



Oil Minorities and the Politics of Resource Control in Nigeria

Edlyne E. Anugwom*

Abstract

The paper examines the contentious nature of resource control and distribution in Nigeria. It avers that resource control has been a big problem confronting the Nigerian state from inception. This fact has not been helped by the heterogeneous nature of Nigeria, the weak capacity of the Nigerian state, the politics of resource allocation and the primordial bend of leadership. Therefore, the contestations over resources have been heightened in recent years by the politicisation and ethnicization of the resource allocation process by the Nigerian state and its elites. In this situation, the Niger Delta minority ethnic groups have seen themselves as victims of this politicisation of resource control by the dominant majority ethnic groups in control of state power. This allegation of marginalization in resource control is given further impetus by the decline of the derivation principle of revenue allocation, over centralization of the resource allocation process and the general socio-economic plight of the region in spite of being the source of the oil upon which Nigeria's mono-economy has depended in the last three decades. Therefore, the grievance of the Niger Delta minorities and the general conflict and violence over resource control in Nigeria can only be meaningfully addressed through a committed restructuring of the fiscal system.

Résumé

Cette communication analyse le caractère litigieux du processus de contrôle et de distribution des ressources au Nigeria. Elle montre que le contrôle des ressources constitue un problème épineux pour l'État nigérian, depuis la création de celui-ci. Cette situation est aggravée par la nature hétérogène du Nigeria, par les faibles capacités de l'état nigérian, par les politiques d'allocation des ressources pratiquées et, par la toute-puissance des dirigeants du pays. Ainsi, ces dernières

* Department of Sociology/Anthropology, University of Nigeria, Nsukka, Nigeria, Email: Edlyneeze@yahoo.com.

années, les contestations relatives aux ressources ont été intensifiées par la politisation et l'ethnisation du processus de distribution de ressources par l'État nigérian et ses élites. Les minorités ethniques du Delta du Niger se considèrent ainsi comme des victimes de la politisation du contrôle des ressources par les groupes ethniques majoritaires dominants qui contrôlent le pouvoir étatique. Ces allégations de marginalisation au niveau du contrôle des ressources ont connu un nouveau rebondissement suite à l'abandon du principe de dérivation de la distribution de ressources, conséquence de la centralisation du processus d'allocation des ressources ; elles ont également été relancées au vu de la situation socio-économique catastrophique de cette région, alors que c'est cette même région qui fournit l'essentiel du pétrole qui soutient la mono économie du Nigeria depuis bientôt trente ans. De ce fait, le seul moyen de satisfaire les revendications des minorités du Delta du Niger et de mettre fin au conflit général et à la violence liés au contrôle des ressources au Nigeria, est de procéder à une restructuration efficace du système fiscal.

Introduction

Resource allocation has always been a very contentious issue even in the so-called homogeneous states of the world. Therefore, the potency of resource allocation or distribution to foment conflict in a plural society like Nigeria cannot be underestimated. However, the problem posed by resource allocation and even the ethnic politics around it are problematic to the extent the mediative roles of the state and political actors are interpreted as biased or in favour of one group to the detriment of the others. In Nigeria, resource allocation has been seen by the ethnic minorities as a tool of the majority groups to undermine them. In this case, ethnic minorities perceive a politics of resource control and allocation orchestrated by the majority ethnic groups with political power aimed at marginalizing the minority ethnic groups (other ethno-social groups different from the majority Hausa-Fulani, Yoruba and Igbo groups) in the scheme of things. Incidentally, the ethnic minorities seem to have taken a cue from the majorities and reinforced the position of resource distribution as a prominent plank of their contemporary politics. Hence the ethnic factor has become more politicised in the ensuing struggle for resources in the political arena. This struggle has been the product of the mono-economy nature of Nigeria which makes oil derived from the ethnic minority enclaves almost the sole revenue earner. In this situation, oil and the revenue from it have been fiercely contested by the ethnic minorities and the ethnic majority groups in control of state power.

Since the last five years there has been renewed uprising by the ethnic communities in the oil bearing South-South of Nigeria (in the most recent division of Nigeria into six major geo-political zones, the oil producing eth-

nic minorities are located in the South-South zone) directed principally against the federal government in Nigeria and the multi-national oil firms. This struggle which reached its peak during the erstwhile military regimes of Ibrahim Babangida and Sani Abacha has become even more energised with the onset of democracy. This struggle has been on both the conventional political and legal fronts and in the real unconventional and violent ethnic militia war of sabotage. In spite of the different theatres of the war, the goal has been the same and has been expressed in lucid terms by the combatants. The war revolves around the knotty problems of resource control and allocation in Nigeria's federal state.

The legal peak of this struggle which has been championed in the political sphere by politicians from the Niger Delta area was attained in 2003 with the Supreme Court ruling on the controversial on-shore/off-shore oil revenue contest between the states or sub-national governments and the federal government. The Supreme Court ruling (*The Guardian* 2002) even though maintaining the sole ownership of off-shore oil by the federal government, opened up the lingering irregularities and inconsistencies in the overtly fiscal centralism which has contradictly marked Nigeria's federal structure. The apex court in its ruling sought to curtail the fiscal excess of the federal government, under-reporting of federally collected revenue and the wanton creation of special projects funds unilaterally administered by the federal government to the financial detriment of the states or sub-national governments.

However, the judgement of the Court was more or less mainly an interpretation of the laws of the land which vests the power of ownership of off-shore oil on the federal government. Besides the court ruling, the political terrain for the most part of 2002 in Nigeria was inundated by the demands of the South-South leaders for an abrogation of the on-shore/off-shore dichotomy in the calculation of the derivation component of national revenue. Under the derivation formula, revenue is allocated on the basis of the geographical location of any revenue yielding resource. Thus, those on whose soil, a particular resource is located gets the lion share of revenue from that resource. The prevailing practice has been the calculation of the derivation component which belongs to the oil producing states from the revenue from on-shore crude only. Hence, the resource control struggle has been more of a political effort to improve the resources or revenue allocated to the South-South states by calculating the derivation component from both on-shore and off-shore oil revenues. Even though the South-South zone is synonymous with the Niger Delta region, there is a significant difference from a constitutional point of view. Ordinarily, the Niger Delta is defined in terms of the laws establishing the Niger Delta Development Commission (NNDC) as comprising

all the states in the federation from which oil is derived. This means the inclusion of some states in the South-East zone (Abia and Imo) and one state in the South-West zone (Ondo). Thus, for the purpose of clarity, the South-South states viz Rivers, Akwa-Ibom, Delta, Bayelsa, Cross-River and Edo are all oil producing states. Because of the above difference, the oil producing South-South states are often referred to as the core Niger Delta. Therefore, we use the expression Niger Delta in reference to these states in the South-South zone.

Incidentally, scholars have read the situation in the Niger Delta region as going beyond the activities of a horde of frustrated, unemployed and destructive youths or the handiwork of government saboteurs and professional miscreants in the area as the government and its apologists too are wont to argue. Therefore, Awolalu (2000) has seen the Niger Delta as presenting the problem of environmental degradation, pauperisation of the people and the appropriation of resources. In this sense, the Nigerian state has visited severe development constraints and hardship on this area in spite of its existence as the revenue base of the nation.

In other words, the Niger Delta case is reflective of the gross failure of the Nigerian state. The state has failed to respond to the existential needs of the people and has continued a large scale daily pauperization of citizens in spite of the enormous resources available to it. Therefore, lying at the heart of the resource control struggle by the Niger Delta minority groups is a disappointment with government so far. Such a disappointment emanates from the fact that the indigenous communities in the region argue resolutely that after decades of oil exploitation in the area which has devastated farmlands, killed livestock, polluted the waters and wrecked the general environment, the communities are yet to feel the positive impact of the enormous wealth derived from the oil.

The foregoing gives an overview of the politics of resources in Nigeria. It is obvious that the issue of resource distribution in Nigeria is webbed around the forces of ethnicity, ethno-nationalism, the politics of derivation and a weak state structure that vitiates both development and fairness in resource distribution. These issues set the stage for the marginalisation of the oil producing minorities (used here in reference to the ethnic minority groups in the South-South zone of Nigeria from whose environment Nigeria derives its crude oil resources) who in recent years may have risen up to the challenges posed by the politicisation of resource control in Nigeria. I will therefore, in the following sections of this article dwell expansively on these issues. However, the above issues can only be fully appreciated against the background

of the understanding of the theoretical basis of citizenship and the prevailing conceptualisation of the rights and privileges of citizenship in Nigeria.

A theoretical understanding of citizenship in Nigeria

The domination of the majority ethnic groups in the sphere of resources distribution in Nigeria throws up theoretical challenges regarding the definition of citizenship. In other words, under what theoretical paradigm can the marginalization of the ethnic minorities in resource distribution in Nigeria be captured? Generally, the dispute or contestation between ethnic groups and the larger state in the area of resource control may reflect either of the two competing ideas of citizenship in contemporary social science debate. These are the liberal and pluralist viewpoints. The dominant liberal perspective is anchored on a view of citizenship as reflecting the legal membership of a nation-state. In this situation, individuals are perceived as having equal moral worth and government is expected to accord equal respect to individuals (Rawls 1971). This in effect means that individuals have equal rights and entitlements in spite of ethnic affiliations. Interestingly, the liberal viewpoint underplays the importance of ethnic or sub-national groups since all rights and entitlements ideally emanate from and are guaranteed by the state. The liberal perspective logically gives rise to constitutions that have no peculiar obligation to any sub-national group. Such constitutions usually guarantee equal rights and opportunities for all citizens irrespective of social, cultural, geographical or ethnic backgrounds.

It is in such a circumstance that the nation-state is conceived as the arena of citizen formation and practice (Halisi et al., 1998). Therefore, the state exists as the equal property of all, treats all citizens as equal and every citizen identifies with such a state. As a result, the sub-national group becomes largely irrelevant while the nation-state becomes the bastion of solidarity for all citizens.

Quite unlike the liberal notion, pluralists contend that the modern state is basically multi-national and as such sub-national membership should be the building block for political membership in the wider state arena (Ejobowah 2000). Incidentally, this viewpoint while recognising the importance of the sub-national community in providing a primary identity to the individual promotes a consciousness of this primordial group that breeds ethnicity. In this case, the recognition of the sub-national membership of citizens creates a scenario whereby some members are considered disadvantaged since citizenship rights in the larger political community are particular and reflect the norms of stronger ascriptive communities who share a common way of life and can command influence in the nation-state's political process. In other words, the existence of some stronger or dominant sub-national

communities make fairness and equality far-fetched. Hence, equal treatment of individuals in such a situation would require differentiated citizenship in which sub-national groups are recognised as having rights that should be taken into consideration by the nation-state (Young 1990).

However, the pluralist idea of citizenship which is based on a recognition of the sub-national level that imbues citizens with primary identity before the larger nation-state is the predominant practice in Africa. This orientation which governs the socio-political organization of contemporary African societies has been well documented in literature (Ekeh 1990, 1975; Ndegwa 1996 etc.). But rather than playing a complimentary role in defining citizenship, the sub-national sphere in sub-Saharan Africa is usually the most significant. In other words, citizenship becomes more meaningful at the sub-national level since it usually provides the basis for negotiating the larger state political arena. Thus, 'the pluralist theory rejects the absolute necessity that is often given as characterising the nature of the state in terms of its legal and political order. In place of this idea of 'absolute necessity', the pluralist theory emphasises that the individual's loyalty or allegiance is to the group he belongs (Idowu 1999:77)'.

In Nigeria, the pluralist definition of citizenship has led to a situation where the possession of state power is seen as a contest between different sub-national groups; while those in charge of state power use it to favour their own sub-national groups. But even more interesting is that the realization of the fact that the sub-national group offers a more valid definition of citizenship makes the holders of state power more pliable and amenable to the desires of their sub-national groups. The pluralist conception of citizenship has also determined the allocation of resources. The minority ethnic groups on whose soil Nigeria's oil wealth is got are incidentally marginal from the centre of power at the state level. In this situation, the distribution of resources has followed a political process that enables the major ethnic groups in possession of state power to decide both the policy and process of resources distribution.

It is important to note that in the process of decolonisation, Nigeria's constitutional negotiators rejected the proposal of a political federation of ethnic groups. In place of this arrangement, these negotiators drawn from the elites of the three dominant or majority ethnic groups agreed on a federation of the three political regions – North, West and East – which incidentally while paying attention to the differences among the three major ethnic groups assumed that the interest of the minorities in each region would be protected by the majority ethnic group there. This federation was further modified following negotiations in 1953. The modification was built around the consensus that if Nigeria was to be a nation the centre has to be weakened

so that the regions can be kept apart. In other words, the weakening of the centre was made to strengthen the regions and defuse tension and conflict at the centre. It was on the basis of this understanding that a semi-sovereign status was accorded to the Northern, Eastern and Western Regions.

At this point in time, the regions enjoyed an overwhelming control of natural resources in their regions under an allocation formula dominated by the derivation principle that allocates resources mainly in terms of the geographical location of any given resource. This was before the advent of oil as the main revenue earner and the division of Nigeria into states that did away with the regional arrangement favoured by the colonial masters and the pre-independence era of nationalists. The impact of these changes on the fate of the oil producing minorities in Nigeria has been far from salutary as I will show in the course of this discussion.

Citizenship is defined by the 1999 constitution in terms of birth, registration and naturalization as well as the existence of dual citizenship where one can be a full citizen of Nigeria and any other nation (Constitution of the Federal Republic of Nigeria 1999). The constitution grants the usual array of rights of citizenship including the rights to life, dignity of the human person, liberty, fair hearing, private and family life, freedom from thought, conscience and religion, expression and the press, peaceful assembly and association, freedom of movement, freedom from discrimination, freedom to acquire and own immovable property anywhere in Nigeria, compulsory acquisition of property, restriction and derogation from fundamental rights, special jurisdiction of high court and legal aid. Incidentally, the Constitution shows a Nigerian nation that is free from discrimination and where all Nigerians in spite of cultural and geographical origins have an equal share in the Nigerian enterprise. But as my discourse in this paper will show, certain groups have more rights and stake in the Nigerian enterprise than others. This is in addition to the apparent fact that despite the definition of Nigeria as a federation, the status of the federating units has been affected by ethnicity and primordial loyalties. Thus, the minorities have had to contend with a less than equal membership of the federation with the majorities, which implies both a negation of citizenship and the ethos of federalism.

Therefore, the understanding of citizenship as involving three main ingredients viz. the idea of individual and human rights; political participation and the principle of socio-economic welfare have not been applied fairly on all groups in Nigeria. As a result, citizenship in Nigeria is characterised by inherent contradictions that make citizenship especially for the minorities mainly operative at the sub-national or primordial level.

Ethnicity and the state–oil nexus in Nigeria

There is obviously no gainsaying the fact that ethnicity has served as a primary divisive tool in Nigeria over the years. Actually, ethnicity and the problems associated with it in Nigeria has been the concerns of quite a robust body of literature (Nnoli 1978; Barongo 1987; Joseph 1987; Otite 1990; Sanda 1976). However, the crucial matter for us here is how ethnicity has over the years become a political tool that is manipulated in the competition for scarce national resources. In the seminal work of Nnoli (1978), ethnicity is cast as a phenomenon emerging in the context of the colonial contact period and in the struggle by individuals from different social groups for resources particularly in the wider setting. This trend of thought finds support in the views of Barongo (1987) and Usman (1987) that ethnicity in Nigeria can be related to the colonial experience. Hence, Usman (1987:46) posits:

if there is a problem of ethnicity in Nigeria today it is certainly not because these ethnic groups existed before the colonial conquest. The contemporary tribes and ethnic groups of Nigeria as concepts and units of political action today, never existed in any real historical past of the people of this country.

Be that as it may, the history of Nigeria before the colonial contact shows a buoyant co-operation between different social groups in the country as well as the popular wars over territory, fiefdom and expansion. But the crucial point as has been made by Olukoju (1997) is that prior to the colonial contact, these groups never identified themselves as ethno-political units but rather identified themselves simply in terms of their towns. In other words, the ethnic expression Igbo, Yoruba and Hausa-Fulani never existed then as monolithic wholes. As a matter of historical fact, the so-called inter-tribal wars were really mostly intra-ethnic, as distance and crude means of transportation made inter-ethnic war infrequent. According to Ottaway (1999) ethnic groups should be perceived as politically dynamic entities and not just relics or products of the past.

Therefore, it is dynamic and political factors that give the ethnic group its unique character as a mobilization tool in the competition for scarce resources. In the case of Nigeria, beginning from the colonial contact era, as Nnoli (1978) has shown, ethnicity has been politicised as a tool for acquiring political and economic resources. This process of politicization of ethnicity and the ethnicization of politics continued even after independence and contributed significantly to the recurrent demise of democracy in Nigeria over the years (Joseph 1987, 1999; Anugwom 2000). In the current dispensation, ethnicity which has been in use in the contest for political power and the allocation of benefit or privileges emanating from it has become reinforced as a tool in the agitation for improved resources allocation by ethnic groups

in the state. In this sense, even while conceding political power at the centre, ethnicity has been reinvented in the bid to achieve desired resources allocation by the minority oil producing ethnic groups.

Without doubt, the minority agitation in the now South-South zone of Nigeria started much earlier. However, a pronounced agitation and serious threat on the Nigerian nation occurred in the 1960s. This was in February, 1966 when Ijaw youths rose in rebellion and declared a separate Niger Delta Peoples Republic under the leadership of Isaac Adaka Boro (Okpu 1977). But the earlier agitations were not really couched in the form of ethnicity as we know it today (they were anchored on a perceived monolithic Niger Delta region for instance) but rather small scale efforts at achieving resource control and a reasonable measure of self-determination. Moreover, these agitations until the Ogoni debacle (Anugwom 2003) were not popular, focused and a major threat of balkanisation of the Nigerian nation. It is in this light that one may see the struggle for independence and resource control now in the zone as having been influenced by the nature of politicking at the national centre and the role of ethnic majorities who have used their control of state power to entrench socio-economic marginalization. In other words, the ethnic politics at the centre in Nigeria which is championed by the majority ethnic groups has further reinvigorated and reinforced the agitations by the minorities.

Be that as it may, fiscal matters in a plural society transcends the limited purview of economics and assume political, religious and social dimensions. This explains why they are potential sources of conflict in such states. Therefore, fiscal matters on their own are usually volatile issues in a plural society like Nigeria. The making of fiscal centralism (the direct opposite of fiscal federalism) cannot be seen totally as a deliberate act of policy. Rather it is largely the product of a convoluted resource allocation framework, weakness of existing fiscal policies and the desire of the central leadership to assume control of resources. In other words, while the resources allocation system in Nigeria has suffered from instability and weakness, it is the role of the federal government through time that has gone a long way in establishing what can be termed fiscal centralism.

In this regard, 'the federal government (FG) has been guilty of the rapacious accumulation of power and the nation's wealth to the detriment of the federating units which has been further balkanised from nineteen in 1976 to twenty-one in 1989, thirty-six in 1996 (Adesina 1998:242)'. In this sense, fiscal centralism has been introduced through the various reckless acts of the different central or federal governments starting from the period of the first military regime in 1966. Thus, while continuous efforts have ostensibly been made to reflect the federal nature of Nigeria in resource distribution especially through the establishment of various revenue allocation and fiscal

commissions, the fiscal practice of the Federal Government has tilted heavily towards fiscal centralism. To this end, even the recommendations of some of the commissions that reflect Nigeria's federalism have been flouted by the central government while some commissions (usually set-up by the central government) have been tacitly guided into coming out with recommendations that reflect the desires of the central government while going against the aspirations of citizens. A good example in this regard is the controversial Okigbo Commission of 1979. According to Adesina (1998), the recommendations of the commission ran contrary to the firm conviction among a large percentage of Nigerians that the Federal Government was acquiring too-much powers disproportionate to the principles and philosophy of federalism.

The foregoing shows that fiscal matters are usually inherently conflict prone in plural societies. But even more than this, the instability and weakness of fiscal policies and resource allocation framework have also generated contradictions hinged on uncertainty for sub-units in the federation. Fiscal centralism breeds a lopsidedness in resource allocation that benefits the central government while weakening the sub-national governments. Actually, 'the total effect of the overbearing lopsidedness in the sharing formula was the strengthening of the position of the federal government vis-à-vis the regions or states and local governments. Eventually, the other layers became heavily dependent on the federal government through patronage, thus making nonsense of their independence, fiscal and otherwise, as envisaged by the federal principle and the constitution (Adesina 1998:238)'.

This shows a heightened contradiction that is quite incomprehensible for the oil producing minorities who can no longer discern the connection between the huge oil resources from their environment and a resources allocation system that pauperises the region. The contradiction becomes even sharper when the prevalent pluralist definition of citizenship as obtains in Nigeria is factored into the situation. The minorities easily perceive resource allocation as a tool for perpetuating their marginalization while sustaining the economic and political domination of the majority ethnic groups in power.

Definitely, the over-dependence of Nigeria on oil makes the whole situation more tense. In this case, all the ethnic groups are familiar with the fact that oil is and will remain in the foreseeable future the mainstay of the Nigerian economy. Therefore, even when acknowledging the spectre of deprivation and environmental degradation in the oil producing minority areas, leaders at the centre have continually approached the matter from a recognition of the need of all the groups in Nigeria to benefit from the oil wealth. In other words, no matter how loud the minorities may cry, the other groups cannot

afford to totally hands-off the oil wealth since there are no ready alternatives for them. Hence, the struggle for oil can be seen as lying at the heart of the politics of resource control in contemporary Nigeria.

Issues in resource control in Nigeria

The agitation of the ethnic minorities over resource control even though couched in terms of the management and ownership of Nigeria's vast oil resources can be viewed basically as a contention over the allocation of revenue from oil. In this sense, the agitation has been over the revenue allocation system in Nigeria's federal state which is seen as anti-Southern minorities who incidentally are the bearers of the oil which accounts for over 80 per cent of Nigeria's annual revenue. In order to appreciate this struggle over resources which has gone on, sometimes subtle and at other times pronounced, for some sometime now, one needs to examine the specific issues in contention.

These issues are the vertical revenue allocation system, the horizontal revenue sharing formula, the politics of derivation and the weak structural capacity of the Nigerian state which is easily manipulated to achieve fiscal centralism. However, the most pertinent of these issues which can be seen as causes of the current resources struggle are the vertical revenue allocation system and the weak structural capacity of the Nigerian state or the over concentration of resources at the centre. It is also in order to point out that it is the dissatisfaction of the various units of government, particularly the constituent states or sub-national governments, with these matters that generates the intense struggle over resources which has become over heated in the current democratic dispensation. Equally, it is instructive to understand that this struggle which predates the current democracy was only temporarily alleviated in the period 1954-1958 when there was a 50-50 derivation formula or the equal sharing of revenue between the federal and sub-national governments. Thus, the tendency towards fiscal centralism in Nigeria predates the independence of the country in 1960. As a matter of fact right from 1946 when Nigeria's federal finance took off, there has been a move towards centralization of resources. This has created a vertical revenue sharing logic which over the years have been grossly abused by the leadership. It was the introduction of the Chick Commission's revenue sharing formula in 1954 that really moved Nigeria towards some remarkable financial decentralization. This was the period when the country's external earnings depended on primary products such as cocoa, groundnut and palm-oil. These products were from the Yoruba Western heartland; the Hausa-Fulani dominated Northern region and from the Igbo Eastern region. Apart from the requirement by the Oliver Lyttleton Constitution on the federal government to return half of

general import, excise and export taxes and all revenue from mining rents and royalties to the regions, the regional financial standings were equally boosted by the establishment of the popular commodity marketing boards.

As has been reported (Adediji 1969; Phillips 1971) these boards accumulated vast reserves running into several million pounds sterling and these reserves were shared on derivation basis between the regions. Thus, while only 22 per cent of federally collected revenue were allocated to the regions between 1952 and 1954, this increased significantly to over 40 per cent during the 1954-58 period. This period did not however last long since the collapse of international commodity prices and a continual improvement in federally collected revenue sources impaired the financial base of the regions while at the same time improving the financial buoyancy of the centre. In fact, though the region continued to take care of over 40 per cent of total public expenditure, the federal government rode on a crest of budget surpluses in the early 1960s.

The tendency towards financial centralism continued on the upward swing from the time of independence in 1960 and reached a crescendo during the military era between 1984 and 1998. This caused considerable distortions in the vertical revenue allocation system and left the state governments which replaced the former regions in a state of perpetual financial squeeze. The only respite was in the period between 1978 and 1983 when some efforts were made toward ameliorating the financial state of the state by decreasing the share of the federal government from the federation account. Therefore, this state of affairs has created a conflict over the proportion of federally collected revenue that should go to the states and what should be left at the centre. In Nigeria, federally collected revenues like petroleum and gas profits tax; custom and excise duties; mining rents, oil royalties, corporate tax are paid into a central pool known as the federation account which is ideally shared by the central government between the three levels of government in Nigeria – the federal, state and local governments. It is the politics which shrouds this sharing process and the unfair advantage which it bestows on the federal government that have been the sources of conflict between the federal government and the state government in recent years.

The weak structural capacity of the Nigerian state and political corruption in high places have also added to the problem of fiscal centralism in a supposedly federal state. In this case, the leadership has taken quite a huge advantage of the developing nature of the country and the incapacity or absence of technically sound, transparent and seasoned legitimate process of revenue administration. As a matter of fact, the greed of the leadership and pervasive corruption have contributed in ensuring that such a clear and legitimate process does not see the light of day. Hence, the struggle over re-

sources has not emanated in the context of the technical incompetence of the bureaucrats entrusted with such responsibility or the failure of several commissions including the current Revenue Mobilization, Allocation and Fiscal Commission (RMAFC) to deliver but rather the lack of fidelity on the part of the federal government and the severe politicization of the entire resources allocation process. The application of several special funds like the one for the federal capital, the ecology fund and even that for the development of the oil producing areas have unwittingly created avenues for siphoning a large chunk of federally collected revenues which are then administered by the federal government. But even more worrisome is the fact that there has been a long practice on the part of federal government of under-reporting the amount of money in the federation account and in the era of the military, a penchant for the federal government to arbitrarily determine what proportion is to be shared. Therefore, as Phillips (1997) contends the states between 1984 and 1999 received only about half of what they ought to have got from the federation account. Equally germane to this structural deficit is the practice of the federal government to forcefully appropriate lucrative revenues sources hitherto defined as that of the state. A case in point recently in this regard is the introduction of the federally collected Value Added Tax (VAT) in 1994 to replace the state collected sales tax. Significantly, the proportion of internally generated revenue from the VAT has been on the upward swing since its introduction in 1994. Ironically, the federal government shares the VAT revenue between itself, the state and local governments. This three-pronged sharing had meant that the state governments get less than what they would have got if allowed to collect the former sales tax. Also, the lean financial state of the states has opened up an inter-state struggle for VAT revenue especially since the introduction of the Sharia religious law in the North and the limiting of the sources of VAT in that area as a result. Some states in the South have argued for a proportional allocation of VAT revenues based on percentage of the revenue derived from each state.

Be that as it may, the weak structural capacity of the state, the politics of resource allocation as well as the corrupt and primordial bend of the leadership have all ensured that the struggle over revenue and resources endures. A few instances of the confusion and selfish motives of the leadership that breed distortions abound. In the first instance, the implementation of revenue sharing schemes has been fraught with irregularities and a general confusion. In this regard, several inconsistencies and discrepancies between the revenue allocation laws and implementation of the laws have been pointed out (Olusoji and Magbagbeola 1997). These inconsistencies are not really confined to either the military or civilian era but is a prominent mark of the federal government whether military or civilian. Even in the current dispen-

sation, there is no clearly drawn line of responsibilities between the RMAFC and the Federation Account Allocation Committee (FAAC). Ironically, while the FAAC handles the allocation of funds from the federation account, the RMAFC which ideally is the formulator and regulator of federal finance attends the monthly meetings of the FAAC as observer. Equally very problematic is the make-up of the RMAFC. The constitutional requirement that the indigenes of each state be represented in the commission has de-emphasized the technical nature of the body while stressing its political nature. There is apparently no need over-stressing the glaring loopholes in the revenue allocation system in Nigeria which have been furthered by structural incapacity. Not surprisingly the Supreme Court of Nigeria in its landmark ruling in April 2002 contends that the implementation of revenue allocation laws in the nation has been hampered by arbitrariness and inconsistency. The above scenario which smacks of a willingness on the part of the government to politicize the process have also added to the feelings in some quarters that the allocation of resources in Nigeria has been and is subjected to primordial ethnic consideration that has been the plague of Nigeria's politics since independence.

The military and resource distribution

It would seem that the military greatly aided the over-centralization of the fiscal regime in Nigeria (Fadahunsi 1997; Obi 1998). In fact, for Ibrahim (1999:96); 'the military have succeeded in destroying Nigerian federation sacrificing it on the altar of over-centralism'. The fact then is that over-centralization of fiscal policy goes contrary to the tenets and spirit of federalism since it emasculates the power of the sub-national governments and make them over-dependent on the centre. This has been the lot of the oil producing minorities in Nigeria.

Be that as it may, the military practice of fiscal centralism might be linked to the mindset of the military establishment everywhere in the world and the need for the military who usurped democracy in Nigeria to maintain a firm hold on power. The military like any other total institution is run on a very rigid principle that emphasizes superiority and obedience of order as well as loyalty. Therefore, the Generals in command of central government in Nigeria during the military regime might have seen an equitable fiscal regime with sub-national government as inconsistent with military mentality. But beyond this tenuous reason, the military in Nigeria just like the civilian regimes is characterised by a high level of corruption and primordial tendencies. Hence over-centralization creates room for massive appropriation of national resources by military elites in charge of state power.

Such resources have fed selfish desires and facilitated the rapid physical development of the ethnic enclaves of the leaders. This is often cited as the reason why infrastructure like roads, electricity and water are more developed in the majority ethnic areas than in the minority ethnic oil producing areas in spite of the fact that the revenue for such development comes from the oil produced in the minority ethnic areas in the Niger Delta region of Nigeria. As a matter of fact, a very recent report sees the Niger Delta region as the least developed region in the country with a 70 per cent poverty level which exceeds the national average (NDDC 2003). Thus:

the greatest problem we have identified in the Niger Delta is poverty. Seventy per cent of the people in the area are on poverty line and the poverty level in the region is well above African standards...Over two million youths are unemployed and they seem to have lost hope; faith and dignity in life, while 40 per cent of the people are illiterates (Heiner Woller in NDDC, 2003:20).

Even though historically the regional or sub-national governments were already under severe financial crisis and facing repeated budget deficits as against the budget surplus of the federal government between 1959 and 1966 (Oyovbaire 1985), it was the military government starting from 1966 that embarked on the road of over-centralization of the revenue sharing system. The military grossly eroded the revenue base of other units and appropriated whatever it considered lucrative revenue source hitherto under the control of the sub-national governments like off-shore mining rents and royalties and export duties. This practice was aided by the statutory powers which the military vested in itself to make laws for any part of the federation on any matter whatsoever and a crude military mentality of might is right. What is however problematic is whether the military was motivated in this grand fiscal scheme by the need to pool national resources together and effect even development nationwide or by the lure of lucre as subsequent widespread corruption in the military would indicate.

But very crucial here is to appreciate that the Nigerian military is not above ethnicity or primordial considerations in decision making. Actually as Anugwom (2001) shows the Nigerian military itself was sired in ethnicity. Hence, the motive of the military from the perspective of the minorities may have been informed by basic ethnic and primordial considerations.

However, there were moves to reverse the seeming massive movement towards total fiscal centralism even by the military itself. Thus, towards the end of the first military era in Nigeria between 1978 and 1979 there was the implementation of the famous Aboyade allocation scheme, that allowed the centre the retention of only 60 per cent of revenue in the federation account. This move must have been in a bid to exorcise the ghost of fiscal centralism

by the then progressive Murtala Mohammed/Obasanjo regime before handing over to the civilians. This move was even stretched a little further by the Shagari government (1979-83) which acting on the Revenue Allocation Act, 1981 reduced the federal government's share to 55%. But any hope of redressing the resources allocation imbalance was dashed with the return of the military who pursued fiscal centralism with renewed vigour as it were, in spite of pretensions to the contrary. In fact, as Suberu (2003) contends despite the adoption of political rhetoric and legal rigmarole of decentralization, the recentralization of inter-governmental financial relations was a broad mark of the second military era (1984-1999).

The political economy of oil/resource control in Nigeria

The ethnicization of the resource allocation process in Nigeria has been buttressed by the decline of the derivation component of revenue allocation in Nigeria since the emergence of oil as the mainstay of the economy. In fact, as Ejibowah (2000) points out, the Niger Delta communities argue that in the pre-civil war years when agricultural exports were the principal sources of revenue, federal allocation to the regions of those days was on the basis of their relative contribution to the central purse. This arrangement was of immense benefit to the three major ethnic groups, who were the major producers of export crops. Thus, 'the emergence of oil as the principal source of revenue also required an application of the same method. Instead, the federal government has elected to abandon it because the rich resources are not derived from areas inhabited by the major groups' (Ejibowah 2000:40).

Implied in the above logic is that the three major ethnic groups who have been in charge of state power since independence have ensured that the derivation component of revenue allocation declines considerably. This suspicion has not been helped by the hasty nature with which laws such as the Petroleum Decree of 1969 which vested on the federal government ownership and control of petroleum resources in all lands in Nigeria and under the territorial waters of Nigeria have been made by the government on noticing the spiraling importance of oil in foreign exchange earning. The assumption of ownership by government has gone against the wish of the people of the Niger Delta who like any other ethnic group in Africa treasures its land and rivers and resources therein. Also, the ethnic suspicion in the acquisition of ownership by the federal government has been further reinforced by the posturing of ethnic jingoists from the North of Nigeria who have argued overtime that Nigeria belongs to all its citizens and so do the resources in Nigeria (Aminu 1994) with particular reference to the self determination struggles of the Niger Delta people.

It should not be surprising that the ethnic tool has been deployed in the struggle for scarce national resources in Nigeria. This deployment has bred both economic and political conflict as one group tries to undo the others in the struggle. But the ethnic tool has been appropriated by the elites who have used it as a good weapon in the quest for power and accumulation.

The matter, given this premise, becomes a glaring mismanagement and appropriation of resources by self-seeking elites. Hence, central to the occurrence of political and economic conflicts in Nigeria is the counter productive procedures by which the national elites have so far managed and distributed national resources (Ujomu 2002). What this implies is that aside from the unproductive and largely selfish ways the national elites or leaders have managed the resources in the country, political and economic conflicts are basically struggles to gain control of the resources of the state.

Even though it may be argued that the elites have managed the national resources of the country solely for personal or selfish ends, the ethnic question or group affiliation still rears its head. In this sense, the ethnic factor is not only relevant in the quest by the elite for state power but equally exerts a great influence on how national resources are distributed. As a matter of fact, groups that feel cheated in the resources allocation system come to that conclusion after comparing themselves with other groups or significant others rather than individuals. The point is that the ethnic group exerts significant pressure on the action of those in charge of state-power, so that even when the elites appropriate national wealth and resources, a considerable amount is diverted to their ethnic groups of origin. Perhaps this argument will make more sense if one considers the contention of Graf (1983) that the process of elite formation in Nigeria was contingent upon the capacity of the elites to meet the demands of their various ethno-political units. This form of relationship pressurizes the elites to ensure that once in power a disproportionate amount of national resources is channelled to their groups. In this case, the politics of clientelism naturally emerge and flourish.

But even more germane to my argument here is that the different elites from the various ethnic groups are perpetually enmeshed in this form of ethnic cross pressure to deliver and the consequent intra-elite and inter-ethnic conflict result basically from the scarce nature of resources and the insatiability of ethnic group needs. In this sense, the existence of many ethnic groups in the country feeds this process of differing allegiances among elites and the struggle by ethnic groups over national resources. This has not been helped by a history of colonial divide-and-rule policy which was the source of the enduring mistrust and intolerance among ethnic groups in Nigeria. The point therefore is that the major ethnic groups that have been able to produce the power elites at the centre have cornered national resources and appropriated

same to the advantage of their groups and to the detriment of the ethnic minorities in the Niger Delta who incidentally are bearers of the oil that is the base of the Nigerian economy.

The ethnic factor in resource allocation in Nigeria seems to be a fact that the ethnic minorities see as basically the cause of their disadvantage. Therefore, it has been argued by prominent people from that zone that the imbalance in revenue or resource allocation and the general plight of the Niger Delta derives essentially from ethnic politics (Okilo 1980). Thus, the centralisation of revenue and control of resources by the federal government is seen as a direct product of the control of political power by the dominant Hausa-Fulani and Yoruba ethnic groups. This is seen further by the Niger Delta minorities as a form of cheating bordering on robbery. Therefore, a spokesman of the group avers, 'we're taking oil from one part of the country and investing it in the North. I do not think you can go on taking money from a place without enhancing life there' (*Tempo* 1999:10). The above sentiments gain even more relevance when it is realised that the adverse poverty in the area does not bear evidence to the enormous amount of wealth derived from that area. It is then not surprising that Cohen (1999) states that oil has become the source of conflicts, claims and counter-claims engendered by both poverty and neglect by the Nigerian state.

Marginalization, resource control and conflict in the political arena

It would seem that the post independence history of Nigeria has been pock-marked with conflict between the centre and the periphery (Ifeka 2000) and between different ethnic groups in the nation (Anugwom 2001). Significantly these conflicts have centred around the issue of resources. As Ujomu (2002:200) posits:

since independence in 1960, the problem of conflicts in Nigeria have centred around the experiences of the numerous individuals and groups in the country, who have been faced with oppression, marginalisation, insecurity and poverty in a country so richly blessed with vast human and material resources.

This then reveals that beneath the recurring social conflicts in the country is the struggle for different forms of national resources. Even when conflict arises from deprivation or the neglect of a social group, it is obvious that the ensuing conflict is a product of some fundamental dissociation between the situation of the group and the enormous resources in the country. In other words, conflict becomes a tool for the resolution of a form of cognitive dissonance for a group that finds it difficult to understand how impoverishment and marginalisation is its lot in a supposedly richly endowed nation. I think

that part of the restiveness of Niger Delta minorities emanates from a frustrating inability to relate the general impoverishment in the area to the enormous wealth which the area produces for the country.

Deprivation or unequal access to national resources in Nigeria has bred a feeling of marginalisation among some ethnic groups in the country. Actually, marginalization has assumed a very prominent place in the lexicon of different ethnic groups in the nation in recent times. Marginalization in this case is used to express either unequal or lack of access to valuable resources (political and economic) in the country. But marginalization within the confines of the Nigerian state or internal marginalization should be seen also as an expression that is very popular in political spheres. As Ujomu (2002:201) avers, 'this idea of marginalization which depicts the reality that some persons have been excluded, alienated or sidelined to the fringes of social and political life in the country, has however become a somewhat politicised concept in Nigeria'. However, this does not rid it of the implied economic deprivation in it since political power determines the allocation of economic and other resources in the country. It is also a term used in capturing the place of a particular ethnic group vis-à-vis the general scheme of things in the centre (Anugwom 2000). Hence, Adedeji (1999) sees internal marginalization as caused by the mismanagement of the economy and the pursuit of a development paradigm that has polarised the different social and economic groups in the society. Therefore, marginalization besides being a political catch-phrase expresses both the mismanagement and unfair allocation of collective resources. Obviously, marginalization in this sense acquires a meaning mainly in the context of a plural society where each constituent unit is bound to appraise its benefits with reference to both its contributions and more crucially the contributions and benefits of similar or other groups.

It is this comparison or appraisal process that breeds the feelings of marginalisation or relative deprivation when the group in question finds that its benefits are far less than its contributions or when it sees the benefits of other groups with little contributions as far higher than its own. In fact, this is at the crux of the resources allocation problem in Nigeria. Sectional identities become pronounced and people seek to focus allegiance on a nearer and more accountable local or primordial unit. But the shift of focus is not without conflict as each social group or ethnic group aspires towards capturing the largest share of national resources.

The fact of the domination of the state and its resource distribution process by the majority ethnic group in possession of power at the centre in Nigeria can hardly be contested. As a matter of fact, there is the development of what Weiner (1987) termed a 'mono-ethnic' tendency. In Nigeria, the Hausa-

Fulani group has benefited immensely from this mono-ethnic tendency since it had dominated the control of power at the centre until recently (1999) when the Yoruba ethnic group assumed control. The point however, is that power in Nigeria has rotated between the majority ethnic groups especially the Hausa-Fulani and the Yoruba.

Incidentally, mono-ethnic tendency in Nigeria has not been used only against the oil producing minorities but also against other ethnic/social groups not in control of state power at any point in time. In this sense, it has been very useful in the resource allocation process which favours the ethnic group in power in Nigeria. This point was made even more vivid by the spectre of state sponsored repression which followed the massive protests against the annulment of Nigeria's presidential elections result in 1993. According to Ifidon (1996) the result of the June 12, 1993 election had the potential of altering the then structure of access to and exclusion from state resources. It is within this structure of access that the distribution of resources in Nigeria operates. The allocation system is usually lopsided in practice such that the centre gets the lion share of the resources to the detriment of the federating units.

Even in the recent democratic dispensation in Nigeria, the contest for resources has become heightened both by the push of globalisation and democracy which create the conducive atmosphere for the articulation of sectional interests. In others words, globalisation as a process in Africa has meant also the third wave of democratisation and the guarantee of human rights. In this context enough space has been created for the re-emergence of dominated and minority groups who now seek to reposition themselves for the struggle to acquire the resources hitherto denied them. This struggle in Nigeria has been vividly captured in the struggle of the ethnic minorities in the Niger Delta zone for resource control. Incidentally, even the large ethnic groups have sought more shares in the allocation of national resources by alleging marginalization. Be that as it may, the ethnic minorities in Nigeria seem to have established a more resilient resource struggle in the last two decades.

The whole practice of politicking on ethnic planks which has been the plague of democratic experiments in Nigeria (Joseph 1987) has not be totally eliminated in the current democratic dispensation. A glaring illustration of the play of ethnic factors in Nigerian politics was the total support which the Alliance for Democracy (AD) with strongholds in the majority Yoruba Western Nigeria gave the candidature of Olusegun Obasanjo before the April 2003 presidential election. As a matter of fact, the AD refused to bring out a presidential candidate to contest the election but threw its support behind

Obasanjo, a Yoruba contesting on the platform of the rival Peoples Democratic Party (PDP). The support of the AD for Obasanjo can be rightly conceived as a grand scheme to ensure that the presidency remains in the West since a presidential candidate on the platform of the AD, which would in all probability be a Yoruba, would have divided the bloc vote which the Yoruba gave Obasanjo in the elections. Thus, even though the ruling PDP claims a national spread, the allocation of positions both in the party hierarchy and in the federal government is based on ethnic factors. In as much as one would see this as a likely attempt to avoid the marginalization of any group, it also reinforces primary loyalties and ethnic comparison of all sorts in the party circles.

But even more insightful is the fact that the PDP, even on the basis of the very controversial 2003 election results, have failed to make significant inroads in the North. Therefore, such core Northern states like Kano, Katsina, Sokoto, Borno and Kebbi were won by the rival All Nigeria Peoples Party (ANPP). Incidentally, even in Kaduna state where the PDP claimed the victory at the gubernatorial elections, the ANPP defeated the PDP in that state at the presidential elections.

Different dimensions to the struggle for resource control

In practical terms, the struggle for resource control may be seen as a three-pronged battle. Thus, there is the struggle between the oil producing minority states and the federal government in Nigeria; the struggle between the oil producing communities and the oil producing multi-nationals; and even amongst the oil producing communities themselves. The first struggle has been championed by the state governors of the South-South zone who have waged a relentless war with the federal government over the sharing of oil revenue and the need for the oil producing states to control their own resources. Secondly, there is the incessant conflict between the oil producing communities and the multi-national oil exploiting firms operating there. While the former struggle or face-off between the state governors and the federal government has been largely devoid of violence, the conflict between the oil communities and the oil firms has been violent. The violence which incidentally escalates as the days go by has involved the kidnapping and taking of hostages (oil workers) by the communities, destruction of oil pipelines and other vital installations, killing of oil workers as happened recently in the River Benue incidence where six expatriates were killed etc.

The oil communities reactions have been fuelled apparently by the devastating impact of oil exploitation on the general eco-system in the region as well as the perception of marginalization in the sharing of the dividends of oil by both the oil firms (in the lack of adequate compensation, basic

infrastructure, employment opportunities for indigenes etc.) and the federal government (disenchantment with the revenue allocation formula and the utilization of oil revenue in developing other areas of the country rather than the Niger Delta). Predictably, some of the actions taken by the oil communities against the oil firms have also been borne out of the conviction of a collaboration between these firms and the federal government. Moreover, while the federal government is far away from these communities, the oil firms operate in the immediate environment of these communities. Therefore, the oil firms have largely borne the brunt of the ire of the communities except on occasions when there have been conflagrations between these communities and federal security agencies in the areas.

But equally significant is that one may perceive a third dimension to the struggle for resource control in the form of conflicts between the oil producing communities themselves. At the lowest level, this has occasioned inter-communal/ethnic conflicts in the South-South zone. Apart from the popular Urhobo-Itsekiri conflicts in Warri, Delta state and the Andoni-Ogoni conflict in Rivers state, there have also been conflicts between other contiguous oil communities in both Rivers and Delta states. These conflicts have been, in more cases than not, over access to and control of resources whether political or economic. Also discernable since the advent of democracy from 1999 is the so far subtle struggle among the oil producing states. This struggle is clearly typified in the use of a distinction between the core Niger Delta states and other Niger Delta states. In this case, such high oil producing states as Delta, Rivers, Bayelsa, Akwa-Ibom would rather be seen as the core Niger Delta and require a different treatment from the other states in the region like Ondo, Edo, Cross Rivers, Abia and Imo. This thinking almost marred the establishment of the NNDC since the problem was on how to define the Niger Delta and the states to be included in it.

But criss-crossing these various dimensions of the resource control struggle has been the role played by the social movements in the region. These groups have been very instrumental in articulating the aspirations of the people and giving focus to the struggle. Incidentally, these groups which are largely militant in nature have also provided the human resources for some of the violent confrontations with the oil producing firms and forces of the federal government. Prominent among these groups are the Movement for the Survival of the Ogoni People (MOSOP); the Ijaw Youths Council (IYC); the Ethnic Minority Organization of Africa (EMIROAF); Association of Minority Oil States (AMOS); Ethnic Minority Rights Organization of Nigeria (EMIRON); Nigerian Society for the Protection of the Environment (NISOPEN); the Ijaw Ethnic Minority Rights Protection Organization; the

Southern Minorities Movement; the South-South Governors Forum; the Niger Delta Youths Movement etc. These groups provide the inner driving force behind the struggle for resource control in the zone. The roles of these groups have been aptly captured by Obi (1998:269) thus:

The deepening of the economic crisis after the introduction of SAP in 1986 largely radicalised the struggles of the oil minorities. The demands of the newly formed oil minorities social movements included the restructuring of the federation in a manner that gives more autonomy to the other tiers, self-determination to the minorities within the federation and the return of the allocative principles of derivation, while providing for compensation for oil pollution of the environment.

It may be correct to state therefore that these groups have been the foundation of the oil minorities resource control struggle through time. Perhaps deserving special mention is the MOSOP which easily emerges as the most focused and articulate of these groups. Moreover, the extra-judicial murder of its former leader in 1995 brought the plight of the oil producing minorities to the full attention of the international community. Also, the Ogoni Bill of Rights presented to the government and people of Nigeria in 1990 represents a good articulation of the situation of the Ogoni ethnic group and by implication the general situation in the oil producing minority areas of the country. While the MOSOP gave the struggle the initial bite, the South-South Governors Forum has also been instrumental in advancing the struggle since the enthronement of democracy in Nigeria in 1999. The constitutional and largely peaceful approach of the governors to the struggle have gone a long way in complementing the activities of the prominent social movements in the area and winning cross-cutting support for the Niger Delta struggle.

The Declining State And The Struggle For Resources

Another crucial issue in the context over resources and the resultant conflict between groups is the ability or otherwise of the state to meet up with the minimum expectation of the citizens. According to Uroh (1998) the Nigerian state generates divisive tendencies by a failure to govern well or live up to the expectation of the citizens. In this sense, the state has failed woefully in the discharge of its statutory obligations to the citizens. As a result, national institutions collapse when they fail to fulfil the basic needs of the people and in the same process produce sectional groupings and loyalties (Synder 1993). This describes the contemporary history of Nigeria particularly during the infamous military regimes when the response of the state to the needs of citizens was below the expected minimum. In a situation like this, ethnic and sectional identities become pronounced and people seek to

focus allegiance on a nearer and more accountable local or primordial unit. But the shift of focus is not without conflict as each social group or ethnic group aspire towards capturing the largest share of national resources.

Certainly a perception of being cheated in allocation of national resources by any group breeds social conflict that makes mockery of security in any society. This feeling whether expressed as marginalization or domination by larger groups in a plural society has far reaching implications for development. As has been contended, marginalization makes people vulnerable and is a major expression or form of insecurity (Nolutshungu 1996). After all, marginalization in a plural society like Nigeria conveys the feeling that some groups have been excluded or alienated in the resources allocation process. Actually, the Niger Delta minorities perceive their situation as thus and have engaged in many forms of redemption struggle. But very incisive in the understanding of the struggle over resources in Nigeria is the perception of the state as a biased centre that perpetuates deprivation of the minority ethnic groups. This perception may actually unravel why despite numerous interventions by the Nigerian state and its security agencies, the violence against multi-national oil firms in different ramifications by the people have remained unabated. Therefore:

central to the existence of social conflicts in Nigeria is the situation in which the groups possess, or have confirmed the suspicion or feeling that the state, or other sectors of society have shortchanged or deprived them of certain key social benefits, rights and entitlement (Ujomu 2002:203).

It is in this sense that the state in Nigeria, given its active role in the exploitation of Nigeria's oil resources and the allocation of accruing revenues, has been seen by the Niger Delta ethnic minorities as acting to deprive them of their rights. Actually a situation whereby the people from whose soil oil is got and who in the process bear enormous environmental damages are deprived of what may be considered a fair share of the revenue from the said natural resources is tantamount to a denial of rights (Anugwom 1998).

The role of the state in Nigeria with regard to the question of resources should be seen as going beyond the primordial prisms of ethnicity. Even if one agrees with the popular feeling among the oil bearing Niger Delta minorities on the collaboration between ethnic majorities to undermine the economic status of the minorities through the de-emphasization of the derivation principle in revenue allocation, the fact remains that in the last two decades people of the country in both the majority and minority enclaves have been the victims of a rudderless state apparatus captained by self-seeking leaders. In this regard, the predatory nature of the Nigerian state can be seen as a factor in the unending struggle over resources. Hence, despite the generous

view that political action cannot exist without conflict since politics implies disagreement and how to resolve it (Blandel 1966), a predatory state hampers both the general development of the state and the realization of the most primary of individual aspirations.

Hence as Castells (1998) posits much of the economies and societies of Africa have been destroyed by the misuse of capital which has characterized the predatory state or 'vampire state' which from all indications is a state totally patrimonialized by the political elites or leadership for their own selfish ends. Nigeria incidentally is no exception in this regard. No wonder the huge revenue which has accrued to the country over the years from its vast oil resources has not impacted on the lives of ordinary citizens. The dissatisfaction of the ethnic minorities with gross deprivation in their land despite the huge wealth being carted from there has fuelled current struggle and agitation for resource control. A struggle that has been bolstered by democracy which has created space for expression of grievance unlike the police state era of the military.

The Nigerian state therefore has failed to impact reasonably on the lives of the oil bearing communities and even beyond. In this regard, the state in Nigeria should be conceived as a typical predatory state in which prebendalism obfuscates the ability of the government to keep its part of the social contract entered with citizens. Indeed, studies have shown that the prebendal nature of politics in Nigeria has been responsible for truncating past experiments in democracy (Joseph 1987:19). However one still perceives deep marks of prebendalism even in the current dispensation which sadly retains all major negative features of the past exercises. As a result one agrees with the submission that:

the predatory state is characterised by both prebendalism and predation understood as political patronage, systematic government corruption, concentration of power at the top and the personalization of networks for the delegation of this power. These tendencies are prevalent in Nigeria today (Ujomu 2002:209).

The ethno-national state, mediation and resource distribution

As the foregoing instructively shows, the problem of conflict, whether webbed around ethnicity or the more sensitive issue of distribution of resources, makes the role of the state is very crucial. In the case of Nigeria, the state has been indicted as even engendering conflict by not responding to the challenges of nationhood. In this regard, it is argued that political conflict in Nigeria's socio-political history is the outcome of disparate attitudes to the question of citizenship occasioned by the problem of statehood (Idowu 1999:73). Hence,

it is the approach of the state towards concretising the citizenship expectations of Nigerians that creates problems. Idowu therefore sees the Nigerian state as focusing on a biased definition of citizenship that confers more privileges to members of one group while denying others their own rights in the same nation.

The hijack of the state by one ethnic group in control of state power is a common feature among some African countries. In Nigeria, Idowu (1999) has seen this tendency as informing the action of the government. In this situation, Nigeria as already stated elsewhere is perceived as evolving a mono-ethnic tendency which distorts the enshrined principles for allocation of national resources. This mono-ethnic tendency vitiates the nation building process since it renders other ethnic groups devoid of power or influence (Weiner 1987). The same process can be seen as happening in Nigeria even though power has so far rotated between the majority Hausa-Fulani and Yoruba ethnic groups who have used it to further entrench the political domination of the majority to detriment of the minority. More crucially this power has been used in ensuring a warped resources allocation that deprives the ethnic minorities of their dues vis-à-vis the resources which are predominantly gotten from the minority enclaves.

But the problem of the state in this regard is made worse by the inability to free itself from the hold of the ruling dominant class. In this situation, the mono-ethnic tendency state compromises its role in fairly allocating resources or mediating in the usual conflicts that emanate from the plural or multi-ethnic state. This sort of state loses legitimacy defined in terms of representing the aspirations of all citizens since it has been captured by a dominant ethnic group. In this case of failure of the state, the citizens seek recourse in their primordial sub-national or ethnic groups. Thus, as Synder (1993) suggested the revival of ethno-nationalism is usually in the context of failure of state institutions to meet the people's basic needs or when satisfactory alternative structures at that level are not available. It is probably in this line that one may view the resources control struggle by the ethnic minority groups in Nigeria in recent times. The common logic is that in view of the failure of the Nigerian state and its institutions to address the development needs of the minority areas and to evolve and implement a resources allocation formula built on fairness, ethnic equity, contribution and needs, these groups feel that they can do a better job of it. Therefore:

the vitiation of the rational capacity of the state to mediate and control the state of inter-group relations among existing ethnic groups, such that none is alienable nor dominated, often leads to the problem of ethno-nationalism. Generally, whenever the state is subject to the control and domination by a

single ethnic group, it often renders other groups weak, fragile and excluded (Idowu 1999:80).

It is this feeling of exclusion by the ethnic minorities that drive their recent struggles for resources control. These groups feel that the Nigerian state has been hijacked by and for the majority groups in control of state power since independence.

Ethnic schism and even contestations should be mediated by the state in a plural society. However, this role can be effectively played by the impartial state. Hence, mediation and moderations of relations between groups in a given state is a central role of the state. In this sense, the actions of the state determine the nature and direction of ethnicity (Rothchild and Olorunsola 1983). This is particularly the case in a federal state like Nigeria where the constituent units ideally expect a centre that is grounded on fairness and equity especially with regards to the allocation and distribution of resources. The struggle which invariably ensues between different groups for scarce resources in the state should be seen also as gauge of the readiness of the Nigerian state to live up to the expectations and principles of federalism as enshrined in the constitution.

But when the state in Nigeria is perceived as an ethno-regional hegemony (Lemarchand 1994), the central structures upon which to anchor nationalism and allegiance to the centre become weakened. In other words, the emergence of the Nigerian state after independence as an ethno-regional hegemonic state and the persistence of this character since then serves as objective condition for the breeding of primordial and sectional factors, which ultimately erode the power of the state to mediate in conflicts between groups.

Re-inventing derivation and fairness in resource distribution

The agitation of the ethnic minorities in the Niger Delta has been bolstered by the feeling that the progressive decline in the derivation principle in revenue allocation has been the product of political and ethnic considerations or the outcome of political manipulation by the ethnic majorities in charge of state power. However, a closer reading of the trend of events would suggest that in as much as one may be advised not to casually dismiss this view, there are indicators that other exigencies may have also informed a move away from fiscal parity between the federal and sub-national governments that was very prominent between 1954 and 1958. Hence, the collapse of international commodity prices, expansion in regional budgetary obligations, the centre's responsibility for external loans and national planning after independence and the increasing buoyancy of federally retained revenues as the economy expanded may have gone a long way in aiding the fiscal supremacy

of the central government (Suberu 2003). But even more compelling than this logic is the fact that there was already a clear federal fiscal supremacy or lead before the beginning of the oil revenue supremacy from the mid-1960s. However, this argument should not be taken as justifying the gross neglect of the source of the new found oil wealth. But even more important and reminiscent of political manipulation is the use of two principal criteria of equality and demography that confers no advantage on the minorities in the Niger Delta in the allocation of revenue in contemporary Nigeria. This and the almost open connivance of the government with the multinational oil firms in a brazen neglect of environmental laws in oil exploitation bears eloquent testimony to the likely reality of politicking in the matter.

As a result, the derivation percentage of revenue allocation in Nigeria had nose-dived from over 50 per cent in the mid 1950s to 45 per cent in 1971; 20 per cent in 1975 and even to paltry 3 per cent in 1993 under the government of Ibrahim Babangida. A downward progression that the Niger Delta minorities see as inversely proportional to the growth of oil in international economy and revenue profile of Nigeria. This percentage eventually rose to 13 per cent during the regime of Sanni Abacha in the late 1990s and has been there in spite of the growing clamour by the Niger Delta minorities and even the spate of violence this perceived injustice has drawn from the youths and other militant groups in the Niger Delta.

Actually the decline of derivation has been seen in apt manner as dramatic, systematic and comprehensive (Suberu 2003). The main objective argument for the decline of the derivation principle in Nigeria rests squarely on the planks that it breeds interregional or inter-state socio-economic disparities and encourages sub-national governments revenue dependence on natural geographic factor rather than on the more reasonable superior productive capacity. It is also posited that the principle of derivation limits the volume of resources available to the federal government for nationwide economic planning, economic reform and the so-called special projects (the federal capital city building fund; the fund for the building of the new national stadium in Abuja, etc). However reasonable and intellectually convincing these reasons sound, they are contrary to the history of fiscal policy in Nigeria since derivation has always been a prominent feature of this policy until the mid-1960s. Also, these reasons are often selfishly incognizant of the huge environmental/ecological disaster consequent upon oil exploitation in the Niger Delta region. It would seem that derivation, while definitely not able to replenish what has been taken away or reverse environmental degradation, can function as a compensation of sort to the areas concerned and

provide the fund for development which could go a long way in assuaging the feelings of the people in the region.

In spite of the fact that the South-South governors are PDP members like the ruling President, the last four years have been marked by a big conflict between these governors and the Presidency over the issue of resources control. The grouse of the governors dovetailed into the on-shore/off-shore controversy in the allocation of oil revenue in Nigeria. A case that eventually went to the Supreme Court of Nigeria. The on-shore/off-shore dichotomy normally implies that the derivation component of national revenue for the oil producing states should be based only on revenue derived from on-shore oil production. In this sense, off-shore oil was defined as belonging exclusively to the federal government since they are in the territorial waters of Nigeria. As a result, there arose the on-shore/off-shore dichotomy in revenue allocation to the littoral states of the Niger Delta. But the states made a case for the abolition of this dichotomy and its replacement by an allocation formula that sees revenue from oil production on both on-shore and off-shore facilities as part of the derivation component. In other words, the 13 per cent derivation should be based on both on-shore and off-shore productions rather than on on-shore production alone.

Apart from utilization of the political arena for this struggle especially through the political leaders of the region, the oil producing ethnic minorities have also made good use of a large body of youths and ethnic militias that have perpetuated violence on both oil installations and oil workers in the area. These militia and youth groups have been involved in the destruction of oil pipelines and installations, killing and abducting oil workers and members of security agencies, taking of hostages, hijacking of vehicles and helicopters. These activities are mainly to attract the attention of both local and international stakeholders in the oil industry as well as that of the international community at large. Apart from evoking attention, these activities especially the ransom demands that follow some of them have provided an easy access to quick money for a lot of these youths who are unemployed. The violence of these groups apart from deriving from increasing frustration and desperation may be seen as equally deriving from the reaction of the government over the years to what is apparently a good cause. As a matter of fact, Ifeka (2000) insists that the reliance of these militia groups on violence to pursue their demands is an outcome of the repressive, anti-democratic practices of the erstwhile military government.

The only weakness in the above position is that the violence since the era of the current democracy in Nigeria has not abated significantly. This may be the result of the fact that not much has changed in terms of government

response in spite of the change from military to civilian government. The destruction of Odi town in Bayelsa State by federal troops occurred within the first two years of democracy. Also, the civilian government through the establishment of the Niger Delta Development Commission (NDDC) has continued with the intervention approach of the military to the development problem of the area. The only difference may be in the recent political solution to the off-shore/on-shore dichotomy which has seen the Federal Government abrogating the dichotomy in keeping with the desires of the oil producing ethnic minorities. It is still too early to conclusively make a claim on the effect of the abrogation of the dichotomy.

Conclusion

The argument so far is that resources distribution in Nigeria has been determined by both ethnic and political factors. While political considerations may influence resource distribution even in the most egalitarian modern society, Nigeria's situation is that these political factors are the direct products of the primordial orientation of those in authority. In this case, it has been argued that fiscal over-centralization in Nigeria was borne out of the fact that the oil wells from which Nigeria's wealth flow are located in a few southern – minority states with little political clout (Adebayo 1990; Naanen 1995).

Also, it is important to note that resources distribution or allocation invariably raises questions of social justice and fairness on the part of the state. In the case of Nigeria, the inability to establish efficient structures and formula for both the management and distribution of resources have led to the persistence of conflict especially among different ethnic groups in the country. Definitely, there is no gainsaying the fact that conflict on this scope poses great danger to the survival of the state building project in Nigeria. Conflict over resources and as a matter of fact any form of inter-group conflict should concern the Nigerian state. After all, historically states have been concerned with conflict management and security (Sesay 1998). This is informed largely by the realisation that the frequent occurrence of this sort of conflict militates against the solidarity needed for the state enterprise as well as wastes valuable resources that could have been channelled towards development efforts. The central place of security and peace particularly among social groups has been recognised by contemporary African leaders who accord it a high priority in the new attempts to achieve meaningful development in the continent. Such a recognition was typically shown in the high level priority given to issues of conflict prevention, peace and security in the NEPAD initiative (Omoweh 2002).

Hence the emergence of a Nigerian state built on the tripod of peace, fairness and development can only be possible when resources are prudently managed and allocated on the basis of objective criteria. Objectivity in this sense, should do away with the domination of the majority and engender the re-invention of meaningful derivation principle (or restructuring of the resource allocation system) that reasonably cushions the negative effects of oil exploitation in the minority areas and a total depoliticization of the context of resources distribution.

One way of achieving this could be in the adoption of an allocation process that gives a fair control of oil resources to the oil bearing minorities. This could be in the form of a 50–50 allocation formula. Definitely to ask for the national centre to hands-off entirely the oil resources would be tantamount to not recognising the fact that Nigeria belongs to all Nigerians and the resources in it should be enjoyed by all citizens. But a recognition that the oil producing communities bear the full brunt of the adverse consequences of oil exploitation demands a considerable modification of the present allocation process in their favour. Thus, I agree largely with the submission of Ejibowah (2000) that neither the national level nor the sub-national political group should have absolute ownership of the right to mineral resources rather they should share equally or near equally.

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