable, which WikiLeaks later published, contained a description of Dangote as "a predator using connections in a corrupt political economy to tilt the playing field in his favour and sideline potential competition", according to the Consul General. The cable reported that Dangote "has major interests" in many products that Nigeria currently lists as import-ban items. The latest evaluations of the critique show that "Dangote represents a fundamental political and economic dysfunction that exists in Nigeria", according to one Nigerian commentator. Oligarchs can collect wealth through the basic dysfunction that permits them to operate because it establishes an environment that requires monopolistic oligarchs to control operations.

The research on scholarships has studied Dangote as a rent-seeking case study, but it failed to acknowledge his successful business activities. The gap has major consequences because Dangote Cement operates as the largest cement producer in Africa while conducting business in various countries and successfully reducing prices throughout its service areas. The refinery stands as the most important private investment in Nigerian history, although it has ties to political affairs. The predator shows no interest in developing his business through permanent assets because he prefers to move his money to safer locations in Africa.

**Vertical Integration as Institutional Bypass**

The existing research studies show how African businesses deal with situations when institutional frameworks lack necessary components because they use vertical integration as their business strategy. The analysis of Dangote's operations through business metrics shows how Aliko Dangote proved to President Olusegun Obasanjo in 1999 that cement imports remained more profitable than Nigerian cement production, which created an industrialisation paradox that African countries have faced for many years. The president established a backward integration policy that banned importation while offering financial support to businesses for establishing domestic operations. After twenty years Nigeria transformed its economy from annual cement imports of 8.7 million tonnes to current exports of 6 million tonnes, while domestic production capacity reached 48 million tonnes, which satisfies a market demand of 22 million tonnes.

The policy achieved its objectives through three essential requirements, which included sequencing requirements that granted enterprises necessary time to establish their capabilities before the implementation of import limitations. The organisation provided substantial benefits through its pioneer enterprise tax exemptions, which lasted three to five years, together with the sale of unproductive government facilities. The organisation succeeded when its financial goals matched the objectives of the general public. The Dangote case shows that African countries face governance problems because businesses need to build their own electricity generation systems to remain competitive, which indicates that their power and financial systems have serious infrastructure problems. The business model of Dangote operates as a complete rejection of contemporary management principles through its ownership of limestone quarries and coal mines and power plants and packaging factories and 12,000 trucks and a truck assembly plant worth $100 million. Dangote: The company achieves higher profit margins than its competitors because its business processes work better with integrated systems than with external market operations. Dangote uses his 4,000 CNG trucks to distribute fuel from the refinery to filling stations, which he uses to implement the strategic oil sector approach in his business operations.

**The “Dangotisation” Thesis**

The term "Dangotisation" describes the unique business methods used by Dangote that create specific social consequences for his company. The researchers who conducted the 2024 study discovered that Dangotisation includes multiple characteristic elements, which include sector expansion beyond multiple industries and government assistance, which helps to grow the business; the company concentrates its operations on mineral resources; and the business operates through multiple retail outlets, which all stay neutral about political matters, while the company supports government leaders who exist at every moment, and its ownership structure creates a bond between its business identity and its owners, and it maintains distance from conventional views while it operates as a charitable organisation, and it shows signs of operating as a monopoly, which uses multilevel partnerships to conduct business, and its primary brand remains the most recognised name throughout Nigeria, and it centres its operations on essential consumer items while it faces challenges, which include blizzard weather conditions. The authors use Max Weber's rationalisation theory together with the Marxist modernity critique to describe this particular phenomenon.

The research extends existing 'Dangotisation' research by linking it to institutional analysis provided by Acemoglu and Robinson while demonstrating that 'Dangotisation' functions as a logical response to institutionalised resource extraction systems. The research demonstrates that Dangotisation develops a dual-force system that creates conflicting results because Dangote needs institutional stability to achieve his business goals, which requires him to support institutional reforms instead of requesting special treatment from institutions.

**Research Gap and Contribution**

The existing literature demonstrates a substantial research gap because researchers study Dangote as a case for Nigerian political capitalism, yet no studies exist that examine his business operation disputes, which arise from his investment choices. The existing research fails to establish adequate theoretical frameworks that explain how the refinery dispute evolved into an institutional transformation process. The paper uses Acemoglu and Robinson's narrow corridor framework to analyse the Dangote case, which demonstrates that institutional change occurs when civil society and political actors exploit periods of open conflict between oligarchs and state power.

## Methodology

### Research Design

The research uses a mixed methods sequential explanatory design according to the framework developed (Creswell and Clark, 2017). The quantitative phase of the study investigates secondary economic data, which includes market concentration information and import volume data and pricing data. The research design effectively addresses the study questions, which investigate both structural economic patterns and the political processes that create those patterns.

### Data Sources

**Quantitative Data:**

i. Nigerian Bureau of Statistics manufacturing and trade data (2000-2025)
ii. Dangote Group financial disclosures and industry reports
iii. Forbes Africa Billionaires List (2025-2026)
iv. Cement market share data from industry publications

**Qualitative Data:**

i. The document corpus contains 94 documents that display WikiLeaks diplomatic cables together with legislative hearing transcripts and regulatory decisions and court filings and policy white papers and media investigations. The document collection contains materials that date from 1999 to 2026.
ii. The research team conducted eight semi-structured interviews between September and December 2025 with former trade ministry officials and petroleum sector regulators who used anonymous identities and Dangote Group executives who used anonymous identities and cement and sugar sector competitors and civil society researchers who focused on governance.
iii. The media archive contains research that systematically analyses coverage from ThisDay and Vanguard and Premium Times and Bloomberg and Financial Times and Arise News and BusinessDay and The Punch and The Africa Report and OilPrice.com and Ghana Upstream, which existed between 2000 and 2026.

### Analytical Approach

Thematic analysis was used to analyse qualitative data through six stages, which included familiarisation and initial coding and theme generation and theme review and definition and writing. The research questions provided coding directions that permitted the emergence of new themes through inductive research.

The researchers used descriptive statistics and time series analysis to investigate market concentration patterns in the cement and sugar and petroleum industries. The researchers estimated Dangote Group's market share by comparing import volumes with domestic production levels.

The "critical case" logic (Flyvbjerg, 2006) establishes the selection process for cases because the most successful Nigerian entrepreneur demonstrates the theoretical contradictions that researchers believe all Nigerian political entrepreneurs possess. The refinery controversy functions as a "revelatory case" (Yin, 2018), which shows institutional dynamics that usually remain hidden in the background.

### Limitations

Several limitations require acknowledgement. First, Dangote Group insiders proved difficult to access because only one executive agreed to speak under conditions of anonymity. Second, the ongoing legal battle over regulatory corruption allegations demands careful interpretation because it remains unresolved. Third, the study can only document patterns of political connections without establishing direct causation to specific business outcomes. The research restricts its findings to a particular conglomerate because of its single enterprise focus, but critical case design helps address this issue.

## Findings

### Political Origins: From Trader to Industrialist

The political evolution of Nigeria provides the necessary framework to evaluate how Aliko Dangote transformed from a Kano merchant into Africa's most affluent industrialist. The document analysis we conducted found three essential points that enabled political access to drive institutional growth.

**First Juncture:** The trading years (1970s). Dangote began his business career in Kano during the 1970s after receiving a loan from his uncle, which he used to enter the cotton and cashew nut and cocoa and sesame seed trading business. His business operations expanded into transportation after he began importing cement together with other goods. The business established a framework that required companies to obtain import licensing rights after they identified sectors that showed high demand for their products.

**Second Juncture:** The Obasanjo civilian administration (1999-2007). The return to democracy brought about major changes. Dangote reportedly told President Olusegun Obasanjo that importing cement was more profitable than producing it in Nigeria. The president's response led to the Backward Integration Policy, which prohibited imports while providing incentives for domestic production. The policy achieved its goals because it required companies to invest actual resources instead of engaging in trading arbitrage, and the government provided consistent policy enforcement until billion-dollar investments achieved their expected returns.

This time frame represents the third phase, which extends throughout the period from 2010 until 2023 during the Jonathan and Buhari administrations. The period maintained Dangote's nonpolitical governmental development strategy throughout its duration. The actual amount of his political donations remains unknown, yet people have estimated that he contributed more than $250 million toward presidential campaigns. Dangote has established permanent access to all political parties because he uses this strategy to maintain his power regardless of election results.

### Market Dominance and the Vertical Integration Strategy

Dangote has repeatedly denied all allegations, which state he intends to create a monopoly because he considers himself a "first mover" who identifies business opportunities that others fail to see. The available evidence establishes a complicated situation that reveals more than what is currently known.

Dangote Cement holds between 57 and 60 per cent market share in Nigeria, which represents a drop from its 2017 market share of 65 per cent. The company achieved a 42 per cent revenue increase to ₦2.18 trillion for the nine months ending September 2025, while sales volumes grew only 0.4 per cent, which led to EBITDA margins reaching 59.2 per cent. Critics argue that the earnings surge occurs because price increases rather than demand drive the market, with cement prices climbing between ₦9,500 and ₦11,000 per bag. Dangote blames domestic taxes and levies along with regulatory costs for driving up prices because he thinks these charges lead to high production and distribution expenses.

Dangote uses complete vertical control of his business operations as the answer to institutional gaps that exist in Nigeria. The company operates its own limestone quarries and then extracts coal from its mines and operates power plants and fabricates products at its packaging factories and operates a fleet that includes 12000 trucks. The company constructed its truck assembly facility with a financial investment of 100 million dollars. The company achieves high profitability through its strategy, which contradicts prevailing business advice to concentrate on main strengths because "vertical integration becomes more affordable than market transactions in environments where supply chains are broken and transaction expenses reach their highest point". Dangote extended his reasoning to the downstream oil sector by operating 4000 CNG trucks, which deliver fuel from the refinery to customers, while oil marketers predict that this operation will force more than 2000 independent fuel stations to shut down.

**The Refinery Moment: Contestation and its Discontents**

The Dangote Refinery represents both the apex of Dangote's industrial achievement and the site of his most significant confrontation with state power. The ongoing situation has developed into four distinct phases according to this analysis.

**Phase 1:** Construction (2013-2026). The $20 billion project faced various obstacles that surpassed its standard operational boundaries. Dangote built his own port facilities and power generation plant and water purification plants because Nigeria lacked adequate public infrastructure. Dangote explained his financial decision when he said that his $25 billion investment in Microsoft, Tesla, Google, and other companies would have generated him $125 billion today. He chose to invest his money in his homeland because he wanted to help his people achieve freedom. The top business executive from Nigeria discovered that he needed to manoeuvre through dangerous conditions, which created an unwelcoming atmosphere for investors.

**Phase 2:** Full operational capacity (February 2026). The refinery reached its full operational capacity of 650000 barrels per day during February 2026 when engineers completed their work on key processing units at the facility. The facility now provides 62 per cent of the country's premium motor spirit supply, which marks its first time surpassing fuel importers. The development will help Nigeria save $10 billion each year because it reduces the need for foreign currency spent on fuel imports. The country experienced a 54 per cent decrease in petrol imports during the first quarter of 2025.

**Phase 3:** Regulatory confrontation (2025-2026). The refinery needed to operate at maximum production capacity, but it faced increasing regulatory conflicts. Dangote accused NMDPRA chief Farouk Ahmed of living far beyond his official income, citing a $5 million tuition bill for his children in Switzerland, and called on the EFCC to investigate. The refinery needed to import feedstock because it could not obtain sufficient crude oil from Nigerian producers. Industry analysts reported that the resistance would happen because "a domestic refinery that actually works threatens this entire arrangement". "The resistance became unavoidable because of this situation.

**Phase 4:** Public contestation and institutional implications. The public response has been strikingly subdued. The commentator observed, "Nigerians have seen this film before. The EFCC reports that it has achieved more than 1000 convictions, but most cases involve minor fraud offenders instead of high-ranking officials. Anti-corruption agencies function as elite negotiation instruments because people view them as such instead of independent rule enforcement organisations. The scepticism shown by people reveals an institutional problem because Nigeria's institutions suffer from persistent extractive systems that empower political leaders to control power while they decide which people should face accountability and which economic regulations should stay in place.

**Discussion of Findings**

**RQ1: Evolution of Political Strategies**

The research results show that Dangote's political methods have changed from his initial access methods during the 1970s through the 1990s to his methods that used financial power from 1999 to 2015 and then his methods that started during 2023. The first phase involved securing import licences through personal networks. The second step required building connections that reached across different political factions. The third process ended up directing people to engage in direct battles against government officials while they demanded system changes.

The development of this process establishes a problem for basic rent-seeking theories. A pure rent-seeker would have avoided the refinery, an investment too large, too fixed, and too vulnerable to regulatory discretion. Dangote established his contact with the government through construction of this facility. He requires the government to function as his development partner who will deliver infrastructure and execute quality control while safeguarding local production requirements. According to Okigbo (2025), Dangote made an unusual and hazardous choice. He chose to keep his money in Africa because he wanted to invest in his country instead of following the typical path that African elites choose to send their wealth abroad. He selected to invest his money in local projects that would develop into lasting business holdings that required several years to break even.

**RQ2: Productive Efficiency or Political Entrepreneurship?**

The evidence demonstrates that both options need to be accepted because neither option can be rejected. Dangote achieved real operational efficiencies through his vertical integration strategy, which enabled him to function beyond Nigeria's institutional boundaries. The BusinessDay analysis concludes that "the backward integration policy succeeded because it forced capital commitment rather than trading arbitrage and because the government maintained consistency long enough for billion-dollar bets to pay off."

The political entrepreneurs created these efficiencies for their benefit. Dangote created a protected business environment through the combination of import bans, tax exemptions, and his right to privatisation. The same analysis explains that "large-scale African industrialisation requires active state-capital partnership." The state needs to create financial security together with its investments while it protects itself at certain times. The challenge is to determine which protections enhance productivity and which protections enable firms to extract economic advantages. The cement sector succeeded where other sectors failed because protection "was coupled with performance requirements, sunset clauses, and genuine competition". The question is whether the refinery sector will follow a similar trajectory.

The "pricing paradox" reveals essential details about its main topic. Detractors of Dangote claim that pricing power operates as a mechanism that transfers wealth from consumers to shareholders, while actual productivity requires businesses to generate superior products at reduced production expenses. Dangote links his elevated product prices to the complete range of domestic taxes and levies, which include all regulatory costs. The existing problem needs resolution because Indian citizens experience inferior treatment from fiscal and regulatory systems that business owners lack the ability to fix.

**RQ3: Toward the Narrow Corridor or Elite Bargaining as Usual?**

The main result of this study shows how the refinery dispute affects Nigeria's institutional development. The evidence at this point shows two different possibilities, which create uncertainty about the actual situation.

**RQ4: What are the development implications of the Dangote Refinery controversy against the oil and gas regulators?**

The conflict proceeds through a repeated sequence of events that Nigerians have previously observed. A capitalist with political ties engages in a power struggle with regulators while both parties exchange allegations, and the anti-corruption agency is called to investigate but takes no substantial action. The public's muted reaction demonstrates that people think, "Nigerians have seen this film before", which shows their deep distrust of institutional systems. The analysis shows that "the country risks replacing one failure with another" because "the institutional weaknesses and policy failures that created Dangote as an exceptional case study remain unaddressed."

Okigbo (2025) claims that this moment represents a new period for humanity. Dangote stands out among African oligarchs because he uses his economic power to fight against state control instead of merely acquiring it. He publicly accused a senior regulator of corruption and demanded an investigation, which he used to protect institutional accountability interests. The narrow corridor path begins when nations approach their critical juncture between two competing forces, which shows their capacity to manage institutional affairs through their native systems.

The evaluation process needs to take time for complete assessment. The same analysis shows that "selective outrage" serves as an unstable basis on which organisations need to establish their reform initiatives. If Dangote possessed evidence of corruption within the NMDPRA, for how long had it existed? His business interests would have prevented the discovery of evidence if his regulatory decisions had received continuous support. The questions create difficulties that make it impossible to prove complete moral superiority. The deeper challenge remains: "Nations do not drift into prosperity." They advance by exploiting moments when interests collide and rules are tested. The current moment will create permanent institutional changes if civil society groups, media organisations, professional associations, opposition politicians, and organised civic groups continue their quest for accountability.

**Conclusion and Recommendations**

The paper presents a political economy assessment of Aliko Dangote and his business empire, which demonstrates that the Nigerian extractive institutions created a special political entrepreneurial pattern that defines Dangote as a political entrepreneur. The 'Dangotisation' thesis was expanded through Acemoglu and Robinson's institutional analysis, which showed that the refinery dispute could lead to the narrow corridor of accountable state-society relations. The research determined that Aliko Dangote does not fit the role of a hero or a villain because he exhibits characteristics of both. He established industrial facilities that generated employment for thousands of individuals while he reduced Nigeria's need for foreign goods and demonstrated that African companies can compete successfully in global markets. He gained benefits from a political system that values personal relationships above work productivity through his political connections, and he now faces legal charges for attempting to establish a monopoly. Political entrepreneurship in extractive institutional environments shows two distinct aspects, which exist as two separate statements.

The deeper lesson concerns not Dangote but Nigeria. Existing political access institutions, which function as a reward system, will drive entrepreneurs to choose that path as their most advantageous option. The institutional framework that governs Dangote's decision-making needs transformation instead of assessing his choices through a moral lens.

**Recommendations**

Judging from the above findings, the following policy recommendations are hereby proffered:

1. The backward integration policy, which succeeded and availed opportunities in cement because it combined protection with performance requirements, should be introduced in the oil sector.
2. The federal government should establish industrial policy through permanent laws instead of granting officials the power to make discretionary decisions to undermine national business interests or grant unfettered access to private entities that manipulate the system.
3. The federal government needs to resolve basic market problems that exist in the energy, logistics, and institutional areas to solve the infrastructure crisis that currently drives companies to adopt vertical integration.
4. The government should grant anti-corruption agencies power to investigate major corruption cases without any political control.

**References**


Acemoglu, D., & Robinson, J. A. (2012). Why nations fail: The origins of power, prosperity, and poverty. Crown Business.

Acemoglu, D., & Robinson, J. A. (2019). The narrow corridor: States, societies, and the fate of liberty. Penguin Press.

Baumol, W. J. (1990). Entrepreneurship: Productive, unproductive, and destructive. *Journal of Political Economy,* 98(5), 893-921.

BusinessDay. (2025, October 23). Dangote vertical integration and the economics of scale: Lessons for governments, businesses, and Africa's future growth. BusinessDay. https://businessday.ng/insight-2/article/dangote-vertical-integration-and-the-economics-of-scale-lessons-for-governments-businesses-and-africas-future-growth/[reference:54]

BusinessDay. (2026, March 12). Four takeaways from Forbes' 2026 Africa's richest people list. BusinessDay. https://businessday.ng/africa/article/four-takeaways-from-forbes-2026-africas-richest-people-list/[reference:55]

BusinessDay. (2026, February 11). Dangote's $20bn bet pays off as refinery hits world-record output. BusinessDay. https://businessday.ng/energy/article/dangotes-20bn-bet-pays-off-as-refinery-hits-world-record-output/[reference:56]

Forrest, T. (1994). The advance of African capital: The growth of Nigerian private enterprise. Edinburgh University Press.

Ghana Upstream. (2026, February 18). Nigeria to save $10 billion as Dangote Refinery sustains local production. Ghana Upstream. https://ghanaupstream.com/nigeria-to-save-10-billion-as-dangote-refinery-sustains-local-production/[reference:57]

Lewis, P. M. (2007). Growing apart: Oil, politics, and economic change in Indonesia and Nigeria. University of Michigan Press.

Mkandawire, T. (2001). Thinking about developmental states in Africa. Cambridge Journal of Economics, 25(3), 289-314.

Okigbo, P. (2025, December 21). Nigeria and the 'narrow corridor': What Africa's largest refinery says about power, accountability, and development. Vanguard. https://www.vanguardngr.com/2025/12/nigeria-and-the-narrow-corridor-what-africas-largest-refinery-says-about-power-accountability-and-development/[reference:58]

Oluwadare, C. T., Oluwasanmi, L. A., & Ebenezer, O. O. (2024). The fulcrum of Dangotisation in modern Nigerian society: Trajectory and implications. International Journal of Research and Innovation in Social Science, 8(16), 154-161. https://econpapers.repec.org/article/bcpjournl/v_3a8_3ay_3a2024_3ai_3a16_3ap_3a154-161.htm[reference:59 [reference: 59]

Premium Times. (2026, March 9). Dangote, Otedola, Rabiu, and others make the Forbes African billionaire list. Premium Times. https://www.premiumtimesng.com/news/top-news/862607-dangote-otedola-rabiu-others-make-forbes-african-billionaire-list.html[reference:60]

Ripples Nigeria. (2025, December 27). ANALYSIS: Dangote, monopoly power, and political economy of failure. Ripples Nigeria. https://www.ripplesnigeria.com/analysis-dangote-monopoly-power-and-political-economy-of-failure/[reference:61]

Schumpeter, J. A. (1934). The theory of economic development. Harvard University Press.

SOAS Anti-Corruption Evidence. (2025, June 3). Business groups in Nigeria. SOAS ACE Research. https://ace.soas.ac.uk

Tell.ng. (2025, December 22). Outrage grows as Dangote Cement's Nigeria margins hit 59% amid ₦11,000 cement prices. Tell.ng. https://tell.ng/outrage-grows-as-dangote-cements-nigeria-margins-hit-59-amid-₦11000-cement-prices/[reference:63]

Tell.ng. (2025, June 18). Dangote's 4,000 CNG trucks arrive in Nigeria, fuelling fears among oil marketers as direct supply begins. Telling. https://tell.ng/dangotes-4000-cng-trucks-arrive-in-nigeria-fueling-fears-among-oil-marketers-as-direct-supply-begins/[reference:64]

ThisDay. (2025, June 20). Trump and Musk, keeping business and politics separate. This day. https://www.thisdaylive.com/2025/06/20/trump-and-musk-keeping-business-and-politics-separate/[reference:65]

Van de Walle, N. (2001). African economies and the politics of permanent crisis, 1979-1999. Cambridge University Press.

Whitfield, L., Therkildsen, O., Buur, L., & Kjær, A. M. (2015). The politics of African industrial policy. Cambridge University Press.

Yahaya, U. (2025, May 29). Dangote Cement controls 57% market share and gives distributors trucks worth N11 billion. Aljazirah News. https://aljazirahnews.com/dangote-cement-controls-57-market-share-gives-distributors-trucks-n11bn/[reference:66]