

The Political Economy of the Ogoni and the Agitation for Resource Control in the Niger-Delta, Nigeria

Bayo FATUKASI, Ph.D¹ Solomon Tai OKAJARE, Ph.D²

1. Department of Economics, Adekunle Ajasin University, Akungba-Akoko

2. Department of History, Obafemi Awolowo University, Ile-Ife

Abstract

In view of the recent political realities in Nigeria particularly as it pertains to change of government, there is the need to re-engage some of the fundamental challenges of Nigeria's recent history. One of such challenges is that of agitation of the oil-bearing region, otherwise known as the Niger-Delta, for resource control. Such agitations in the past were driven to the extreme point of criminality such that it had forced the hands of government to set up an Amnesty Programme, which was meant to rehabilitate former warlords and their followers into decent life and living. It is in that context that this paper examined the trajectory of the Ogoni crisis, its effect on the contest over oil exploration and exploitation in the Niger-Delta, as well as on the revenue sharing formula based on the principle of derivation in Nigeria. It explored the dynamics and intricacies of the contest and concluded that the crisis, while exerting a lot of hardship on Ogoniland and its people, facilitated the negotiations that eventually resulted in the allocation of 13 percent derivation revenue to the oil bearing states of the Niger Delta.

Keywords: Resource control, Agitation, Derivation, exploration and exploitation

1. Introduction.

The Federal Republic of Nigeria is located at Latitude 010 00 N and Longitude 008 00 E at the extreme Eastern corner of the tropical zone of West Africa. The country has a total area of 923,768 sq km, which makes it the thirty second largest country in the world and the thirteenth largest country in Africa. Its total land area comprises 910,768 sq km of land and 13,000 sq km of water areas. The country has a total land boundary of 4,047 km and a coastline boundary of 853 km, sharing common borders with Niger (1,497 km) and Chad (87 km) to North, Cameroon (1690 km) to the East, Benin Republic (773 km) to the West and the Bight of Benin on the Atlantic Ocean (853 km) to the South. With an estimated population of 155 million in 2010, Nigeria is eight most populous country in the world and the most populous country in Africa. (Mabogunje, 1997)

The Niger-Delta, located in the South-South region of Nigeria covers an area of some 70,000 square kilometres of wetlands and mangrove forest. It consists of nine states of Abia, Akwa-Ibom, Bayelsa, Cross Rivers, Delta, Edo, Imo, Ondo and Rivers. The region is endowed with immense economic resources and it is Nigeria's oil-bearing region and resource treasure house since the discovery of crude oil in commercial quantity in 1956. The potentiality of oil as the mainstay of the Nigerian economy has long been recognised. Thus, following the amalgamation of Northern and Southern Nigeria in 1914, the Colonial Mineral Ordinance of 1914 promulgated by Britain gave British allied companies the monopoly of oil concession. Consequently, and as the only company with an oil exploration license, Shell D' Arcy, which is now known as Shell-British Petroleum began search-and-drill exploration for crude oil in the Niger-Delta in 1937. This resulted in the discovery of huge deposits of hydrocarbon resources in the region, starting at Oloibiri in 1956. The first shipments of about 6000 barrel of crude oil per day to Europe began in February 1958, marking the beginning of Nigeria's march to becoming one of the major producers of crude oil in the world.

Currently, the country's proven oil reserves is estimated at 37.5 billion barrels, while that of natural gas is estimated at 5.246 trillion cubic meter, placing it in the tenth and eighth position in oil and gas reserves in the world respectively. Furthermore, the country's oil and gas production is currently estimated at about 2.21 million barrels and 32.82 billion cubic meters per day respectively, making the country the fifteenth largest oil producer and the twenty sixth largest producer of natural gas in the world. Studies show that exploitation of petroleum and petroleum products accounts for nearly 95 percent of Nigeria's exports with an accruable revenue estimated at US\$76.3 billion in 2010. The bulk of the oil and gas export goes to the United States (35 percent) India (10 percent) Brazil (9 percent) Spain (7 percent) and France (5 percent). (Arthur Andersen & co 1991)



At the centre of oil exploration and production activities in Nigeria is the Shell Petroleum Development Company (SPDC). It derives its position from the exclusive oil exploration and production rights in the whole of Nigeria conferred on it in 1937 by the British colonial government. Although the entrance of other players into the Nigerian oil business from 1957 has progressively whittled down the Company's monopolistic position, Shell still controls the most productive oil fields in Nigeria and it is responsible for more than 40 percent of Nigeria's total oil production.

Given the centrality of oil exploitation to the survival of the Nigerian state, patronage associated with, and control of the revenue accruing from oil and gas exports remain a most powerful incentive for power aggrandisement in Nigeria. This is largely so because the country's economy since 1975 has not only heavily dependent on oil earnings as shown in Table I, the government has been highly dependent on oil revenue to maintain itself in power and to cater for the country's capital and recurrent expenditure. It was within this context that the seemingly well-organised, and sometimes militant campaigns in the Niger-Delta for equitable share of oil revenue, spearheaded by the Movement for the Survival of Ogoni People (MOSOP) under the leadership of Ken Saro-Wiwa developed into a struggle over resource control and to threaten the survival of the Nigerian state.

TABLE I
 PERCENTAGE OF OIL REVENUE IN TOTAL REVENUE 1961-2010

YEAR	PERCENTAGE OF OIL REVENUE
1961	7.7
1965	8.4
1970	26.3
1975	77.4
1980	81.1
1985	74.4
1990	84.3
1995	60.9
2000	70.1
2010	89.4

Source: Summers Hestons Data Set (1995), OPEC Annual Statistical Bulletin, up to 2010

2. Oil and the Nigerian State

It is necessary to briefly examine the development of the Nigerian oil industry to highlight the implications of the Ogoni struggle on oil exploration and exploitation activities in the Niger-Delta. As rightly observed by Turner (1982), the oil industry is truly international in character and multinational in ownership based on the scope and extent of its global network and operations. It is dominated by eight companies and ability of these companies to control the industry is predicated on long-term prospecting rights and concession secured by them in oil-bearing states around the world. This is particularly evident in a developing country like Nigeria where the main character of the oil industry is state dependent and under the control of the oil multinationals (Soremekun 1984).

Thus, from the inception of oil exploitation in 1958, the oil multinationals had constituted themselves into formidable entities not only in the oil industry, but also in Nigerian internal affairs and politics. Their domineering position in the Nigerian oil industry was achieved in 1959 with the enactment of the Petroleum Profit Tax Act (PPT Act). Apart from instituting an unequal profit sharing arrangement between the oil companies and the government, the Act effectively severed the oil industry from the rest of the country's economy (Etikerentse 1985: 132-135; Soremekun and Obadare 1998:38). In effect, the Act was structured in such a way as to ensure that the oil companies receives a disproportionately huge amount of profits, while the Nigerian state receives peanuts and remains as a minor player in the oil industry. Meanwhile, the peoples of the Niger-Delta are completely out in the cold (Osoba 1980:218).

By and large, the role of the Nigerian government in the oil industry is limited to collection of rents and royalties and making laws to regulate the activities of the oil multinationals. It was only in 1971 that an attempt was made to wrest the control and ownership of oil industry from the oil multinationals by the abrogation of the 1914 Colonial Mineral Ordinance. This led to the transfer of control to the Nigerian state and the establishment of the Nigerian National Petroleum Corporation (NNPC) to manage government's stake holding in the oil industry by taking up majority equity participation through joint venture agreements with the oil multinational companies (Etikerentse 1985:16-19). But as an arm of the Nigerian state, the company was typically bedevilled with inter-ethnic and intra-elite struggle for control and access to oil wealth resulting in corruption, high turnover of qualified staff and political intervention in its affairs. This served to weaken its operational and managerial capacity, left it in a subordinate position and rendered it incapable of challenging the monopoly of the oil multinationals of technology and knowledge of global oil markets. The glaring inability of the NNPC to properly participate, regulate or compete in the oil industry made it depend on the joint venture operators.

The linkage between the oil multinational companies and the Nigerian state is typified in their common interest to facilitate and ensure the continued development and exploitation of crude oil. The rent-seeking nature of this relationship whereby the Nigerian state is reduced to the level of mere rent collectors from the oil multinationals is typified in a symbiotic relationship. While the Nigerian state provides the necessary mechanisms for securing the socio-economic and political order conducive for oil exploration and exploitation in the Niger-Delta, the oil companies ensure the continuous flow of petro-dollars into government coffers for the personal appropriation of the political/military elite in a unitary state. It was this centralisation of oil revenues that fuelled the agitation by the minority ethnic groups in the oil producing areas of the Niger-Delta for an equitable share of the oil revenue through inauguration of derivation-based revenue allocation formula. This in turn took on the garb of a struggle for resource control.

3. Nascent Agitation for Resource Control

The struggle for resource control, which is also synonymous with the call for the application of the principle of derivation in revenue allocation, has a long history. Applying the principle of derivation as a basis of revenue allocation is an extremely sensitive issue fraught with controversy that had sometimes threatened the very existence of the Nigerian federation. For example, to ensure political stability in the run up to Nigeria's independence when the regional governments were controlled by the three major ethnic groups and their parties, the principle of derivation was applied on the basis of 100 percent on all non-oil products. In the immediate post-colonial period when the impact of crude oil on the Nigerian economy was beginning to manifest itself, Section 134(1) of the 1960 Constitution allocated 50 percent on the basis of the principle of derivation. This figure was retained in Section 140(1) of the 1963 Republican Constitution until the entry of the military into the political arena in 1966 and the introduction of a unitary system of government, coupled with the outbreak of the civil war in 1967. This sounded the death knell for the derivation principle in the revenue allocation formula. In regressive fashion thereafter, the share of revenue allocation based on the principle of derivation continued to witness a downward trend. It was reduced to 30 percent in 1975, to 25 percent in 1977 and 5 percent in 1981. It reached the lowest level of 1.5 percent in 1984 before it was slightly increased to 3 percent in 1992.

As if the consequences of these reductions on socio-economic conditions in the Niger-Delta were not enough, the control and management of this minuscule amount was concentrated in the hands of a presidential

committee composed mainly of political appointees outside of the Niger-Delta. The plight of the people of the Niger-Delta was further compounded by the promulgation of the Land Use Decree of March 1978, which in principle vested the control of all land area within the country in the hand of the government (Obasanjo 1990:106-109). The Decree, which was later enacted as an Act in the 1979 Constitution, vested all lands comprised in the territory of each state, except land vested in the Federal Government or its agencies, solely in the Governor of the State, who is to hold such lands in trust for the people. In specific terms, Section 14 of the Act gave the exclusive rights of land for prospecting for minerals, mining and passage of oil pipelines to the Federal Government.

In effect, these provisions ruled out the ability of the people of the Niger-Delta to seek appropriate compensation for the negative consequences associated with oil exploration and production. In time, it became a paradox that the oil-bearing area of Nigeria also became one of the most environmentally degraded, wretched and poverty-stricken region of the country. Although the oil revenue derived from the area was used to build all the paraphernalia of modern statehood, including a brand new capital city in Abuja, the entire Niger-Delta region was left to rot and decay with the people living in the most abject poverty, penury, squalor and backwardness. It was the cumulative effect of the deprivation and exclusion inflicted on the people of the Niger-Delta that resulted in the eruptive violence of the 1990s, especially in Ogoniland.

4. Saro-Wiwa's Personality Cult, Shell and the Ogoni Crisis

The Ogoni struggle and agitation for a significant share of the oil revenue derivable from their land was led by late Kenule Benson Saro-Wiwa. Born in October 1941 in Bori, a town in the Niger Delta (Osso 1990:713), he attended Government College, Umuahia from 1954 to 1961, the University of Ibadan from 1963 to 1966, graduating with a bachelor's degree in English. Thereafter, he began work as a teacher in Port Harcourt and later became a Graduate Assistant at the University of Nigeria, Nsukka. When the Nigerian civil war broke out in July 1967, he moved to the University of Lagos from where he was appointed in June 1967 as the Administrator of Bonny, a crucial oil port captured by the Nigerian Federal Government from the breakaway Nigerian region of Biafra. Appointing him as the Administrator of Bonny and courting him into becoming part and parcel of the Nigerian political establishment was politically expedient as a strategic move by the Nigerian government to win the loyalty and support of minority ethnic groups in the Niger Delta.

Evidently, being part of the political class, he became conscious of the unequal relationship between the ethnic minority groups of the Niger-Delta and the three dominant ethnic groups in Nigeria. For him, serving the Nigerian government in political positions enabled him to "feel the full effect of what it means to be an extreme minority in the society, that is, Nigeria" (Saro-Wiwa 1989:187). Perhaps it was in bid to avoid being suckered into the wide network of government patronage and becoming compromised that he voluntarily resigned from all government appointments in 1988. Thereafter, Saro-Wiwa became more engrossed in the politics of the Niger-Delta, bemoaning the total marginalisation of the minority ethnic groups from whose area the petroleum resources sustaining the Nigerian federation is derived. By 1989, he had crossed over from being a concerned elite into becoming a political activist by championing the establishment of the Movement for the Survival of Ogoni People (MOSOP). Thereafter, he organised MOSOP into a mass-based movement to protest the activities and disrupt the operations of Shell, as well as to demand compensation from the Nigerian government for the crude oil that had been exploited from Ogoniland.

William Boyd (1995) has suggested that Saro-Wiwa's commitment to the Ogoni cause and his bellicosity in the attempt to secure certain concessions from Shell and the Nigerian government for the Ogoni people was the product of the tragedy of the death of his son in 1992. Indeed, his son, Ken Wiwa confirmed his father's aloofness at burial and was convinced that the tragedy affected his perspective on life and death with the evolution of fanatical zeal, bordering on the quest for martyrdom, with which he then prosecuted the Ogoni struggle. (Wiwa 2000:178) What is evidently certain is that, having entered into the mainstream of the Ogoni struggle, putting himself in the lead of what was becoming an increasing militant and often violent campaign against Shell and the Nigerian government, it became very difficult, if not impossible for Ken Saro-Wiwa to step back and moderate his course.

Given his intellectual and international stature, he attracted international attention to the plight of the people of the Niger-Delta and succeeded in putting Shell and the Nigerian government on the defensive in the court of international public opinion. He did this by articulating the Ogoni struggle as an environmental issue rather than a political and/or economic issue, winning the sympathy of international non-governmental organisations in the field of environmental protection to his side. It was within this context of the internationalisation of the endemic problems associated with oil exploration and exploitation in the Niger-Delta that Saro-Wiwa became the body and soul of the Ogoni struggle against Shell and the Nigerian government.

Given his privileged background and linkage to the Nigerian political and military establishment, Saro-Wiwa was the least person that would be expected to mount a frontal attack on the oil companies and the Nigerian state. He, not only brought the monumental environmental havoc wrecked by the multinational oil

companies in Ogoniland to the fore, but also challenged the marginalisation by the Nigerian state of its minority ethnic population using the Ogonis, an ethnic group of about 500,000 people located in Khana, Tai/Elemé and Gokana Local Government Areas of Rivers State in Southsouth region of Nigeria as an evident case. As earlier mentioned, Ogoniland is rich in crude oil deposits, which attracted Shell to the area. The first oil well struck by Shell in 1956 is in Ogoniland at Oloibiri and since then and in progressive stages, Shell developed more than 90 oil wells in the area that are connected through a network of pipelines. Apart from this, Ogoniland is also host to two oil refineries, one fertiliser and petrochemical plant, while the access route to the Liquefied Natural Gas (LNG) plant at Bonny passes through Ogoni territory. Thus, viewed from any angle, Ogoniland is of crucial importance not only to Shell but also to the Nigeria state.

It is therefore not surprising that when the prominent indigenes of Ogoniland came together in August 1990 to form the Movement for the Survival of Ogoni People (MOSOP), both Shell and the Nigerian government took more than a passing interest in its activities. However, as Saro-Wiwa became the moving force behind the Movement, very much to the chagrin of the older and more established Ogoni political elite, MOSOP became more confrontational and aggressive in the pursuit of its demands for resource control. The turning point in the history of the Movement was reached in October 1990 when the "Ogoni Bill of Rights" was endorsed by all traditional rulers and elite of Ogoniland and presented to the Nigerian government. The primary objective of the Bill of Rights was to draw government's attention to the plight of the Ogoni people as a result of the adverse effects of oil exploration activities and the indiscrimination of the Ogoni people.

The major demands of the Ogoni people as contained in the Bill of Rights include political control of Ogoni affairs by Ogoni people; the right to a fair share of the more than US\$30 billion revenue they claimed to have accrued to the Nigerian state from oil production in Ogoniland since 1958, as well as the control and use of such revenue for the socio-economic development of Ogoniland. The bill also demanded for adequate and direct representation of Ogoni people in all national institutions, the use and development of Ogoni language in Ogoniland, the development of Ogoni culture and the protection of their right to religious freedom and of their environment and ecology from further degradation. (Saro-Wiwa 1995:69)

To back up these demands, Ken Saro-Wiwa embarked on intense publicity at both national and international levels, including taking the Ogoni case to United Nations Commission on Human Rights, the European Union Human Rights Commission and the African Commission on Human and Peoples Right. This is apart from mobilising the Ogoni youths to embark on mass, and often violent protests against Shell. The activities of the Ogoni youths, under the banner of the militant National Youth Council of Ogoni People (NYCOP) which is alleged to be under the direct command of Ken Saro-Wiwa prompted Shell to begin to formulate a forward policy to neutralise the Ogoni challenge. Shell's countermeasure against Saro-Wiwa and his Ogoni people was activated in December 1992 after it was issued with a 30 day demand notice by MOSOP to pay back rents and royalties amounting to US\$6 billion or to stop its operations in Ogoniland. Invariably, what started as a minor hiccup had become a major faceoff between Shell and MOSOP by April 1993. The situation became so serious that, apart from losing all the daily oil production due to the closure of its five flow stations, the life of its workers and its properties in the entire Ogoniland became unsafe.

Faced with an increasing level of hostility against its operations, Shell was forced to abandon oil production in the area and call on the Nigerian government to do something about the unfavourable operational environment in Ogoniland. Expectedly, the loss in oil revenue amounting to about US\$200 million per annum due to disruptions in oil production activities in Ogoniland was totally unacceptable to the Nigerian government. Fearful of the consequences of continued Ogoni protests on oil production and the effect on accruable revenue and power, the new military government of General Sani Abacha foreclosed any possibility of negotiating a peaceful settlement with MOSOP and embarked on the use of force to pacify Ogoniland.

Consequently, an Internal Security Task Force was constituted to restore law and order in Ogoniland with full logistics support from Shell in January 1994. The area came under the control of an army of occupation whose sole objective was the suppression of further agitation with immediate and direct consequences for the Ogoni people and their leaders. For example, Saro-Wiwa and other prominent Ogoni citizens were placed under close security watch and were visited with constant arrest, harassment and detention. Along the way, while some of the leaders called for dialogue with the Nigerian state, others, including Saro-Wiwa called for a hardening of position. This pitched the moderates against the hawks in the preferred method and strategy for the pursuit of the Ogoni course. Unfortunately, it was this internal division and leadership crisis within the Ogoni community that provided the pretext for the government to move in with a carrot and stick approach. Government's intensification of the policy of "divide and conquer" led to the implosion of MOSOP and the outbreak of inter-personal and intra-ethnic clashes in Ogoniland, setting influential individuals and communities against one another (Okonta & Douglas 2001:153-159). Eventually, the militant faction led by Saro-Wiwa triumphed over the moderate faction in the struggle for the control of MOSOP. This led to the transformation of the National Youth Council of Ogoni People into the military wing and they embarked on well co-ordinated attacks against the installations of Shell and the security agents in Ogoniland. It was within this context that four prominent

Ogoni Chiefs, who were perceived enemies of the Ogoni cause and branded as "vultures" to be dealt with were brutally murdered on 21 May 1994 in Giokoo.

As a matter of fact, the circumstances leading to the death of the four Ogoni Chiefs remains controversial even till date. While there is a lingering suspicion that the killings were carried out by government security agents in pursuit of the divide and rule strategy to pacify Ogoniland, it is clear that the remote cause of the killings can be traced to the violent activities of NYCOP. It was this unfortunate incidence that led to the arrest, flawed and unfair trial and the ultimate execution of Ken Saro-Wiwa and eight other Ogoni activists in November 1995 (ICJ 1996: 93-106). Suffice it to state here that from all indications, Saro-Wiwa was a tragic figure and a victim of circumstances that were evidently beyond his control. He not only came from an small minority ethnic group in a country where the rights of minority groups are trampled upon by the three major ethnic groups, he failed to recognize the limit to which he could hold the Nigerian government to ransom.

Although he was prepared for the worst in mobilising his people against Shell, he made the mistake of thinking that a brutal military government, which lacked internal legitimacy and cared very little about its external image, would go by the books in a matter concerning its own very survival. In authorising his execution on 8 November 1995, the then Provisional Ruling Council (PRC) saw Saro-Wiwa as a dangerous separatist that was guilty of heinous crimes that demanded the ultimate sanction if stability was to be restored in the volatile oil producing areas of the Niger-Delta (AC Vol46 No23 18 Nov 2005). Indeed, as far as the Head of the military junta, General Abacha was concerned, Saro-Wiwa should not receive any sympathy and his execution was to serve as a lesson for everybody. His execution in the Port Harcourt prison on 10 November 1995, was meant to douse the lingering Ogoni crisis and send a very clear message to other "rabble rousers" in the Niger-Delta of the fate that awaited them in the hand of an autocratic military regime if they ever attempted to disturb or disrupt oil production.

5. Aftermath of the Ogoni Crisis

Following the hanging of Ken Saro-Wiwa and his other eight Ogoni compatriots in November 1995, there ensued an uneasy silence of the graveyard in the Niger-Delta. But this was to last only for a short while. By the beginning of 1997, the forceful approach through the issuance of "charters of demand" and the use of violence to push the case for resource control moved beyond Ogoniland to become a common occurrence in the entire length and breadth of the Niger-Delta. For example, there was the *Kaiama Declaration* issued by the Ijaws which demanded the withdrawal of oil companies and all military forces of occupation from their territory. Other such demands and declaration included the *Ikwerre Charter of Demands*, the *Resolutions of the Urhobo Economic Summit* and the *Oron Bill of Rights*. Central to these charters and bills of rights was the demand for resource control backed by various acts of violence ranging from disruption of the exploration and production activities of oil companies to demonstrations and sit-ins, kidnapping of oil workers for ransom and vandalization of oil installations and pipelines. Although the internal security task force continued its brutal efforts at subduing these agitations, it was clear that the use of force against the people of the Niger-Delta was not sustainable as a strategy to ensure oil exploration and production both in the short and long run.

The resulting impasse was immediately perceived by many of the people in the Niger-Delta as a weakness on the part of government. The Ijaws, who are the majority ethnic group in the region and assumed to be the fourth largest ethnic group in Nigeria along with other minority groups in the Niger-Delta decided to escalate the level of violent confrontation with the security forces. They embarked on a systematic sabotage of oil installation as a weapon to push the controversial and contentious issue of resource control, revenue allocation and access to political power in Nigeria. In the pursuit of their objectives, they embarked on a twin-track strategy of political negotiations through the instrumentality of the Ijaw National Congress (IJC) and through militant activities spearheaded by the Movement for the Emancipation of the Niger-Delta (MEND) and various militia organisations, including the Niger-Delta People Volunteer Force (NDPVF). In time, these militant groups embarked on low level insurgency, known as *Egbesu Wars*, which ranged from criminal acts of brigandage and piracy to political assassinations and oil bunkering activities.

It is evident that the renewed struggle for resource control in the Niger-Delta derived some inspiration from the earlier Ogoni agitation of the 1990s. However, while the Ogoni agitation was highly cerebral and championed by middle class professionals, the renewed agitation was led in the main by an army of militant and unemployed youths. While the Ogoni agitation was directed at eliciting sympathy and compensation for the environmental degradation of Ogoniland, the renewed agitation was least concerned about public opinion and more interested with their ability to extort resources through direct and indirect acts of violence, which sometimes bothered on criminality and with devastating consequences to both the Nigerian state and the oil companies. For example, it is estimated that between 1997 and 1998, both the government and the oil companies were losing revenues in excess of US\$1 million per day as a result of the inability of the oil companies to gain access to their oil production fields and facilities in the Niger-Delta.

Following the sudden death of General Abacha in May 1998 and the ability of the successor military

regime to return Nigeria to civil democratic rule, a new chapter in the country's political history began in May 1999. The advent of democracy and installation of elected civilian regime at all levels of governance slackened the iron fist of the military on the country and brought about a new spring of freedom. This brought about the re-emergence of such issues that are key elements of federalism into the national political agenda and consciousness. The most important and vigorously conversed issue was the call for a sovereign national conference to determine the nature and character of the Nigerian federation. Central to this call were the issue of resource control, revenue allocation and the control of the police by each of the federating units.

This demand was articulated at the meeting of the 17 State Governors from Southern Nigeria on 20 September 2001. According to the Governors, Nigeria is not practising true federalism and there is therefore a need for the country to abide by the tenets of true federalism such as fiscal autonomy for the federating states as well as proper devolution of powers to the states to enable the Governor to be Chief Security Officers of their states both in words and indeed. In progressive stages thereafter, the agitation in the Niger-Delta coalesced around the demand by the states in the region for the control over the natural resources in the area or at the very least a fair and equitable share of the oil revenue derivable from the region. This was against the background that since the culmination of the Ogoni crisis in 1995, the level of the revenue derivable from oil and gas exploitation in the Niger-Delta has more than trebled following the completion of the US\$10 billion Liquefied Natural Gas (LNG) project in Bonny, which pushed Nigeria into the big league in 2010 by becoming the world's second biggest gas exporter.

6. Responses of the Nigerian Government to Agitation for Resource Control

The initial response of the democratically elected government under retired General Obasanjo was to embark on "business as usual" by adopting the usual military tactics in pacifying the Niger-Delta to ensure oil exploration and exploitation activities. This resulted in continued eruption of violent clashes between the security forces and various militant youth organisations across the region. For example, such clashes occurred in Eleme, Okrika, Bonny, Choba, Oleh and culminated in the Odi crisis in Rivers State in November 1999. In this case, militant youths took a number of policemen hostage in Odi and ignored all calls for their release. The policemen were eventually killed and the reaction from the government was swift and severe. The army was sent in to sack the town, resulting in death and destruction and eliciting general national and international condemnations, which are still rife today with some people calling on the International Court of Justice to try the Obasanjo Government for crimes against humanity.

It was shortly after this that General Obasanjo embarked on an extensive tour of the Niger-Delta region with the aim of seeing the conditions therein at first hand. In the course of the tour, he interacted with all stakeholders and called for a new and non-violent approach to dealing with the contentious issues involved in the oil exploration and production business. This is with the promise that the government will enter into meaningful and genuine dialogue and consultation on all issues in contention with the State governments in the Niger-Delta, the oil companies and well as the local communities in order to put an end to unending cycle of violence in the region.

This new approach to resolving issues in the Niger-Delta was influenced by two factors. First was the increasing capability of the militant organisations to challenge the monopoly of violence of the Nigerian state and their adoption of guerrilla tactics in confronting the security forces. This development was facilitated by the entry of profit seeking international criminal gangs into the cauldron of the conflict, turning the Niger-Delta into a hotbed for the proliferation of small arms and light weapons as well as a honey pot attracting all manners of mercenaries looking for their share of the fabled "Nigerian oil wealth". The second factor was the need to protect the multi-billion LNG Project in Bonny which was nearing completion from vandalism and possible destruction. It was particularly feared that given the demonstrative ability of the militant gangs to operate on the high seas, typified by the audacious attack on the Bonga field, which is located about 120 kilometers offshore, with a capacity to pump about 200,000 barrels of crude and 150 million cubic feet of gas per day, gas exportation from the LNG plant is not immune to sabotage and disruptions.

Consequently and in progressive stages, the Nigerian civilian government has adopted a reconciliatory approach in resolving the issue of the Niger-Delta crisis as a way of securing oil and gas facilities and mitigating the deafening call for resource control. The adopted strategies include the establishment of a Niger Delta Development Commission (NDDC) in 2000 with the specific mandate of formulating policies and guidelines for the comprehensive development of the Niger-Delta region. This was followed up in 2008 with the creation of a distinct and fully fledged Ministry for Niger-Delta Affairs to coordinate all efforts at tackling the challenges of infrastructural development, environment protection and youth empowerment in the Niger-Delta.

Beyond these institutional approaches towards resolving the Niger-Delta crisis, some concession was also granted to the region in term of increasing percentage share of derivation in the national revenue sharing formula. As earlier mentioned, at the termination of military rule in May 1999, only 3 percent of revenue was allocated on the basis of derivation to the oil producing areas. However, beyond mere concession, derivation

issue was made constitutional by the General Abdusalami Abubakar regime in the 1999 Constitution bequeathed to the new civilian administration. In Section 162(2) of the Constitution, such considerations as population, equality of States, internal revenue generation, land mass, terrain, population density as well as derivation were recognised in determining the revenue allocation principles. It is specifically stated therein that, principle of derivation shall be constantly reflected in the revenue sharing formula “as being not less than thirteen per cent of the revenue accruing to the Federation Account directly from any natural resources”. By this singular act, an enormous amount of resources now accrues to the oil producing state as seen in Table II.

TABLE II
REVENUE ALLOCATION TO STATES OF THE NIGER DELTA 2000-2007

S/N	BENEFICIARIES	2000			2001		
		13% SHARE OF DERIVATION	VAT ALLOCATION	STATUTORY ALLOCATION	13% SHARE OF DERIVATION	VAT ALLOCATION	STATUTORY ALLOCATION
1	ABIA	757,777,979	731,768,061	6,755,967,051	1,073,413,412	1,147,978,795	10,381,033,607
2	AKWA IBOM	11,907,987,651	643,044,940	19,329,024,030	16,890,286,459	1,020,116,366	30,108,846,130
3	BAYELSA	9,828,302,863	528,833,672	15,610,577,575	13,940,353,326	822,191,197	24,494,400,966
4	CROSS RIVER	1,238,871	604,201,099	6,763,335,861	1,762,206	934,796,119	9,377,494,970
5	DELTA	16,208,709,976	960,794,638	24,194,679,880	22,990,431,288	1,605,662,096	38,484,031,409
6	EDO	313,352,786	665,624,284	7,168,155,607	444,459,044	1,058,493,413	10,093,443,859
7	IMO	1,361,498,119	663,191,616	7,875,997,042	1,931,148,112	1,043,390,568	11,918,037,671
8	ONDO	3,810,951,249	637,352,630	10,376,284,944	5,405,452,508	1,009,492,400	15,919,365,710
9	RIVERS	9,828,302,863	1,215,970,285	17,982,232,295	13,940,353,326	1,777,182,050	27,846,613,864

S/N	BENEFICIARIES	2002			2003		
		13% SHARE OF DERIVATION	VAT ALLOCATION	STATUTORY ALLOCATION	13% SHARE OF DERIVATION	VAT ALLOCATION	STATUTORY ALLOCATION
1	ABIA	1,874,099,882	1,360,429,859	11,888,664,930	2,705,793,746	1,596,114,249	13,609,260,940
2	AKWA IBOM	8,963,026,696	1,504,688,439	20,119,164,341	22,045,121,056	2,129,964,144	32,676,403,612
3	BAYELSA	18,373,959,008	976,172,898	25,748,032,633	28,553,890,127	1,272,191,493	33,982,074,741
4	CROSS RIVER	926,711,656	1,139,132,197	10,965,124,311	2,110,419,015	1,378,222,179	13,076,006,168
5	DELTA	31,424,318,882	1,852,743,030	41,434,392,227	38,872,130,946	2,310,999,763	49,711,049,300
6	EDO	679,242,639	1,256,933,588	10,965,565,407	1,484,368,407	1,535,710,333	12,700,325,929
7	IMO	1,958,552,500	1,256,684,751	12,511,199,941	3,169,578,679	1,546,719,885	14,599,564,677
8	ONDO	3,030,286,853	1,202,592,524	13,488,386,492	4,993,601,277	1,471,043,995	15,938,301,024
9	RIVERS	23,328,282,517	2,525,074,732	34,296,930,579	29,927,591,654	3,419,804,365	42,556,675,859

S/N	BENEFICIARIES	2004			2005		
		13% SHARE OF DERIVATION	VAT ALLOCATION	STATUTORY ALLOCATION	13% SHARE OF DERIVATION	VAT ALLOCATION	STATUTORY ALLOCATION
1	ABIA	3,767,244,219	1,863,135,619	22,166,125,967	3,639,098,511	2,053,106,196	26,077,300,039
2	AKWA IBOM	37,923,600,702	2,946,545,191	62,394,239,664	53,264,763,790	2,261,392,191	90,611,343,241
3	BAYELSA	48,787,426,726	1,504,064,783	69,119,784,253	76,330,919,646	2,090,134,783	114,183,787,301
4	CROSS RIVER	3,200,571,692	1,662,190,538	21,928,245,472	5,002,637,707	1,864,193,631	28,208,482,596
5	DELTA	52,809,700,057	2,465,611,439	79,287,419,056	53,401,325,572	2,708,945,558	94,005,003,949
6	EDO	2,359,694,715	1,812,715,925	21,923,679,886	2,903,567,757	2,098,844,334	27,131,019,935
7	IMO	4,475,526,300	1,849,937,938	24,384,317,503	4,600,464,051	2,072,292,344	29,106,249,945
8	ONDO	7,647,305,228	1,787,891,566	27,060,449,173	10,410,695,948	2,122,637,378	35,916,307,421
9	RIVERS	41,019,359,857	4,282,837,650	68,791,865,768	82,310,768,121	4,015,006,534	133,358,743,346

S/N	BENEFICIARIES	2006			2007		
		13% SHARE OF DERIVATION	VAT ALLOCATION	STATUTORY ALLOCATION	13% SHARE OF DERIVATION	VAT ALLOCATION	STATUTORY ALLOCATION
1	ABIA	4,366,902,466	2,457,162,298	31,239,932,696	3,009,918,729	3,132,914,489	32,609,025,151
2	AKWA IBOM	55,538,063,880	2,711,472,064	103,251,928,807	78,343,205,621	3,614,264,316	141,399,518,272
3	BAYELSA	78,097,216,522	2,356,684,613	127,696,106,522	49,444,344,656	2,831,595,820	92,609,466,146
4	CROSS RIVER	6,018,659,587	2,334,250,370	34,001,966,865	7,583,775,023	3,055,340,748	39,783,829,441
5	DELTA	62,244,876,278	3,275,904,542	113,169,804,906	51,368,019,849	4,045,762,651	101,853,417,844
6	EDO	3,312,862,114	2,645,949,857	32,527,850,272	1,572,529,073	3,333,071,145	33,204,014,935
7	IMO	4,833,419,726	2,558,428,906	34,227,509,762	5,009,458,017	3,328,307,963	38,064,151,848
8	ONDO	18,082,639,983	2,590,571,723	50,620,283,819	20,785,970,776	3,316,215,427	58,319,792,715
9	RIVERS	97,616,969,361	4,602,902,159	164,099,475,649	126,741,167,632	6,570,957,009	213,189,791,181

Source: A Compendium of Federation Account Revenue Allocation, vol. 1 & 2, 1999-2008

Efforts at raising the percentage level for derivation in the revenue sharing formula during the Constitutional Conference in 2002 resulted in a face-off between the delegates from the Northern states and oil producing states of the Niger-Delta region. Arguments got so heated that the threat by the oil producing states to make oil exploration and exploitation impossible met with a retort from a Northern delegate that Nigeria can do away with the lives of the people in the Niger-Delta to ensure its access to oil revenue and national survival. In the end, the Committee recommended that revenue allocation on the basis of the derivation formula as contained in section 162(2) of the 1999 constitution be increased substantially beyond the current 13 per cent minimum, without specifying any figure in the proposed amended constitution.

An attempt at breaking this logjam was made just before the demise of President Yar Adua in May 2010. He declared a general amnesty involving an unconditional pardon and cash payments to the militants in the Niger-Delta, whose activities are resulting in nearly losing 30 percent of its oil production, to lay down their arms and agree to re-integration programme. He later followed this up with a proposal aimed at reducing unrest in the region by giving three percent equity participatory share to the oil producing communities to engender in them a sense of ownership and thereby a willingness to protect oil installations against sabotage. While the amnesty and re-integration process is still in progress, the question of giving the oil producing communities a

sense of ownership is in abeyance. There is a possibility that this proposal would be revived with the election and ascendancy of President Jonathan, who is from the Niger-Delta to power.

7. Conclusion

This paper examined the causes and effects of the Ogoni crisis of 1992 to 1995 on the struggle for resource control in the Niger-Delta region of Nigeria. It is argued that the Ogoni Bill of Rights constitutes a direct challenge to the Nigerian state and a threat to the Nigerian government. At the heart of the Ogoni demand was the quest for resource control based on the basic political theory that land, labour, capital and entrepreneurship are factors of production which are owned by individuals or communities, and should therefore be controlled by them. Short of this, the Ogoni demanded a positive consideration and upward review of the application of the principle of derivation on revenue allocation. To be sure, the politics of revenue allocation in Nigeria has a long and contentious history. It is so contentious that no single evolved formula designed by various Commissions or by decree by the different civilian and military regimes was wholly acceptable to the federating units of the country. This has resulted in the oscillation in the percentage level of the applicability of the principle of derivation as it concerns the oil producing states and communities since 1964 as shown in Table III.

TABLE III
FEDERAL - STATE PERCENTAGE SHARE IN PETROLEUM PROCEEDS

Years	Producing State (%)	Federal Government (%)	Distributable Pool (%)
1960-67	50	20	30
1967-69	50	50	-
1969-71	45	55	-
1971-75	45 - off-shore proceeds	55 + off-shore proceeds	-
1975-79	20 - off-shore proceeds	80 + off-shore proceeds	-
1979-81	-	100	-
1982-92	1.5	98.5	-
1992-99	3	97	-
1999-	13	87	-

Source: Sagay, 2001

The reaction of the Nigerian government to the demands of the Ogonis was to embark on a strategy of violent suppression of people and the adoption of divide and rule tactics to polarise the community. This strategy succeeded to the extent that the Ogonis were set against themselves with devastating consequences for the community. The eventual hanging of Ken Saro-Wiwa for his alleged complicity in the death of four Ogoni chiefs and the complete militarization of Ogoniland was meant teach a lesson to the agitators for resource control in the Niger-Delta. In the end, the adopted strategy of the Nigerian government proved unsustainable, as the Ijaws who are the majority ethnic group in the Niger-Delta and the fourth largest ethnic group in Nigeria took up the struggle for resource control from the Ogonis.

In the renewed struggle, the Ijaws, along with other ethnic groups in the Niger-Delta adopted a more militant approach than the Ogonis. The situation was further compounded by the entry of international criminal gangs into the area and the introduction and acquisition of sophisticated arms and ammunition by the militants. Consequently, the entire Niger-Delta region got embroiled in intractable crisis, and consequently became increasingly ungovernable and dangerous for oil exploration and exploitation with negative implications for oil production and accruable oil revenue. Following the country's return to democratic governance in May 1999 and the awareness that the country could ill-afford the continued loss of huge revenue due to the youth restiveness in the Niger-Delta, the new civilian government demonstrated its readiness to negotiate and compromise. This led to an increase in the percentage level of the principle of derivation in the national revenue allocation formula from three to 13 percent. This act represents a moral victory for Ken Saro-Wiwa and the people of Ogoniland that championed the course that resulted in this accomplishment.

Arising from the foregoing, therefore, is that there is need for the Nigerian Government to provide an enabling environment for inter-ethnic group dialogue that can fast-track the design of an acceptable resource allocation formula and douse the pervasive tension associated with resource control agitation. This can also be spearheaded by the multinational oil companies if they can upgrade the quantity and quality of their corporate social responsibilities to their host communities. Working in faithful partnership therefore, the Nigerian Government and the Multinational Companies should speedily address environmental challenges by designing and implementing workable environmental management strategic plans. This will go a long way to assuage the tension and calm frayed nerves. Sustaining the so-called Amnesty Programme may be relevant only on short-term basis in view of recent politicking associated with the accompanying largesse. On the other hand, the local folks in the Niger Delta should also be more pro-active, more communal, realistic and wholistic and less selfish

in pursuing their interests.

References

- A Compendium of Federation Account Revenue Allocation, vols. 1 & 2, 1999-2008
- Afinotan, L.A. & V. Ojajorotu (2009), "The Niger-Delta Crisis: Issues, Challenges and Prospects", *African Journal of Political Science and International Relations*, Vol.3 No.5
- African Confidential (London) Vol.42, No.15, July 2001; Vol.45, No.20, October 2004; Vol.46, No.23, November 2005; Vol.50, No.11, May 2009
- Akin Mabogunje (1997), "Africa: South of Sahara", 27th edition, Europa Publication Ltd
- Amnesty International (1994). Nigeria Military Clampdown on Opposition. 11 November, 1994
- Anderson, B. (1995), *Press Statement*, (Lagos: Shell Petroleum Development Company)
- Arthur Andersen & co (1991), "World Oil Trends"
- Boyd, W. (1995), "Death of A Writer", *The New Yorker*, 27 November 1995
- Constitution of the Federal Republic of Nigeria, (1999) with Amendments 2011.
- Economic Intelligence Unit (EIU 2000-2010), *Country Report and Analysis, Nigeria*, (London: EIU)
- Ekpo, U, (2004), *The Niger Delta and Oil Politics*, (Lagos: International Energy Communications)
- Etikerentse, G. (1985), *Nigerian Petroleum Law*, (London: Macmillan)
- Eyinla, B.M. (1996) "Geier im Niger-Delta Billiges Öl mit Teurem Preis" (Vultures in the Niger-Delta, Cheap Oil at Great Price), *Blätter des iz3w*, No.211, February 1996.
- Greenpeace, The Netherlands, (1996), "The Niger-Delta: A Disrupted Ecology. The Role of Shell and other Oil Companies"
- Ibeanu, O (2000), "Oiling the Friction: Environmental Conflict Management in the Niger-Delta, Nigeria", Environmental Change and Security Project Report Issue 6
- IDEA (2000), *Democracy in Nigeria, Continuing Dialogue for Nation Building. Capacity Building*, Series 10 (Stockholm: IDEA)
- Obasanjo, O (1990), *Not My Will*, (Lagos: University Press Limited)
- Okonta, I. & O. Douglas (2001), *Where Vultures Feast. Forty Years of Shell in the Niger-Delta*, (Benin-City: Environmental Rights Action/Friends of the Earth, Nigeria)
- OPEC Annual Statistical Bulletin Data on GNP, Value of Petroleum Exports and Data on Oil Revenue (up to 2010)
- Osaghale et. al. (2007), Youth Militias, Self Determination and Resource Control Struggles in the Niger-Delta Region of Nigeria.
- Oseghale, E.B. & K. Emokpaire Jnr (2009), "Crude Oil in Nigeria: Issues in the Crisis in Niger-Delta", *Interdisciplinary Journal of Contemporary Research in Business*, Vol.1, No.7
- Oshodin C.S. and B.E. OSEGHale (2006), "Oil Politics in Nigeria and the Niger-Delta Crisis", *Journal of Social Science*, No.436
- Osoba, S. (1980) "The Economic Foundation of Nigerian Foreign Policy", in A. Akinjogbin & S. Osoba (eds.), *Topics in Nigerian Economic and Social History* (Ile-Ife: University Press)
- Report of the Presidential Committee on the Review of the 1999 Constitution (PCRC) Vol. 1 & 2 Main Report, February, 2001.
- Sagay, I. E. (2001), "Federalism, the Constitution and Resource Control"- A Speech made at a sensitisation Programme organised by the Ibori Vanguard on 19th May, 2001 at the Lagoon Restaurant, Lagos.
- Saro-Wiwa, K (1995), *A Month and a Day. A Detention Diary*, (London: Penguin)
- Saro-Wiwa, K. (1989), *On a Darkling Plain. An Account of the Nigerian Civil War*, (Lagos: Saros International)
- Shell International Petroleum Company (SIPC) Briefing Note 1995.
- Soremekun, K & E. Obadare (1998) "Politics of Oil Corporations in Post-Colonial Nigeria" in O. Olorode, W. Raji, J. Ogunye & T. Oladunjoye (eds.) *Ken Saro-Wiwa and the Crisis of the Nigerian State* (Lagos: CDHR)
- Soremekun, K (1984) *Nigeria Petroleum Policy and External Relations*, Unpublished Ph.D Thesis, Obafemi Awolowo University, Ile-Ife, NIGERIA:
- Summers R. & Heston A. (1995), "A new set of international comparisons of Real Product & Price Levels: Estimates for 130 countries, *Review of Income and Wealth* 34 (March), 1-26
- Turner, L. (1982), *Oil Companies in the International System*, (London: Allen & Unwin)
- Wiwa, K. (2002), *In the Shadow of a Saint: A Son's Journey to Understand his Father's Legacy*, (Ibadan: Spectrum)