The Socio-Economic Impact of the Niger Delta Crisis on the Nigerian Economy.

By

Anthony E. Nkwocha, PhD
Department of History & International Studies,
A.I.F.C.E Owerri
Phone No: 07061398206
E-mail: tonynkwocha @ gmail.com

&

Emerole Walter Ginikanwa
History Unit, School Of General Studies
Michael Okpara University of Agriculture
Umudike, Abia State, Nigeria
Phone No: 08032745029
E.mail: Waltino 2013@ gmail. Com.

Abstract

Ever since the recent upsurge in militancy and criminality in the Niger Delta area, the region has suffered and still suffering from untold intellectual neglects, as research into its culture, tradition, economy, science, education, etc, are continuously being relegated to the background, while attention is increasingly being paid to militants activities and its associate effects. One would therefore want to know why. The answer to this question is located within the ambit of the wholesome socio-economic and political consequences these pockets of crisis are generating, and its bearing on the overall functioning of Nigeria’s socio-economic and political system. In the light of these, our effort here is targeted at assessing the impacts of the Niger-Delta debacle on the Nigerian economy with emphasis on; infrastructural provision, health services, education, security and political stability. Unavoidably, the paper insists that the Niger-Delta crisis has stimulated and still stimulating a lot of development reactions from the federal government, oil companies and civil society organizations. But these development responses are not adequate to assuage the pains of the people caused by decades of intensive and unmitigated exploitation and
exclusion. The paper therefore concludes that all known remedial measures put together by both government and non-governmental organizations to bring about lasting peace in the area may amount to nothingness if the cabals that fuel the crisis are not brought to book. For the purpose of achieving the paper’s set objectives, historical and thematic research methodologies were adopted. It also employed interdisciplinary approach in interpreting findings as it equally relies on secondary sources of data.

**Key words: Development, Niger-Delta, Economy**

**Introduction**

The discovery of oil in Oloibiri in 1956 transformed the Nigerian economy. As a fall out, the crude oil industry became an important sector of Nigeria’s economy in terms of foreign exchange earnings and overall social and economic development. Shell D’ Arcy whose oil Exploration License (OEL) was granted in 1937 discovered oil in commercial quantity at Oloibiri at 3000 barrels per day (in the then Yenagoa Province in the Niger Delta). Later, in the same year another discovery was made at a place called Afam (in the then Rivers Province, also in the Niger Delta) (Ebeka, 2006:69). The first shipment of Nigeria’s crude oil exports (8,500 tons of crude oil) arrived at Rotterdam in March 1958. The shipment of Nigeria’s crude oil to Rotterdam represented an investment of 27 million pounds between 1956 and 1958. To Shell D’Arcy (Steyn, 2009:266). As stated earlier, the oil resource of the Niger Delta has provided much revenue for Nigeria. Among others, the oil revenues has been used to finance social development projects in the country.

Economic and social historians are in agreement that the Niger Delta declaration of Rights (NDDR) and other policy statements made by the Niger Delta indigenous people suggest that the huge revenue has not benefitted the Niger Delta region and its people. The Niger Delta communities argue that oil revenue has been used to develop other areas of the country while their region and its people are neglected. The lack of infrastructural development has
contributed to the conflicts that have emerged in the oil-bearing communities/states and the federal government of Nigeria (Ebeku, 2006:71).

Furthermore, the increasing rate of mass poverty and poor infrastructural development in oil bearing communities in spite of abundant revenue from the petroleum industry, has stunted the pace of social and economic development in the region. Supporting these viewpoints, Ibodje (2008:155) notes that the Niger Delta region is bedeviled by mass poverty, social deprivation and development failures. He reiterated that the crude oil which has brought so much wealth to the nation and those in power, has brought much poverty, disease, death, loss of livelihood to the people of oil bearing areas. In the same vein, Owugah (2000:113) blames the “oil curse’ imbroglio and lack of critical infrastructure in the Niger Delta region on the alliance that exist between the Nigerian state and the multinational oil companies (MNOCS). In his view, the Nigerian state has subordinated everything, including the lives and the livelihood of the people of the Niger Delta as well as the environment to the oil companies to ensure a healthy economy.

The Niger Delta question has also drawn the attention of the United Nations Development Programme (UNDP). According to the UNDP, the Niger Delta should be a gigantic economic reservoir of national and international importance due to its rich endowment of oil and gas resources (UNDP, 2006:37). The UNDP report, analyzed the amazing paradoxes of the Niger-Delta as a region with enormous resources accounting for ‘upwards’ of 80 percent of Nigeria’s exchange earnings and about 70 percent of government revenue, yet suffering from administrative neglect, crumbling social infrastructure and services, high unemployment rate, social deprivation, abject poverty, squalor, and endemic conflict (Igbezuor, 2006:9).

The report recommends economic and social growth for the oil-rich Niger Delta region, particularly growth with employment, growth with environmental friendliness, growth with empowerment and growth with
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equity. It concludes that the top-down development plans have made little impact on the real life of the Niger-Delta. From the lens of history, the Niger Delta region cannot boast of sustained social and economic development since her people have continued to live with a wide range of problems such as health hazards due to lack of water and arable land. Paradoxically, the region is under threat from rapidly deteriorating economic condition and social tensions in spite of the resource endowments and its potentials for economic growth and development (Igbuzor, 2006: 9-10). This paper seeks to interrogate the social and economic effects of the Niger Delta crisis on the Nigerian economy. It will also reappraise the commitments of government development agencies like the Niger Delta Development Commission (NDDC), multi-national oil companies towards ensuring sustained social and economic development amongst oil bearing communities in an attempt to reduce the spate of insurgency in the region.

Theoretical Framework
In an attempt to present a vivid assessment of the socio–economic impact of the Niger Delta crisis on the Nigerian economy, this paper shall rely on the theory of development/underdevelopment.

Development/ Underdevelopment Theory
Many scholars have postulated different ideas on the theory of development and underdevelopment. Todaro (1980:96) conceives development as a multi-dimensional process involving changes in structure, attitudes and institutions as well as the acceleration of economic growth, reduction of inequality and eradication of absolute poverty. Development has core values such as the ability to meet basic needs like food, shelter and protection, self esteem, freedom from servitude, the sense of emancipation from alienating material conditions of life and from social servitude to nature, ignorance, misery and dogmatic beliefs (Thomas, 2010:31).
In the Niger Delta region, the deepening cases of underdevelopment and environmental hazards suggest serious development paradox. The developmental challenges plaguing the Niger Delta region has been analyzed by Ukaogo (2000:201) in this manner,

The Niger Delta has under its belly 96 oil installations, a petro chemical plant, two refineries and fertilizer plant, Sadly, there are inadequate public services like electricity, telephone, pipe borne water and health services.

The Nigerian state has tried to develop the Niger Delta oil producing states through interventionist agencies like the Niger Delta Development Commission (NDDC) and the Ministry of Niger Delta Affairs (MNDA). These agencies in collaboration with the multinational oil companies are meant to radically develop oil bearing communities through wealth creation and provision of basic social amenities. However, the level of infrastructural decay and abject poverty in the Niger Delta region suggests a ‘Paradox of development’ since it seems that the abundant revenue gotten from the ‘Oil mineral Industry’ appear to have failed woefully to transform the ‘Oil rich’ Niger Delta communities.

Underdevelopment occurs in the global economic system when metropolitan countries in Europe and North America expropriate the economic surpluses of peripheral satellite nations in Africa, Asia and Latin America and by so doing place them perpetually as under developed third world nations. Underdeveloped third world nations are products of the negative effects of the trans-Atlantic slave trade, colonialism and neo-colonialism. These imperial policies ensured exploitation of the mineral resources of colonies, unequal terms of trade, imposition of foreign rule and the exploitative activities of trans-national companies (Frank, 1966).
The Nigerian government in the post-independence possesses absolute control of the mineral resources found in the Niger Delta. As a renter state, she works collaboratively with the multi-national oil corporations (MNOC’S) that operate in the Niger Delta region to exploit the mineral resources of the oil-rich Niger-Delta area leaving the region at best with worsening experience of chronic poverty, infrastructural decay, environmental pollution which are indicators of an underdeveloped region. In view of the foregoing and given the direct impact this theory has on the socio-economic situation in the Niger Delta, the theory is here adopted for the reconstruction of the study.

The Niger-Delta Crisis and its Educational Implications
Perhaps the implications of militants’ activities on education seem to attract the least attention from scholars and general researchers! The reason or reasons for this is yet to be established. Yet it cannot go without saying that education, the heart of nations’ survival, should at any point in time, attract the attention of all. It is in recognition of this truism that effort is being made to pinpoint some educational consequences of Niger-Delta crisis.

In an attempt to give a general idea of what education looks like in the Niger-Deltas, Idumange, in Nzewunwa (2008:96), reports that available statistics in the educational development of NDR shows that the Region is educationally dis-advantaged. The above situation is compounded by the escalation of youth restiveness, kidnapping, cult activities and out right killing of university lecturers. It should be recalled that the Niger-Delta struggle which later metamorphosed into hostage taking of expatriate company workers, gradually degenerated into kidnapping of students and pupils of both private and public schools. These children belong to wealthy families. Consequently, rich families began to withdraw their wards from public schools. Most of them were forced to send their children abroad for safety. As a result, public and private schools in the region were denied of the revenue that would have accrued to them if these children were still their
students. Nevertheless, lecturers were not spared by this ugly wind of hostage taking.

On many instances, lecturers suffered humiliation of their lives in the hands of these notorious boys. For instance, a statistics lecturer at the institute of Education, university of Port Harcourt was reported to have been kidnapped by militants who demanded ransom from the family of the victim. This experience instigates fears into lecturers who, most times absent themselves from classes or teach in fear. Under this circumstance, the best intellectual impute would be least expected Idumange (Ibid; 98), inform that,

Since the Niger-Deltas insurgence took an alarming turn after the Kaiama declaration of December 11, 1998, the movement has graduated from the vandalism of oil facilities, kidnapping of expatriates to the kidnapping of school children, women and relatives of influential politicians. In the hostage taking game, the victim is kidnapped and after about two days groups claim responsibility and this is followed by the demand for ransom running into millions of naira.

Besides the case of kidnapping of students, militancy has become a lucrative business in the region. Outside of the ransom they got from kidnapped victims, the actors in the game are paid handsomely by the state to calm the restiveness. In recent times, the amnesty offer to the militants has even made the business more attractive. Today youths are proud to declare themselves as militants. This is so because the name militant creates the impression of both raw power, ownership of oil blocks and monthly fat allowance from government. With these gratifications, children withdraw from school; others refuse to even enroll for higher education, while those in schools are never serious with their academics, citing militancy as the surest way to quick wealth. The effects of these on both the educational sector and national development are not worth telling. The least one can say is that
militancy as has become one of the sectors of Nigeria’s economy, is more attractive to youths. Consequently, the number of youths who go to school is fast dropping, and the effect of this on future national development is better imagined than experienced.

It is a well known fact that the operations of JOINT Task Force (JTF), in the Niger-Delta are funded by the State. The compensatory allowances paid monthly to leaders and militant foot soldiers all come from State treasury. These resources if channeled towards education would benefit the people immensely. Instead what is seen in Delta communities are dilapidated school buildings, poorly equip class rooms, low incentives for teachers, non availability of learning materials and massive school drop outs while militants, JTF officials and their associates feed fat.

**Poor infrastructural provision and low industrial productivity:**
Perhaps one of the greatest blows to national development and economic stability in the country is the disruption of construction works and industrial productive activities in the Delta Region by militants. Records abound to show that uncompleted roads that litter Niger-Delta are arguably, due to the activities of militants who kidnap construction workers on sight. The East-West Port Harcourt Road, the Port Harcourt Owerri Road, etc justify this claim.

The Niger-Delta Region, especially Port Harcourt and its environs were known for industrial concentration and as active centres for productive activities before the recent upsurge in militancy. But the current reversal of things in the region occasioned by militant activities expressed in hostage taking, blowing up of oil installations, and general criminality do not speak good of the area. This Day Newspaper (Nov. 29:2007) reports that, "Nigeria loses 4163bn to Niger-Delta militant on monthly bases". This ugly situation has led to increasing de-industrialization as multinational companies are closing shops, retrenching workers, and reducing supports for associate industrial
development activities such as research grants, aids and commercial activities.

However, with the recent Amnesty deal, which seems to assure peace, check piracy on the water routes, minimize hostage taking, reduce attacks on oil facilities and bunkering, a big question is; for how long will this fake peace last? Till this question is answered business men, industrialists and construction workers will continue their operation in the realm of skepticism and fear.

Health Implications of Niger-Delta Crisis:
What baffles the writers most is the parochial and government colourated definitions often attached to Niger-Delta Crisis. A definition that strives to convey the impression that the people of Niger-Delta are the sole generators of crisis in the region. Far from this, the truth is that what people term militant insurgency in the region is, but a reaction to governments' negative actions and policy insensitivity which tend to rob Peter to pay Paul.

From time immemorial, the economic, social and political activities of both government and multinational companies operating in the Delta region have always been bases for conflagration. The inability of government to provide affordable and quality health care services for the people in the face of increasing revenue from oil exploration and exploitation can only be termed man's inhumanity to man. Oil exploration and exploitation have direct bearing on the health of the people. This is exemplified in the health dangers posed by gas flaring, oil spillages air and water pollution.

Unfortunately, negligent attention is paid to the deteriorating health of the people caused by companies' activities. A visit to Delta communities reveals that health centre, hospitals and clinics are grossly in short supply in comparison to the number of persons urgently in need of medical attention. Where these facilities exist, the cost of dispensing drugs and other medical
services to the people is beyond the reach of the people. Worst still, those who lost their lives as a result of JTF, operation, militancy, air pollution and other environmental hazards do not get compensation from the government. Where compensations are paid, high tech politics destroy the gains.

Uyi (2003:46), informs that, "There is high level of climate change and challenge of survival, oil spillage and threat to biodiversity, water pollution and death of both aquatic animals and human in the Delta Region. To what extent therefore has government been able to respond to these problems?. The answer to this question is readily answered when one observes the high rate of water born diseases, air born diseases, and other environmental based ailments which the people are exposed to on daily bases. The question is, what is government and multinational companies doing with the huge resources they get on daily basis from oil exploration and other economic activities in the region? One can safely say that till fraud, selfish tendencies and lack of love for the people give way for sincere and transparent leadership, the gains of economic activities will remain a mirage to the people. Hence permanent and deep seated health crisis in the region.

**Niger-crisis and National Security:**
Security can be measured subjectively or objectively. When measured objectively, one is assured of threat free life, liberty, and guarantees safety of property and core values. While at the subjective level, Aja Akpuru Aja (1999:31) insists that, "it measures the absence of fear, anxiety, tension or apprehension". It is only when the above is guaranteed that a nation can talk of security in the true sense of it. The crises in the Niger-Delta do not in any way guarantee any of the above indices of security. Instead what is experienced on daily bases are cases of kidnapping, destruction of properties, killing, and general unrest. These are sources of anxiety, tension and apprehension. To this point, it can be said that our national security is not guaranteed in the face of unending crisis to which Niger-Delta is enveloped.
This situation is aggravated by the criminal and mindless killings by militants of security operatives and associate destruction of national security facilities. Emerole Walter (2010:36), informs that,

"the recent gun battle between JTF and militants which left eleven Army officers and twenty-two militants, as well as unspecified number of civilians dead are hindrances to nation building efforts” and as such undermines national security,

Even though the crises in the region seem to have been reduced since the declaration of Amnesty offer by the Federal Government, fears are high that the crisis may errupt again sooner or later. This conclusion is based on the fact that the post Amnesty package is highly politicized, poorly implemented, hence the defeat of its purpose.

**Niger-Delta Crisis and Nigeria Political Stability:**

Chinua Achebe in his "Things Fall Apart", insists that "when things fall apart, the centre could longer hold". But in the case of Nigeria, the centre has fallen apart, the parts therefore are only struggling to hold. The social reactions, ethnic struggles and agitations in Delta Region are functions of a failed centre. The Nigerian Federal government and its component units have failed the people in many ways - in social amenities, in economic development, in political matters, etc. This situation is complicated by the deliberate refusal of Nigerian Government to listing to the peoples' peaceful agitations. For instance, the Kaiama Declaration, Ikwere Youth Charter, Ogoni Bill or Rights, etc, represent intellectual and diplomatic request of the people on Federal Government for a fair share of the wealth that comes from their land. Federal Government’s continuous relegation of these agitations gave rise to institutionalized struggle of the people. Emerole Walter (2010: 36), insists that,
Besides the threat raw militancy poses to the polity, the struggle and agitations for resource control, increased Derivation Formula, Onshore offshore Dichotomy have today become national issues and with the constant refusal of the Nigerian State through all forms of physical and fiscal policies, the polity is heated to a melting point.

Niger-Delta Crisis and its Positive Effects:
Niger-Delta peoples' agitation had been on before 1957. However, in 1957/58, Government formally and for the first time, articulated its programmes of action for the development of the Region. This was contained in the Willink Commissions Report which gave birth to Niger-Delta Development Board (NDDB). From then on, other commissions have been created to look into the problems of the Niger-Delta people. These includes, the Oil Mineral Producing Area Development Commission, the Niger-Delta Development Commission (NDDC), the 1.5 Percent Commission, the Niger-Delta Development Master plan, the Niger-Delta Ministry etc.

These commissions and agencies are responding to the socio-economic needs of the people through road constructions, building of schools, hospitals, community security, human empowerment and scholarship award to deserving students. These responses are not limited to government agencies. NGOs and other civil society organizations as well as multinational oil companies are actively working in partnership to develop the Delta Region. All these put together are the result of the restiveness in the Niger-Delta and without which the socio-economic situation in the Niger Delta would have been worse than its present level of manageability.

These new commissions and agencies arose to support NDDC in its drive to develop the region, realizing the fact that the burden of development of a whole region cannot be left in the hands of one commission. This informed the position of Akpor Ewherido, in Akpor (2003, 35), The Niger Delta
Development Commission was incapable of solving the monumental problems of Niger Delta Region. The law maker noted that by constructing boreholes and buying chairs for class rooms by the commission does not solve the simplest problems of the region. The problem of the commission and indeed, other agencies in the development business of Niger Delta according to him, lacked comprehensive master plan according to which the region will be developed. Frowning at this situation, Timi Alaibe, in Akpor (2003:34), said that,

"If you don have apian in life will you succeed? No master plan for Niger Delta since 1961, yet the NDDC bombard us every day with costly advertorial on allege development project that it has completed in the Niger Delta."

This nasty situation informed the declaration of a "three day" workshop on the Niger Delta master plan organized by the commission's Directorate of Planning, Research and Statistics. This is seen as the key to the success of NDDC. But has the problem of the commissions abated? The reason for the continuous failure of the commissions to deliver on their mandates is the inability of the operators to put to effective use conference proceedings and research reports emanating from the academia.

From which ever angle one looks at it, the restiveness in the region has provoked and still provoking development reactions. The latest in the series being the Amnesty and post-Amnesty programmes of the federal government in the region. These programmes are aimed at conscious and articulated development of Niger Delta. One also must not forget in a haste that the emergence of Good luck Jonathan as the vice president of the federal republic of Nigeria is arguably, the result of political decision to calm the restive Niger Delta, and compensate the people for years of mindless and criminal relegation by federal government.
Recommendations
Besides the much talked about issues of comprehensive development of the Delta region, youth empowerment programmes, attitudinal change on the part of MNCs, government sincere and transparent dealings with Delta communities, obliteration of obnoxious laws hindering development in the region, one must suggest here that for an effective control of the crisis in the region, effort should be made to bring to book the sponsors and the Mafias behind the crisis. This is so because research shows that the crisis engulfing the region is politically motivated. These Mafias can be found within the rank and file of top-military personnels, company executives, politicians and other interest groups who feed fat as long as the crisis lingers.

Conclusion
The Niger Delta crisis is real and has become part of Nigerian national questions. The crisis is like a double edged sword, which is seen sometimes as blessing to the people on the account of its positive economic, social and political results. And other times as a negativity on the account of its harmful implications on the people. From which ever angle one looks at it, when weighed on the balance, one realizes with great regret that the negative effects far outweigh the positive outcomes.

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