

**POVERTY AND SUSTAINABLE DEVELOPMENT IN THE NIGER DELTA  
REGION OF NIGERIA**

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**Abstract**

*Nigeria represents a paradox. On the one hand, it is a relatively large country - the most populous in Africa, with abundant human and natural resources; while on the other hand, it has a high rate of income inequality, with two-thirds (70%) of its population living in poverty (CBN, 1999), although the International Monetary Fund (IMF) states that it has declined progressively to 54% as of 2005 (IMF, 2007). However, the UNDP Human Development Report for 2003 ranked Nigeria 58<sup>th</sup> out of the 88 poorest countries in the World (UNDP, 2004). Numerous debates by development experts and policy makers about the human development dilemma have been raised and tried to explore why the abundance of human and natural resources in the Niger Delta region has had very little impact on poverty (UNDP, 2006).*

*Following the recent trend in the developing countries to move towards sustainable development, it is apparent that environmental issues cannot be looked at in isolation from social and economic aspects. This article attempts to explore the relationship between poverty and sustainable development within the Niger Delta Region whilst providing a brief background to community development efforts in the Niger Delta region. It concludes by highlighting certain factors imperative for sustainable development within the region.*

**Introduction**

The interplay between the environment and the economy remains at the heart of sustainable development (Pearce & Barbier, 2000). Very often, the poor are perceived to be a key problem in achieving sustainability, both in terms of the government meeting their basic needs and their own extensive and desperate socio-economic activities in ecologically fragile lands (Chokor, 2004). The widely held view is that poverty propels

negative and unsustainable natural resource exploitation practices. The 2002 UN World Summit on Sustainable Development, held in Johannesburg, urged states not only to take immediate steps to make progress in the formulation and elaboration of national strategies for sustainable development, but also to push for poverty eradication as it was crucial to the attainment of environmental sustainability (UNSD, 2007).

Poverty has many faces, has been described in many ways, and changes from place to place and across time (World Bank, 2008). Ali-Akpajiak and Pyke (2003) define poverty as a plague afflicting people all over the world and is considered to be one of the symptoms or manifestation of underdevelopment. The World Bank defines poverty as pronounced deprivation in well-being (WDR, 2001). The 1990 World Development Report describes poverty as encompassing not only material deprivation (i.e. low income) but also low achievements in education and health. Aigbokhan (2000) defines poverty as the inability to achieve a certain minimal standard of living. The problems of poverty, neglect and social exclusion are most pronounced at the local community level where these communities ought to be encouraged to participate in and bring their own agendas to bear on governance and development (Nwaka, 2008). The development of a country or community is measured with statistical indexes, such as income per capita, life expectancy, rate and level of literacy, etc.

## **Background**

The Niger Delta is the richest part of Nigeria in terms of natural resources. The area has large oil and gas deposits, extensive forests, arable land, and abundant fishing resources. The Niger Delta is the main oil-producing region of Nigeria, which is the largest oil producer in Africa (Maxted, 2006) and the eighth largest exporter of oil in the world (Chukuezi, 2006). In spite of this vast amount of natural resource, the region remains a paradox of poverty, in the mist of plenty, as little of this wealth is distributed within the Niger Delta or to the Nigerian people as a whole. A significant feature of the Niger Delta region is its general state of underemployment, extreme poverty, disrepair, and lack of proper and adequate infrastructure, which has progressively led to a deterioration of both political and social cohesion.

A quick trip through the rural regions of the Niger Delta reveals the true extent of the state of failed and abandoned development projects, meant to improve the material living conditions of the indigenes. Economic and social rights, such as the right to an adequate standard of living, remain unfulfilled (Maxted, 2006). Poverty in this area is widespread; roads are in a constant state of disrepair, power outages and failure are frequent - some communities have no electricity. (In fact, a publication in the *Guardian* newspaper in June 2006 quoted the then governor of Bayelsa state - Jonathan Goodluck as saying that the state was still on the waiting list of areas to be connected to the national electricity grid.) The water available is of poor quality and largely contaminated, schools and hospitals are understaffed and ill-equipped. 50 years of oil and gas exploration has left large areas of the Niger Delta uninhabitable due to frequent oil spills, leakages, and

the effect of gas flaring. These acts have enraged the local communities and led to community protesting against the huge environmental degradation and abuse of general human rights resulting from the lack of environmental protection and development.

Exploration for oil in Nigeria began in 1908, but the first serious discoveries were not made until 1956 onshore in the Niger-Delta by Shell D' Arcy (now Shell Petroleum), an Anglo-Dutch oil company (The Economist, 1984; Agbola & Alabi, 2003). Commercial shipments began two years later but were on a modest scale until the mid 1960's, when offshore production began. The 1970's boom in production coincided with the surge in world oil prices. The expectations surrounding the discovery and exploration of oil has waned over time due to the state of affairs in the Niger Delta region; its people have not been positively affected by the discovery.

### **Development in the Niger Delta**

Traditionally development has meant the capacity of a national economy whose initial economic condition has been more or less static for a long time in order to generate and sustain an annual increase in its gross national product (Todaro & Smith, 2003). However, according to Todaro (1982) development refers to the multidimensional changes involving progress or improvements in structures, institutions, the general aspects of life of a given people; this entails the acceleration of economic growth, decline of poverty, and the reduction of inequality. Development strategies have therefore usually focused on rapid industrialization, often at the expense of agriculture and rural development. Prior to, during, and after independence, the agricultural industry in Nigeria was the backbone of the economy and a major employer of the active labor force (Ali-

Akpajiak & Pyke, 2003). However, with the discovery of oil and the seemingly endless opportunities to join the ranks of the industrialized nations, hopes were raised for a bright future and agricultural activities were abandoned for the lure "petrodollars".

Development planning in Nigeria dates back to the formative 10-year development plan for 1946-1955, prepared by the Legislative Council of the colonial administration (UNDP, 2006; Annual Departmental Reports, 2006). Since the colonial era, policies and programs within the national development plans have been formulated to address the minority status, agitations and perceived marginalization of the people of the Niger Delta. The Willinks Commission of Inquiry, in 1957, made the first major attempt to address these grievances. The commissions' report in 1958 stated that "the needs of those who live in the creeks and swamps of the Niger Delta are very different from those of the interior" (UNDP, 2006). The commission also noted that a government operating inland would find it difficult to concern itself with, or fully understand, the problems of a territory where communications are extremely difficult, building is so expensive, and education so scanty; especially in a country that is unlikely ever to be developed. The commission concluded that "a feeling of neglect and lack of understanding was widespread". This unfortunately is still the case today in the region. In response to this report, the Niger Delta Development Board (NDDB) was set up in 1961 (UNDP, 2006). Failure of the NDDB to solve the problems highlighted in the Willinks report led to the setting of agencies, such as the Niger Delta Basin Development Authority (NDBDA) in 1976 and the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992. These agencies also failed in their mandates. One of the main reasons given for the failure of the NDBDA was a result of organizational

problems; none of the board members appointed by the federal government to run the Authority came from the Niger Delta. Also, it was felt that these agencies were used by the government for political gratification.

OMPADEC, established in July 1992, was given the statutory responsibility to receive and administer the monthly allocation of the Federation Account in accordance with the confirmed ratio of oil production in each state. This allocation was set aside for the rehabilitation of local indigenes displaced by exploration activities, the development of the mineral producing areas, and for tackling ecological problems that have arisen from the exploration of oil minerals. The commission, noted for its extravagance and profligacy, did not make any meaningful impact on the lives and environment of the people of the Niger Delta. The Commission identified three main problems:

- 1) There was no available data for planning purposes, such as the allocation of crude oil production quota for each state;
- 2) The commission had no means to deal with the volume of demands;
- 3) Inadequate funding.

At the time it folded, OMPADEC owed its contractors billions of naira (the currency of Nigeria) and left the Niger Delta with numerous abandoned projects. These failures and problems highlight the need for capacity building in the Niger Delta.

When President Olusegun Obasanjo came into power in 1999, his administration commissioned a new body, the Niger Delta Development Commission (NDDC) in December 2000, with the hope that it would offer a lasting solution to the socio-economic problems of the Niger Delta. In order to achieve its mandate, the NDDC board identified

key areas of focus:

- a) Development of social and physical infrastructure;
- b) Industrial and technological revival and prosperity;
- c) Economic development and environmental remediation and stability;
- d) Human development.
- e) Pursuit of social and political stability

The need for a master plan as part of its overall strategy was identified and completed. In spite of its attempts to help catalyze economic and social development in the region, the NDDC has not made any positive impact on the people of the Niger Delta. It is facing some of the same funding problems that plagued OMPADEC and, as such, is widely perceived to be ineffective and opaque as a result of allegations of corruption and inefficiency.

Comments by participants and stakeholders at focus group discussions organized within the Niger Delta indicate that local people view the NDDC with suspicion and see the Commission as an imposition from the federal government. All the members of the Commission are political appointees of the federal government. The fact that the local people had no say in determining its composition is seen as a glaring example of political exclusion. As far as ordinary people are concerned, the loyalty of the NDDC is not to the Niger Delta but to the federal government and the oil companies that provide the bulk of its budget. This has led to a heightened level of tension and conflicts between the indigenous communities, the state, and the multinational corporations.

## **Poverty in the Niger Delta**

Poverty is a crosscutting issue with numerous dimensions. While it may be measured in terms of the income or resources of an individual, many of the conditions that perpetuate or alleviate poverty are at the communal or societal level (UNDP, 2006). Poverty in Nigeria, in all forms, is rising at an increasingly fast rate. The World Bank has observed that the poor of Nigeria have a cash income, which is insufficient to cover minimum standards of food, water, fuel, shelter medical care, and schooling (NPC, 2004). A publication by the Central Bank of Nigeria (CBN) highlights the increasing incidence of poverty across the country (Illustrated in Table 1). A measure of inequality and poverty indicates that the poverty gap is widening, with a greater proportion of the nations wealth being concentrated in the hands of the wealthiest 20 percent of the population (Ali-Akpajiak & Pyke, 2003).

Poverty in the Niger Delta region encompasses the issues of discrimination, neglect and the lack of a voice. Another dimension to the issue of poverty within the Niger Delta is that the people have been excluded from tapping into modern infrastructure, even as the resources for transforming other parts of the country have poured out of the Niger Delta (UNDP, 2006). Chokor (2004) in his paper on the challenges of poverty and environmental resource degradation in Nigeria with particular emphasis on the Niger Delta states that the abundant natural resources within these communities must be harnessed such that they contribute directly to community asset building so as to improve the socio-economic activities and amenities.



<b>Table 1: Incidence of Poverty by Geopolitical Zones</b>			
Geopolitical Zones	Percentage		
	1985/86	1992/93	1997
<i>North-East</i>	53.2	--	68.0
<i>North-West</i>	48.4	--	62.0
<i>Middle-Belt</i>	48.4	--	53.0
<i>South-East</i>	30.9	--	79.5
<i>South-West</i>	42.0	--	74.1
<i>South-South</i>	38.0	--	78.6
<i>Nationwide</i>	43.0	34.10	69.2

Source: CBN, 1999

Crude oil production and export from the Niger Delta earns over US\$14.5 billion yearly and provides over 90% of the country's foreign income earnings, contributing over 70% of the federal annual budget (Chokor, 2004). Despite this vast wealth, most communities in the region remain poor, with growing restiveness within the communities over gross underemployment in the midst of high income earned from the area, and wrangling between the communities and oil companies over compensation for environmental pollution and the loss of natural resources.

Nigeria's economic history and development have been closely tied to its agricultural sector. Prior to the discovery of oil, the country depended almost entirely on agriculture for food and on agro-industrial raw materials for foreign, exchange earnings through commodity trade. Agriculture also provided gainful employment to over 75

percent of the country's active labor force and was a source of livelihood to over 90 percent of the population at the time of the country's independence (NPC, 2004). With the discovery of oil, all other economic activities, including agricultural pursuits, became peripheral and subservient to oil exploration activities (Jike, 2004) as attention was shifted to urban industrialization and the extraction of these resources (UNDP, 2006). People were pulled from rural areas to urban centers, leading to a decrease in agricultural productivity. Due to the country's over-dependence on oil, agricultural contribution to national revenue declined from 80 percent in 1960 to 1.5 percent in 1995 (Ali-Akpajiak & Pyke, 2003).

In the pre-colonial period, and all through the colonial period, the mainstay of the Niger Delta economy was agriculture and fishing (UNDP, 2006). During this period, the production of timber, palm oil, and kernels took place in much of the Niger Delta. Rubber was mostly produced in the current Edo, Delta and Cross Rivers states. And cocoa was typically produced in Ondo and Edo states, reaching a high peak and earning considerable income for the region, and Nigeria as a whole. Crude oil exploration and exploitation activities in the Niger Delta have resulted in pollution hazards from accidental oil spillage, oil pipeline vandalization, gas flaring, and other accidents. Quite often these hazards reach disaster proportions, as witnessed in the 1999 Jesse (Delta State) inferno, which claimed 1,000 lives; Oviru Court and Ewreni (Delta State) fires in 2000; and the Isuikwuato (Abia state) fire in June 2003, which claimed 150 lives (UNDP, 2004). Resulting conflicts from the environmental impact of oil exploration activities in the Niger Delta has made development difficult within the region. A lot of time and effort has been devoted to solving resource related conflicts, such that significant attention has

been diverted from tackling the problem of poverty within the region and as such, poverty remains pervasive in this oil-rich region.

Given the abject poverty in the Niger Delta, there is a strong basis for demands for a greater share of the regions vast oil revenues, particularly as the region bears the full burden of environmental degradation caused by the oil industry. The Niger Delta region has attracted a huge amount of migrants, both foreign and local. They all come seeking opportunities from oil production (UNDP, 2006). Although many of them end up in the cities, a large proportion ends up in the rural areas. These rural migrants go on to become farmers, fishermen, harvesters of fuel wood, and sometimes middlemen who collect products for transportation to the urban markets. The activity of these migrants increases the already existing pressure on the land and rural resources. This, however, does not hinder their activities, as they are not concerned with resource conservation and environmental protection, since their main objective is profit maximization (UNDP, 2006). Alienated from their natural resources, either by the government, oil companies or migrants, the people of the Niger Delta see total resource control as the only solution. Agitation to achieve this goal has given rise to various groups, particularly amongst the youths, determined to use violence to claim a share of the wealth they believe is theirs by right. Most of the youths operate under the aegis of already established and recognized traditional groups or organizations (e.g. the Ijaw, Itsekiri, Urhobo youth movement). It is now commonplace for these youth outfits to operate parallel organizational structures, such as armed militia and constabulary wings, under the guise of looking after the welfare of their people. For instance, in Warri, which is one of the better-known towns, you cannot commence any building/construction work without first paying a hefty levy

running into thousands of Naira to the youths. Failure to do so often results in stagnation of the project, workers being bullied or threatened to quit, and in some cases destruction of property.

This agitation for control of the resources has drawn the attention of the federal government to the poverty in the Niger Delta, and also ensured that more revenue is assigned to the area. The derivation percentage was raised from 3 percent to 6 percent in 1995 and then to 13 percent in 1999, but this has not helped to assuage local demands. While the Niger Delta region deserves greater attention and increased revenues to deal with the high level of poverty and substantive infrastructural needs, it is important to note that even though the percentage allocation from the federal account to the Niger Delta is small, in monetary terms it amounts to a substantial amount of money. Annual federation allocation to the region, via the NDDC, from 2000 to 2004 has totaled N47.844 billion (US\$370.9 million) (UNDP, 2006). This should go a long way to significantly improve the well-being of the inhabitants of the Niger Delta through better service delivery and access to facilities. The fact that there has been no significant development in the region goes to highlight the issue of poor governance.

In a bid to create more centers of growth and administration, as well as allow development to spread more evenly across all regions, the country was further divided into 36 states, from 30 states in 1996. Nine of the states created make up the Niger Delta. These states include - Abia, Akwa Ibom, Bayelsa, Cross Rivers, Delta, Edo, Imo, Ondo, and Rivers states. In the core of the Niger Delta, states like Bayelsa, Delta, and Rivers, where the bulk of the oil is produced, lack infrastructural development, social amenities, and facilities. Where these are provided, they are unduly concentrated in the capital cities

with little or no regard for other parts of the states.

## **Conclusion**

For the Niger Delta people, just as is the case for many poor rural and urban populations, environmental sustainability is vital to their overall well-being and development. Poor people are more vulnerable to changes to their natural environment because for the most part their existence relies on subsistence endeavors, which depend on natural resources. Also social and economic deprivations and exclusions mean that they have fewer choices about where they live.

The problem of poverty and the challenges of sustainable development within the Niger Delta are symbolic of Nigeria as a whole. Inadequate and ineffective rural infrastructure is a major characteristic of rural areas (Madu, 2007), and although the states of the Niger Delta contribute 90% of the country's foreign exchange earnings, the basic infrastructures and amenities to facilitate economic growth in this area are virtually nonexistent. Delta state being the main contributor to these earnings has little or no federal presence at all. It has a mass of under-skilled and unemployed graduates with little hope of gainful employment. This, and several other factors such as the environmental degradation of the land, has led to a high rate of rural-urban migration in search of greener pastures. The magnitude of the rural-urban exodus has had severe consequences in terms of overcrowding, increasing the spread of communicable diseases, and helping to provide a fertile training ground for class-consciousness and a stark awareness of social deprivation. Jike (2004) points out that this awareness of social deprivation provides a ready milieu for youth violence, activism, and rebelliousness. The feeling of alienation and powerlessness has led to many violent attacks in a bid to force

their collective admittance into the system. He is of the opinion that the starting point for sustainable development and a meaningful solution to the Niger Delta crisis is the environment. In line with this, research by Chokor (2004) reveals that concerns by the acutely deprived communities for the environment is based primarily on reasons of human interest, survival, and quality of life rather than those of valuing nature for its own sake. He states that proper understanding of natural resource issues and their management must move beyond scientific and economic evaluations and draw on community-centered indigenous knowledge, using participatory and "common-good" approaches. This is a view shared by Adomokai and Sheate (2004), who go further to state that meeting the basic needs and building the capacity of the local people is key to promoting both environmental sustainability and sustainable development.

Research, based on the study of various literatures, has highlighted certain key points, common to all proponents of the argument on sustainable community development, which are essential if conflicts within the Niger Delta are to be minimized, poverty eradicated, and sustainable development achieved.

- 1) Creation of income and employment generation opportunities, so as to reduce the effects of social and economic deprivation, which compound development strategies and policies. Many agricultural and mineral products can be found in the Niger Delta. From this vast array of natural and human resources, the Niger Delta offers immense opportunities for developing a diversified economy. Making use of these existing resources would reduce the heavy focus and reliance on oil and gas, and provide a basis for growth within the region (UNDP, 2006). This would in turn expand employment, productivity, and

income of the poor, enhance human and institutional capacities, as well as help to eradicate poverty through improved livelihoods.

- 2) Encouraging forms of community-based incentives, such as local credit lines for efficient resource users in areas, such as agriculture, which have the capacity to absorb many workers and disincentives, such as sanctions for environmentally harmful practices.
- 3) Streamlining the activities of the oil exploration companies who have so far operated without environmental regulation to guide their activities in the region, in an attempt to limit the long-term impact of environmental degradation and ensuring that the statutory stipulations for mandatory Environmental Impact Assessment (EIA), in accordance with the 1992 act, are strictly adhered to.
- 4) Development strategies must be people-centered and designed specifically to meet the needs of the Niger Delta indigenes, paying particular emphasis on those already displaced as a result of the oil exploration activities. This would help to allow the indigenes to take an active and influential role in decisions that affect their lives and also change the mindset and prevalence of the attitude of "settlement money" amongst the various groups operating in the region.
- 5) Schemes aimed at developing capacities, as well as improving access to opportunities, goods, services, and facilities should be enhanced in order to enable the communities to overcome obstacles and engage in activities necessary for sustainable development.

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