

# Resource Control and Niger Delta Struggle

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## Abstract

This paper will critically focus on the production of oil as Nigeria's source of foreign exchange income and the struggle of the Niger Delta to achieve the resource control. The paper examines the grievance of the people of Niger Delta and their increased agitation for a share of the oil benefits. It also analyses the agitation for resources control in southern Nigeria in general and Niger Delta in particular. The paper identifies the actors in the struggle for resource control agitation and the issue in context. About 95 percent of Nigeria's export earnings come from the oil resources of the Niger Delta region in Southern Nigeria. But only a small fraction of the revenue generated gets to the Niger Delta. Therefore, the Region is the least developed part of Nigeria.

**Keywords:** Resource Control, revenue allocation.

## Introduction

The agitation for resource control started in the 1990s and was spear-headed by the later environmentalist, Ken Saro-Wiwa under the umbrella of the Movement for the Survival of the Ogoni People (MOSOP) (Dafinone, 2001:31). The reason for agitation and determination was that the Niger Delta was the default owners of the resources accruing from the soil, while they share the income with the central government and the rest of Nigeria on an agreed percentage and in the payment of tax. The agitation for resource control sprang up again in full force in the South of Nigeria for the region to control its oil resources in Nigeria. The oil producing communities have become violence-ridden and nothing is achieved in terms of development. Tension in the Niger Delta continues to engender violence as natural resources, vital for the local communities survival are destroyed by oil companies operations in the region.

Environment and social Justice for the people of the Niger Delta remains a central issue, for achieving peace in the region. As long as the people's call for justice and equity continue to be ignored and restricted by multi-national oil corporations and the Nigeria government, the situation in the Niger Delta will continue to agitate for the bill of rights that call for autonomy in the management and control of local natural resources. It is believed that the survival of the large number of Niger Delta communities is now depended on the ability to establish their entitlement in local resources. In addition to a clear lack of access to the locally produced resources, in essence, the inhabitants of Niger Delta have seen benefits and compensation from the large scale operations carved out in the region as the key attributes of the people of the Niger Delta communities.

## Definition of Terms

Resource control has been defined as the practice of true federalism and natural law in which the federating units express primary control over the natural resources within their borders or land marks and made agreed contributions towards the maintenance of common services of the government at the centre. The oil producing communities call for a declaration of the bill of rights to the extent that they have the right to the management and control of local natural resources. It is believed by Dafinone (2001:31) that the survival of the Niger Delta communities is now dependent on the ability to establish their entitlement to local resources, as well as access to the locally produced wealth, including benefits and compensation from the large scale operations of multi-national oil companies.

Revenue allocation is the concept of establishing financial autonomy to a level of government is supreme in its sphere of institutions or mechanism to do the generation and sharing of revenue. Sources of revenue are allotted to different levels of government, revenue sharing on behalf of the units of the federation from time to time is made, and appropriate revenue sharing between or among the different levels of government is adopted.

There is the need for state or communities to be independent, self-reliant and to determine their own destiny as well as being masters of one's circumstances. The rise of economic surplus is elusive. However it is marked by the ambition and effort of some to permanently denigrate others in order to appropriate any surplus. Conflicts arise between this dominating tendency and the inherent self-determination in men and this is the one of the key issue in revenue control.

In recent time, the issue of resource control has risen to the top of the agenda in Nigerian politics and economics discourse. It is against this background that this paper is conceptualized and perceived. The approach to issue of resource control is examined as very relevant to the Nigeria situation.

## **The Rentier State and Development**

The oil company arises due to the contradiction of the rentier state. They are in an economy which has received sustained amount of external rent on a regular basis, largely paid by foreign companies. The oil revenue by companies importing and exporting oil have little to do with the production process in their domestic inputs other than location inside Africa.

However, rent received from the sales of oil by the rentier state is used to undertake gigantic expenditure internally. This leads to the spectacular rise in GDP often accompanied by few positive measures in the society at large. This is possible because the state does not take care of the large proportion of working class. A direct consequence of this change is that, the government's ability to spend or act gradually becomes dependent on the oil sector. The revenue it generates is used on consumption and also become geared towards exported goods. The reasons for this is the neglect of agriculture, which should occupy a very prominent position. But simple the rentier state appears unable to outspend itself in the belief that purchases are for anything on sale. This is why the entire experience dramatically increase GDP per capital without experiencing the problem of normal economic growth. A lot of distortions are conditioned by the rentier state and dominant classes. Thus, the situation is more intense if the rentier state is under developed with weak institutions and socially, dominated by a comprador or petty bourgeoisie. The state overcome its problems through massive contracting such as state contract of everything usually to foreign firms, recruiting, marketing, exploration, processing, servicing and anything it seeks, this process subjects the masses of the population to handle exploitation from foreign firms and internal factors of the transitional bourgeoisie.

Oil wealth created a mirage for the casual observer. Gigantic buildings, beautiful Universities, well-equipped army, wide tarred roads, a booming business or commercial sector and a big voice of foreign affairs, all tend to give the impression that things are going under very tense pressure and contradiction arising from neglect of the vast majority of the people, who are the farmers, artisans and youth particularly those in the rural areas. With the creation of modern infrastructures, expansion of service sector, a booming commercial sector and massive injection of, "Feast money" into the economy, labour is attracted to the urban centre, works are needed for the roads, universities, industries, house and other institutions being constructed, the workers are required to work at the dock, offices, hotels, etc, quick money could be made in the cities during the boom or at least it is the common belief.

Moreover, the rentier states must satisfy not only other rentier states and traders but also the multinational corporation (MNCs). The latter of course try to maintain their vantage position in the economy in order to take advantage of the "oil boom". Freund (1978:97) gives a graphic description of the Nigerian scene in the mid-1970s thus as the oil boom gathered momentum, the cities of Nigeria took on the character of good rush into the towns, foreigners flocked to cash in on the bonanza. Greek merchants and Arab doctor, Filipino nurses and Indian school teachers, Italian construction workers and German lorry salesmen, American bankers and British lecturers jostled one another in the streets, all attempting to sell services of good, bad or indifferent quality, firms reckoned to retrieve their initial investment in two to three years.

The rentier state usually under a massive pressure imposes foreigners on its own constitution. The bright light and false image of success attract rural dwellers to the cities. Agriculture output declined seriously food is imported to meet the demands of growth in urban population, and large scale capital intensive agriculture follows where possible. Since rural migrants need accommodation, the scanty town for the unemployed and poor is engaged in the cities, and farm lands close to those urban speculators, are taken from displaced farmers. Erected apartments for the modern workers with minimal planning control. Displaced peasants are denied and they rush to the wage. The petrol naira dreams cannot be wiped out.

The question that should arise under this condition should be why people move towards comfort and opportunities under normal condition. Rather the question should concern attempts to locate them, the rentier state in the international division of labour, identify the dominant classes and base of capital accumulation within the division of labour.

The process will require of course, examination of the process of class formation consolidation and cooperation. It will also required examination pattern and levels of capital penetration and contradiction between capitalist and pre-capitalist mode of production on the one hand, and bourgeoisie and non-bourgeoisie classes on the other hand. These will provide explanation for actions the rentier states for instance, why it neglects vast majority of its citizens and appears to be more concerned with things than people.

Thus, the only way to comprehend rural – urban migration is not only to analyse the obvious reasons why people move, but also to examine the socio-economic system which underlies the perception and policies of dominant class vis-à-vis their under-developed capitalist state like Nigeria. The question should concentrate on National than international capitalism and the process of capital accumulation which necessitates a concentration with the peasants and consequently the displacement of the latter. How do these conditions influence nature and role of the state social classes and policy outputs and in what way does international finance capital contribute to altering or perpetuating historically determined social relations of productions?

### **State Hegemony and Resource Conflict in Nigeria**

The post-colonial state emphasized the role, which the state assigns not only in the mediation of class shuffle but, more importantly in the oral production of the social system, in the course of debate regarding its nature, efforts have been made to identify and prevent the corollary of the advance capitalist state by presenting it as over developed or relatively autonomous. In this regard, the central role the dominant class have and received attention, in the words of Alvia (1972:59) who set the tone of the debate.

The historical specificity of the post-colonial societies, a historical specificity which arise from structural change brought about by the colonial experience and alignment of forces. The superstructures of political and administrative institutions which were established in the context and secondly from the radical realignment of class forces which has been brought about in the post-colonial institution. Thus, the line of the argument was that the colonial state set structures and institutions inherited on the attainment of political independence through underdevelopment. Finally, the relatively autonomous roles of the post – colonial state, coupled with the an over-extended apparatus, facilitated the super imposition of the state power over the allocation of scarce resources in the name of economic development. The control over society resources has been made by the pos-colonial state, the focus of capital accumulation, class competition and struggles.

Unfortunately, to a large extent, the debate on the nature of the post-colonial state has been escapist and time wasting. The use of given categories has failed to capture the peculiarities of undeveloped society, and state in the post – colonial societal formations in the third world. In addition, the states in the post – colonial societies have been treated as given with attempt to make us understand its nature through the attitude of state functionaries. However, inventions are not peculiar to the post-colonial state, it is essentially underdeveloped and domination arises while it inherited the ability of the colonial state to use the force and manpower, and manipulation without any moral censure.

The hegemonic tendencies in the Niger Delta State can be found at the inter-class level leading to resource conflict which tend to converge around the question of the sharing of oil profit between the ruling class and the people of the oil producing communities. This has taken the form of strike by workers agitation for wages increase, protection against the high cost of living and violent nationwide demonstration over hikes in domestic prices of petroleum products and scarcity all must benefit. That is why, there has been much resistance to the drive by the government to remove “oil subsidies” under different guises.

As the production state, the conflict between the oil company on partnership with the Nigeria government (through the NNPC) on one hand and the people (workers, students and peasants of the oil producing communities on the other hand is because the workers are subjected to serve, exploited in the harsh condition of oil production, while the fall-out of land and water as well as environment degradation deny the peasants the dement environment base of their survival. Obi (1992:20) notes that why the struggle of the workers are more violent in protecting the expropriation of their land, the massive pollution of the natural habitual the devastation of their means of livelihood, have sometimes been peaceful or taken the form of the block adding oil installation, the sabotage of oil company staff and villages. Abimoy (1990:23-27\_ notes that the oil struggle have continued, much to the chagrin of the oil company who continue to count their losses and the federal government takings which seek to protect its partners, by taking care not to incur the further wrath of the oil producing communities.

It is clear that the manner in which oil is produced at present, and the proceeds from its sales shared among Nigerians constitute a decisive moment in the march of the Nigerian nation state. With this historically embedded distortions of Nigeria federalism, class hegemony and a socio-economic system, based on inequality and uneven development, the danger of the present conjecture are likely to address the issues of how to transcend the then disrepute tendencies of oil and national question which are presently the interest of the Nigerian people in general and the oil minorities in particular.

### **Oil and the Nigerian State**

Oil was first struck in Oloibiri, an Ijaw village in the Niger delta, by Shell (The Shell-BP) in May 1956 Commercial exploitation began two years Later (CDD, 2002:2). Half of the revenue was given to the Eastern Regional government of which the provinces and communities of the Niger Delta were part and the rest was appraised by the Federal government under the fiscal management based partly on the principle of derivation. It is of significance, however, in 1957, a year before the production of oil commenced, in these area the communities of the Niger Delta and several other minority ethnic groups in the country, have complained to the Winilink Commission set up to enquire into their fear as negotiation began for a constitutional framework with which the country would be granted independence from Britain, that they were being neglected by the regional and central government in the allocation of social amenities and political appointment. The Winilink commission declined to create a separate state for the ethnic minority groups in the Eastern Region as their leaders demanded, but the protest were later to give birth to the Niger Delta Development Board (NNDB) now Niger Delta Development Commission (NNDC), a special agency established by the federal government to tackle the

development needs of the people because of the peculiar harshness of the terrain they inhabited.

The civil war was fundamentally an oil war, and the victor was quick to take control of the booty. Scanty regard was given to the people on whose land the oil was lifted and all through the oil boom years lasting to 1980, they were conspicuously absent, when it came to allocating infrastructure and scanty social amenities. Indeed one of General Gowon's key advisers in the Federal Civil Service, Mr. Philip Asiodu made the cynical remark that the people of Niger Delta could do nothing to change their state of affairs because they were numerically insignificant in the Nigerian scheme of things. Little wonder that trouble broke out in 1980 with the advent of the Movement of the Survival of Ogoni People (MOSOP), which took everybody including Nigeria military government completely by surprise (CDD, 2002:3).

In seeking control over oil during the civil war, for the purpose of fighting the war, effort and turning of the economy, the federal government (dominated by the northern and western faction of the ruling class) legislated via device, the monopoly of the collection and sharing of oil to itself. Since the Nigerian nation state came to rely totally on oil, the hegemonic faction of the majority nationalists came to control the fiscal basis of the federation and the exclusion of the minorities specifically by decree 51 of 1996.

Vested in the state the entire ownership and control of oil petroleum (a) in and under or upon any in Nigeria (b) under the territorial waters of Nigeria of (c) all land forming part of the continental shelf of Nigeria (Etikertse, 1975:21-25).

This control was further extended by the offshore revenue decree No. 9 which provided that the federal government should receive all offshore oil revenue from wells located in the coastal waters adjoining the oil producing minority states. This name finally cut off the minorities from direct oil revenue and reinforced the independence of the minorities' for a share of the oil wealth. The most decipherable point so far made is that in the Nigeria nation-state, oil could lubricate for national cohesion as it could (if properly managed) lead to a factor for national disintegration. The question that arises as to which modality on which context the potential of oil is to act as factor of unity and cohesiveness is optimal, and to what extent it can be applied in the on-going development process, does the solution lie in the hegemony at the centre reinforcing its control and integrating minority state faction on terms that strengthen the present lopsided management of economic and political power or does it conversely lie on the equitable management that give supremacy to the interest of the popular class on the basis of equality, justice and democracy?

As Gavin Williams correctly observed, that dependence of oil producing state for their very existence, has made the Federal government to lay claims to the oil fields and has enabled the federal government to appropriate an interesting share of oil revenue and control of allocation of the remainder to the states. It also had led to the politicization of that revenue allocation formula in derivation as the principle of revenue allocation (which benefited the hegemonic nationalities in the oil region) was abandoned in favour of the principle of equality of state and the population of states (Onoh, 1988:110). No doubt that the new principle was a response to change in the shift of wealth of the nation from agriculture to oil and the desire by the ethnic majorities to continue to retain the large chunk of national revenues. These moves further marginalized the oil producing minority state who saw in these change and "inter-government revenue sharing in Nigeria (Adedoyin, 1991:21) a ploy to deny them of the oil produced from their ancestral lands and perpetuate the marginalization and exploitation within the Nigeria nation.

## Conclusion

Oil which is supposed to be a blessing to the people of Niger Delta is more or less seen as a curse to this region which is responsible for over 95% in Nigeria oil revenue. Resource control agitation in Nigeria has been seen by northern senators argued that resources control agitation but southern as not only unconstitutional but also an attempt to cause disintegration of the country and this is the more reason why they are opposing to the resources control agitation by the South for control of the local resource.

It has been discovered that oil wealth has been the major factor in the corruption of government officials and pretender behaviour and also the main reason for the cession of more states and local government councils for revenue allocation. The activities of operation of the multinational oil corporations in the Niger Delta has brought about a drastic decline in Agricultural production and output as a consequence of over – concentration of oil. Without any meaningful development of the Niger Delta oil communities.

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