



THE NIGERIAN STATE, DEPRIVATION AND DEMAND FOR RESOURCE CONTROL IN THE NIGER DELTA REGION

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Abstract:

This paper examines the perceived deprivations in the Niger Delta that have led to the demand for resource control in the Niger Delta region. The study relies mainly on secondary sources for its analysis. There is a reliance on existing literature in books, journals, newspapers and magazines. The piece identifies and historicizes the reasons for the persistent agitations for self-determination and resource control in the Niger Delta. It finds that the demand for resource control has been necessitated by the neglect and deprivation suffered by the people of the region. It is this neglect and deprivation that have crystallized and metamorphosed into the current resource control conflict that threatens to dismember the Nigerian state. It concludes that the agitations in the region cannot be explained only in terms of environmental conflict. The neglect over the years suffered by the people in terms of provision of infrastructural facilities and their socio-political marginalization are crucial in explaining the frequent eruptions in the Niger Delta.

Keywords: deprivation, marginalization, resource control, natural resources, agitation, minorities, Niger Delta

1. Introduction

In a multi-ethnic polity like Nigeria, the state is looked upon to co-ordinate and proffer solutions to the needs of its various command groups, given its dominantly directory

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role. The ambiguous relationship between Nigeria's secular state and its constituents has popularised the usage of such phrases as "internal colonialism" (Naanen, 1995) and "ethnic domination" (Eteng 1997), in the analysis of systems of governance by state managers. The background to the contradictions that has enmeshed the Nigerian state is located in its dependent and peripheral capitalist system which has impacted negatively on the state of Nigerian federalism especially in the relationship between Nigeria's central government and the oil endowed minorities of the south.

Unlike the matured capitalist states whose operations are based on the rule of law and due process as manifested in its objective standing as an independent and impersonal force alongside and above the civil society, the post-colonial Nigeria state is continually bedevilled with crises of legitimacy, lack of impersonality and independence from both class and communal group domination. With regards to states in the third world, Naanen provided a clear analytical role of the state when he observed that: *"The state appears to hold the key to economic development, to social security, to industrial liberty and to life and death itself. To understand politics in today's economic system is to understand the national state..."* Politics tows the line of preservation of personal cum particularistic group interest to the detriment of efficiency, merit and equity. The personalization of the apparatus of state sends a wrong signal that the Nigerian state belongs to some groups who perpetuate a system of internal colonialism and clientelism in order to remain in power and maintain the statusquo of asymmetrical power relations.

2. Literature review

Ake's (2002) assessment of the Nigerian state is that it is non-authorized despite its superficial impression of autonomy. Power is used to pursue personal interests. Secondly the plurality of ruling classes unavoidably predisposes the state to whims and caprices of both foreign and local capitalist. The interest of these combined set of entrepreneurs do not always coincide but create problems that expose the masses to economic dispassion as exemplified by laws, liberalization and deregulatory policies.

Thirdly, non-authorization of the state creates situations for which, in spite of its centrally distributive activities, the state is unable to bring about equitable socio-economic development simultaneously within all its sub units. Some of the reasons for the observed deficiencies are traceable to the fact that economic activities are not subject to the mediation of market force but in accordance with the personal interest of the ruling classes who are obliged to concede to compromises for their personal gains.

The issue of non-authorization of the Nigerian state in the opinion of Eteng (1997) has economically and politically marginalized a broad section of the Nigerian society with particular reference to oil producing minorities of southern Nigeria through:

- a) Externally – induced underdevelopment of productive forces;
- b) Perennial dependence on foreign technology, raw materials and other essential inputs;
- c) Chaotic and rudimentary commodity production and exchange due, in part to underdeveloped technology, low capacity utilization and poor integration of the local economy.
- d) Sustenance of the excessive and extortionist taxation and intolerable appropriation of the producing masses, including the peasantry
- e) Constant scarcity and continuously increasing stagflationary pressures.
- f) Inadequate and discriminatory distribution of rewards and opportunities.
- g) Acute deprivation and mass poverty amidst oil wealth
- h) Intense class and communal competition and attendant violent conflicts and
- i) State repression and socio-economic and political instability.

These excerpts are prelude to the expropriatory policies purposed by the federal government on oil endowed communities in the Niger Delta region. It is interesting to note that the major ethnic groups who in time past were committed to decentralized government as in the strict adherence to regionalization are currently moving expressly towards unitary government. This development is predicated on the enormous wealth and power at the disposal of controllers of the federal government given the unequal distributive system employed by the ruling classes. For this reason, the struggle for state power has become a do or die affair leading to *“politics of anxiety”* (Ake 2002) and eventual political marginalization of peasants as exemplified in the equation of might is right through political repression. The trend of events in the country with particular reference to political processes is an indication that, in practice, the federal system has left some communal groups uneasy and therefore suspicious of others. A review of some federal policies with regards to federal revenue exposes the expropriatory agenda of the federal government. It also confirms Eteng’s (1997) stance that, *“striking together under a federal structure has always been most advantageous for some communal groups in power but disastrous even genocidal for some especially minorities”*.

The fact of the matter remains that, with highly priced value of crude oil, Nigeria’s political elites who are mostly of non-oil producing regions (Naanen 1995) have continued to maintain their control of state apparatus with which they initiate obnoxious expropriator policies which centralize the economy in the federal

government as first step in an asymmetrical distributive system. The over centralization of socio-political matters in Nigeria is a major challenge to sustainable development in the Niger Delta region. This hinges on the fact that the state's central role predisposes geographic units to uneven and unequal development due to its enormous resources.

2.1 Expropriatory Laws a Deprivation

In view of the highly priced value of crude oil, elites of non-oil producing regions have continued to maintain their control to state apparatus with which they initiate obnoxious expropriatory policies which centralize the economy in the federal government. We will briefly examine these expropriatory polices that created the enabling environment for resource distortions and laid the foundation for conflict in the region. These laws include; the Offshore Oil Revenue Decree No. 9 of 1971; Territorial Waters Act, CAP 428 Laws of the federation, 1990 as amended by Act No.1 of 1998; The Exclusive Economic Zone Act Cap.116 Laws of 1990 as amended by Act 42 of 1998; and the Land Use Act Cap 202 Laws of the federation and Exploration Licences Cap 350 Laws of the federation.

2.2 Offshore Oil Revenue Decree No 9 of 1971

The take-over of government by the military in 1966 unfortunately led to the centralization of fiscal power and the erosion of the "federal nature" of governance in the country. The military replaced the four regions with 12 "vassal" states in 1967. The number of states has since grown to 36. The demolition of "federalism" by the military reached its climax when it promulgated the Petroleum Decree (No. 51) in 1969 which vested ownership and control of all petroleum resources in, under or upon any land in the Federal Military Government. This was followed by the Offshore Oil Revenue Decree No. 9 of 1971 which abrogated the rights and entitlements of the littoral regions/states in the minerals (and revenue thereof) found offshore. The latter decree vested the territorial waters, continental shelf as well as royalties, rents and other revenues derived from or relating to the exploration, prospecting, or search for, winning or working of petroleum from seaward appurtenances (offshore) in the Federal Government only. The decree found its way into the 1979 and 1999 constitutions promulgated by the military for in-coming civilian governments. Section 40(3) of the 1979 constitution (repeated as section 44(3) of the 1999 constitution) said that: *"Notwithstanding the foregoing provisions of this section, the entire property in and control of all minerals, mineral oils and natural gas, under or upon the territorial waters and the exclusive*

economic zone of Nigeria shall vest in the Government and the Federation and shall be managed in such manner as may be prescribed by the National Assembly."

The above named decree repealed section 140(6) of the constitution which originally recognised the continental shelf of a state as part of the state. Decree 9 reverts' such ownership to the federal military government. Accordingly, royalties, rents and revenue from petroleum exploration and exploitation from all territorial waters accrue to federal government. The Decree No 9 made this claim possible. The reason given by the then military government for its action, was to enable government successfully achieve its national policy of reconciliation, rehabilitation and reconstruction after the destructions of the 1967-70 civil war. Though the decree was later repealed, new intrigues within government circle led to its reintroduction.

2.3 Territorial Waters Act, CAP 428 Laws of the Federation, 1990 as amended by Act No. 1 of 1998

Territorial waters, or a territorial sea, as defined by the 1982 United Nations Convention on the Law of the Sea (in Adeyemi, 2010), is a belt of coastal water extending at most 12 nautical miles (22km; 14mi) from the baseline (usually the mean low-water mark) of a coastal state. The territorial sea is regarded as the sovereign territory of the state, although foreign ships (both military and civilian) are allowed innocent passage through it; this sovereignty also extends to the airspace over and seabed below. The term "territorial water" is also sometimes used informally to describe any area of water over which a state has jurisdiction, including internal waters, the contiguous zone, the exclusive economic zone and potentially the continental shelf.

Normally, the baseline from which the territorial sea is measured is the low-water line along the coast as marked on large-scale charts officially recognized by the coastal state. This is either the low-water mark closest to the shore, or alternatively it may be an unlimited distance from permanently exposed land, provided that some portion of elevations exposed at low tide but covered at high tide (like mud flats) is within 12 nautical miles (22km; 14mi) of permanently exposed land. Straight baselines can alternatively be defined connecting fringing islands along a coast, across the mouths of rivers or with certain restrictions across the mouths of bays. In this case, a bay is defined as "*a well-marked indentation whose penetration is in such proportion to width of its mouth as to contain land-locked waters and constitutes more than a mere curvature of the coast. An indentation shall not, however, be regarded as a bay unless its area is as large as, or larger than, that of the semi-circle whose diameter is a line drawn across the mouth of that indentation*". The baseline across the bay must be no more than 24 nautical miles (44km; 28mi) in length. A state's territorial sea extends up to 12 nautical miles from its baseline. If this would

overlap with another state's territorial sea, the border is taken as the median point between the states' baselines, unless the states in question agree otherwise. A state can also choose to claim smaller territorial sea" (Adeyemi, 2010).

Conflicts still occur whenever a coastal nation claims an entire gulf as its territorial waters while other nations only recognize the more restrictive definitions of the UN convention. Two recent conflicts occurred in the Gulf of Sidra where Libya has claimed the entire gulf as its territorial waters and the U.S. has twice enforced freedom of navigation rights, in the 1981 and 1989 Gulf of Sidra incidents. Nigeria's territorial waters refer to the open sea within twelve (12) nautical miles as the seaward limits of inland waters. The resource within this region it is gas or crude oil is deemed to be owned by federal government as against previous claim to sovereign rights. This Act is virtually a repetition of that pronounced by the military government in 1971. The obvious reasons for the repetition is because of increased revenue from oil and the desire of controllers of state power to amass their share of the wealth by the subordination of resource endowed communities. However, there is also a recent Water Act worthy of mention here. This is the Coastal and Inland Shipping (Cabotage) Act, 2003. Although not an amendment of the 1998 Territorial Waters Act, it nevertheless represents a complementary attempt at checking foreign infringement of the countries inland water resources. In this regard, the Act restricts the use of foreign vessels in domestic coastal trade.

2.4 The Exclusive Economic Zone Act Cap 116 Laws of 1990 as amended by Act 42 of 1998

A state's exclusive economic zone starts at the seaward edge of its territorial sea and extends outward to a distance of 200 nautical miles (370.4km) from the baseline. The exclusive economic zone stretches much further into sea than the territorial waters, which ends at 12 NM (22km) from the coastal baseline (if following the rules set out in the UN Convention on the Law of the Sea in Adeyemi, 2010). Thus, the EEZ includes the contiguous zone. States also have rights to the seabed of what is called the continental shelf up to 350 nautical miles (648km) from the coastal baseline, beyond EEZ, but such areas are not part of their EEZ. The legal definition of the continental shelf does not directly correspond to the geological meaning of the term, as it also includes the continental rise and slope, and the entire seabed within the EEZ. Nigeria's geographic location at the strategic corner of Africa in the Gulf of Guinea within the South Atlantic Ocean makes her a maritime nation. Her sea frontiers extend from Long 002° 49'E to Long 008° 30'E covering a distance of about 420 nautical miles (nm) and

protrude seaward to the Exclusive Economic Zone (EEZ) limit of 200 nm, which gives a total surface area of about 84,000sq nm.

The Exclusive Economic Zone Act Cap 116 Laws of 1990 as amended by Act 42 of 1998 is an Act to delimit the Exclusive Economic Zone of Nigeria being an area extending up to 200 nautical miles seawards from the coasts of Nigeria. Within this Zone, and subject to universally recognized rights of other States (including land-locked States), Nigeria would exercise certain sovereign rights especially in relation to the conservation or exploitation of the natural resources (minerals, living species, etc.) of the sea bed, its subsoil and superjacent waters and the right to regulate by law the establishment of artificial structures and installations and marine scientific research, amongst other things. The economic zone includes an area of about 200 nautical miles off the coast of Nigeria. Like the Territorial Waters Act, the federal government reserves the right to exploitation or reservation of the natural resources contained within the subsoil or seabed whether it is living organism or mineral resources.

Similarly, federal griddy to regulate the erection of artificial structures and installation of marine scientific research equipment where necessary. This is the crux of the controversy over contiguous zone and continental shelf, and the dichotomy between onshore and offshore derivation entitlements. The application of these conditions as spelt out by the Exclusive Economic Zone Act is oppressive and not in the interest of the economic well-being of oil bearing communities.

2.5 The Land Use Act CAP 202 Laws of the Federation and Oil Exploration Licences CAP 350 Laws of the Federation

The Niger Delta crisis was initially indexed on a prolonged socio-economic and political alienation marked by poverty, hunger, disease and environmental degradation. The Niger Delta, especially in the oil-producing communities – features perpetuated human insecurity (basic needs), lack of infrastructures, wanton ecological damages, theft and unjust distribution of revenue from the sale of oil, coupled with perceived apathy on the part of government and the multinational oil companies in spite of significant contribution of crude oil to the Nigerian and global economy. Thus, the discovery of oil in the Niger Delta, instead of serving as means of blessing for the region brought total deprivation of the people from their own property and consequentially endangered meaningful growth and development. As a result, social conflict (Adeyemi 2010) which featured between militants on one hand the local elites, government and the multinational oil companies on the other hand ensued. This also degenerated into the problem of hostage-taking and kidnapping of expatriates in the Niger Delta region, for whopping ransom.

Prominent indigenes and political elites within the region were not also spared in the hostage for ransom threat. Thus, what started as resource control militancy, transformed into kidnapping and hostage taken business in the Niger Delta region, and which has also extended to other regions in the country.

Understanding the critical issues of the crisis in the Niger Delta lies in the understanding of the question of, 'who owns the land'? Answers to this question require some retrospective analysis. Retrospectively, the colonial state promulgated Mineral Act in 1911 for their economic interest, which denied communities ownership of their natural endowment. The disempowerment of the people's right to natural resources also became a peculiarity of the post-colonial state. After independence, the Nigerian State formulated the Oil Mineral Act of 1969 which established the power to control, absolutely, all mineral resources, including oil, within the territory of Nigeria in the Federal Government. This was further strengthened by the promulgation of the Land Use Decree in 1978. The Land Use Decree invested the ownership of all land in Nigeria in the government. Prior to this decree, land was communally owned and the various traditional rulers, clan heads, and community leaders had the power to determine customary law insofar as this affected land tenure and use (Tuodolo, 2008).

The implication of the Act, in relation to the belief of the people, is that the people of the Niger Delta became tenants in their own homeland and a subject to institution that they neither recognized nor able to understand or relate to. As the Act bestowed power to allocate land for development purposes to the government (represented by the NNPC), the government and the oil companies deeply reap the enormous benefits from the exploration of oil in the regions and the people of the Niger Delta were left to be engulfed by a recycled poverty. The multinational oil companies; mainly Shell, Chevron/Texaco, and Elf, have treated both the people and the environment with total disdain and hostility (Omoweh, 2010) and align with brutal and corrupt regimes to protect the exploitation of land and people by providing the Nigerian military and police with weapons, transport, logistical support and finance. This, invariably, subject the region to what Rowell (1969) described as ecological disaster zone. Most often, oil spills and fires are regular occurrences, causing the death of the local people as well as the destruction of wildlife and property. To further expose exploitative alliance between government and multinationals, issues relating to oil spills have been politically attended to over decades. As argued by Omoweh (2010).

The 1978 Land Use Decree further re-asserted the state's ownership of the land, inclusive of its content.... As such, it will be illegal for those who live in oil-producing areas to protest against oil spillage, gas flaring and other forms of environmental

degradation since they do not own the land or oil, and no attention is given to pollution in a minefield.

In furtherance, he noted that: *“Until the oil companies spill about 10,000 barrels in a single incident, the state regards it as no spill, though, with such volume of oil lost to the ground, severe havoc been wreaked on the environment.”*

Against the backdrop of the above assertion, it become unequivocal that the state and oil companies had engaged in some sort of exploitation partnerships, which subject the oil-producing communities to unabated poverty and their irresponsibility in the discharge of their legal and social responsibilities. This exploitative partnership had enriched the opportune political class and the oil companies through primitive accumulation of wealth from the bowel of the region. Scourge of poverty in the region is grim with people lacking basic human needs and the environment wilfully and constantly degraded by the oil companies. The level at which poverty rate was rooted in the region was pointed by World Bank (1995) and United Nations Development Programme (UNDP) (2006). World Bank comprehensive study pointed out that the Niger Delta is the least developed area of the Nigeria. Per capita income was less than \$280 per annum, with high rising population. Indices of development such as education, health, sanitation, job creation, water and other physical infrastructures were far below acceptable standards. Environmental resources were gradually being degraded and there was an extremely poor human capacity and basic skills. In the same vein, the 2006 Niger Delta Human Development Report by the United Nations Development Programme (UNDP) noted that the Niger Delta is a region suffering from administrative neglect, crumbling social infrastructures and services, high unemployment, social deprivation, abject poverty, filth, squalor, and endemic conflict.

Suggesting reasons for the prevalence and causes of conflicts, Omoweh, (2010) noted that “as inevitable as conflicts are, they worsen if there is a crisis of governance and weak or failing institutions. Nigeria government has apparently proved beyond reasonable doubt that its failed institutions could not amiably halt the festering crisis in the region. Rather, the institutions of the state are used as an instrument of oppression at the detriment of peoples’ wishes. Thus at the initial stage of their struggle, militants, in championing the course for socio-economic and environmental emancipation, engaged in sabotaging oil installations, hostage taking, and carrying out lethal car bombings. This, perhaps, indicates a pragmatic shift from the initial Ghandi-like revolutionary struggle by Ken Saro-Wiwa (after the Isaac AdakaBoro era) to a militarized violent movement towards ascertaining the wishes and desires of an average people of the Niger Delta. This finally metamorphosed to the worse form of kidnapping and hostage taking.

With the exception of lands earmarked for the federal government or any of its agencies, this Act confers all land within urban centre to a state in the governor of the state. The governor holds the land on trust for the people as well as wields the power of allocation of such land. In the same vein the local government is entrusted with custody of lands in rural setting. All other rights or owner – occupier in case of mineral prospecting is subjected to the right of the federal government. What this means in essence is that all exploration and mining leases are granted directly by the federal government without recourse to the local communities. Same federal government solely approves the right of way for laying of pipelines without reference to local communities (Hutchful, 1985). Prospecting companies are merely expected to pay damages or compensation for surface rights only to any person who owns or is in lawful occupation of the license of leased land beyond the stipulated surface rights. So, compensations paid are in view of deprivation to agricultural use and nothing more.

Considering the prominence and huge revenue from petroleum and the low level of development of the producing communities, there is no gainsaying the fact that these Acts and related decrees accord the federal government monopoly control over petroleum resources (as these are not found on land surfaces) while the endowed communities are deprived of meaningful livelihood and all these have contributed to the demand for resource control in the region.

2.6 Oil Economy and the Revenue Allocation Debacle in Nigeria

As an observable dynamics, the politics of revenue sharing was brought to limelight when oil became the main source of national revenue and oils the wheels of the Nigerian economy. The various revenue allocation commissions that were constituted when oil gradually displaced agriculture as the pivot of the nation's economy trickled down the derivation percentage, and eventually displaced and relegated it to the background. The commissions were the Binns (1964), Dina (1968), Aboyade (1977), and the Okigbo (1980) Revenue Allocation Commissions (Odje, 2000). It is important to note that the interest of minorities does not count if they do not have a significant representation in the ruling class. Therefore, instead of derivation that hitherto benefits the regions, the commissions lay emphasis on Need, Population, Landmass, Balance Development, Equality of states, National Minimal Standard etc., to the detriment of the goose that lays the golden egg. Without mincing words, the implication is the deliberate and criminal transfer of the oil wealth out of the Niger Delta to develop other regions. It is evidently clear with the ascendance of oil (found mainly in the homelands of the ethnic minorities) as the pivot of the nation's economy, the interest of derivation on the

part of those who wields state power faded, given that it will now promote the interest of the minorities who do not control state power (Ibaba, 2005).

The abundant crude oil in the minority territories of the Niger Delta region became a subject of envy, and the majority groups adopted every means to ensure that the owners receives very little benefit from it (Odje, 2000). Due to the difficult terrain of the Niger Delta, and the effect of oil exploration and production, the region obviously needs more funds to promote development, hence agitations to reverse to at least 50% derivation fund for the region. Some may argue that, the Niger Delta, which is agitating for increment in the derivation percentage equally benefits from the era the principle held sway in the pre-oil economy. However, the undeniable truth is that, the region was balkanized into the Eastern and Western regions, where they constitute minorities. For example, the Western Ijaws in present Delta State were minorities in the Yoruba dominated western region, and as such were even excluded from the famous free education legacy that the Yorubas enjoyed. More so, the glaring need of development and absence of basic social infrastructures, excruciating poverty and backwardness in the region corroborates the fact that the Niger Delta was a neglected part of the regions. New conditions produce new negotiations, consensus, balancing and new problem-solving responses. As a resolve to make federalism more relevant to development and governance increases, so do consultations, dialogue, negotiation and consensus over emerging issues grow (Adeyemi, 2010). However, it is sad to note that since 1995, efforts to revise the revenue allocation fomula have been bogged down by intrigues.

State and local government creation is a tactics of revenue sharing in Nigeria. Since, the states are not viable economically, but totally dependent on the monthly allocation from the federal government, ethnic groups and regions balkanized into more states, receives more from the federation account (Adeyemi, 2010 and Akinola, 2011), and that does not benefit the Niger Delta. According to Onigbinde, (2008) once a state is spilt into two, each of the parts become equal with those that remain intact with respect to the size of allocation to be received automatically from the federal government. The equality principle, for instance, has been the major incentive for the proliferation of non-viable sub-federal administrations in Nigeria since it ensure that each constituent unit (no matter how demographically small and administratively and financially weak) is guaranteed an equal share with other units of nearly half of federal revenue in the horizontal distributable pool. In this way, the existence in Nigeria of too many sub-national governments which simply exist to receive and consume their own equal shares of central financial hand-outs has undermined the very essence of governance (Adeyemi, 2010). More so, the issue of using local government as criteria for revenue allocation short changes the Niger Delta region.

Bayelsa State (which accounts for about 40% of oil production in Nigeria), for instance has only 8 local government areas, as against Kano state with 44 local government areas. Pitiably, it is the oil wealth that is used to fund the economically non-viable political enclave created to enrich elites and their cliental cohorts. What is good for the goose is good for the gander. But as a ploy to deliberately puncture the argument of derivation, scholars and politicians alike from zones outside the Niger Delta are even ignorantly laying claim to oil in the region. For instance, Odje (2000) advances an "*organic theory of the state*" in which groups with recognized identity cannot now use such to lay claim to national resources that are found in their homeland. Consequently, he argued that if everybody should take exclusive membership and control of the natural resources in their area, as those attacking the corporate existence of Nigeria are demanding, then those states of Nigeria upstream from the Niger Delta, in the Niger-Benue basin, should take exclusive ownership and control of the river, water and its sediments drained away from them to form the delta and its hinterland, and demand their share from the returns from the export of crude oil and gas in proportion to what their vegetation, dead bodies, animals and fertile soil, generally contributed to the making of these minerals for hundreds of thousands, and even million, of years. Be that as it may, the claim to oil resources, advanced by Usman (a northerner), for the states of the north on the basis of their geographical location, has extended application. First, those countries from which and through which the Nile river flows would lay claim to Egypt and its wealth.

That is, Uganda, Sudan and Ethiopia would lay historic claims to the resources of the Nile Delta in Egypt. Secondly, if the argument is correct, then the farmlands in Benue-Niger valleys that benefits from the flow of the Niger and Benue through Guinea, Senegal, Mali, Cameroun and Niger, should be claimed by those other countries from which their fertility is derived (Eteng, 1997). More so, apostles of non-derivation often argue that the continued use of derivation will accelerate uneven progress and development in the country, which is unacceptable. By the very nature of fiscal decentralization, disproportionate growth and development is inevitable. Again, reference can hardly be made to a developing country with a decentralized fiscal system that has achieved balanced development. We must reiterate the fact that, the argument of the apostles of increased derivation (the people of the Niger Delta) is that, they are victims of environmental degradation, destruction of the ecosystem and their source of livelihood.

The cost of infrastructural development is very high due to the marshy terrain of the region with the myriad of rivers and creeks that characterize the region. The Niger Delta question is the creation of the unsatisfactory fiscal relations between the regions

and the federal government, and it equally explains the haggling and agitations to increase the derivation principle to at least 50% as was applicable in the sixties. It is pertinent to buttress the fact that, corruption which has eaten deep into the Nigerian body polity is not an exception in the Niger Delta. Therefore, with the present 13% derivation principle as enshrined in the 1999 Nigerian constitution, there are claims that the Niger Delta state should first account for 13% fund accrued to them for the past decade before demanding for more.

Objective as it seems, calling upon the oil producing states to account for past allocations from the federation account has a hegemonic intent. It is actually intended to have a sobering and weakening effect on the argument for derivation principle because, it is selective. Otherwise, this call torches on accountability an issue that affects all the states of the federation, oil and non-oil bearing states, as well as the federal government, because, none can be shown to have made prudent use of its share of the federation account significantly for the benefit of its constituency (Onigbinde, 2008). Put differently, corruption is not the exclusive preserve of the Niger Delta. Corruption cannot be the defining variable in the determination of who gets what, when and how; it cannot be. Therefore corruption cannot be used as a criterion to judge whether to increase or reduce derivation percentage that accrues to oil producing states.

And that those who wields political power, use it to appropriate more resource to themselves and ethnic groups, and leave those who do not control state power with peanuts and mere tokens. The revenue sharing formula in Nigeria is undoubtedly skewed in favour of the major ethnic groups to the detriment of the minority ethnic groups in the Nigeria federal system. The revenue sharing mentality has also bred laziness and eroded hard work as a virtue. The reason being that it had introduced corrupt, unjust and bias criteria of appropriating and allocating national resources. This has caused dissatisfaction, discontent and agitations for redress in the Nigerian state. Most states in the federation have nothing to show for the huge financial allocations they receive from the federal government. And until the trend is revised to make them productive, the drive for competitive development will be elusive.

3. Conclusion

The Niger Delta region is naturally endowed with vast oil and gas deposits. The resources attracted the Anglo-Dutch consortium, Shell D'Archy - a subsidiary of Shell British Petroleum for the purpose of prospecting for crude oil. With the discovery of crude oil in Oloibiri in 1956, exploratory activities in the Niger Delta became intensified. The intensification of exploratory activities contributed immensely to the Nigerian State

powering economic growth and development. Apart from its contribution of about 90 percent to Gross Domestic Product, crude oil also accounts for about 95% of the expected revenue upon which national budget estimates are based. With these enormous contributions of the Niger Delta region to national treasury, the indigenes naturally expect that the economic order will better their lots remarkably by providing employment opportunities, infrastructural development, improved standard of living and above all, sustainable development.

The most perplexing paradox is that, rather than better the lots of the host communities in the Niger Delta, development is skewed in their disfavour. The overall picture that pervades the region is that virtually all the host communities have one sad tale or the other to share about their miserable experience heaped on them by the multinational oil companies in return for exploiting crude oil in their lands. The inhabitants of the Niger Delta generally felt marginalized, cheated and left out in the lurch from the concomitant largesse of contemporary oil revenues. These feelings coupled with the expropriatory laws and repressive measures exhibited by government led to the outright demand for the control of their resources by the people of the Niger Delta.

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