ECONOMIC MISMANAGEMENT AND INSURGENCY IN THE NIGER DELTA

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Abstract
Nigeria, a major oil producer in Africa has grappled with the problem of economic mismanagement since independence in 1960. Economic mismanagement has created conflict accelerating factors such as rising poverty and unemployment in different parts of Nigeria especially the Niger Delta. The paper shows that the mismanagement of the proceeds from the sales of crude oil affects the ability of the government to ensure efficient services delivery for national development. The failure of the government to use public funds for development purposes in the Niger Delta is one of the major reasons used to justify acts of insurgency in the Niger Delta. The paper also argues that the amnesty programme introduced by the Federal Government to solve the Niger Delta problem can only help to bring about sustainable peace if effective management of revenue from the sales of crude oil is ensured especially for the development of the Niger Delta. The paper recommends the use of oil revenue for diversifying the economy and providing adequate social and economic infrastructure. The diversification of the economy will make other sectors to contribute to solving problems such as rising poverty and unemployment.

Introduction
Nigeria could be described as an oil-based mono-cultural economy, and the country’s economic performance often rises and falls with the price of

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The mono-cultural economy of Nigeria has been unstable for many years, basically because of fluctuation in the price of crude oil in the international market and reduction in crude oil production due to violent conflicts in the Niger Delta. Before Nigeria gained political independence in 1960, the nation’s economy was characterized by territorial division of labour. The North was known for agricultural products such as cotton and groundnut, the East for palm produce and the West for cocoa and the Niger Delta area for rubber, palm produce and crude oil. Palm oil became an export commodity for what is today known as Nigeria as far back as 1558 and by 1830, the Niger Delta which now produces crude oil had become a major source of palm oil which dominated Nigeria’s export list for more than 50 years. Cotton joined the export list in 1856, while cocoa was an export crop since 1895. Together with rubber, groundnut, palm kernel and benniseed in later years, these cash crops formed the main source of revenue, export and foreign exchange for government to provide social and economic infrastructure (Ogunlowo, 2008:16-19).

The dominant role of agriculture in the nation’s fortune continued till independence in 1960 when its contribution stood at 66 percent compared to 1.2 percent from minerals (Sawyer, 2008:10). Also at independence in 1960, more than 70 percent of exports came from agriculture while 95 percent of the nation’s food needs were locally produced (Ake, 1985). The oil boom of the 1970’s led to the neglect of the agricultural sector which includes resources found in the Northern, Western and Eastern territories of Nigeria for the mineral resources in the Niger Delta. This made the bulk of wealth created in Nigeria to be limited to the Niger Delta territory. The exploitation of oil in the region without commensurate development has been the root cause of violent conflicts.

**Overview of Developmental Problems and Insurgency in the Niger Delta**

The Niger Delta region comprises the area covered by the natural delta of the Niger River and the areas to the east and west. The area covers approximately 25,900 square kilometres (ERML 1997). The broader Niger...
Delta region, which includes all oil producing areas and others considered relevant for reasons of administrative convenience, political expedience and development objectives, extends the land area to 75,000 square kilometres. It is this definition that is used by the NDDC and in this study. Defined in this way, the Niger Delta consists of nine states (Abia, Akwaibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers) and 185 local governments:

In contemporary Nigeria, the crisis revolves around environmental degradation associated with crude oil exploitation by multinational oil companies (MNOCs), and the desire to resolve a sad paradox of having all the oil that oils the wheels of the Nigerian economy, yet looking helpless in the face of ramifying impoverishment (Kretzman, 1995). For example, petroleum derived from the Niger Delta accounts for about 50 percent of Nigeria’s GDP, 95 percent of foreign exchange earnings, and 80 percent of all budgetary revenues that amounts to almost $20 billion annually or about $54 million daily (Ibeanu, 2006). Due to a long history of neglect by the State the people experience problems such as poverty, deprivation, non-availability of essential social amenities and services like electricity, hospitals, pipe-borne water, quality education and environmental degradation, while billions of dollars generated on their door step go to the State and MNOCs (Sofori, 2007:3).

In spite of the oil wealth, the Niger Delta still remains one of the least developed parts of Nigeria. Outside the major urban areas, the level of infrastructural development and the provision of social amenities such as electricity, health care and education are very poor. The state of infrastructure in the Niger Delta made the World Bank to warn in 1995 that an urgent need exists to implement mechanism to protect the life and health of the region’s inhabitants and its ecological systems from further deterioration (World Bank, 1995). Fourteen years after this warning, the Niger Delta still suffers from infrastructural decay and underdevelopment (The News, July 6,2009). Even though the activities of oil companies affect the health of the people in the rural areas, health facilities and personnel
are concentrated in the cities and the quality of health care delivery is poor because of inadequate facilities and personnel. The people of the Niger Delta still suffer from debilitating diseases such as malaria, diarrhea and yellow fever (NDES, 1995; Ikein, 1990).

One of the greatest problems militating against the development of Nigeria, including the Niger Delta area is corruption. Corruption has been defined as the abuse of public trust for private gain; it is a form of stealing (Todaro and Smith, 2006). The Federal Government of Nigeria's Independent Corrupt Practices and other related offences Act (2000) states that corruption includes bribery, fraud and other related offences. Osoba (1996:372) also argues that corruption is a form of antisocial behaviour by an individual or a social group which fixate unjust or fraudulent benefits on its perpetrators against established legal norms and agreed moral ethos of the society. The absence of corruption encourages investment and efforts to expand the pie rather than fight over its distribution and thus encourages growth; to this extent, improvements in governance in genera and reduction of corruption in particular could be means to accelerate the process of development (Todaro and Smith, 2006). For decades the government has accrued huge oil revenues, yet the country suffers from a lack of basic infrastructure, and tens of millions live in poverty due to corruption. In recognition of the harm corruption has been doing to the nation, several policies and institutions have been established to fight it. These include; War Against Indiscipline and Corruption and Independent Corrupt Practices Commission (ICPC). Presently, the fight against corruption in Nigeria is carried out mainly by the Economic and Financial Crimes Commission. (EFCC).

Economic mismanagement on the parts of government officials, both at the federal and state levels has contributed to the present predicament in the Niger Delta. That is why Ejibunu, (2007:18) argued that if government officials in the region have utilized judiciously their monthly allocations, to better the lots of the ordinary people, through the creation of jobs, and embark on infrastructural development of the region, the situation would
have been better than this current sorry state. The wastefulness of some states and local
governments especially those in the oil region made the former Minister of State for Finance,
who later became the substantive Minister, Esther Nenadi Usman, to ask for greater scrutiny of
the activities of governors, particularly those receiving huge sum from derivation each month. In
her words:

States have been a source of worry to us, lately. If you look at the way money is shared at
the Federal Accounts Allocation Committee (FAAC) meeting. Federal Government gets about
48 per cent, while state and local governments take the remaining 52 per cent…….Three to four
days after the FAAC meeting, exchange rate rates jump up, which means they are using them to
buy foreign exchange. If you look at the states, the states that get so much, you can hardly see
anything to show for it”. Continuing, she said “make telephone calls to any of the states and ask
after the governor and you will be told that he has gone abroad. Not only The governors, even
the commissioner for finance” (Ejibunu, 2007:18).

Although the blame for the underdevelopment of the Niger Delta is often heaped on the
Federal Government, the reality that is, that the Federal Government alone is not responsible.
Economic mismanagement on the part of state governors contributes significantly to the
underdevelopment of the area because funds set aside for development are often used for
personal gain rather that for the benefit of the public.

Commenting on the extent to which public funds were mismanaged, the former head of
the Nigerian Anti-Corruption Agency, the Economic and Financial Crime Commission (EFCC),
Nuhu Ribadu, estimated that in 2003,70 per cent of oil revenues, more than $ 14 billion was
stolen or wasted (Usman, 2007). The situation in which earnings on crude oil sales continues to
sustain a class of corrupt people, with essentially none of it reaching the ordinary people, has
created condition for insurrection.

The inter-ethnic conflicts among the communities in the Niger Delta, such as those
between the Ijaw and Itsekiri, coupled with an increase in the availability of small arms and other
weapons, led increasingly to the
militarization of the Delta. By this time; local and state officials had become involved by offering financial support to those paramilitary groups they believed would attempt to enforce their own political agenda (Ukeje, 2007). Ethnic and political unrest has continued throughout the 1990s and persists as of 2008. Before 20Q3, Warri was the regional centre of violence. However, after the violent convergence of the largest militiam groups in the region, two militiam groups namely; the Niger Delta People’s Volunteer Force (NDPVF) led by Mujahid Dokubo Asari and the Niger Delta Vigilante (NDV) led by Ateke Tom (both of which are comprised primarily of Ijaws) emerged and conflict became focused on Port Harcourt and outlying towns. Apart from the NDPVF and NDV a plethora of smaller militias supposedly numbering more than one hundred has been in existence (Wikipedia Encyclopedia, 2008). These groups are constituted mostly by disaffected young men from Warri, Port Harcourt, and their sub-urban areas. Although the smaller groups are autonomous from within, they have formed alliances with and are largely controlled from above by either Asari and his NDPDF or Tom’s NDV who provided military support and instruction. The NDPFV attempted to control petroleum resources primarily through oil “bunkering”, a process in which an oil pipeline is tapped and the oil extracted onto a barge. This act is considered illegal by the Nigerian government and multinational oil corporations. Militants on the other hand justify bunkering, saying they are being exploited and have not received adequate profits from the profitable but ecologically destructive oil industry. Bunkered oil can be sold for profit, usually to destinations in West Africa, but also abroad. Bunkering is a fairly common practice, in the Delta but in this case the militiam groups are the primary perpetrators. In 2004 the Niger Delta People’s Volunteer Force was outlawed after it declared an “all out war” against the Nigerian government. This led to the formation of the Movement for the Emancipation of the Niger Delta (MEND). MEND reportedly seeks “a union of all relevant militiam groups in the Niger Delta.” From a poorly organized gang fighting with little more than sticks and machetes, MEND has grown to become a disciplined military machine using speedboats, machine guns and rocket-propelled grenades to carry
out precise attacks on oil targets. Before the introduction of the amnesty programme in 2009, MEND’s attacks have been the main cause of an 800,000 bpd (25%) reduction in Nigeria’s oil production output.

**Mismanagement of Oil Revenue and the Niger Delta Crisis**

The mismanagement of oil revenue and the failure of the government to improve the welfare of communities in the Niger Delta are major reasons for insurgency in the region. Several studies support this argument. For example, Aluko (1999) espouses the view that poverty contributes to frequent cases of violent conflicts in the Niger Delta. This situation, is aggravated by the perception of the people that the source of their problem is not the unavailability of resources to transform their lives from quantity to quality but the mismanagement of such resources. This is because the absence of mismanagement of economic resources encourages investment and efforts to expand the pie rather than fight over its distribution and thus encourages growth; to this extent, improvements in governance in general and reduction of corruption in particular could be means to accelerate the process of development (Todaro and Smith, 2006). Nwachukwu (1999) posits that production and export of crude oil from the Niger Delta accounts for over 90 percent of Nigeria’s total export earnings and about 80 percent of federal revenue. In spite of this, corruption has caused massive unemployment among the youths particularly university graduates. Additionally oil prospecting activities have caused environmental degradation in the area. This adversely affects the traditional occupation of farming and fishing in the region (Ojo, 2002).

The underdevelopment of the Niger Delta in spite of the huge amount of money generated from the area by the Nigerian state as a result of corruption breeds conflict-accelerating factors such as rising poverty, unemployment and environmental scarcity (Obi, 1999). It has also resulted in the clamour for resource control and insurgency by those who claim to be the real owners of the territory where these resources are located (Ukeje, 2001). Despite Nigeria’s oil wealth, over 70 percent of Nigerian households
are poor; under five-years of age mortality is 187 out of 1000 live births illiteracy level is stated to be 41 percent while the proportion of the population living below poverty line is 34 percent (UNDP, 2006). Tie economic backwardness of Nigeria in spite of the huge oil production was also shown in the Global Competitive Index Survey conducted by the World Bank Institute in 2004 which ranked Nigeria 88th out of 117 most corruption-prevalent malfunctioning and least competitive economies in the world. In the same vein, a- investment climate survey opinion conducted by the World Bank concluded that Nigeria’s infrastructure in terms of quality and quantity is inferior to that in much of the rest of the world (World Bank, 2004). These reports show that the Nigerian economy which is blessed with human and mineral resources is wallowing in poverty in the midst of oil wealth for over 50 years. This situation is basically because of the mismanagement of the country’s oil wealth. Buttressing this assertion the pioneer chairman of the Independent Corrupt Practices and Related Offences Commission, Justice Mustapha Akanbi (Rtd) disclosed that Nigeria has lost about N400 billion to corrupt practices in the last few years. He admitted that the nation’s war against corruption has not been successful as the efforts made by the anti-corruption agencies have not yielded the desired result (Ochayi, 2009:1 -5). In the Niger Delta, where the goose that lays the golden egg resides, the people have become the living dead because of poverty and environmental degradation (Agbo, 2008:48-49). This has resulted in struggle between the people of the Niger Delta who claim ownership over the territory where the bulk of the nation’s wealth is generated and the Federal Government.

The struggle to make the Niger Delta area of Nigeria a better place for both Nigerians and foreigners has taken a long time but without success. Most of those engaged in the struggle claim to be humanitarians and upright in their cause. Bloody agitations and insecurity in the Niger Delta has a very long history. On February 23, 1966, Isaac AdakaBoro, the general officer commanding the Niger Delta Volunteer Service, declared an independent Niger Delta Peoples Republic (NDPR) with the following words:
Today is a great day, not only in your lives, but also in the history of the Niger Delta. Perhaps, it will be the greatest day for a very long time. This is not because we are going to demonstrate to the world what and how we feel about oppression ... remember also your poverty-striken people; remember too, your petroleum which is being pumped daily from your veins; and then fight for your freedom (Agbo, 2008:72).

AdakaBoro’s call to Niger Deltans to fight for freedom is the result of perceived injustice against the Niger Delta people. One way in which this struggle is carried out is through the activities of militant groups. The activities of these groups negatively affect multinational oil corporations operating in the country. It also hampers economic growth and development. This is because sustainable development cannot be achieved in an environment characterized by corruption, rancor and violence. Corruption and militant activities have been a major impediment to the meaningful development of Nigeria including the Niger Delta area. Corruption reduces the money needed to provide social infrastructure and other development projects. Corruption which perpetuates underdevelopment in the Niger Delta manifests in different ways such as corruption on the part of government officials and community leaders who fail to use public funds judiciously and militant groups who enrich themselves under the guise of fighting for the benefit of the people. Conflicts perpetuated by militant groups are often directed towards vestiges of multinational oil producing and servicing companies and sometimes against other communities. For example between 1988 and 1997 alone, Shell Petroleum Development Company (SPDC) recorded 180 cases of conflicts within its sphere of operation. Between March and October 1997 aggrieved youths took 19 hostages in Delta State (Ukaogo, 1999). Since 1999 hundreds of oil company workers have been taken hostage by militants while some lost their lives. The proliferation of violent conflicts in the area has brought about new re- developments in oil company community relations. This is done inter alia ugh the appointment of community liaison officers and community liaison officers. This is complemented by the devotion of huge amount of
financial resources to community development. Such resources are often hijacked by greedy community and youth leaders. For example, SPDC claimed to have increased its expenditure on community development from about 2 million dollars a year before 1997 to about 32 million dollars a year since then. Mobil claims to spend an average of about 8 million dollars on community development project between 1994 and 1997. Elf for its part, budgets about 5 million dollars a year on community development while Chevron also claims to have spent about 28 million dollars between 1990 and 1997 on community development (Ojo, 2002:3-4). In spite of the huge expenditure, on community development, the Niger Delta area of Nigeria remains highly underdeveloped basically because of corruption and insincerity on the part of the government, multinational oil corporations, community leaders and militant groups.

To some persons the basic reason for the activities of militant groups can be summed up with a Nigerian proverb which states: ‘If a provoked houseboy cannot match his wicked master strength with strength, he maims the master’s favorite goat’. This means that many people believe that the cause of militant activities in the Niger Delta is because the people are provoked over the slow response of the government towards the plight of people living in the area and the only way to publicize their plight is to cripple oil production. For example, the Governor of Rivers State, Rotimi Amaechi stated that ‘one cannot just talk about violence without considering what created the violence’. He further postulated that ‘the issue of violence did not just erupt; it was due to the long term neglect of the Niger Delta region beyond the level of human tolerance. The people have to fight back ...(Sunday Vanguard, June 15,2008).

While it is true that the problems in the Niger Delta and the slow response of the government to them is really a reason to be angry, the manner in which the anger is expressed calls for a critical observation as, analysis of the problems taking place in the area. In other words, one may be compelled to ask, why militant activities in the Niger Delta? Three explanations can be adduced. Firstly, militants have decided to step up
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their attacks to keep the Niger Delta on the front burner so that the Nigerian government will not lose sight of the seriousness of the problem in the area. From the point of view of the Movement for the Emancipation of the Niger Delta (MEND) and its supporters, the people of the Niger Delta have suffered an unprecedented degradation of their environment due to unchecked pollution produced by the multinational oil corporations operating in the area. As a result of this policy of dispossessing people of their lands in favour of foreign oil interests, within a single generation, many now have no ability to fish or farm. People living in the Niger Delta have found themselves in a situation where their government and international oil companies own all the oil under their feet, the revenues of which are rarely seen by the people who are suffering from the consequences of it (Watts, 2009). It is pertinent to mention that the oil companies cannot pretend that they do not know what is happening to the environment in the Niger Delta (SPDC Annual Report, 1995, 2000). In an attempt to maintain peace in the area, the Nigerian government obviously has abused the rights of individuals and communities. Examples include the invading of Odi Community in Bayelsa state by the Obasanjo's administration and the killing of Ken SaroWiwa and other Ogoni activists by the Abacha military regime. But the oil companies are directly benefiting from these crude attempts to suppress dissent, and that means they have a duty to try and stop it (Ojo, 2002). This is because multinational corporations can use their economic power to influence the government to solve the developmental problems in the Niger Delta (Obi, 1999). Secondly, it is argued that militant activities have intensified in the Niger Delta because of the emergence of a splinter group from MEND as a result of disagreements over the sharing of ransom takings, a charge often denied by the group. This means that those who subscribe to this school of thought believe that corruption among militants is the basic reason for their actions. Thirdly, militant activities are on the increase because of a combination of factors such as corruption on the part of the government, community leaders, and militant groups. This latter reason accounts for the rise in militant activities in the Niger Delta. Corruption and insincerity on the part of government officials and community leaders.
is the main reason why the Niger Delta area of Nigeria is not developed. Militants in the area therefore use their activities as a means of getting their share of the national cake as they continue sounding the alarm for the need to develop" the Niger Delta.

The Amnesty Programme and the Prospect for Peace in the Niger Delta
The amnesty programme was introduced by the Federal Government of Nigeria in order to end problems of insecurity and’ insurgency in the Niger Delta. Ikelegbe (2010) defines an amnesty as “a guarantee of exemption from prosecution and pardon from punishment for certain criminal, rebel and insurgent actions hitherto committed usually against the state. It indemnifies affected persons in terms of safety and protection from punitive actions, retributions and associated losses”. It is usually carried out within a specified period of time. On June 25,2009 the amnesty for militants operating in the Niger Delta was announced by Nigeria’s President Umaru Musa Yar ’ Adua with the condition that the militants will renounce militancy within 60 days. He granted the amnesty in accordance with section 175 of the, 1999 Constitution which provides that ‘the President may grant any person concerned with or convicted of any offence created by an Act of the National Assembly a pardon, either free or subject to lawful conditions’. A presidential panel on amnesty and disarmament of militants in the Niger Delta was then set up to manage the process. The militants were expected to demobilize and their arms surrendered at designated centers to pave way for rehabilitation and reintegration. The amnesty initiative stalled on August 6,2009 and ended on October 4,2009. The Federal Government declared amnesty for all militants with a view to disarming and rehabilitating them. The amnesty programme is part of the Federal Government’s strategies to end the violence in the oil region, which has hampered oil production, the nation’s main foreign exchange earner.

Most of the militant group leaders and members embraced the amnesty and came out of the camps to surrender arms and ammunitions at arms collection centres. There were designated arms collection depots in Edo,
Bayelsa, Delta, Akwalbom, Cross River, Ondo and Rivers. In Delta State for example, there were arms collection centres at Koko, (Warri, North, LG Council Secretariat), Burutu (Burutu Primary School), Warri (Federal Government Secondary School) and Otu Jeremy, (Otu Jeremy Secondary School). There were also four arms collection centres in Rivers State. Arms surrendered were to be documented and were transported to designated centres. There were state coordinators of the Amnesty Implementation Committee, most of which were top civil servants (Iklegbe, 2010).

Following the disarming of the militants, demobilization involved the identification, registration and documentation of militias, who gave up militancy before the October 4, 2009 deadline for the amnesty programme in designated camps. It also included reorientation programme to facilitate demilitarization or transformation of attitudes and perceptions’ away from violence and combat to those of civilian lives. The militants were expected to be paid 1,500 Naira (approximately $10) per day feeding allowance and 20,000 Naira (approximately $133) monthly allowance for the period of demobilization. It was later increased to N65,000 (approximately $433) (Ikelegbe, 2010). At first the militants opened accounts with specified banks and were paid through the banks. Afterward it was changed to a system of payment through militant leaders. The reintegration aspect of the programme was expected to achieve the following objectives:

1) Re-orientation programme of 20,192 ex-militants.
2) Training and capacity building in technical and vocational skills such as welding,
3) Entrepreneurial development, employment placements, and identification of employment opportunities. In the new reintegration phase, advisers and counselors are to determine individual militant’s profile, skills, vocations, education, and ascertain reintegration requirements, in terms of further education, skills, vocational development and employment. This phase according to the former Minister of Defence would have representatives of ex militants in various sub-committees (The Nation, 2010; Ikelegbe, 2010)
The amnesty programme brought relative peace to the Niger Delta. The impact of the relative peace on oil production and government’s revenue shows that militant activities have negatively affected wealth creation in Nigeria. For example, in April 2009, oil production averaged 2.2 million barrels per day but declined in June to less than 1 million barrels per day following the face-off between the Niger Delta militants and the Joint Task Force in the Niger Delta. This was because the militants blew up an oil pipeline on their way as they faded into the creeks (Agbo, 2009). Following the amnesty programme, daily crude oil production increased to over 2 million barrels per day. Increased crude oil production also led to improved revenue flow into the federation account for distribution to the three tiers of government. Revenue accruing to the federation account from mineral earnings which stood at N 138.511 billion in October rose to N330.636 billion at the end of November (Vanguard Newspaper, 2009). Following this development, the federal and state government’s share of proceeds to the federation account increased.

**Conclusion and Recommendations**

Sustainable peace can only be ensured in the Niger Delta if oil revenue is effectively managed. This involves using the oil revenue to diversify the economy and facilitate infrastructural development. An important sector of the economy that oil revenue should be used to develop is the agricultural sector. Nigeria was primarily an agricultural country after independence in 1960. This was so in two senses; first, about 80% of the country’s labour force was engaged in agricultural activities. Second, agricultural export accounted for 85 percent of Nigeria’s foreign exchange earnings. The steady increase in the production and rise in the price of crude oil in the international market in the 1970s led to the neglect of the agricultural sector which provides employment for majority of the people. The proceeds from the sales of crude oil were not used to develop the various sectors of the economy. Corrupt political leaders used the oil wealth for their selfish interest thus impoverishing those who own the areas where the wealth is generated (Eccker, 1981). The lack of diversification of the economy away from oil...
production is one of the main causes of the conflict in the Niger Delta. The domination of oil politics has resulted in a disproportional focus of efforts to gain employment and be associated with the oil industry. This has resulted in a mono-focus that fails to realize the potential for other economic activities based on local assets (Nkoro, 2005:7). Yet there is still enormous potential for diversification to be one of the main solutions to the mounting violence.

The experiences of several countries that used oil wealth to develop their economy show that it is possible for the Nigerian government to use oil wealth to diversify the economy especially improving the agricultural and industrial sectors. Countries such as Qatar, Kuwait, Saudi Arabia, Mexico, Libya, Iraq, Iran, Russia, Norway, Egypt, and Oman have used petrodollars to transform their economies to economic power houses and better the lot of their citizenry. Dubai is a great lesson in development. Dubai is currently ahead of most of its fellow oil rich nations in the world. With a population of 1,422,000 and gross domestic product of $46 billion in 2006, Dubai has built a solid and fast growing economy on the back of its oil resources. Significantly today, revenues from oil and gas approximate to less than six per cent of its entire annual earnings (Adeyemo, 2008). Compared to major oil producing countries, the emirate would count as small fry in the cartel of oil producing nations. Another example is Indonesia. Indonesia capitalized on its oil fortune and fuelled its industrialization policy that saw manufacturing export rise by 40 percent, compared with less than one percent in Nigeria. Okonkwo cited in Tell (November 2, 2009) compared Nigeria to Indonesia. For instance he said “Indonesia had average gross domestic product, GDP, growth rate of 5.9 percent between 1965 and 2004 whereas Nigeria recorded 3.5 percent GDP growth. In Indonesia, manufacturing value added increase from 8 percent in 1965 to 25 percent by 2000, but declined from 5 to 4 percent in Nigeria. Similarly, the sharer of manufactured exports increased from 4 percent to 57 percent in Indonesia, but declined from 2 percent to 1 percent in Nigeria”. The poor management of oil revenues during the boom and bust cycles has tended to create a highly volatile macroeconomic environment for Nigeria. Inadequate adjustment to oil price shocks during the downturn in oil prices
in the 1970s and 1980s led to large fiscal deficits. The budget swung a surplus of 11 percent of non oil GDP in 1974 to a deficit of 10 percent 1978 with the oil boom starting in 1973, Nigeria seemed to have der (Usman 2007).

Nigeria is also endowed with variety of solid minerals ranging coal, cassiterite and columbite in the southern region to limestone, i: ore, tin and marble in the northern region. Solid minerals exploration in country is, highly below optimal, mostly undertaken unofficially. Ofik data show that coal exploration was at its peak in 1958 with nearly 1 million tonnes in production. Thereafter, it declined to 20,000 tonnes in 1990s. Production of other minerals also followed the same pattern. It is therefore pertinent that the Nigerian government put adequate effort ‘sectorial balance in utilizing the various resources available in the country.

Another aspect of ensuring effective management of oil revenue facilitating infrastructural development. According to a U.S. Natio Research Council Panel (1987:7), infrastructure entails.... both specific functional modes - highways, streets, roads, and bridges; mass trans airports and airways; water supply and water resources; wastewater management; solid waste treatment and disposal; electric power general: and transmission; telecommunications; and hazardous waste management - and the combined system these modal elements comprise comprehension of infrastructure spans not only these public works facilr but also tire operating procedures, management practices, and develop' policies that interact together with societal demand and the physical wc:: to facilitate the transport of people and goods, provision of water : drinking and a variety of other uses, safe disposal of society’s was products, provision of energy where it is needed, and transmission information within and between communities. The cardinal place infrastructure in an economy was underscored in the United States America by the introduction of the National Infrastructure Improvem Act of 2006 in March of that same year in the Senate to focus on deteriorating conditions of drinking water systems, roads, bridges and other
public works in the US. The US National Infrastructure Improvement Act defines infrastructure as non-military facilities including water supply and distribution system, wastewater collection and treatment facilities, surface transportation facilities, mass-transit facilities, airports and airway facilities, resource recovery facilities, waterways, levees and related flood-control facilities, docks or ports, school buildings and solid-waste disposal facilities. This act established the National Commission on the Infrastructure of the United States, charged with ensuring that the nation’s infrastructure meets current and future demands and facilitates economic growth (allAfrica.com, 2007). This shows that a country that lacks adequate and functional infrastructure cannot function properly. It is therefore imperative that the Nigeria government and other stakeholders channel adequate financial resources towards infrastructural development in the Niger Delta.

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