

## **Oil Wealth and Underdevelopment in the Niger Delta Region of Nigeria**

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**Abstract:** *This study interrogates the interface between oil wealth, poverty and underdevelopment in the Niger Delta region of Nigeria. It identifies the region as the nine of the seventeen states in the southern part of Nigeria. Rich in oil, gas and bitumen the region covers about 70,000sq km in land area. The region shares some geographical and human affinity with human and natural endowments with the broad mouth of the River Niger. In the main, the character of Nigeria's colonial experience, rentier status, dysfunctional growth, man-made and natural disasters and the attendant frustration are identified as the salient factors of poverty and underdevelopment in the Niger Delta. The paper also appraises how regimes in Nigeria, have, over the years, responded to the crisis of poverty and underdevelopment in the region. Using a case analysis approach the paper relies largely on observation and documentary instruments of data generation as well as description in the analysis of generated data. It concludes that poverty and underdevelopment in the Niger Delta are largely induced and indicative of an unjust system; and accordingly recommends a 'truth and reconciliation commission' that will serve as a launch pad for sustainable development based on justice and equity.*

**Keywords:** *dysfunctional growth, poverty, man-made disaster, Niger Delta, oil wealth, regime response, resource control and underdevelopment.*

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### **I. Introduction**

This paper is on the interface between oil wealth, poverty and underdevelopment in Nigeria's Niger Delta region. Although Nigeria is "endowed with sizeable deposits of aluminum, gold, tin, iron ore, coal, niobium, lead and zinc" [1]. She is highly dependent on petroleum with oil wealth accounting for over 90% of the nation's annual income. Curiously, available figures does not suggest that this increased income is reflected in the level of wellbeing of the larger population. Worse still, despite increasing and sustained huge revenue accruing to the Nigerian governments (Federal, State and LGA), there are indications that the Niger Delta is increasingly becoming poor, restive and crises prone. Should that be the case?

In probing the foregoing incongruence, this paper is guided by basic anchor questions. Which specificities are characteristic of the Niger Delta region in Nigeria? Which factors are associated with the region's poverty and underdevelopment? How have successive regimes in Nigeria responded to the challenges of poverty and underdevelopment in the Niger Delta region of Nigeria? Tackling these questions necessarily entail shedding light on the context and content of current situation in the region. The paper is essentially a case analysis of a concrete situation. It relies largely on documentary instrument and observation methods of data collection and descriptive tools of data analysis. In doing this, relevant data will be gathered from a variety of sources. The quantum of useful insights so generated will be helpful in the establishment of the interface between oil wealth, poverty and underdevelopment in the Niger Delta Region of Nigeria.

In line with this, the paper is divided into five interrelated parts. The first part, which is essentially a brief introduction of the objects of the study, is followed by a discourse of key contextual and theoretical issues. The third part is on the factors of poverty and underdevelopment in the Niger Delta region of Nigeria while the fourth part explores successive regimes and their response to underdevelopment syndrome in Nigeria's Delta region. The fifth part is a re-statement of the logic of the study.

### **II. Contextual and Theoretical Issues**

What is now generally known as the Niger Delta region refers to nine states in Southern part of Nigeria most of which border or share some geographical and historical affinity with human and natural endowments in the broad mouth of 4,200km long River Niger. The region has a population of 21 million [2] and covers the states of Cross River, Akwa Ibom, Abia, Rivers, Imo, Bayelsa, Delta, Edo and Ondo states. The major cities in

the region are Port Harcourt, Benin city, Calabar, Aba, Warri, Owerri, Yenagoa, Uyo, and Akure. Beside these, there are also some medium sized cities, in various parts of the region.

The geographic character of Niger Delta region shows that it covers a land area of about 70,000 sq kilometers. The Niger Delta region, particularly the core areas which boarder the mouth of River Niger consist of mangrove, swampy and lowland rainforests. A substantial portion of the region fall under the ‘wild fragile ecosystem’ with mean monthly rainfall about 350mm to 450mm. Most rain in the region fall from February to November [3]. It has over 3,000 small and often remote and scattered communities or villages. The settlements usually take advantage of higher grounds and creeks while boats are used for transportation. Many of the communities in the region live along creeks and many times only accessible by boats. Partly on account of these extremities, the riverine communities are particularly vulnerable to climatic changes, man-made and natural disasters as well as insecurity. Despite dwindling fortunes:

Farming and fishing are the main economic activities in the communities while commerce and oil-industry related activities dominate the urban areas. The terrain is extremely difficult and a substantial portion of the region fall under the “world’s fragile eco-system”. Many communities live along creeks and are accessible only by boats. The riverine communities are particularly vulnerable to climatic changes and man-made disasters (floods, sea encroachment, oil pollution, piracy, hostage taking, communal conflicts, etc.). The region is faced with a lot of developmental and environmental challenges including high level of poverty, decline in agricultural production, low level of industrial activities, environmental degradation and social conflicts [4].

Although documentation of the occurrence of oil in the region was reported in 1903, exploration did not begin until 1908. The search for oil in the region was interrupted by the two world wars but after some decades, oil was eventually found in commercial quantity in 1956 in Oloibiri, an Ijaw village in present day Bayelsa state. Oil production increased steadily from the on-set, from a mere 5,000 barrels per day (b/d) in 1957 to 17,000 b/d as at independence in 1960 and ‘leap frogged’ to 450,000 b/d by 1966. Although this upward trend was lowered by the civil war (1967-1970), by 1970 daily production had reached 1 million barrels [5].The continual production of oil from the Niger Delta region is having unimaginable consequences on Nigeria. For instance, while in 1962 oil revenue accounted for about 9.9 percent (₦34.4m) ten years later in 1972 it climbed to 82.2 percent (₦1, 176.2m). Today, nearly sixty years after the discovery of oil, Nigeria is not only the sixth largest oil producing country in the world, but has also become dependent on the product for over 90% of her income [6].

To say that oil had completely gained dominance over agriculture and the rest is perhaps stating the obvious. This trend continues till date. To better appreciate the import of oil wealth in the income and expenditure of the Nigerian economy, it is necessary to take cognizance of the quantum of fund available or generated through earning from oil export. See Table 1. Furthermore, for the month of June 2005 alone, a total of ₦303, 377.43m was shared between various tiers of government in Nigeria. As the accompanying Table 2 below shows, the bulk of the shareable fund went to the Nigeria Federal Government which collected ₦135.7billion for June 2005 alone.

Table 1: Estimated Crude Oil Production And Revenue In Nigeria, 1958 - 2007

Year	Production (million barrels)	Revenue (Nmillion)
1958	1.9	0.2
1959	4.1	3.4
1960	6.4	2.4
1961	16.8	17.0
1962	24.6	17.0
1963	27.9	10.0
1964	44.0	16.0
1965	99.4	29.2
1966	152.4	45.0
1967	116.6	29.6
1968	51.9	n.a
1969	196.3	75.4
1970	395.8	167
1971	558.7	510
1972	655.3	764
1973	719.4	1,016
1974	823.3	3,724
1975	660.1	4, 272
1976	758.1	5,365
1977	766.1	6,081
1978	696.3	4,556
1979	845.5	8,881
1980	760.1	12,354
1981	525.5	8,564

1982	470.6	7,815
1983	450.9	7,253
1984	507.5	8,269
1985	547.1	10,915
1986	535.9	8,107
1987	482.9	19,027
1988	529.0	20,934
1989	646.7	39,131
1990	660.6	55,216
1991	689.9	60,316
1992	711.3	115,392
1993	695.4	106,192
1994	696.2	160,192
1995	715.4	324,548
1996	681.9	369,190
1997	855.0	416,811
1998	806.4	289,532
1999	774.7	500,000
2000	828.3	1,340,000
2001	859.6	1,707,600
2002	725.9	1,230,900
2003	844.1	2,074,300
2004	900.0	3,354,800
2005	923.5	4,762,400
2006	814.0	6,109,000
2007	880.0	6,700,000
<b>Total</b>	<b>23,183.9</b>	<b>N29.8trillion</b>

Sources: Petroleum Inspectorate, NNPC; CBN Annual Report and Statement of Accounts various issues; Annual Abstract of Statistics, 2006; Tell, February 18, 2008; Nwogwugwu, 2008.

At the average of N2.08billion per state, this leaves all the 36 states in the federation with only N75.23billion. The implications of these are obvious. In the first place, large chunk of the petro-naira is retained at the centre, while only about 11% of the fund went to the oil producing states. This fund is shared to the oil producing states as additional fund based on their oil production quota.

Table 2: June 2005 Revenue Allocation To Various Tiers Or Government In Nigeria

S/N	BENEFICIARY	ALLOCATION x 000 000	% of Total
1	Federal government	135,654.25	44.7
2	State (36)	75,230.47	24.8
3	Local (774)	57,461.82	18.9
4	Derivation (13%)	32,374.37	10.7
5	Deductions	2,656.51	0.9
	<b>Total</b>	<b>303,377.43</b>	<b>100.00</b>

Source: Nigerian Federal Ministry of Finance in Tell (2005) August 15 p.21

Contentions on how oil revenue is to be shared in Nigeria, has been a subject of contending views that has raged for over fifty years. As shown in Table 3 below, but for the first decade of oil production in Nigeria, the federal government has always had a lion share in the oil revenue sharing formula. This has ranged from 80% in 1968 to current 48.5%. The hike in federal share was achieved during the first two years of military rule. It is also interesting to observe that the most favourable state share of revenue allocation was achieved in the periods of civilian rule, from independence in 1960 to 1966 and 1979-83, when it was 60% and 32.5% respectively. Although no major change has occurred in the oil revenue sharing formula, in the present democratic dispensation, the matter has no doubt been no less contentious. It has given rise to what is now known as the calls for resource control. Simply stated, resource control means immediate and gradual increase in the share of oil producing states of the oil revenue, up from the present 13% to 25%, then to 50% to 75% in the next couple of years.

Table 3: Oil Revenue Sharing Formula

S/N	Year	Federal	States	Local	Special Projects	Derivation Formula
1	1958	40%	60%	0%	0%	5%
2	1968	80%	20%	0%	0%	10%
3	1977	75%	22%	3%	0%	10%
4	1982	55%	32.5%	10%	2.5%	10%
5	1989	50%	24%	15%	11%	10%
6	1995	48.5%	24%	20%	7.5%	13%
7	2001	48.5 %	24%	20%	7.5%	13%

Source: Wikipedia/World Bank Report

In the 2006, National Conference held in Abuja, for instance, the issue of revenue allocation formula was so topical that South-south conferencees had to stage a work-out when they felt that their demand for resource control was not getting a fair attention. As a matter of fact, in the length and breadth of Niger Delta region, there is widespread feeling that people of the region are not getting a fair share of what is due, and that things cannot change unless there is resource control.

The theoretical frame of analysis of this work is anchored on materialist theory of the state as postulated by Ziemann and Lanzendorfer [7]. The materialist theory of the state is essential for a meaningful concrete analysis of induced poverty and underdevelopment in Nigeria's Delta region. This is because, if we understand in whose interest the state emerged, exists and operates, especially the 'why' and 'how' of its operations, we must have gone a long way in demystifying regime behaviour, and the prevalent character of underdevelopment in Nigeria. On the central elements of the materialist theory of the state, Ziemann and Lanzendorfer [8] posit that the necessity for existence, the form and function, as well as the inner structure of the state in capitalist society is determined as an essential, integral element of the society by the economic and social reproduction of that society. Thus, materialist theory does not only regard the state as an organic product and a necessary structural element in the society, it also sees it as the expression of the dominant contradictory social relations.

The theory further observes that in the context of overall social production process, two features of the state can be focused. In the first place, the state is considered an "economic reproduction institution", which is determined by the material reproduction process. The material reproduction process is in turn mediated by the state. Secondly, the theory sees the state as a political reproduction and regards it as the contradictory representation of social unity. The state seen in this way is determined by the complex relationship among classes and even segments of classes, which are the social expression at the social reproduction process. This leads to the transformation and institutionalization of class struggle but in such a way and in accordance with the specific "power" set-up in a given social formation. This happens in such a way that the socially dominant or hegemonic class not only try to justify and uphold their rule via the state, but also - and this is important - manage to maintain the effective consensus of the rule or dominated class. Thus, in its role as the institution of economic and political reproduction, the state monopolizes the extra economic power, which is the ultimate stand-point of bourgeois power. This is particularly true whenever the blind pressure of circumstances does not yet, or no longer secures the social reproduction. This, as we shall see more clearly later, partly explains the paradox of oil wealth and poverty and the fact that the phenomenon of oil wealth is increasingly creating induced poverty and underdevelopment in the region.

### **III. Factors of Poverty and Underdevelopment in the Niger Delta**

The first factor of poverty and underdevelopment in the Niger Delta region is traced to the specific character of British colonialism in Nigeria. Prior to British colonization of what later became Nigeria marked and a sustainable production and consumption equilibrium has been sustained in most communities. As pointed out by Rodney [9] and Onimode [10] all these were disarticulated through gradual but persistent distinct and blatant stagnation of organic productive capabilities in several sectors. In the agricultural sector for instance, productive capacity of the vast population was channeled and mobilized for the production of export crops. Furthermore, at independence in 1960 agriculture was easily the dominant productive activity yielding N131.9m and Gross Domestic Product of 65.9 percent [11]. But it was geared or oriented towards the external economy. The import of this is that the local agricultural products complemented the raw material needs of the metropolitan countries. In the process, local economy became consumer oriented and captive market for the metropolitan manufactured goods.

A more worrying factor of poverty and underdevelopment in the region is that to date, despite the huge role of oil in Nigeria's economy, only a small fraction of people in the Niger Delta are engaged in various activities involved in the process of oil production. Beside the externality of the bulk of the man-power; the know-how, machinery and equipment used in this oil economy in Niger Delta are all imported. In the process, while oil revenue creates wealth for the few who are engaged in it and the government officials and cronies who benefit from the revenue the vast majority of the people wallow in deprivation and want. In a paradox of a sort, offering no managerial or employment for the immediate population, the industry has turned into a factor of not only unemployment and poverty level but object of frustration and anger.

**Table 4: Major Oil Sector Players In Nigeria**

State Level	President, National Assembly, Governor, State House of Assembly, Judiciary, Directorate of Petroleum Regulation, Economic and Financial Crimes Commission, Revenue Mobilization, Allocation, and Fiscal Commission, National Planning Commission, National Petroleum Investment Management Services, Federal Inland Revenue Service, Nigeria Extraction Industries Transparency Initiative.
Local Level	Local Government Chair, Local Council.
Non-state	Nigerian Governor's Forum, Petroleum and Natural Gas Senior Staff Association of Nigeria, National Union of Petroleum and Natural Gas Workers, Nigerian Labour Congress, Civil Society Organizations, Militant Youth, and Community-Based Organizations (in oil communities).
Mining companies	Nigerian National Petroleum Corporation, International Oil Companies, Indigenous Operators.
International players	Bilateral and multilateral institutions
Traditional authorities	Traditional councils, chiefs (of oil producing communities)

Source: Derived from Political Economy of the Petroleum Sector in Nigeria. (The World Bank Africa Region Policy Research Working Paper; 5779) August, 2011 p.12.

Despite huge sums of money available to various tiers of government and major oil sector players (See Table 4 above); poverty that is largely induced and underdevelopment that hinge on dysfunctional growth appear to be the order of the day in most part of Nigeria especially the Niger Delta region. According to the 1985-1996 Poverty Survey of Nigeria of the Federal Office of Statistics:

The number of poor remains high. With a national population estimate of 116 million in 1996, there are at least 64.7million (56%) poor people in Nigeria compared to 38.5million (43%) in 1985... we have about 61 percent of all individuals in the rural (up from 47% in 1985) and about 47 percent of the urban dwellers (down from 48% in 1985) in poverty. Living standards of the Nigerian populations have been adversely affected since 1980 by this factor. Per capita income has fallen from a peak of about \$1, 100 in 1982 to current levels of about \$350. The distribution of income has also worsened adversely affecting the poorest, throwing them deeper into poverty...the incidence, depth and severity of poverty increased between 1985 and 1996 [12].

The existence of man-made disasters is another major factor of induced poverty and underdevelopment in the Niger Delta region. The disasters are not only pervasive but also routine occurrence. According to Environmental Informatics Archives "Between 1986 and 2000, the Nigerian Petroleum Industry experienced three thousand eight hundred and fifty four (3,854) oil spill incidents. These oil spills resulted in the loss of 437, 810barrels of oil into the Nigerian [Niger Delta] environment" [13]. Two episodes at Ughelli and Okorooba/Agrissa communities present picturesque illustrations:

In 1984, an oil spillage in Ughelli took 6 days to discover and contain. Another massive blow was reported in 1994 when the Agip Ogodu/Brass oil pipeline running through Okorooba and Agrissa communities gave way to corrosion and burst, resulting in spillage spreading over 10 square kilometers of farm land, ponds, lakes, streams and rivers. Apart from oil spillage, pollution are caused by gas flaring, leakages from ships transporting oil, discharge of hazardous waste in the water ways,collapse of oil rigs in offshore operations etc [14].

The truth of the matter is that poverty that is largely induced and underdevelopment that hinge on dysfunctional growth is reality in the region. Whereas fishing and crop farming remains the primary occupation of the people of the Niger Delta region, the situation today is that it is no longer possible for the local fishermen to subsist on their traditional fishing and crop farming occupation.

Worse still, factors of frustration for the average person in the Niger Delta, despite Presidential Amnesty Programme, are not abetting. This is because more often than not, the Niger Delta people are not only part of the emergent modern work structure of the oil companies, but the fact that there are really:

No schools, no facilities, lack of access roads, lack of pipe borne water, lack of modern power supply etc. The list is endless. The deprivation is total. In spite of this chilling scenario, Niger Deltans are aware that oil account for over 90% of the nation's revenue. They see the rapid infrastructural development of Abuja, Lagos and other Northern cities. They know that the development of any part of country must be from the proceeds of the oil revenue [15].

Reflecting on the foregoing reality, Ojameruave [16] laments that after five decades of exporting crude oil "it is not an overstatement to say that Nigeria has failed woefully in carrying the oil wealth to the poor, including the poor in the oil producing areas of the Niger Delta region. Nigeria seems to be experiencing immiserising growth – a situation where increase in the output of export commodity leads to a deterioration of the country's welfare – since the early 1970s." The level of induced poverty could be better appreciated when it is realized that seventy-five percent of Niger Deltans, that is, nine million and six million persons in the region are classified as poor and very poor respectively. The classification is based on estimation of average family of six and 2.1million families or households in the region[17]. The import of this is not only that there is poverty in the land, but that there is increasing widespread poverty in Nigeria. In the Niger Delta region the matter is made

worse by the prevalence of factors of increasing unemployment rate, pollution, especially water and air, widespread environmental degradation and dysfunctional government programmes and actions

Taking cognizance of the foregoing, it is necessary to take a closer look at government's response over the years to the challenges of poverty and underdevelopment in the Niger Delta region. In other words, there is need to dwell on and to explore how dysfunctional government programmes and actions or structures and processes have facilitated the prevalence of poverty and underdevelopment in the Niger Delta region.

#### **IV. Regimes, Their Responses And Underdevelopment In The Niger Delta**

The Nigerian state is a colonial creation that came into being as a consequence of foreign rule and exploitative domination. As an agent or instrument of imperialism, the state in Nigeria was from the start tuned to the specific needs of the foreigners. Against this backdrop, it suppressed the various pre-colonial states in the area while at the same time retaining aspects of the pre-colonial states' structures it found useful for the maintenance of the colonial order [18]. Reflecting on the essence of this, Onimode [19] in his work *Imperialism and Underdevelopment in Nigeria* points out that in accordance with the logic of colonialist exploitation, the mode of production for most parts remained pre-capitalist even when the mode of accumulation and the colonial state were essentially capitalist. According to the specific needs of the capitalist state, pre-capitalist class relation was either trampled upon, while in some other areas the social class hierarchy was preserved and sustained. This notwithstanding, the pre-colonial state was in all cases subordinated to the requirements and caprices of the new colonial state in Nigeria. In the process existing and/or emerging dominant classes were nurtured through intimidation, education and legislation to satisfy the fundamental interests of colonial capitalism.

The implications of the foregoing deserve further insight. While in the West European experience for instance, much of the capitalist state emerged and took shape in the wake of, and more still in response to autocratic bourgeoisie class ascendancy; in the case of Nigeria, the domestic bourgeoisie were from inception nurtured and in fact sustained by the unequal alliance with the colonial state as an institution of foreign bourgeoisie class interest. In the same vein, the emerging domestic bourgeoisie was constituted and sustained from above, that is through the instrumentality of the state rather than emerging as a product or on the terms of lateral autochthonous class struggle between competing social or group forces.

**TABLE 5: Civilian And Military Rulers Since Independence In 1960**

S/N	Names of Leaders	Period in office	Civilian	Military
1	Tafawa Balewa (Prime Minister) Dr Nnamdi Azikiwe (Titular President)	Oct 1960 - Jan 1966	6 years	-
2	Gen. J.T.U Aguiyi Ironsi	Jan 1966 – July 1966	-	6 months
3	Gen. Yakubu Gowon	July 1966 – July 1975	-	9 years
4	Gen. Murtala Mohammed	July 1975 – Feb 1976	-	1 year
5	Gen. Olusegun Obasanjo	Feb 1976 – Oct 1979	-	4 years
6	President Shehu Shagari	Oct 1979 – Dec 1983	4 years	-
7	Gen. Muhamadu Buhari	Jan 1984 – Aug 1985	-	1 year
8	Gen. Ibrahim Babangida	Aug 1985 – Nov 1993	-	8 years
9	Gen. Sani Abacha	Nov 1993 – June 1998	-	5 years
10	Gen. Abdulsalam Abubakar	June 1998 – May 1999	-	1 year
11	President Olusegun Obasanjo	May 1999 – May 2007	8 years	-
12	President Umaru Yar'adua	May 2007 – May 2010	3 years	-
13	President Goodluck Jonathan	May 2010 – May 2015	5 years	-
14	President Muhammadu Buhari	May 2015 - To Date	3 months	-
<b>Total</b>			<b>25yrs</b>	<b>29½ yrs</b>

Source: compiled and tabulated by the author from various sources. For greater details however, see Otoghaga, O. (2007) *Trends and Contemporary Issues on Regimes of Nigerian Heads of State*. Benin: Otoghaga.

Further still, the direct involvement of the Nigerian military elite in the struggle for political power is another feature that has characterized the dialectics of political power in post colonial Nigeria. The impact of military involvement in governance is enormous. In revenue sharing equation for instance, the impact of military intervention has been aptly summarized by The Guardian on Sunday [20].

It is as a result of this military incursion into what used to be the state's exclusive and residual legislative lists that have led to the states being deprived of most of the more lucrative sources of revenue. The military regimes systematically appropriated the revenue that used to accrue to the states. They made nonsense of the federation account and the principles and formula for horizontal and vertical allocation. The allocated revenue from the federation account has been progressively skewed to in favour of the federal government, thereby impoverishing the states and the local governments which are the closest to the people.

As the accompanying Table 5 clearly shows while Nigeria has been independent for almost fifty-five years, the military has been at the helm of affairs for sixty per cent (30years) of the period. It is necessary to explore how these regimes have responded to the Niger Delta question. Concerted attempts to address the issue of poverty and underdevelopment in the Niger Delta region dates back to about sixty years ago when oil had not become a critical factor. This was when Willinck's Commission (1958) recommended, inter alia, that a special developmental attention be given to the area by Federal Government of Nigeria. [21], [22].

From NDDB to President Shagari's Task Force

In response to the recommendations by Sir Willinck, the federal government at the time set up Niger Delta Development Board (NDDB) in 1960. Although NDDB was charged with the responsibility of attending to the developmental needs and challenges of the region, it achieved little or nothing, with Tafawa Balewa as the Prime Minister. The board faded away following the coup d'état of January 1966 and the Nigeria-Biafra War, 1967-1970, that ensued.

Curiously, despite jacking up federal share of the oil money to 80% in 1968, at the end of war in 1970, the federal government under General Yakubu Gowon still did not revive the NDDB and showed no interest in addressing the developmental needs of the region. Even with the quadrupling of oil prices under General Gowon, in 1973, and the subsequent oil windfall, there was no deliberate attempt to use part of the oil wealth to set up or sustain necessary structure, let alone address the issue of poverty and the developmental needs of the region.

Following growing agitation for developmental attention for the area, President Shehu Shagari, months after he was sworn in, set up what was called Presidential Task Force on Niger Delta in 1980. Although the task force was allocated 1.5% of the federation account, it was very ineffective and appeared to be bedeviled by corruption and or misappropriation. By 1985, the task force had become moribund.

General Ibrahim Babangida's OMPADEC

In 1992, following growing discontents and restiveness in the Niger Delta region, the Babangida regime, after seven years in power set up another framework called Oil Mineral Producing Areas Development Commission (OMPADEC). In order to address the developmental needs of the area, provision was made for 3% of federation account to be disbursed to the commission. Expectedly, the commission raised the spirit and expectations of the people only to dash same through gross inefficiency and corruption. With only very few projects completed, OMPADEC left behind many abandoned or unfinished projects and huge debt, many of which are considered dubious. The inadequacies of OMPADEC stem from: lack of focus, inadequate and irregular funding, official profligacy, corruption, excessive political interference, lack of transparency and accountability, high overhead spending, etc. Most of its projects had little to do with poverty reduction and the vast majority of the poor were not imparted in any significant way... more importantly, much of the funds disbursed ended up in private accounts and the number of projects completed cannot justify the amount received [23].

The implication is that, within the period, OMPADEC failed to act as an engine of development in the Niger Delta. As a matter of fact, it is not difficult to point out that rather than tackle poverty and the slide to underdevelopment in the region, OMPADEC exacerbated poverty and discontents. OMPADEC was eventually scrapped in 1999.

### **President Olusegun Obasanjo's NDDC**

The most outstanding action taken by the President Olusegun Obasanjo's regime (1999-2007) was the replacement of OMPADEC with Niger Delta Development Commission, NDDC in 2001. The avowed vision and mission of NDDC was to offer a lasting solution to the socio-economic difficulties of the Niger Delta region through the facilitation of rapid, even and sustainable development of the region. Although provision was made for the programmes and activities of the commission to be financed from four sources a closer look attests to the half-hearted commitment on the part of the federal government under President Obasanjo. For most of the period funding NDDC was largely a problem, much as it was uncertain and irregular. As a matter of fact: the federal has consistently refused to meet its obligation to the commission; rather than paying the 15% [of the monthly statutory allocation due to member states of the commission from Federal Account provided for in the Act] it is contributing only 10% ... a member of the National Assembly [has also] alleged that the federal government and some oil companies are owing the NDDC about N100 billion in unpaid contributions. In fact, the federal government has submitted a Bill to the National Assembly to reduce its contribution from 15% to 10% and that of the oil companies from 3% to 2%. The federal government also wants the oil producing states to contribute 10% of their monthly statutory allocations to the commission, but the states are opposed to this just as they are to contributing 50% of their Ecological Fund Allocation to the commission. The states see no reason why they should contribute to a commission that is an appendage of the presidency and outside their sphere of influence [24].

What all these come up to is that several years after its establishment and despite claims of projects awarded, completed and uncompleted the NDDC is yet to deliver. Consequently, an air of uncertainty and non-fulfillment continues to pervade the entire region.

### **Presidents Umaru Yar’dua and Goodluck Jonathan NDDC +MNDA**

Beside the Presidential Amnesty Programme, the creation of Ministry of Niger Delta Affairs, MNDA, by President Yar’dua on 10 September 2008 is perhaps the most outstanding policy initiative by the duo on Niger Delta. Whether the policy and its implementation addressed the fundamental problem confronting the region is another ball game altogether. At inauguration President Yar’dua explained that the Ministry was created “to coordinate efforts to tackle the challenges of infrastructural development, environmental protection and youth empowerment in the Niger Delta” [25]. NDDC was also to remain, under the new arrangement, it serves as a parastatal under the MNDA. Events that follow however suggest there is wide gap between intentions and manifest actions.

In November 2009, President Yar’dua proposed to allocate the sum of N64billion to MNDA for the 2010 financial year [26]. At the budget proposal defence, the Minister admitted that the 2009 budget of the Ministry failed because the Ministry had “difficulties achieving targets of 2009 because N19.5billion allocated for its projects was unevenly spread” [27]. There will always be excuses for failure. Four years on, the mandate of MNDA is far from being achieved. As a matter of fact, after half a decade of existence:

Relatively little has been accomplished in the first four years. Projects to improve roads, build skill acquisition centre and improve water and electricity supplies were far from behind schedule. Large amount had been budgeted and spent for projects related to water front development including dredging and port development but nothing tangible had been done. There was a large gap between federal provisions and amount released [28].

What all these add up to is that, despite all the grand standing the truth is that poverty and underdevelopment remain the lot of the people of Niger Delta. Thus, the challenge of tackling poverty and underdevelopment in the region continues to be is real and the prospect a mirage.

## **V. Concluding Analysis**

In this paper, we have raised a number of issues revolving around oil wealth, prevalence of poverty and underdevelopment in the Niger Delta region. Accordingly, we re-state that::

- Poverty in the region is largely induced and aligned to immiserising or dysfunctional growth.
- The materialist theory of the state as postulated by Ziemann and Lanzendorfer is useful in the understanding and explanation the situation of exploitation, poverty and underdevelopment in Nigeria’s Niger Delta region
- The phenomenon of oil wealth has created a paradox of poverty and underdevelopment in the Niger Delta region.
- By and large the Nigerian state and governments or regimes have so far paid lip service to the task of due development of the Niger Delta region
- Any serious attempt to address or tackle the challenges of poverty and underdevelopment in the Niger Delta region need be anchored on openness and bottom-up approach to succeed.

Our primary recommendation is that the government and other stake holders should adopt bottom-up rather than top-down approach that has characterized government response to Niger Delta challenge in Nigeria. This too must be anchored on a profound sense of fairness, equity and commitment to real justice. Since in the past there has been so much talk with little action there is urgent need for the Federal Government to immediately embark on massive human and infrastructural development in the region.

Oil wealth has the capacity to turn things around for Nigeria. In the Niger Delta region however, the challenge is how to tackle poverty and underdevelopment and make the people have a sense of belonging. Doing this necessarily means or requires an open attention to the issues that are anchored on bottom-up solution. A truth and reconciliation commission on Niger Delta may as well offer a viable and sustainable option

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