OIL, SECURITY IN THE NIGER DELTA AND NIGERIAN ECONOMIC DEVLOPMENT

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ABSTRACT

The issue of oil and insecurity in the Niger Delta are among the critical issues that have continued to threaten our corporate existence as one, our socio-economic development as well as our nascent democracy. The problem has it origin since colonial period; several efforts by successive governments were made to curtail the menace. However the problem continued to reincarnate in regime after regime. The paper attempted to find out silent issues that bedevilled security in the Niger Delta, and its impact to our socio-economic development. Secondary data was used for our investigation. Our study revealed that, there is mismanagement of resources meant for the development of Niger Delta by the federal, states of the region and their local governments. It is recommended that, proper and efficient management of resources by all governments concern.

Introduction

In recent years, the issue of oil and resource control has generated controversy and insecurity in the Niger Delta region, which has continued to threaten Nigeria's economic development. In fact, there is hardly a day that passes without some comments by commentators expressing their concerns about the insecurity in the Niger Delta region and the general condition of the Nigerian economy and persistent stagnation and non-realization of the dividends of democracy in the last ten years of democratic rule.

The fundamental factor that is responsible for high pitch demand for resources control and insecurity in the Niger Delta region is the primacy of oil revenue in the administration of the country. Petroleum or crude oil in abundance has become a double-edge sword for the polity. On the other hand, it provide the necessary resources for the country, while other hand, it creates social, economic and environmental problems for the oil producing communities (Dumoye. 2001). The issue is that, it generated insecurity in the region and negative impact to Nigeria's economic development.

Since the return of democratic and civilian rule in May, 1999, the desire for constituent unit to control resources found in its soil have taken the centre stage in the national discourse. This issue has gained so much important that it did not only take ethno regional dimensions, it also became a threat to security of the nation and survival of the nascent democracy.

The people of the South-South region otherwise known as Niger Deltans are serious in their agitation and desire to control the oil found in their land. To them this will end their long years of neglect and deprivation, pollution of fresh waters, lack of infrastructural facilities and pervasive growing youth unemployment in their region which contributes about 90% to Gross National Products (GNP) annually.

The demand that started with campaign, agitations, protests and demonstrations, now have changed to violent confrontations, damage of oil installations, kidnapping of staff of oil companies in their region and many forms of atrocities that have serious havoc to security

and Nigeria's economic development. Impact, Niger Delta region is placed in a strategic important region to both domestic and international economies. This is because the region has one of the biggest reserves of oil in the world with about 34 billion barrels of oil (Inokoba et, al., 2008). It is clear from the foregoing that, oil and Niger Delta region is strategically important to the economic development of the country.

This paper is an attempt to highlight salient issues that have continued to threaten security in the Niger Delta and indeed Nigerian economic development, the paper is also interested and shall attempt to answer the following questions. What are the factors responsible for insecurity in the Niger Delta region despite several efforts by successive governments to convert the menace?

The paper is divided into five sections; the first is the introduction and general causes of insecurity and followed by theoretical framework, the next section is the discussion of measures taken by the federal government to improve security in the Niger Delta region, while the last though not the least concentrates on drawing conclusion.

Method of Data Collection:

The source of data in the course of this research is mainly secondary data. This includes; existing literature from books, journals, conference papers, magazines and newspapers.

Statement of the Problems

Given the importance of oil in the economic development of Nigeria and the persistence insecurity that it caused in the Niger Delta, and the enormous funds and efforts made by the past and present governments in order to improve living standards of the people in the Niger Delta region. However, despite several efforts to improve security and lives of the Niger Deltans, yet, the condition is still worsening. The paper explores the reason behind insecurity in the Niger Delta.

Theoretical Framework

The Theoretical framework adopted in this research work is Marx's historical materialism. According to Marx (1968), historical events are the results of the continuous economic struggle between the different classes in a society. The struggle is a conflict between the mode of production and the relations of production, the mode of production conditions the social, political and intellectual life process in general. The mode of production refers to the ways in which the means of productions were owned and social relations between men which resulted from their connections with the process of production. It also emphasizes the importance of domination, exploitation, struggles and conflicts between classes in any mode of production. Government and state are class instruments used to protect and promote the interest of those in control under capitalism (Ogbo, 2004).

The relevance of the theory to this topic is that, economy (oil revenue) which is the bases of the society (Niger-Delta and indeed Nigeria is general) became the source of contradictions which led to conflicts and antagonism between the Niger Deltans on the one hand and the federal government on the other hand. These conflicts in real sense emanates as a results of contradictions in the distribution of resources (oil revenue) in a Nigerian context. This has also led to series of agitations and demand for review of the revenue allocation formulae.

General Causes of Conflicts and Insecurity

Almost everywhere in the world, dissatisfaction of socio-economic and political aspiration of the people creates internal disorder, insecurity and conflicts. This situation applies to both developed and developing countries of the world in varying degree in social injustice, poverty, gross inequality and general dissatisfaction of the existing situation as well as inability to satisfy one's desire breed insecurity and conflicts anywhere in the world. Not only that, the competition for scarce resources is been argued as the main reason for insecurity in Africa.

Conflicts and insecurity are particularly common in plural societies with distinct social stratification of wealth and reward (Ogbo, 2004). In plural societies like Nigeria which are characterized by sharp and irreconcilable ethnic and religious differences have been responsible for deep seated hatred and antagonism among different ethnic groups, resulting in insecurity in the country.

Findings:

The Niger Delta is at South-South coast line of Nigeria which extends from Apoi to Bakasi, from Mushin Creek to the Bight of Benin. It covers a coastline of 560 km about 2/3 of entire Geographical Coastline of Nigeria. The region is the world largest Water-Land and Africa's largest Delta of some 70,000km^2 and account for 7.5% of the total land mass of Nigeria. The region is well endowed with crude oil, natural Gas which found in the 9 States of the federation. The areas have been an estimated population of about 30 million people. The region also accounts for about 90% of the Federal Government Revenue. Consequently, it remains the crucial to Nigerian political economy. The region harbours Nigeria's crude oil to the tune of 36.2 Billion Barrels, while the Natural Gas Reserves are 182 Trillion Cubic Feet. Between 1970 and 2000 Nigeria Earned about US$ 300 Billion from oil amounting to 90% of country's foreign earnings. From 1998 to 2008 the external revenue increased from 3.8 Million to the staggering of $45 Billion (Olutoyin, 2008).

Efforts Taken by the Government to Solve Niger Delta Crisis:

Basically speaking, the federal government employed four basic strategies at different periods in the Niger Delta region. The strategies have been a mix up institutional framework,

financial intervention, reduction of minority's fears through state creation and few rounds of conferences and meetings with stakeholders in the region (Oluwatonyin, 2008).

Creation of Development Agencies:

Prior to independence even before the discovery of oil, Colonial governments were able to recognized Niger Delta problem. For instance, the setting up of Willinks Commission in 1958 by the then Colonial Government was aimed at asserting the facts about the fears (Oluwaloyin, 2008). Among the recommendations made, was the formation of Niger Delta Development Board (NDDB) which was established in the Section 14 of 1960 Constitution, with the main aim of initiating physical development schemes and agricultural developments projects.

In 1976, Gen. Yakubu Gawon administration established Niger Delta Basin and Rural Development Authority, under Decree N0. 37. The aim was to:

i. Develop the land, water, forestry resources;
ii. Improvement of navigation of inland waterways; and
iii. The control of flood and erosion.

Due to lack funding the administration was not able to meets the desired objectives.

In 1992, Gen. Ibrahim Badamasi Babangida's administration established Oil and Mineral Producing Areas Development Commission (OMPADEC) under Decree N0.23. The Commission was established to rehabilitate and develop all oil mineral producing areas, ecological problems that arises from the exploration of oil mineral and advise Federal and State Government Authorities under control; to administer the new 3% Oil Derivation Fund and to liaise with various oil companies in tackling oil spillage and population in the region. (Oluwatoyin, 2008).

The prevalence of corruption in the Commission and under development of oil producing communities necessitated the federal government to launch an investigation into running of OMPADEC in 1996. The investigation culminated in the dismissal of the chairman in December, 1996 and replacement by Prof. Eric Opia, but in efficiency continued as the latter was not able to account for 6.7. Billion (about US$ 80m) that he received un-behalf of OMPADEC (Oluwatoyin, 2008). In 2000, President Olusegun Obasanjo replaced OMPADEC with Niger Delta Development Commission (NNDC) with the Act of National Assembly of 2000, aimed to conceive, plan and implement projects and programmes for sustainable development in Niger Delta region.

The Commission is funded by the federal government and oil companies; the federal government gives the Commission 15% oil revenue allocation given to the nine States, while oil companies are expected to contribute 3% of their Annual Budget to NDDC including Gas Processing Companies and 50% of fund due to member states from the Ecological Fund is also allocated to NDDC, but this allocation was reduced to 13% and 3% by the federal

government and Oil companies respectively. It is imperative at this juncture to mention that, NDDC recorded remarkable achievements more than any past development Commissions. For instance, from 2000- 2006, the NNDC has received ₦176 Billion as Allocation (six times, the total monies allocated to the past development projects out of which it has executed 2,035 projects involving 160 classrooms, 480 Health Centres, 173 Roads, 47 Bridges, 316 Electrifications and Erosion Control Projects (Oluwatoyin, 2008).

Revenue Allocation Strategy to Niger- Delta Region:

Over the years, Nigeria experienced certain basic principles of revenue allocation formation. They can be sub-divided into 3 sub-headings, namely; (a) Derivation (b) Need; and (c) National interest, even development, others but with less emphasis are; (i) Population, (ii) Geographical Peculiarities, (iii) Absorptive, (iv) Internal Revenue Efforts, (v) Equality of States, (vi) Land Mass, (vii) National Minimum Standards for National Integration, (viii) continuity, (ix) Financial Comparability, (x) Fiscal Efficiency. Dumoye, (2001).

Since Colonial Era, there has been several Revenue Allocation Commissions with respective formula, these were:

i. Sidney Phillipson 1947. ii. Hicks Phillipson 1951.
iii. Chick Commission 1954. iv. Rainsman Commission 1957.
v. Binns Commission 1964. vi. Dina Commission 1968.
vii. Abayode Technical Committee 1977. viii. Okigbo Committee 1981.
ix. Danjuma Commission 1989.

New formulae were also introduced in 1990 and 2001 respectively. Dumoye, (2001). Not only that, the following Revenue Allocation formulae have been adopted, for instance, 100% 1960, 50% 1970, 45% 1975, 20% 1982, 2.5% 1989, 1.5% 1992, 3% and 13% in 1999.

It is imperative to mention that, Niger Delta, under this democratic dispensation received huge revenue. For instance, between June 1999 and April, 2007, the region received a total of ₦2.461,190,000.00 Trillion as Federal Allocation. Delta State receives ₦384.4.4 Billion, Rivers ₦357.5 Billion, Akwa-Ibom received ₦313 Billion, Bayelsa₦285.6 Billion, Ondo ₦165.2 Billion, Edo ₦310 Billion and ₦126.7 Billion. Vanguard, (2006). It is however, imperative at this junction to mention that, fund is not the problem of Niger Delta rather than management, which if the fund would have been judiciously managed, the region would have reached a greater height.

Creation of States and Local Governments:

Scholars argued that, the main reasons for creation of state is to address minority issues and or otherwise for political, development as well as administrative conveniences. For instance, in 1967, the Military government increased the number of states in the federation from four regions to states. The creation of states was deliberately intended to the oil

producing areas from Eastern Region. Murtala Muhammed administration also increased the number of states to 19, while, Babangida's Administration increases the numbers to 21 and 30 in 1987 and 1991 respectively, Abacha's regime increased the number of states in the federation to 36. The creation of states that led to separation of Delta from former Bendel state (now Edo state), and Bayelsa state, under former Rivers state. However, the numbers of local governments were increased from 301 in 1979 to 774 in 1999.

Meeting and Stakeholders Conference:

It is important to note that, the issue of Niger Delta crises in one of the 7-points agenda of President Yar'adua's administration.

Another efforts made by government in order to solve the Niger Delta crises is through the initiation of stakeholders meetings and conferences. For instance, the Yar'adua's administration promised to hold stakeholders' summit meeting in 2007, known as All Niger delta People's Congress which was later postponed to 2008, the aim was to identify the problems in the Niger Delta and provides possible solutions to the problems.

In 1999, President Obasanjo organized a similar meeting with stakeholders in the Niger Delta region. Again, similar conference was initiated in August 2005, but there was no positive result because the delegates from the Niger Delta pressed on 50% derivation.

Other Measures Taken by Government:

Other measures taken by President Yar'adua is that, he appointed Mr. Odein Ajumogbia (an Ijaw man from the Niger Delta region) as a minister of state for petroleum, Gen. Aziza as Army Chief of Staff and Dr. goodluck Jonathan as Vice-president and the former Inspector General of police, mike Okiro.

It is evident that, most of the Ex-governors and their officials are presently facing trials for misappropriation and embezzlement of public funds of several billions of Naira. "To whom much is given much is expected". Available records shows that between May 1999 and December 2006, the nine states making up the Niger Delta, region received N2.16 trillion tell, March, (2007). Therefore, it is clear from the above that if the states and local government's councils in the region have judiciously utilized their allocation appropriately, Niger Delta would have developed far.

Peaceful and Violent Responses From Oil Producing

Communities in the Niger Delta:

Initially, the Niger Deltans responded peacefully inform of street protests, and demonstration, media and publicity and litigation but later turned to violent protests, kidnappings of staff of Oil Companies in the areas Killings and damaging oil pipelines, and many acts of terrorism. Some of these acts were reported to have connections with "Niger Delta People's Volunteer Force (NDPVF)", the Niger Delta Vigilantes (NDV) the coalition for Militant Action in the Niger Delta (COMA), the Martyr's brigade and the Movement for the Emancipation of the Niger Delta (MEND).

It is against this background that, the federal government deployed troops in the region in order to maintain normalcy. The action that led to the death and casualties of many Niger Deltans. Meanwhile, the Federal government seized fire in the region and announced unconditional pardon to all Militants in the Niger Delta. The federal government also promised to offer free job training with monthly allowances to each militant who surrendered his arms.

Conclusion:

From the foregoing, it is clear that, successive governments had made several efforts to solve the crises that have continued to threaten security and corporate existence of the country. However, our study revealed that, like many places in the country, the region is suffering from serious shortage environmental pollution that resulted from corruption and mismanagement of public funds by the people who are in the helm of affairs of the region and those entrusted to manage the development Commissions over the years.

Recommendations:

The Study recommends that, trusted people should be involved in the transformation process in the Niger Delta region and in-cooperating them in the membership of the Niger Delta Development Commission.

There is need to have powerful pressure group that can check mate the activities of Niger Delta Development Commission in the region.

Federal government should make sure that, its agencies, state governments and local government areas are performing their necessary responsibilities and also improve employment opportunities in the region.

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