

THE POLITICS OF RESOURCE CONTROL IN NIGERIA: EXAMPLE OF NIGER DELTA REGION, 1990s-2010

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Abstract

This paper explores the nature of resource allocation in Nigeria with specific emphasis on the responses of Niger Delta Region to the politics of resource control as it affects oil fields in their territories. It investigates the factors responsible for persistent agitation for resource control by the local people, particularly the oil producing states, as well as the contradictions of resource control and the non oil-producing states in Nigeria. While the study notes that the region has enjoyed 50 percent allocation of revenue based on derivation, it also discovers that the military regime cancelled this which was adopted by successive government in Nigeria. The very important issue this paper addresses is why the abrogation of resource control took place in the first instance? The environmental despoliation of the region by the oil operators with little allocation that trickle down to the oil-producing area informed the massive protests and intense struggle for oil-resource control especially in the period 1990s and 2010. This paper further point out the fact that though the Niger Delta people's struggle was mainly environmental, in a wider perspective, it is political because of long neglect from economic benefits that come from oil production. The authors argues that the Delta wanted adequate electricity, good roads, pipe-borne water, employment, good and functional health care centres, and access to quality education. It concludes that though the structure of the nation's political economy would never permit the federal government to relinquish or share the control of oil resources with the oil-producing states and communities, its failing promises to appropriate the revenue accrued from the region toward a sustainable development explain the basis for persistent demand and endless crisis in the Niger Delta region of Nigeria.

Key words: Oil, Pollution, control, Politics, Niger Delta, Federal government, Oil Companies.

INTRODUCTION

This paper offer a discussion of resource control and power allocated to the federal state with respect to the exploration and production of oil and revenue-sharing formula for the region where oil is derived. To Itse (1995) and Ike (2001), resource control is the power and rights of a community or state to raise funds by way of tax on persons, matters, services and minerals within its territory. Scholarly research on resource control in Nigeria shows that the state within which any resources were found has rights to a share in the revenue accrued from their sale, based on

the principle of derivation (Omojuwa, 2001; Dibua, 2006). The agitators of resource control among the Ijaws and Ogonis in the Niger Delta area, such as Dappa Biriye, Nnimmo Bassey and Ken-Saro Wiwa, argued that they were campaigning to become stakeholders in the petroleum sector, especially to have a voice in the production and distribution of some of the revenue accruing from their land, though not with the intention of denying the federal government of it (Itse, 1995). The federal system practised in Nigeria according to Agbonifo (2009) also negated the minorities and permitted injustices as a result of the level of environmental despoliation impinging on the survival of the Ijaw and Delta people. However, report from African Confidential (1997) revealed that the Northern and Western regions played a dominant role in the governance of Nigeria after the 1960s, with resource allocation biased against the interests of the oil-producing states in the Niger Delta region.

Resource control within the context of the Ijaw people in the Niger Delta was interlinked fiscally in a federal system of government, particularly the case in the Nigeria's First Republic between 1960 and 1966. The country was initially divided into three regions (four from 1963 onwards) that exemplified a self-governing system, at the same time allowing for agreement on the common defence and protection of the country. Section 140 of the 1960 Nigerian Constitution stipulated that the sharing of revenue allocation to the regions shall be based strictly on derivation (Oziegbe, 2009). Each region had its own constitution, attached to the federal constitutional document in particular Part 2 of Chapter 9 of the 1960/1963 Constitution, that allocated the revenue derived from natural resources such as palm oil and rubber in a particular environment to the government, and shared the federally collected revenue among other federating units (Oyovbaire, 1985). This was in line with Wheare's (1953) vision of a federal system in which there is no hierarchy of authority that permits central government to impose itself on other federating units, as all levels maintain horizontal relationships. The debate on resource control explains the failing promises on the part of the federal government to permit the Delta region appropriate the oil revenue generated from the area.

Resource Control and Revenue Distribution in Post-Colonial Nigeria

According to the 1958 Raisman Commission Report, petroleum profits were to be divided, with 50 percent allocated to the Niger Delta communities, since oil was located in their territory (derivation principle), 20 percent to the Federal government, and 30 percent to a distributive pool for sharing among other regions in Nigeria, based on population and equality (Ejobowah, 2000). Nwabueze's study on this revealed that the relationship between the central government in Nigeria and the component units rested upon a balanced division of power and resources found in the environment, where each possessed the power over its natural resources without interference from the others (Nwabueze, 1995). More importantly, the demand for resource control by the Ijaw people, up to 1966, was tied to the same principle during the First Republic, a period when the federating unit had control over agricultural produce and shared about 50 percent of its sale based on derivation. According to Duru (1999), the power politics played by the federal military government toward the end of 1966 to a large extent impeded the practice of

a true form of federalism, that is, one that recognises the states' access to a fair share of the natural resources on its land.

The intervention of the military forces in Nigerian politics in 1966 had implications for the entire Niger Delta region, particularly the Ijaw oil-producing communities, namely, the suspension of the people's rights and control over the entire land, the cancellation of the 50 percent revenue allocation to the Delta area, and neglect of the environment. The Federal Military Decree no, 23 of 1966 reverted the existing laws that guaranteed the state's control over its resources, and vested the same in the Supreme Military Council and the Federal Executive Council (Alafuro, 2010). We should note that the civilian government before the military government must be blamed for environmental problems in the Delta, because petroleum decrees promulgated by the military government became the principle adopted in the oil-producing area by successive government in Nigeria.

Similarly, the Colonial Mineral Oil Ordinance of 1914 that vested ownership and control of minerals with the British Crown was restated in the 1946 Mineral Act. The 1916 Mineral Ordinance re-affirmed the control and ownership by the British Crown over mining and oil rights found in the Nigerian environment (National Archive Ibadan, NAI 1290/1916). Section 3(1) clearly stated:

The entire property in and control of the minerals, and mineral oils, in under or upon any land in Nigeria, and of all Rivers, streams and water courses, throughout Nigeria, is and shall be vested in the Crown, save in so far as such rights may in any case have been limited by the express grant made before the commencement of this ordinance (National Archive Enugu, NAE, 422/1916).

Although all minerals found on land belonging to the crown in Nigeria were vested in the Crown, non-Crown belonged to the surface owners, individual owners and the native communities (Public Record Office, PRO, 2688). The Crown also retained the mineral rights on all lands alienated before that date, as they had passed to the surface owners. This explicitly revealed that all mineral rights found in the earth belonged to the colonial government, while the native landowners had rights to compensations. We must note that this legislation has been repealed and replaced by the Petroleum Act of 1969, which reaffirmed the ownership of mineral resources in the post-colonial Nigeria government. At independence, the power of ownership was automatically transferred to the Federal government. More importantly, some mineral rights were ceded to the *United Africa Company* (the *Royal Niger Company's* successor) by the colonial government. As Flint writes:

...the company was to receive one-half of the royalties which the government undertook to impose on all minerals mined in an area between the main Niger and the line through Yola and Zinder, providing they were exported through a British customs house. The concession was to last for 99 years (Flint, 1960).

Protests by the Zikist movement and other nationalists in 1946 made the British colonial government to reverse this decision by the end of 1949.

According to Section 162 (2) of the 1999 Nigerian Constitution, the petroleum decrees passed by the military government, such as the 1969 Petroleum Act, re-emphasised the exclusive ownership of the government over oil extracted in any part of the country, particularly in the Delta. For example, the 1969 Petroleum Act already regulated community access to communal land and restricted their rights over mineral resources, making it possible for the multinational oil investors to have unrestricted access to explore for oil, despite the problem of pollution associated with their operations (Ibeanu,2001).

The period from the 1970s through to the 1980s witnessed the awakening of the local consciousness to the environmental pollution and degradation in the Niger Delta communities. The state's ineptitude in dealing with the environmental situation according to experts like Frynas (2011), fuelled unrest and agitation against the centralised control of oil, especially the few military leaders and local civilians. Decree No. 13 of 1970, specifically permitted the federal military government to retain 55 percent of the royalties from crude oil sales, whilst 45 percent was paid to the state producing the oil, based on derivation. By implication, the alteration made by the Supreme Military Council in 1970 deprived the oil-producing states of ownership in terms of revenue and export duties, which were shared between them by a ratio of 3:2. (Oyovbaire, 1985)

A British Petroleum (*BP*) record shows that the Niger Delta people's rights and control over their environmental resources were further weakened by the Federal government under its 1971 Decree No. 9, which nationalised mineral resources and vested the power over oil found in the continental shelf on the federal government (PRO,554/2109). Continental Shelf as used in this paper meant an area adjacent to the coast of Nigeria where off shore oil exploration and production was permitted. These offshore oil productions were declared the Federal government's matters. By implication, the Niger Delta oil-producing areas were not entitled to any proceeds from the sale of oil found in such area. This practice, according to Dibua, (2006) and Oyovbaire, (1985) did not account for the derivation funds allocated to the oil-producing areas. The provision of this decree thus signified that all oil exploration and proceeds from the offshore or territorial waters belonged to the federal government.

The complexities surrounding the 1978 Land Use Act Section 544, show that it was enacted to redefine the legal claims of ownership and control over all the mineral land found in the Delta region. It took away the community's rights to negotiate directly with the oil companies over access to land and compensation payment. World Bank study has revealed that the people were mindful of their limited rights imbedded in the Land Use Act that nationalised all land, both urban and rural, for the state and Local Government Areas (World Bank, 2008). Section 28(1) of the Land Use Act expressly permitted the occupancy and 'overriding public interest' of the state over oil wells in the Delta environment. We argue that based on the provision of the Land Use Act, the oil companies until 1978 paid compensation on land directly to the land owners for damaged crops, but as a result of its enactment, the rights were invested in the Federal

Government. This explains why *Shell Nigeria* argued that the problem in the Delta escalated when in 1978 and 1979, as two laws were passed which gave the 36 States and the Federal government control over all land and minerals (Aghalino, 2000; African Insight, 1999). It also illustrates the unfair distribution of income derived from minerals by the government during this period, laying the foundation for intensive agitation for resource control by the Niger Delta people.

The federal division of financial resources within the context of the Nigerian revenue-sharing formula between 1960 and 1975 was based on sharing a fixed proportion of the revenue collected in the local area where the resource was found (derivation). Agitation and debate on how this formula was determined began in 1966, when the Gowon government led administration abrogated the 50 percent allocated to the oil-producing area of the Delta (Eghosa, 1998; Suberu, 1998). The allocation of revenue to the oil-producing region was further reduced to 45 percent and 55 percent between 1969 and 1975 for the federation account (Government Gazette, 4221/95). Evidence from the Africa Confidential (1997) revealed that Government's exclusive right to offshore resources increased its allocation to 80 percent in 1979 and 20 percent for the oil-producing areas. The Delta areas were mostly affected by this sharing formula since the non-oil states had a greater share than the oil-producing communities.

Section 1, 2(2) of the Revenue Allocation Act of 1981 which took effect from 22 January 1982, specifically addressed the payment of compensation to the oil-producing states:

The amount standing to the credit of the Federation Account (as specified in subsection (1) of section 149 of the constitution of the Federal Republic of Nigeria shall be distributed by the Federal government among the various governments in Nigeria..."

Based on this provision, it become clear that the Federal government would share 55 percent, the state government 32.5 percent, the local government council 10 percent, the fund meant for resolving ecological problems 1 percent, and the physical development of oil-producing communities 1.5 percent.

Section 2(4) of the Revenue Allocation Act of 1981 states that:

...an amount equivalent to the revenue accruing to the Federation Account derived from minerals extracted from the mineral producing areas of Nigeria shall be paid into a fund to be administered by the Federal government for the development of the said mineral producing area...

This illustrates that the entire Delta oil-producing communities had specified allocation from the oil revenue derived from their land. In 1982, the 20 percent allocated to the oil regions was decreased to 1.5 percent based on derivation, then increased to 3 percent in 1992, and again to 13 percent in 1999. The violent nature of the agitation for resource control in the 1990s probably compelled government to shift from 3% to 13% during the Obasanjos' civilian era.

Table 1: State and Federal shares of petroleum proceeds 1953-present

Years	Producing states %	Federation Account including DPA %
1953-1960	100	-

1960-1969	50	50
1969-1971	45	55
1971-1975	45 minus offshore proceeds	55 plus offshore proceeds
1975-1979	20 minus offshore proceeds	80 plus offshore proceeds
1979-1981	-	100
1982-1992	1.5	98.5
1992-1999	3	97
1999- 2005	13	87

Source: United Nations Development Programme (UNDP), 2006, p.150

Table 1 above illustrates the unstable policy on derivation in Nigeria from the 1950s to 2005. The Distributive Pool Account (DPA) was being used by the Federal government for the sharing of oil revenue among the states, local governments, and the oil-producing areas of the Niger Delta. World Bank document (2008) revealed that in 1982, the Federal government had 55 percent, the states, 30.5 percent, the local government areas 10 percent, and the oil-producing states an additional 4.5 percent.

By implication, the revenue-sharing formula in Nigeria thus emphasised the Federal government's self interest, which encouraged uneven distribution of oil proceeds in the country (Oyovbaire, 1985). To a large extent this was to pitch the ordinary people of the Niger Delta, such as the Ijaws and Ogonis, against the non-oil-producing states in Nigeria (Ejobowah, 2000). In short, the marginalisation, deprivation, poverty and long neglect suffered by the oil-producing communities of Delta was an underlying factor behind their demand for total resource control. It explains why land became the most contentious issue in the Delta region as from the 1990s (International Crisis Group, 2006).

Demand for Resource Control by the Niger Delta People in the 1990s

The perpetuation of environmental pollution and neglect of the Niger Delta by the Federal government, *Shell Nigeria* and *Chevron Nigeria* created a perceived need to take violent action especially by the youths from the early 1990s. At this time, the destruction of the Delta environment, especially agricultural land that became un-productive, and pollution of the water courses had encouraged the local people's demand for the control of oil resources found on their land (Ikporuko 1999).

Problematic distribution of oil resources in Nigeria provided further motivation for the Delta struggle. Other protagonists of resource control like, Itse Sagay, Nnimmo Bassey, Ebeku and Saro-Wiwa, argued that the state's 50 percent of the proceeds should be paid to the state in which it was produced, especially on the continental shelf off its land (Itse, 1995, NAE, 32/1 Allocation of oil Revenue). We argue that in order to perpetuate its central control and ownership of the oil wealth, the Federal government (both military and Obasanjo's civilian Fourth Republic) reacted to oil agitation from the 1990s onwards by attempting to suppress it through violent means. For example, the politicisation of oil through militarisation or armed occupation of the Niger Delta oil-producing area by the central government in the early and mid-1990s was required for

effective maximisation of the production and sale of oil. Field evidence in November 2010 confirmed the presence of armed military forces and police at the city of Warri. This led to judicial killings of innocent local people, most of who were fighting for their rights and a just share in the proceeds of oil resources. There was physical presence of soldiers with arms to quell the local violence that occurred as a result of the demand for resource and environmental control. Frynas (2000; 2001), contend that in maintaining its interests and control over oil resources, the Federal government established a special security squad in 1994, consisting of the police and the military, known as River States Internal Security Task Force (RSISTF), its aim being to attack, arrest, detain and when necessary kill oil protesters in the oil-rich zones. The eight Ogoni men arrested and sentenced to death in 1995 presented a clear picture of the state's response to resource demand and environmental problems in the Delta. The killings of these Ogoni men by the late Abacha Military Regime exacerbated the formation of various youth associations in the Delta demanding for total resource control. The Ijaw Kaima Declaration of 1998 for example, was undertaken in order to have access to and control over all land and natural resources within the Ijaw territory.

To Watts (2003), politics became a 'massive state-making machine' that encouraged the use of 'divide and rule' in the creation of state and local government in one part of the Ijaw, Ogoni and Delta at the expense of the other. For example, the Ijaw people, among others on the Delta, lobbied for a new state and local government with the aim of having more access to oil revenue. Bayelsa state was created by the military government to satisfy the Ijaws in 1996 (The Guardian, 1998). Again, the relocation of a local government headquarters from Ijaw territory to the Itsekiri led to ethnic clashes between 1997 and 1999, typical of the rampant cases of local struggle against the government in the late 1990s (Africa Confidential, 1997).

According to Ikelegbe (2001), the repressive approach used by the Nigerian government to the demand for greater control over their resources by oil-producing communities, illustrates the unwillingness of the state to "use dialogue, negotiation and concession expansive in terms of the repressive response." In an interview with Aghalino, his view revealed that the government's harsh method sowed seeds of discord and aggravated local claims over environmental control and petroleum resources. One chief, Famous Bienbo, (president of the organization 'enough is enough'), on the issue of dialogue and deadlock with the government said: "our elders have negotiated for forty two years without getting a solution. Now we want to control our resources ourselves. And if we are not allowed, we'll resort to violence, nothing more, nothing less" (African Insight, 1998).

Given the great oil wealth that accrued to the nation from the oil-producing areas in the Niger Delta, various allegations of marginalisation as a result of environmental pollution were levied against the Federal government. Based on the Willink Commission of Inquiry's findings that the Niger Delta area represented a special case that needed attention, particularly since it was underdeveloped, it was recommended that a special development agency be set up for the Delta (Afigbo, 1991). The Willink Commission was set up in 1958 as a result of the complaint brought by the Niger Delta elites on the environmental problems that oil exploration brought to the

region, and to allay the fear of dominance and marginalisation of the three major ethnic groups: Hausa-Fulani, Igbo and the Yoruba. However, their situation was not addressed by the First Republic administration that took over from the Colonial government.

Despite the vast profits created by the oil industry, the oil-producing communities in the Niger Delta continued to be underdeveloped and subjected to widespread poverty. According to Aghalino (2009), petroleum also brought more doom than blessings to the ordinary Delta people, because the benefit was too slow to trickle down to them. A 2008 World Bank report reveals that in the core states of the Niger Delta, namely, Akwa Ibom, Bayelsa, Cross Rivers, Delta, and Rivers, every fourth household fell below the welfare quintile level (World Bank, 2008).

Table 2: Poverty statistics for the Niger Delta states

States	Poverty incidence %	Core poor (%) (quintiles)	Self-Assessed poverty level	Very poor (%) (self-assessed)	Gini
Akwa Ibom	35	27	66	17	0.5003
Bayelsa	20	22	95	62	0.4757
Cross River	42	33	77	22	0.5046
Delta	45	23	81	25	0.4650
Edo	33	16	79	35	0.4585
Rivers	29	19	67	15	0.4792
South-South	35	23	77	29	0.5072
North East	72	35.4	81	26.5	0.4590
Nigeria	54	21.3	76	21.37	0.4882

Source: Nigeria Living Standard Survey (NLSS) 2004, National Bureau of Statistics, cited in the World Bank Document 2008, p.14

Table 2 above illustrates the high level of inequality among the Niger Delta states, given the amount of wealth accruing from the oil proceeds. It shows that three out of every ten people in the South-South area were very poor. The high prices of goods had reduced their purchasing power in comparison to those employed in the oil companies and the rest of the country.

The environmental pollution and degradation found in the Niger Delta region, particularly in Oloibiri oil-producing community also provides justification for the Ijaw youth's demand for greater resource control and profit sharing. This was the first commercially exploited oil community in Nigeria with production beginning in 1958 and continuing until depletion in 1977, by which time the community had nothing substantial to show in terms of physical development, despite the two decades of oil production. Other Delta oil-producing communities, such as Ogoni, Imiringi, Otuasega, Anyama and Nembe, feared that what happened to Oloibiri when its oil was extracted and abandoned by *Shell-BP* in 1977 could be repeated, and served as an underlining factor in the demand for resource control through open confrontation with *Shell Nigeria*, *Chevron Nigeria* and the Federal government.

The demand for greater resource control and profit sharing on a more equal basis by the Niger Delta oil-producing communities in the 1990s was significant because it brought into the open the high level of environmental pollution and human degradation, dispossession, poverty and marginalisation of its inhabitants and local environments. One can argue that the internalisation of the demand for resource control as a result of the ecological degradation in the Delta had serious implications for the global environment, especially global warming, security and prosperity of the world at large. This state of affairs demonstrated that the oil-producing communities were being deprived of their constitutional rights to a clean environment, despite the oil wealth found within their territory.

Contradictions in Resource Control and the Non-Oil-Producing States

Agitation for resource control and a larger share of the oil revenue by the oil-producing states came under strong criticism, particularly from the non-oil-producing states in the North and South-West, who accused them of having access to wealth at the expense of others. In addition, the oil-producing states were accused of attempting to undermine the structure of the Nigerian state (The Guardian, 2001). One of such accusations came from Darah (2001; 2002), who argued that: “it is wrong to think that an intensification of the debate over ... federalist principle will threaten the corporate existence of our country...” Oral conversation with Aghalino revealed that the demand for greater control of oil resources by the oil-producing states illustrates the unstable political system, ethnic rivalries and power struggles that had pervaded the administration of the country since the discovery of oil. The authors of this paper argue that equal sharing of the revenue accruing from petroleum resources could only have been achieved with a true democracy in the country.

According to Ikelegbe (2005), “The benefits derived from oil resources must be shared with the rest of the country, but the sharing formula must consider the ownership, cost of cleaning and restoring the environment after the oil exploitation...” , a conclusion widely supported by oil-producing communities. During field trips for this study to Oloibiri in December 2010 and November 2011, local inhabitants lamented the level of environmental degradation of both human and the natural eco-system, their having to live in a dirty environment, drink foul water and plant crops on unfertile land.

The Federal government’s repressive action shows its negative response to the demand for resource and environmental control by the oil-producing areas of the Niger Delta (The Guardian, 2001). Their demands were portrayed as secessionist and resistance movements that had to be crushed, as was the case in a repressive attack on Ijaw protesters in Yenogoa in December 1998. Despite the repressive means employed by the Federal government, resource-related demands have increased among the Delta people, because many believed it was their fundamental right to have a clean environment and sustainable income for survival (Interview with Obeche and Chief Edward 2011).

Table 3: Reported anti-government violence in the Ijaw Rebellion, 1997-1999

Date (mo/yr)	Description of event	Loss in oil revenue?	Rebel deaths	Govt death	Govt response to that specific event (excludes general repression measures)
3/97	Set fire to market in Warri(Delta State &to residence of former govt minister	No	2	1	Gun battle with police followed; police reinforcements sent to area; military governor called Ijaw and Itsekiri chiefs for negotiations.
9/97	Kidnapped 4 soldiers, killed 1 of them	No	0	1	Security forces raided Ijaw villages & arrested dozens
7/98	Rampaged through Govt House in Yenogoa, the Bayelsa state capital, & released detained leader	No	0	2	Not reported
12/98-1/99	Attacked soldiers in Yenogoa on Dec. 31 to avenge shooting of unarmed protesters on Dec 30; clashes followed during army raids of Ijaw communities	Yes	125 deaths on each side not reported	deaths on each side not reported	Declared state of emergency; imposed curfew; sent troops to oil installations; raided several Ijaw communities (with Chevron boats & helicopters) & carried out mass rape, torture, and killings.
1/99	Attacked army barracks near Shell Forcados terminal	Yes	15	4	Soldiers opened fire on the protesters.

9/99	Clashes following police intervention in gunfight between Ijaw youth and motor-cycle operators	No	19 deaths on each side not reported	19 death on each side not reported	Not reported
11/99	Kidnapped and killed 12 policemen in the area of Odi, Bayelsa State.	No	53	12	Soldiers destroyed Odi & occupied Choba for two weeks. Widespread rape, torture & destruction of property. Obasanjo condemned Ijaw violence as “sheer criminality” that will be brought to justice.

Source: Amnesty International; EIU Country Reports; Human Rights Watch; Keesing’s Record of World Events; Lexis-Nexis Universe; MAR Group Assessments. Cited in Paul, C and Nicholas, S (eds). World Bank: Understanding the Civil War, Evidence and Analysis, 2005, p.110 (emphasis added)

Table 3 above illustrates increase in violent actions by the Ijaws against the Federal government and the responses from the government. It explains why the Ijaw people had resorted to a resistance movement after the 1990s, when dialogue with the government was deadlocked, and shows the repressive nature of the government in reacting to the demands of ordinary Ijaws for compensation.

Douglas (2004) contends that the resource-related demands made by the Delta oil-producing communities only signify a need to regain ownership, control use and management of mineral resources for the primary benefits of the communities and people from whose land the resources originate, and for good governance and development of the entire country. However, the lack of enforcement of the environmental laws by successive governments, which would have protected oil-producing communities from the negative impact of gas flaring and oil spills, had pitted them against the state since the 1990s.

We argue that the over-reliance of Nigeria on oil revenue for its state finances provides another explanation for the Federal government’s resistance to the demands of the Niger Delta oil-producing communities. This explains Nigeria’s dependence on a single product from where it derived its foreign exchange earnings, particularly, during the era of the oil boom in the 1970s, after the Nigerian civil war and the rise in the world market oil price, all of which had largely contributed to the diversion of more attention by the Federal military government to petroleum as the mainstay of the economy. In advancing this debate, Bassey and Akpan (2012) investigation revealed that the nature of the country’s political economy would never permit the Federal

government to relinquish to or share the control of oil resources with the oil-producing states and communities. The oil sector has transformed the Nigerian economic and political system, with the country's national budget based solely on oil revenue. About US \$350 billion was reported to have accrued to the Federal government's finances within 35 years of oil production between the 1960s and 1990s (ANEJ, 2004).

Table 4: Oil revenue of the Nigerian federal government, 1970-1992

Year	Total revenue (Million Naira)	Oil revenue (Million Naira)	Annual Change in official consumer prices (%)	Annual change in total revenue (%)	Annual change in oil revenue (%)	Oil revenue as % of total revenue
1970	632	166	13.8	-	-	26.27
1971	1,169	510	16.0	84.97	207.23	43.63
1972	1,405	764	3.5	20.19	49.8	54.38
1973	1,695	1,016	5.4	20.64	32.98	59.94
1974	4,537	3,726	12.7	167.67	266.73	82.12
1975	5,515	4,272	33.9	21.56	14.65	77.46
1976	6,766	5,365	24.3	22.68	25.59	79.29
1977	8,081	6,081	13.8	19.44	13.35	75.25
1978	7,371	4,654	21.7	-8.79	-23.47	63.14
1979	10,913	8,881	11.7	48.05	90.83	81.38
1980	15,230	12,354	10.0	39.56	39.11	81.12
1981	12,183	8,564	20.8	-20.01	-30.68	70.29
1982	10,618	6,868	7.7	-12.85	-19.8	64.68
1983	10,509	7,253	23.2	-1.03	5.61	69.02
1984	11,193	8,210	39.6	6.51	13.19	73.35
1985	15,042	10,915	7.4	34.39	32.95	72.56
1986	12,302	8,107	5.7	-18.22	-25.73	65.90
1987	25,100	19,027	11.3	104.03	134.7	75.80
1988	27,595	19,832	54.5	9.94	4.23	71.87
1989	47,798	39,130	50.5	73.21	97.31	81.87
1990	69,788	55,215	7.4	46.01	41.11	79.12
1991	78,640	60,315	13.0	12.68	9.24	76.70
1992	138,617	115,393	44.6	76.27	91.32	83.25

Sources: Data on government revenue from the *Economic and Financial Review and the Annual Reports* of the Central Bank of Nigeria, consumer prices of the *IMF International Financial Statistics Yearbook* of the various years (emphasis added)

Table 4 above illustrates the importance of crude oil in the finances of the Nigerian government between the 1970s and 1990s, including how much the Federal government gained from the oil-producing areas of the Niger Delta and the little that trickled down to the people.

Despite the contradictions and contentions from different quarters, the Ijaw and Ogoni oil-producing communities proposed that they should be allowed to appropriate the profits accruing from the sale of oil and allocate up to 20 percent to the Federal government (Djebbeh, 2001). Evidence shows that internal contentions and lack of trust between the state and local government, the chiefs and the youth did however impede the attainment of their goals. Among the local people, Ekpo and Asita believed that the youths preferred the local government and not the state to collect the monthly oil allocation directly from the federation account, and share it within the villages that made up Ijawland. In addition, Akpan an Ijaw youth leader, has also contended that the oil revenue should be paid directly to their communities and not the local government, since they claimed that the communities had rights over the land before the discovery of oil.

Some scholars, such as Dibua (2006), have questioned the extent to which oil agitators and activists represented the interest of the inhabitants of the oil-producing communities. He asked the important question of whether these agitators were not merely opportunists misusing the crisis to further their own interests. Fieldwork for this study has also revealed the dubious motivations of some oil agitators. The large majority of Delta people, such as the farmers, fishermen, women and children, often had no information on government plans and funds that had been released to fund the development projects in their villages and towns. In Nembe, for example, it was alleged that some Ijaw chiefs, such as Gibson Adikah in Peremabiri, had squandered and embezzled the money paid by *Shell Nigeria* as compensation for the environmental damages in the area (Aghalino, 2009). This example is but one in a long list of claims that the few resources that do trickle down to the local level are often appropriated (or misappropriated) by those in power, to the detriment of the rest member of the community.

Resource control, as contentious as it appears to be, explains the most important aspect of the oil conflict in the entire Delta region, but one that many authors have failed to subject to proper investigation. The debate on resource control explains the failed promises on the part of the Federal government to appropriate and properly utilize the oil revenue generated from the Delta environment. We argue that this was needed to meet their basic infrastructural and social needs, particularly through development agencies such as NDDDB, FEPA and OMPADEC. The Niger Delta people had been subjected to long neglect and suffering, and this has led to unrest and violent actions. The agitators for resource control both onshore and offshore were also being accused of pervasive corruption. It is believed that the internal crisis among the local people was to a large extent responsible for the failure recorded on their demand for total environmental and resource control, while the rest of the people were made to shift blame and responsibility for environmental despoliation to the Federal government, *Shell Nigeria* and *Chevron Nigeria*.

CONCLUSION

This study has examined the responses of Delta people to environmental pollution, as well as the politics of resource control in relation to allocation of oil revenue to sustain the oil-producing communities. Evidence presented in this paper has refuted the argument that the demand for resource control would undermine the structure of Nigeria. This is so because the agitators believed that the environmental degradation brought by oil, with the central authority having total control and access to the sale of crude oil, largely encouraged the neglect of the Niger Delta oil-producing communities over time. Clearly, the abrogation of the regional laws by the Federal military government in 1966 laid the foundation for the environmental consciousness, struggle for greater control and fair share in the oil revenue by the local people which took violent dimension especially between the 1990s and 2010. The use of a special security squad stationed in the oil rich area of the Delta in Warri where protests were severe revealed that many lives were lost through the military attacks on the local protesters in the oil-producing communities. However, it was discovered that the internal betrayal of trust among Ijaw elites and chiefs who had supported the Federal government and the multinational oil companies for monetary gains, hindered their demands.

Another important issue raised and investigated in the paper was the reaction of the non-oil-producing states to the demand for resource control. To the non-oil-producing states, the Niger Delta people had selfish ambitions and wanted to enrich themselves, their states and communities at the expense of others without oil resource in the federation. It was found that the agitators had no intention of undermining the structure of the country or denying those states the oil proceeds, but that equity and fairness must be the yardstick for the sharing of oil wealth. The suggestion was based on the fact that the entire Niger Delta region had experienced excruciating poverty and environmental pollution, affecting their means of gaining a livelihood. They believed that resource control would not divide the country but rather bring unity to the federation.

This paper has also identified that the unbearable economic marginalisation found in most Niger Delta communities in the 1990s largely encouraged the struggle against the Federal government and the oil multinationals. The Delta oil-producing communities had farmed and fished, surviving on their traditional economic mode of production before the discovery and exploration of crude oil which eventually polluted and degraded their means of livelihood. Based on this, it could be argued that what the Niger Delta people wanted was a fair share from the oil wealth in terms of modern development rather than sitting atop of oil fields with little benefit for their suffering. They wanted adequate electricity, good roads, pipe-borne water, employment, health care delivery centres, and access to quality education. If such benefits could be found in the Middle East, Europe and America, where oil wealth had transformed the life of the inhabitants, so why not in Nigeria? On the whole, what is probably important is not the percentage or figure of oil revenue allocated to the Niger Delta region but rather the proper efficient and judicious utilization of the proportion of revenue meant for employment generation, water and electricity provision, environmental sanitation, health care and quality education as well as good roads and

other infrastructures to transform the oil-producing communities and restore peace in the area. With peace, more oil revenue will accrue to the federal government, and it can focus attention on some other critical sectors of the economy. While pipeline vandalization and other attacks on oil installations by Niger Delta youths would only lead to further pollution of the environment and hardship for the commoners in the oil-producing communities, the federal government should realize that the politics of resource control goes beyond brazen repression and militarization of the Niger Delta region.

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