Abstract - Oil has become a dominant element in power capability profile of any nation. Nations go to war because of oil. The Gulf war in 1991 is a good example. In Nigeria, the crisis is between the federal government and the oil producing communities in the Niger Delta region. In spite of the abundant oil wealth, there has been an unimaginable mass poverty and negligible development in the region. Efforts by the federal government and the oil companies to improve the quality of human lives and provide infrastructural development were too little to ameliorate the problems. Today, the insensitivity of government and oil companies have created more tensions and crises threatening not only the industry but also the national security. In fact, youths of the area through association of various ethnic militia groups have become restive in their bid for greater control of their natural resources. The paper therefore examines the developmental issues in the oil producing communities against the background of government setting up an internal security task force to deal with the youths. The paper concludes that the federal government and oil companies must change their hostile approaches and work towards infrastructural development of the region.

Keywords - Economy, Oil Politics, Policy

I INTRODUCTION

In the last two decades, the Niger Delta region of Nigeria has been enmeshed in crisis arising from total neglect and lack of infrastructural development. It is estimated that about 2.5 million barrels of crude oil is produced daily from the region. According to CBN report, the production contributes almost 95 percent of Nigeria’s foreign exchange earnings and 90 percent of its revenue (CBN: Annual Report 2003). In spite of this, little substantive progress has been made in addressing development issues in the region. Thus, the region continues to witness unimaginable mass poverty and low level of human development, environmental degradation, social inequalities, unemployment, etc. It is therefore an irony of fate that the area, which produces the bulk of the oil, is the least developed in the country. This situation may be attributed to the nature of revenue allocation formula, which has been dysfunctional. It may also be traced to the non-performance of the contented disposition of the political leaders who ordinarily should have been the voice of the masses. As a result, every effort to develop the region through policy reforms and socio-economic and political measures has yielded little or no result.

The absence of any meaningful development has necessitated the glamour for the control of resources that endowed to the region. As expected, the youths through various ethnic militia groups have become restive in their bid for greater control of their natural endowment. Today, the restiveness has manifested in activities like kidnapping, pipeline vandalization, bunkering, and other anti-social behaviors that are the direct result of failed leadership. As a result, the country has witnessed not only economic crisis but also political instabilities. The paper is therefore motivated by the contradictory roles played by Nigerian state; first, as the allocation of the resources and second, as the major recipient of the oil revenue. Thus, the paper examines the rate of development in the oil producing Niger Delta area whether it is commensurate with the environmental damage as a result of oil exploration. It also highlights the oil industry and the policies that have impinged the development in the region.

The paper is divided into five parts. The first is the introduction while the second part deals with the analytic framework. The third part examines the oil industry and the state of economy. The fourth part evaluates the oil politics and the crisis of development while the last part is the suggestions and conclusion.

II ANALYTIC FRAMEWORK

Different scholars give different definitions to the term development. Obasanjo and Mabogunje (1991) define development as a process concerned with the people’s capacity in a defined area over a defined period to manage and induce positive change; that is to predict, plan, understand and monitor change and reduce or eliminate unwanted or unwarranted change. In other words, development is about people in that they constitute a repository of energy for development and it is the careful release of this energy that constitutes development. According to them, development entails so many things. It is not just about consuming, it is about producing. But it is concerned with the creation by the people themselves, of the technology needed for development as well as the development by the people of the capacity to manage their own affairs. Relating this to the Niger Delta, the rape that is still visited on the oil communities because of their outcry against neglect and marginalization by federal government is an epitome of contradictions to development.
Some scholars argue that development is a qualitative and quantitative improvement in the life of the people. Soyombo, (2005) for one, while explaining national development define it as qualitative and quantitative improvement in the living conditions of the people of a State in line with national objectives as indicated in the national development plans. He argues that rapid improvement of the standard of living of the average Niger has always been a major objective of country’s national development plans. To him, other key objectives of the development plans include: reduction in the level of unemployment, even distribution of income, reduction in the incidence of poverty, improvement in the quality of life of the people, more employment opportunities, greater access to and ownership of houses and access to basic necessities of life, such as, qualitative health services, potable water, education and electricity. It is when these objectives are achieved that one can talk of national development. National development goes beyond growth in economic indicators such as the Gross Domestic Product (GDP) and Per Capita Income. It concerns itself with discrepancy between economic indicators and quality of life that led to the development of the “Human Development Index” as alternative indicators of development (Soyombo 2005: 210). However, he concludes that at all levels of development the three essential developmental concerns are, for people to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living. Accordingly, Afonja and Pearce (1986) believe development is aimed at fulfilling four conditions of stabilities, which includes the stability of normative patterns; level of commitment of the acting units; the acceptance of a common definition of the situation and integration of the system itself to the large system of which it is part. They argued that these four conditions are given because of the fact that traditional societies resist innovations, so that fulfillment of any condition does not necessarily mean that growth and development has taken place. Similarly, Sanda (1985: 1-3) puts development as the transitional process sustaining a multifaceted improvement in human condition resulting from structural and functional changes in the social, economic, political, techno-scientific and every conceivable sphere of human endeavor. To him, development entails normative and organizational changes in the society resulting in:

i. The improvement and expansion of the mental horizon of the population arising from functional education and

ii. The sustenance of positive and highly functional values, customs, and practices to all aspects of life and living.

Wilnesky and Lebeaux (1995) therefore, explain development as something formally organized and socially sponsored institutions, agencies, programmes that function to maintain or improve the economic conditions, health, or inter-personal competence of some part or all of a population. Kundan (1997) cited in Akintoye and Awosika describes sustainable development as a construct, which envisions development as meeting the needs of the present generation without compromising the needs of the future generation. It implies that while development meets the need of the present it does not compromise the ability of the future generation to meet their own needs. However, this ability to meet the need is determined by the human capital (through education, technological advance, etc.) and physical capital (machine, tools etc.). He argues that continued sustainable development could only be possible or assured when it is agreed and indeed concrete steps are taken to raise the level of literacy in any society. He further laid emphasis on good governance. He stated that it depends on the extent to which government is perceived and accepted as legitimate, committed to improving people’s well being and responsive to the needs of its citizens, competent to guarantee law and order and to deliver public services able to create an enabling policy environment for productive activities and equitable in its conduct. Relating this to the Niger Delta, the statement of the former Governor of Rivers State, Dr. Peter Odili really comes to mind. He opined that if the federal government has lived up to its responsibility and sufficiently focused on the awful neglect of the Niger Delta, its difficult environment and the needs of its people would have been transformed into sustainable development. Nyerere (1971) comes close to this view. He argued that in developing nations, the tendency has always been to conceive of development in terms of socio-economic alone and that there is need to look beyond mere economic indices and put emphasis on human development, i.e., the full realization of the human potential and maximum use of the nation’s resources for the benefit of all. This realization was echoed by leaders like late Indira Gandhi that we need development policies, which benefit all strata of the population and not just a favoured minority.

Development according to Adedeji cited in Onimode and Synge (1995) means a process of bringing about fundamental and sustainable changes in society. He noted that development transcends as well as encompasses growth and embraces such aspect of the quality of life as social justice, equality of opportunity for all citizens, equitable distribution of income, and the democratization of the development process. Eze (2005:1) refers development to the goal that must precede development actions, whether it is about people, organizations, or nations. When it is about people, the goal is human development; when it is about organizations, the concern is organizational development, and, when it is about societies, the goal is national development. In each of these, the goal of development must first of all be clearly set out in the form of directions, destinations and action plans, followed by implementation of the action plans, and finally by the realization or otherwise of development itself. Accordingly, he opined that it is quite certain that a society in a state of learned helplessness cannot meaningfully embark on genuine national development without first achieving successful emancipation.
In Africa however, the lives of confrontation are often drawn over issues of exclusions, identity, frustrations, and denial of basic needs to particular area of communities by those who maintain the forces of coercion. According to Anyadike, (1997), conflicts in Africa arises as a result of a global economic system that keeps the continent locked in vicious circle of poverty and domination, aggravating local conflict over power and wealth. This seems to hold true in the Niger Delta. Since the Nigerian state lacks autonomy, it simply expropriates, using coercive instruments to sustain its dominance. This leads to penury, acute environmental degradation and gross underdevelopment in the oil – producing areas. Thus, in the area, conflict occurs because of protests against injustice such as environmental damages and displeasure with successive government policies over programmes of oil companies perceived to be unjust, inadequate and repressive. As a result, the people’s economic future has led to an intensification of the struggle for survival at the individual and group levels. The consequence is the social-conflict profile of the country.

Every society is expected to improve the conditions of its people especially their quality of life. It should be concerned with the provision of the basic needs such as food, water, education, good healthcare, shelter, etc. for all the people. Any concerted effort to achieve this is called development. Our discourse therefore when situated within the theoretical realm of distributive justice provides analytical framework in understanding the situation in the Niger Delta. The “theory on rights” asserts that basic rights should be enjoyed in a state and protected through legal and extra-legal instruments. Rights can be categorized into political, social and economic rights. The denial of social rights explained the pervasive poverty and underdevelopment in the area. The Niger Delta agitation is premised on right denial especially, access to oil wealth to boost living standard. Drawing from this theoretical argument of what development is all about, the present study argues that the basic problem in the Niger Delta region is lack of development. The neo-liberal scholars see development beyond the economic indices, but the totality of changes that occur on the social system within a given period of time, which can impact on the life of the people. It is therefore imperative that the government should design a more comprehensive development package that will be people-oriented in the region.

### III THE OIL INDUSTRY AND THE STATE OF NIGERIAN ECONOMY

Oil was discovered in southeastern part of Nigeria in the 1950s, and by 1958, it began to be exported (Europa; 1988:2016). Today, oil exploration and exploitation is by the British company, the Shell/BP, (along with other foreign companies is undertaken by) Agip/Phillips, Safrap, Mobil, Texaco and Chevron. The Nigerian government has major shares in these companies, which operate the joint stock ventures. During the late 1960s and 1970s, the development of oil industry transformed the entire economy of the country as the nation earned considerable foreign exchange.

With oil, Nigeria became a strategic and important international actor.

In 1971, Nigeria joined the Organization of Petroleum Exporting Countries (OPEC), a body which regulates oil price and production among oil producing nations. Later in 1973, it became Africa’s leading Petroleum producing country (Europa,1984:2164). As a member of OPEC and as the world’s seventh largest producer of petroleum, Nigeria has benefited enormously from oil. The Nigerian economy expanded at an estimated annual rate of 8.0 percent between 1971 and 1977. the quantum of foreign aid was reduced and a large number of jobs created (Europa,1984:2164). The average production of petroleum from 1975 to 1980 was about 2.2 million barrels per day (b/d), which earned $23,405 million by 1980 when the price was $32.00 per barrel. In the fiscal year 1981–82, the price of oil rose to $40.00 per barrel before falling to $30.02 per barrel in 1983 (Europa, 1986:1976). Table 1.1 below provides the detail of oil selling prices during the selected years 1981, 1982, 1991, 1992, 2001 and 2002.

### Table 1.1 Oil Selling Price in Nigeria: A comparative figures.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SELLING PRICE IN US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>40.00</td>
</tr>
<tr>
<td>1982</td>
<td>30.02</td>
</tr>
<tr>
<td>1991</td>
<td>18.60</td>
</tr>
<tr>
<td>1992</td>
<td>25.44</td>
</tr>
<tr>
<td>2001</td>
<td>25.85</td>
</tr>
<tr>
<td>2002</td>
<td>28.90</td>
</tr>
</tbody>
</table>


As the table shows, the selling rate in the years 1981 and 1982 recorded the highest per barrel when compared to the 1991 and 1992. In the first quarter of 1991, the selling price recorded the lowest of US $ 18.60 per barrel. The reason for the drop in price was the pressure from the developed countries on OPEC due to recession in the world economy. However, the price of oil rose to US $ 25.44 per barrel in 1992 and further increased to US $25.85 and $28.90 in 2001 and 2002 respectively. The reason was attributed to the Gulf war and the Middle-east crisis. The gradual increase in the selling price may not be unconnected with the high demand...
of oil from Asian countries especially China and protracted industrial action by Venezuelan oil workers (CBN: Annual Report 2003: 70). The improvement in the levels of prices boosted the foreign exchange earnings and thereby enabled Nigeria to achieve high economic growth at an average rate of 9.7 percent.

In spite of this, the external debt has remained an albatross on Nigeria’s neck. In fact, the external debt had increased from $12.91 billion in 1982 to over $20 billion in 1985 and by 2003, it was $36.33 billion. Also, it has been observed that over 30 percent of the country’s earning was spent each year on debt servicing and in 1992 alone a total of $5.655 million was spent over it. This has resulted in deficit budgets. In 1988, the country recorded a deficit of over 12.6 billion Naira, which further increased to 15.4 billion Naira in 1989. In fiscal year 1990-1991, the total deficit exceeded 17.5 billion Naira while the inflation rate was 53.1 percent during the period (Africa Guardian, 1990: 29; Punch 2004).

The truth of the matter is that the nation’s leadership is not linked to collective purpose. The extent to which resources are adequately and judiciously mobilized for development is mainly attributed to leadership just as the level of development also influences leadership qualities. An illustration of the relationship is the fact that certain nations under transformative leadership have risen above the natural limitations of their environment to achieve sustainable development. For example, Japan has developed in spite of the fact that 50 percent of its area is mountainous and lies in one of the highest earthquake active regions of the world. In contrast, Nigeria which is greatly endowed with natural resources have failed to achieve a level of development commensurate with her level of endowment because of poor leadership characterized by short-sightedness, corruption, self-centeredness and political instability (Bammeke, 2005; 277-278). Nigeria has not produced a national leader. So far, what the country has is ethnic based leaders. As such, there is no meaningful development.

IV  OIL POLITICS AND THE CRISIS OF DEVELOPMENT IN THE NIGER DELTA

Niger Delta’s struggle for economic survival first hit the boiling point in 1965. The period was when late Isaac Boro and his group took up arms to fight for a separate political entity for the region. It was the first military coup of January 15, 1966 that ended the uprising. At the centre of the Niger Delta crisis has been the region is long standing history of marginalization or exclusion from the mainstream of Nigeria’s social, economic, and political activities. The other predisposing factors accounting for the crisis are the region’s poor performance on human development indices-political instability, social/communal conflicts, poor governance, environmental degradation, economic deprivation arising from unhealthy influences of competition for economic resources made worse by the general paucity of infrastructural development such as electricity supply, safe drinking water, roads, health facilities, education, etc. (Akpabio 2009: B8). These are the issues taken for granted in the region. As a result, poverty level becomes the highest in the oil communities where the wealth of this country is produced. The people of the area are poor and social infrastructure equally unavailable in their towns and villages. The youths have taken to crime and their female counterparts into prostitution as profession. Today, the area is riddled with the much-dreaded Acquired Immune Deficiency Syndrome (HIV/AIDS). It is on record that the Niger Delta has one of the highest prevalent rate of the disease in Nigeria (NACA, 2003). These problems are compounded by the ecological problem created by the production of oil, which grows by the day. Given the abundance of crude oil in this area, the people should have corresponding wealth and development.

The federal government has been widely accused as the major culprit in the under development of the oil states. It extracts oil resources through the enabling laws and decrees thereby depriving the oil communities from claims over royalties. For example, the Petroleum Act of 1969 and Land Use Decree of 1978 permit the multinationals to explore for and expropriate natural resources in a manner that impoverish and under-develop the host communities while enriching the ruling class and their collaborators (Setelu, 2001:143-144). Under the Land Use Decree, ownership of land in any state of the federation is vested in the state Governor in trust for the people of the state. It means the federal government has no direct claims to land in the state. Still, the federal government has continued not only to prescribe how much rent is paid by the oil companies for land used but also to collect these rents. The apparent justification for the federal government’s action is the Petroleum Act. It gives the federal government control of all minerals and gas “in, under, or upon the land and territorial waters of Nigeria (Suberu1999:28). The acts, however, refers to ownership of mineral wealth and not ownership of land which remains vested in the states. In essence, the states are clearly entitled to these rents but the oil communities have also asserted their rights to what may be regarded as rents on communal lands. As MOSOP remarked, oil royalties and rents are the property of Landlords and that the federal government must return to the oil communities all royalties (Suberu, Ibid: 28). In the words of Eteng (1977), the Nigerian rentier State is perceived as an “unconscionable usurper and landlords” and the oil companies as exploitative illegal tenants. The major problem here is that the laws that govern the oil industry addressed only operational issues, which serve the interest of oil companies and the federal government, as against the interest of the oil communities. The general perception particularly among the oil communities is that the laws are the fundamental causes of under development of the areas. The contradiction between oil communities and non- oil communities over the control of oil rents is another factor which undermined development in the region. The reason is attributed to inter- class struggle over which part of the states would maximize the benefits from oil rents. Since the oil is found in the coastal areas of the country and the adjoining offshore areas, the process of states creation and the growing profile of oil have made the issue of revenue distribution to be a sore point in inter- state relations. As
observed, while the oil producing states dominated by the minority groups insist on derivation, the non-oil producing states dominated by majority ethnic groups insist on the principles of the equality of states and the size of population among other allocating principles. The non-oil producing states therefore, accused oil-producing states of greed, and argued that they do not have sole right to the oil within their territory. On the contrary, the oil states have not shifted ground, as they demand on equity, justice, and fair play. They complain of being marginalized by the numerically dominant groups who continue to feed fat on the oil revenue with little or no contribution to federal revenues. The oil communities argued that a significant percentage of the federally collected oil revenue should be returned to them based on derivation principle. Derivation is, of course, a long-standing principle of revenue allocation in Nigeria. It stipulates that a significant proportion of the revenues collected in a locality should be returned to that locality or segment. It featured prominently when cocoa; palm oil and groundnuts were the main sources of revenue for Nigeria. As Okilo remarks, it has continued to be deliberately suppressed since crude oil became the mainstay of the country’s wealth. A nation that recognized 100 percent derivation as the basis for revenue allocation in 1950; but reduced it to 50 percent at independence in 1960; to 45 percent in 1970; 20 percent in 1975; 15 percent in 1982 and 3 percent in 1992 as crude oil became the main source of national revenue (cited in Suberu,1999: 29-30). In fact, derivation has been progressively de-emphasized as mineral exploration replaced agricultural exports as the principal source of government revenues and foreign exchange earnings in Nigeria. The change in the principles of distribution, have been denounced by ethnic minority groups as a politically motivated assault by the majority nationalities on the economic rights of minority oil communities who are perceived as too small and weak to threaten the stability of the federation (Suberu, 1999; 29). The situation has been aggravated by the kind of politics in the country. Politics in Nigeria has been degenerated to warfare where winners control federal power and all resources associated with such control. Given, the centric tendencies and the political dominance of the three ethnic groups, (Hausa-Fulani, Yoruba and Igbo), oil made the federal government the conduct of socio-economic struggles, thereby institutionalizing the tyranny of the major ethnic groups and subjugation of the minorities mostly in the Niger Delta area. The Walkout of the South—south delegates in 2005 from the National Political Reform Conference depicts how politicized the oil resource has been in the country. In the conference, delegates belonging to the oil communities demanded for 25 percent special oil allocation, which was turn down by members representing majority ethnic groups. Members belonging to majority groups however, agreed to 17 percent from the present 13 percent. On protest, the South—south delegates staged a walkout thereby ending the conference in an abrupt manner. The general perception is that the Nigerian State and its ruling class are more engrossed in the rent collecting activities and thus negating the need for development planning and the issue of development of technology of labor. Hence, the struggle for and control of power at the centre becomes the “bone of contention” among diverse interest groups.

The crisis in the Niger Delta is understood not only as inter-class struggle but also as intra-class rivalry because of its backwardness. The federal government has resorted to elite manipulation through recruitment and appointment of local and active individuals from the area against the entire people. In other words, the crisis is the struggle between the liberal elites (traditional rulers, politicians, top government officials, oil company executives and businessmen) and the radical group (human rights activists, journalists, youths, students, workers, women and the peasantry). These groups have strong justifications for their various positions. Thus, in every community, the leadership and in fact the entire people is divided along these lines. It is no longer a secret therefore to notice the privileged members of the region working for peace conceived as tolerance of the unjust system. The killings of the Ogoni four otherwise known as ‘Vultures’ by their radical youths which resulted into the arrest and killing of Ken Saro-Wiwa and eight others by the federal government is an ample example of the intra-class struggle in the region. The radicals are the new comers who are trying to take over the leadership of the Niger Delta. They believed that the liberals are compromising with the federal government and therefore corrupt. It is therefore believed that any programme for solving the crisis will be doomed to failure if the federal government continues to adopt this policy.

Another dimension to the crisis is the insensitivity of the oil companies. Although, it is important to acknowledge the contributions of the oil companies in the setting of projects that have helped to ameliorate the harsh consequences of neglecting and deprivation suffered by people from the region. However, there is also need to state that it is futile to expect these oil companies to be agents of development in the region. They cannot go beyond a certain limit because their primary responsibility is to make profit for themselves. In the real sense, the oil companies have not adequately addressed environmental problems such as gasflaring and oil spilling. As the region’s economies are trained by pollution, there is hardly any meaningful development. This is visible through environmental devastation, which has distorted socio-economic development without the provision of commensurate developmental infrastructure. The implications of the above are that the oil companies have no legal obligations towards their local host communities and also the host communities have no say in how and what happens to oil revenue. In fact, there is nowhere else in Nigeria has the impact of the Land Use Decree manifested, in all its imperfections and inequalities as in the Niger Delta region (Onuoha 2005: 124). However, the oil companies have shifted the blames to the federal government. The Shell Petroleum Development Company (SPDC) in particular claimed that the federal government gets 55 percent of the revenue whereas 30 percent, 10 percent and 5 percent go to Shell, Elf and Agip respectively (SPDC Report, 1996). According to SPDC, since the federal government owns
majority shares in the oil companies in addition to collecting petroleum royalties and profits tax, it is the responsibilities of the federal government to provide and maintain social infrastructure.

The federal government, however, locates the roots of the underdevelopment of oil communities to their difficult geographical terrain, bad leadership and the people themselves. It claims that due to the fragile ecology of the Niger Delta, oil production has the impact of upsetting the delicate balance between the land, water and life. Notwithstanding, the federal government has tended to respond to the inevitable crises in the Niger Delta. The adjustments in the revenue allocations indicate the impression that the federal government is sympathetic to the plight of the Niger Delta region. For example, General Babangida’s administration raises the derivation fund from 1.5 percent to 3.0 percent. It also set up Oil Mineral Producing Areas Development Commission (OMPADEC) to administer the fund. The establishment of the Commission in 1992 was a “genuine” intention to develop the neglected oil producing areas of the Niger Delta by using the quota of production for employment, projects distributions, and contract awards. The federal government through the Commission has spent billions of Naira in these oil communities for development. According to some observers, the federal government’s initiatives reflect its magnanimous and godly spirit in sympathizing with the lot of the suffering and impoverished oil communities. These observers therefore advised the people to give OMPADEC a chance (Suberu1999:37). However, OMPADEC in its operations neglected the very important provision in sharing projects, contracts, and employment. The body also used the huge amount of money to create hundreds of uncompleted jobs, most of them not having directed relevant to the lives of the oil communities. Therefore, no significant impact was made.

In view of this, President Obasanjo’s administration in 2000 replaced the OMPADEC by establishing the Niger Delta Development Commission (NDDC) with similar mandate. The government also provides for 13 percent derivation to the oil states. Given the years of denial experienced by this region, it is wise to describe this development as positive. The truth is that 13 percent does not address the issue of dependency and resource control, which were identified as being the major causes of the Niger Delta crisis. Besides, the composition and operations of the Commission was faulty. The inadequate representation of the oil communities is offensive in view of the inclusion of persons from the non-oil producing areas. The result is that while the oil communities are being starved of projects and the people getting poorer, persons from non-oil producing areas are getting richer. Without prejudice to the enormous efforts of NDDC to reach the oil communities with projects and programs that will lift people’s standard of living, the crisis in the region cannot be resolved in any meaningful way by institutions like NDDC. Thus, the establishment of the Commission was action rooted in exploitation, authoritarianism and the survival of the fittest.

Accordingly, the arrogant treatment and deprivation by the federal government to the oil communities engendered the feelings among them that they are perpetually dispossessed and expendable as people. The effort to fight the perceived injustices and exploitation led to the formation of ethnic associations such as Movement for the Survival of the Ogoni People (MOSOP), Association of Mineral Producing Areas of Rivers States (AMPARS), Association of Minority Oil States (AMOS), Ethnic Minority Rights Organization of Nigeria (EMIRON), the Ethnic Rights Organization of Africa (EMIROAF), the Movement for Reparation to Ogbia or Oloibiri (MORETO), and recently, the Niger Delta Peoples Volunteer Force (NDPVF), Niger Delta Vigilante Service (NDVS), Movement for the Emancipation of Niger Delta (MEND) among others (Ugoh 2004:68). These groups are therefore demanding the restructuring of the federation in a manner that would give more autonomy to the states - a sort of self-determination within the federation. In addition, they insisted that oil companies must contribute to the creation and expansion of infrastructural facilities such as basic amenities, community development projects, employment of indigenes, etc. indeed, the intensity of their demands are often expressed in the vandalisation of pipeline, bunkering, kidnapping and hostage taking of not only oil workers but also children and other people who are not associated with the oil industry. Lately, the hostage-taking has become an alternative to robbery and cannot be anything more than sheer banditry and brigandage. At present, small arms and more sophisticated weapons are being smuggled into the region from regional and international markets that led to the increased arming of the militias. Undoubtedly, the government has responded to the restiveness with a military solution, an action perceived by majority of the people across the country as evidence of a failed state. Today, there is a Joint Task Force (JTF) in the region instead of the regular police to deal with the militant youths.

In realization to this, President Musa Yar’Adua set up the ministry of Niger Delta. The ministry was mandated to among other things formulate and coordinate policies for the rapid socio-development and security of Niger Delta region. In addition, the government has proclaimed amnesty for the militants’ youths and urged them to surrender all illegal arms in their possession unconditionally within 60 days from May 5, 2009 to October 6, 2009. Amnesty was a process to ensure peace in the region. Meanwhile, the partial acceptance of the amnesty deal was to give the government the benefit of doubt. In other words, the amnesty deal is an exercise in futility if the people failed to see any seriousness of purpose by the government in terms of development. As aptly put by former US Ambassador to Nigeria, Mr. Walter Carrington, until the basic infrastructure needed to hasten the social and economic development of the Niger Delta were put in place, any other approach to the crisis was merely scratching it on the surface.
V ANY PROSPECT FOR DEVELOPMENT?

From the analysis, there is no effort towards bringing development to the Niger Delta. The issue of resource allocation has been politicized and become a cause of disagreement among the oil states and non-oil states. Every attempt by various administrations to resolve the issue has failed and the present government’s effort is too early to conclude. Evidently, the key to achieve a permanent solution is a return to allocation principles of derivation where revenue accruing from the endowments of various regions was used to develop the areas.

In addition, the state that is capable of reshaping the nature of crisis in the Niger Delta cannot be a parasitic state. The state must represent the ‘overall will’ of the citizenry and not the will of those in power or sections of the country. The state must be oriented towards development in a sustainable way. Such a state must strive to end dependency at both the center and state levels.

Logically and rationally, real development will not come in Niger Delta unless there is good leadership in Nigeria. There is need for the country to produce a good leader characterized with self-discipline, loyalty, modesty, humility, good human relations, ability to listen and willingness to make sacrifices for the sake of the people. At present, the custodians of state power is deeply involved in the appropriation of the wealth from the region through brazen corruption and any opposition is visited with summary punishment.

The federal government should go beyond the pretensions of the NDDC that is directly under the apron strings of politicians who use the outfit for unnecessary political patronage, frivolous and unsubstantiated claims and visions that negate the whole essence of community development. The government should set up a visitation committee to assess periodically what the NDDC has done for the oil communities. The federal government needs to change its old and negative ways, and embrace those attitudes and behaviour that enhance development by embracing a full democratization of the centre, politically and economically. The concentration of power at the centre has to be broken down with emphasis on the decentralization of power. In essence, there should be commitment towards true federalism as it was done before independence. There is need for the federal government to set the fundamental rules that will promote fair and responsible operations of the oil multi-national companies towards pro-development approach.

The government must set up labor-intensive establishments in the region to absorb the hordes of unemployed youths that might graduate from the skills centre and educational institutions. In other words, the youths must be empowered. The use of military option to solve the problem would be counterproductive because no amount of military operation could suppress the genuine feelings of the people. Finally, the various policies including the Land Use Decree of 1978, Petroleum Act of 1969, the 1999 constitution, etc. that have allowed the oil multinationals to ignore the demands and agitations of the oil communities should be abrogated or reformed.

VI CONCLUSION

In this paper, we have argued that under-development of the Niger Delta area is largely shaped, influenced, and fashioned by the character of the Nigerian state. The country is not democratic in the real sense of the term and not truly federal. The ingredients of good governance can hardly be associated with its management. Both the centre and the state governments are dependent on the oil resources from the Niger Delta. The degree of dependency implies the huge resource flow from the region leaving the people in poverty, frustration, and deep crisis. The people without any option confront both the federal government and the oil multinational companies. The result of this state of affairs is instability. It is happening because the people of the areas are minorities and are suffering under the dictatorship of the majority groups under both the military and democratic dispensation. Indeed, true federalism and resource control by states are the surest ways of bringing development to the people. In other words, the development aspirations of the people will be best served if the custodians of the state, civil society and the ordinary people are mobilized towards fundamental reform of the Nigerian state. This target will remain a failure until appropriate policies are put in place to reduce if not eliminate the overbearing dependence of oil.

VII REFERENCES


