

# **CRUDE OIL EXPLORATION AND UNDERDEVELOPMENT IN NIGERIA: A RESOURCE CURSE ANALYSIS**

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## **ABSTRACT**

*Being rich with crude oil and other numerous natural resource, Nigeria is potentially among the richest countries in the world. Yet, it suffers chronic underdevelopment. Could the Resource Curse theory apply to it? The study examines the resource curse hypothesis of the Nigerian oil rich State. Globally, the country is perceived as structurally disconnected from the abundant natural and human capital resources. The discovery of crude oil in Nigeria provided for its socioeconomic viability and has contributed to recent upsurges of institutional uncertainty and insecurity. The ongoing debate about the deplorable state of human and natural resource development in the Niger Delta region of Nigeria, signifies concomitant threat to the natural environment by oil and gas exploration. This situation has resulted to some forms of excruciating poverty, restiveness, criminality, human rights abuse, and attendant underdevelopment crisis that have been more conspicuous in recent time. It has been argued that the oil producing areas of this region suffer from grave discord, negligence, development politics tainted with endemic violence and wanton insecurity. These have continuously threatened the foundation of sustainable livelihood survival of the people. It is argued that the eco-unfriendly activities of the multinational corporations in the region has resulted in environmental degradation, and environmental degradation in turn engenders multifarious forms of human and environmental*

*resource curse like cultism, kidnapping, loss of biodiversity and economic recession as a result of overdependence on oil revenue for national development thus constituting grave plague to sustainable socioeconomic and political ascendancy. The study explores the analytical content of the present state of resource curse to explain interconnectedness between oil exploration and underdevelopment in Nigeria. It noted some constraints for achieving sustainable oil exploration and development of Nigeria.*

**Keywords:** Crude oil exploration, Underdevelopment, Resource curse, Nigeria

## INTRODUCTION

Crude oil and gas exploration in Nigeria started in 1956 when oil was struck in commercial quantity in Oloibiri community in the present-day Bayelsa State. Today, Nigeria is the largest oil-producer in Sub-Saharan Africa, with about 32 percent and 34.2 percent of Africa's oil and gas reserves respectively, the fifth largest exporting country in the Organization of Petroleum Exporting Countries (OPEC) and the fifth largest oil-exporting country to the U.S.A. The exploration of crude oil and consequent reliance on crude oil production as the economic mainstay in Nigeria may not be unconnected to the theoretical underpinnings of the *Stable Theory of Growth* largely advocated by development economists in the early 1950's who suggests that natural resource-abundance would help the backward states to overcome their capital shortfalls and provide revenues for their governments to provide public goods and emancipate citizens from the doldrums of poverty (Oyefusi, 2007).

Evidently, over six decades of crude oil and gas exploitation, the sector have accounted for over 80% of Nigeria's foreign exchange earnings and has largely contributed to the growth of the Nigerian economy. The wealth gotten from crude oil exploration, instead of enhancing socio-economic and human development, has impoverished the local communities of the Niger Delta where the oil and gas operation in the country is nested (Eregha & Irughe, 2009; Chijioke, 2009; Okaba, 2005; UNDP,

2006). This reality invariably becomes inconceivable as to how the abundant crude oil and natural gas resources available in the Niger Delta, instead of being a blessing with potentials of economic prosperity to the region, has on the contrary, became a curse to the people.

The resource curse perspective to underdevelopment crises in mostly natural resource rich countries has well been established starting from the 1990's with a growing number of researchers connecting the nexus between resource-abundance and a number of socio-economic problems (Gravin and Hausmann 1988; Skaperdas 1992; Auty 1993; Sachs and Warner 2001; Ross, 2004).

Interestingly, the avalanche of empirical and theoretical literature addressing resource curse and underdevelopment dilemma in natural resource-rich countries may come into play here. However, within the context of the Nigerian state, the increasing challenges of underdevelopment in Niger Delta in the midst of abundant oil and gas resources, as evident in massive environmental degradation, biodiversity loss, livelihood insecurity, pervasive poverty, unemployment and youth restiveness, needs to be analyzed in view of the Resource Curse hypothesis. It is in this light that this paper seeks to examine the underdevelopment challenges of Nigeria's oil rich Niger Delta region from the lens of the resource curse perspective.

## RESOURCE CURSE – A THEORETICAL PERSPECTIVE

The major thrust of the Resource Curse theory is the assumption that developing countries obtaining a substantial proportion of their national revenue from specific natural resources, such as crude oil, rubber, diamond and other minerals are more likely to have negative economic growth and development in general. Major proponents of this theory, such as Auty (1993), Harford and Klein (2005), Sachs and Warner (2001), suggest that irrespective of occasional economic boom in these resource-rich countries, they record lower economic growths when compared to resource-poor countries. In resource poor developing countries, deficiency in natural resources compel the government and citizens to maximize productivity by fostering competitive economic growth, which in effect, triggers an expansion of labour-intensive manufacturing sector while ensuring efficiency both in economic investments and political governance.

Accordingly, a major dimension of the resource curse dilemma is the inability of resource-rich countries to judiciously utilize the revenue derived from natural resources to boost their economies. Rather, according to Harford and Klein (2005), dependence on the key resource undermines the competitiveness of other sectors of the economy. This phenomenon also known as the Dutch Disease model (first observed in the Netherlands in the 1960s, when large reserves of natural gas in the North Sea were initially exploited) of the resource curse shows that windfall gains from natural resources, particularly oil, increases a country's average propensity to import, increases its exchange rate, contract other tradeable sectors, thereby causing a crowding-out effect on other sectors of the economy (Ross, 2003). Hausmann and Rigobon (2003) argue that this results in a

negative growth rate for basic economic indicators, such as the per capita Gross Domestic Product (GDP).

A second dimension of the resource curse perspective is the *rent-seeking effects*. Oyefusi (2007) asserts that resource-dependence often lead to a vicious development cycle whereby all actors (public and private, domestic and foreign) have overwhelming incentives to seek links with the state in order to share in the resource pie. This incentive for rent-seeking penalizes productive activities, distorts the entire economy and hinders economic growth and can precipitate the *volatility effect* (Ramey & Ramey, 1995; Gravin & Hausmann, 1996; Lane & Tornell, 1999; Caballero, 2000). Empirical evidence on resource curse points to a nexus between resource-abundance and slow growth (Sachs and Warner, 1995). Gravin & Hausmann (1988) and Ross (2004) also associated resource-abundance to greater inequality and poverty for a larger majority of a country's population. Also, Lane and Tornell (1999) and Ross (2001) established the link between resource-abundance and corruption of political institutions. Again, Collier and Hoeffler (2001) established the link between resource-abundance and increased risk of violent conflicts; whereas Collier et al. (2003), Skaperdas(1992) and Deininger (2003) showed the relationship between resources motivated conflict and economic collapse.

Nevertheless, although the literature on resource curse largely supports the hypothesis of natural resource abundance and underdevelopment, new evidence have shown that on the contrary the negative outcomes of natural resources e.g. booms can be equally avoided. For example, Gary and Karl (2003) reports that in Norway the benefits accruing from the North Sea oil has been judiciously utilized and has earned the country the highest place on the UN human

development rankings. Oyefusi (2007) also indicates that Mexico and Malaysia have also managed their oil resources well and placing them top in development rankings amongst oil exporting developing countries. Similarly, Botswana has successfully utilized the revenue from the export of diamonds to transform itself from one of the poorest countries in the world to a middle-income country with a per capita GDP of \$11,200 in 2006 (CIA, 2007). Hence, Boschini et al (2004) contend that the resource curse theory has failed to explain

the reason behind successful economic performance of resource-rich developing countries like Botswana.

Arguably, as robust as the resource curse model may be, its analytical utility is case specific and cannot be generalized (Pedro, 2004). Despite the argument against this model, it is empirically and theoretically valid for Nigeria, particularly illustrating the tragedy of resource abundance, as over-reliance on oil has stifled sustained economic growth, human capital creation and accumulation.

## METHODOLOGY

The study largely adopted the library research method, while relying on robust content analysis of secondary information gathered from books, journals, periodicals, newspapers in addition to observational techniques for its data.

### **RESOURCE CURSE AND UNDERDEVELOPMENT IN NIGERIA: THE CRUDE OIL-RICH NIGER DELTA EXPERIENCE**

In Nigeria, the enclave nature of oil and gas production which has concentrated wealth in few hands, ironically makes it impossible for income generated from oil extraction to trickle down to every part of the economy. The Overseas Development Institute (2006) reports that the oil industry in Nigeria employs a handful of highly-skilled and well-paid workers mostly foreign expatriates, thereby creating and supporting labour aristocracy (Human Rights Watch, 1999). Thus, the oil industry is not pro-poor and inward-looking as the local economy does not benefit from the multiplier effect of capital expenditure in oil production (Ross, 2003; Ukiwo, 2009).

In the same vein, crude oil exploration is largely associated with civil conflicts generally known as '*oil wars*'. This manifestation of the resource curse is largely

detrimental to socio-economic development as entire communities, states and countries are ravaged by conflict. In this light, Fearon & Laiton (2005) averred that crude oil has the highest risk of civil conflict as it is associated with large rents which precipitate rent seeking resource conflicts and exposing governments and the national economy to shocks. Collier and Hoeffler (2002) asserts that 23 percent of states dependent on oil exports have experienced civil war in any 5-year period, a figure that dwarfs the 0.55 for countries without natural resources (Oyefusi, 2007).

From the foregoing, the dynamics of crude oil resource exploration in Nigeria becomes evidently sufficient to support the resource curse hypothesis, as the Niger Delta region, which hosts the oil industry, bears the brunt of oil production ranging from environmental degradation, livelihood insecurity, and political corruption and mismanagement of proceeds from oil revenue.

The oil resource curse in Nigeria's Niger Delta could be, therefore, be analyzed as follows:

## **SOCIAL MARGINALIZATION AND MISMANAGEMENT EXCLUSION, AND**

The Nigerian oil industry is characterized by a joint venture agreement between the Federal Government of Nigeria and the multinational oil companies. The Federal Government participation in the oil industry represented by the Nigerian National Petroleum Corporation (NNPC) is guided by a 60-40 percent sharing formula for the Federal Government and International Oil companies respectively (Okaba, 2005). The joint venture reflects the disjointed character of the oil industry as the oil producing communities and the Niger Delta region generally is excluded from the joint venture. This implies that these communities who bear the brunt of the oil industry have no stake in the exploration and management of the oil resources in their land.

This situation is further worsened by the resource revenue control system in Nigeria which has continuously shifted from the hands of regional governments to the federal government. According to Ukiwo (2009), the derivation regime has witnessed dramatic shifts with the resource-producing regions/states controlling 100 percent of resource revenues between 1953 and 1960, 50 percent after independence, and from 45 percent to 13 percent from 1970 to 1999.

Since 1958, oil and gas production in Nigeria has immensely contributed about N96.212 trillion to economic growth in Nigeria (Vanguard, 2016). However, a significant percentage of this wealth has been mismanaged or stolen by the successive military and civilian leaders of the country at the expense of the Niger Delta region where the oil wealth is generated from. Accordingly, Gary and Karl (2003) report that Nigeria's former military dictator, General Sani Abacha stole 4 billion USD in the 1990s. Evidently, little of the oil money allocated to states and local governments

from the federal account is spent on genuine development projects for the benefit of the poor. It is saddening to note that despite its oil wealth, Nigeria has performed worse, in terms of basic social indicators, than Sub-Saharan Africa as a whole and much worse than other regions of the developing world, such as Asia and Latin America. In analyzing the pervasive poverty amidst huge oil wealth in the country, Ross (2003:7) notes: *“had each year’s oil rents [in Nigeria] been invested in a fund that yielded just five percent real interests, at the end of 1999 the fund would be worth \$454 billion. If divided among the general population, every man, woman, and child would receive about \$3,750, equivalent to about 15 years of wages”*.

Not only has oil wealth encouraged corruption at all levels of government, it has also weakened social systems and promoted rent-seeking. Such cumulative economic distortion creates enormous social tension, especially among unemployed and underemployed youths. The youths, particularly those in oil producing communities and those in communities playing host to oil pipelines, share in the single motive to wrest oil resource rent by force. In their desperate bid to obtain a fair share of the “national cake,” or “resource control”, many of these youths have resorted to acts of abduction, hostage-taking, sabotage against oil installations, kidnapping and extra-judicial killings. These are a result of a sense of injustice and economic exploitation which is further fuelled by what Ukiwo (2009) referred to as “*elite kleptocracy*” and “*mass opportunism*.” These factors, which have resulted in an intense demand among oil-producing states for greater or fair share of oil revenue, have their foundation in Nigeria’s competitive and pseudo federalism.

On the overall, the Nigerian economy has performed poorly when



compared with its resource-poor counterparts. According to Auty (2004:31) in 1960 the average per capita GDP of the resource-rich developing market economies was more than 50 per cent above that of resource poor countries, but by the late 1990s the resource-poor countries had closed the gap. The illusion of progress and strength oil wealth creates in an economy like that of Nigeria is vividly illustrated by Kapuscinski (1982: 35 cited in Watts, 2004: 51). In reference to Iran:

*“Oil creates the illusion ... of a completely changed life, life without work, for free ... The concept of oil expresses perfectly the eternal human dream of wealth achieved through lucky accident... In this sense oil is a fairy tale and like every fairy tale a bit of a lie”.*

This also shows the mind-set of resource-rich developing countries like Nigeria, engendering what Auty (2004) called “factional or predatory states.” This is a situation in which the state is subjected to exploitation by many competing groups. Thus, for Nigeria, oil has been a source of enormous wealth for the state, the military and ruling elite, all at the expense of human capital development and ecological sustainability.

#### **ENVIRONMENTAL DEGRADATION**

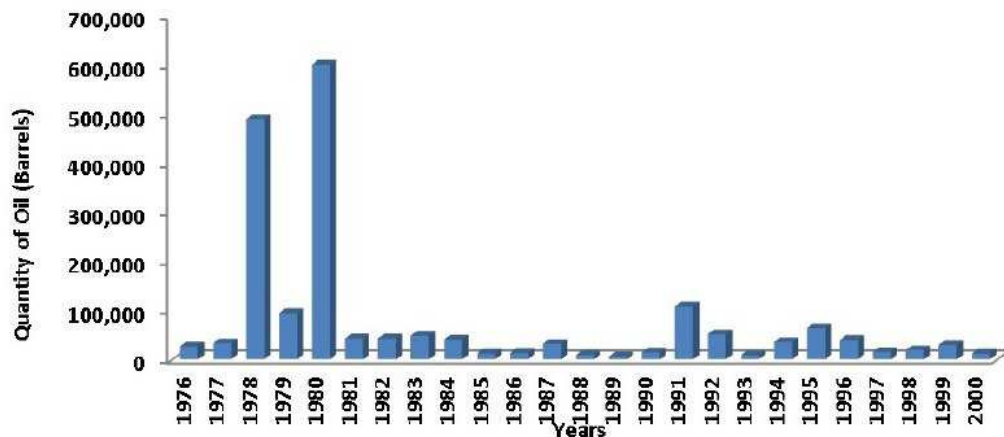
Destruction of the Niger Delta Ecosystem is a major manifestation of the resource curse associated with the oil industry in Nigeria.

The exploitation and prospecting for oil in the Niger Delta has not only altered people’s livelihood, but continues to disrupt the natural balance of the region’s earth crust. The dimensions of Environmental Degradation in the Niger Delta include:

#### **Oil Spillage**

The problem of oil spillage is one of the major devastating environmental effects associated with the oil industry in the Niger Delta. The U.S Department of Energy estimated that over 4,000 oil spills discharging more than two millions barrels of crude have occurred in the Niger Delta since 1960. Kadafa (2012) avers that an estimated 9 million – 13 million (1.5 million tons) of oil has been spilled into the Niger Delta ecosystem over the past 50 years. It is estimated that an average of one oil spill occurs every week in the region causing grave damage in the environment (Federal Ministry of Environment, 2006). Amnesty International (2009) in a separate report estimates that oil spill accounts for as many as 546 million gallons of oil into the Niger Delta environment over the last five decades, equivalent of about 11 million gallons annually.

In Nigeria, 50% of oil spills is due to corrosion, 28% to sabotage and 21% to oil production operations. 1% is due to engineering drills, inability to effectively control oil wells, failure of machines and inadequate care in loading and unloading oil vessels (Nwilo and Dadejo, 2007; Onuoha 2008). Figure 5.1 shows the annual quantity of crude oil spilled into the Niger Delta environment from 1976 to 2000.



*Figure 1: Annual Quantity of Oil Spilled (1976-2000) in Barrels*

Source: Kadafa (2012)

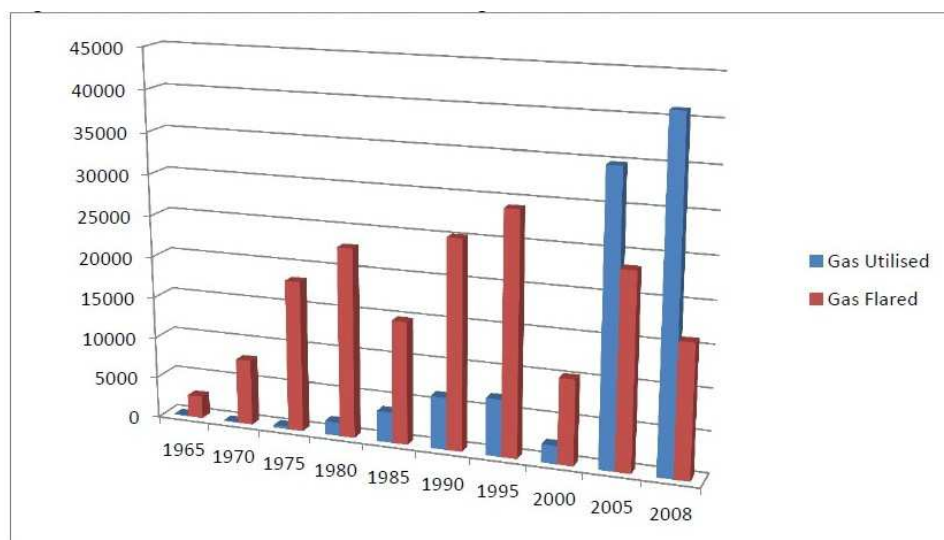
One of the most visible consequences of the numerous oil spills has been the loss of mangrove trees. The mangrove was once source of both fuel woods for the indigenous people and a habitat for the area's biodiversity, but is now unable to survive the oil toxicity of its habitat. Oil spills also pose serious health risks to people when they consume sea foods contaminated by oil spillage or utilize the unavoidable contaminated waters.

**Gas flaring**

Gas flaring and venting which is a significant source of global warming is one of the most severe environmental problems associated with oil exploration and exploitation in the Niger Delta. The World Bank Global Gas Flaring Reduction Partnership (GGFR) estimates that globally 150 billion cubic meters (or 5.3 trillion cubic feet) of associated natural gas are being flared and vented annually. Thus, global gas flaring releases about 400 million tons of CO<sub>2</sub> per year into the atmosphere (Amanze-

Nwachukwu, 2007; Onuoha 2008). In the process of oil production, Nigeria flares about 24 billion cubic meters (or 0.84 trillion cubic feet) of associated natural gas every year. It is reported that more than 70 percent (139 out of 177) of the oil fields in Nigeria still flare gas (Ugwuaren, 2008:11; Onuoha 2008) and the value of the wasted gas per day amounts to 86 million dollars (780 billion naira) and the annual value of the wasted gas is about 2 billion dollars (36 billion naira) or enough to generate electricity for the whole of West Africa region (Sagay, 2005). The UNDP in its 2006 report estimates that Nigeria flares 75% of the gas it produces which is more than any other country in the world.

These gas flares produce 35 million tons of CO<sub>2</sub> and 12 million tons of methane, more than the rest of the world (Onuoha, 2008)making the Nigerian oil industry a significant contributor to global warming and climate change. Figure 5.2 shows a comparative analysis of natural gas utilized and flared in Nigeria within the period, 1965 to 2008.



**Figure 2: Gas Utilized and Gas Flared in Nigeria, 1965-2008**

Source: Madume (2010)

Most oil communities in the Niger Delta live with gas stacks that flare gas 24 hours a day at temperature of 13-14,000 degrees Celsius. The impacts of gas flare on these communities are severe ranging from impeding their livelihood support systems and posing health risks to the indigenous people. Adeyemo (2002: 69) while analysing the impact of gas flare on agricultural outputs by the distance of farmland to flare sites reports that a distance of 200m results in 100% loss of crop yield, 600 meters results to 45% loss of crop yield while 1 kilometer results in 10% loss of crop yield. Similarly Ndubisi and Asia (2007) in highlighting the health implications of gas flaring assert that the practice emits toxic gases which cause respiratory illness, kidney

disease, neurological disease and potential death.

### Deforestation

Mangrove forest depletion is a major environmental devastation associated with the oil industry in the Niger Delta. Exploration processes and crude transportation and pipeline facilities are associated with large scale deforestation. According to Mmom & Arokoyu (2010), Nigeria is recorded to have the third largest mangrove forest in the world, and the largest in Africa, covering an area of approximately 105,000 hectares. They further posit that the Food and Agriculture Organization in 1997 reports that the Niger Delta area has the largest proportion of Nigeria’s mangrove forest, which is being reported to be the most exploited in the world.



**Table 5.1: Decline of Mangrove and Closed Forest in the Niger Delta**

Classes	Area (ha) in 1985	Area (ha) in 2000	% Change (1985-2000)
Water	343,654	343,513	-0.04
Crop land	16,495	23,974	45.34
Settlement/bare areas	52,738	108,725	106.16
Mangrove	55,410	37,117	-33.01
Closed forest	250,161	175,609	-29.80
Mixed forest	162,916	192,436	18.12

Source: Twumasi and Merem (2006)

Deforestation of the mangrove, which is a product of the interaction of the many environmental, economic, social and political forces in the region, is one of the environmental and economic problems of the Niger Delta. Consequent upon this large scale deforestation is the rapid loss or decimation to biodiversity in the region, and loss of livelihoods as mangrove forests are utilized as a source of fuel wood, stake pole production, fish traps, boat carving, and fishing, platforms as well as shoreline protection in the Niger Delta.

#### **HUMAN DEVELOPMENT**

The human development dimension of oil resource curse in the Niger Delta is well reflected in the rich region - poor people paradox. A close look at the Niger Delta Human Development Report, (UNDP, 2006) reveals that the analyses of poverty and human development in the region is poor. The region's human development index (HDI) score, a measure of well-being encompassing the longevity of life,

knowledge and a decent standard of living, remains at a low value of 0.564 (with 1 being the highest score). According to Amadi and Alapiki (2014) while these ratings put the Niger Delta at a slightly higher level than Nigeria's overall HDI of 0.453, the area rates far below countries or regions with similar oil and gas resources. For example, the HDI for Saudi Arabia in 2000 stood at 0.800, while in 2003 the United Arab Emirates, Kuwait, Libya, Venezuela and Indonesia achieved scores of 0.849, 0.844, 0.799, 0.772 and 0.697, respectively.

The impact of oil induced marginalization and environmental degradation on human development in the region is alarming as Table 5.2 shows the incidence of poverty in the Niger Delta. The saddening human development reality in the region has worsened the health and poverty situation as pollution of natural environment which supports the livelihoods of communities implies poor health scenario and heightening poverty in the land.

**Table 5.2: Incidence of Poverty in the Niger Delta**

Column1	Column2	Column3	Column4	Column5	Column6	Column7
States		1980	1985	1992	1996	2004
Edo/Delta		19.8	52.4	33.9	56.1	78.44
C-Rivers		10.2	41.9	45.5	66.9	41.61
Imo/Abia		14.4	33.1	49.9	56.2	49.66
Ondo		24.9	47.3	46.6	71.6	42.15
Rivers/Bayelsa		7.2	44.4	43.4	44.3	49.07

Source: National Bureau of Statistics, 2004, cited in Eregha and Irughe, 2009.

Furthermore, large scale oil pollution and environmental degradation has displaced population and livelihoods (Okon & Egbon,

1999), thereby exposing the region to an increasing unemployment trend as shown in Table 5.3.

**Table 5.3: Unemployment Rates by States in the Niger Delta**

States	Comp	Urban	Rural
Abia	10.6	8.70	10.8
Ak-Ibom	36.9	29.8	37.1
Bayelsa	23.6	20.7	24.1
C-Rivers	16.6	7.30	18.3
Delta	23.3	23.5	19.0
Edo	14.3	24.0	11.8
Imo	22.3	23.8	32.8
Ondo	17.0	14.0	19.8
Rivers	34.2	27.5	35.2
All Nigeria	18.1	14.2	19.8

Source: Federal Office of Statistical News, 2001, cited in Eregha and Irughe 2009

**MILITANCY AND ARMED CONFLICT**

The nexus between resource curse and civil conflicts especially oil related conflicts have been well established. There are basically four explanations of the causal mechanism linking natural resources to civil conflict. First is the *grievance hypothesis* which argues that resource extraction creates

grievances among local population due to land expropriation, environmental hazards, inadequate job opportunities and social disruption accompanying labour migration and perceived injustice in the distribution of resource rents (Klare, 2001:208). Second is the *weak state hypothesis* which suggests that the wealth accruing from natural

resources especially crude oil increases the probability of civil war as it weakens state's bureaucracy (Fearon & Laitin, 2002) and creates a state that is less responsive to its citizens (Mahdavy, 1970) thereby impeding the ability of states to resolve social conflicts (Karl, 1997; Fearon and Laitin 2002). Third is the *separatist incentive hypothesis* which argues that resource wealth increases the risk of a secessionist war by giving residents in a resource rich region an incentive to form a separate state largely due to the fact that the state controls the wealth accruing from the natural resources instead of the people from the region where these resources are located (Ross, 2003; Collier and Hoeffler, 2002; Le Billion, 2001). The fourth perspective is the *looting hypothesis* which argues that natural resources increases the risk of civil conflicts by providing a source of finance for nascent rebel groups either by extracting and selling the commodities directly or by extorting money from extractive firms, which unlike manufacturing firms are location-specific (Aderoju 2007).

The nexus between natural resources and civil uprising drawing from the highlighted resource curse perspectives is evident and most appropriate in describing the Niger Delta situation. Conflicts in the region are mostly associated with land ownership, resource rent and compensation for land appropriation as well as compensation for environmental damages respectively within communities, between communities and community versus oil companies' conflicts. Accordingly, the Niger Delta crises has been characterized by peaceful non-violent protests such as that of

the Movement for the Survival of the Ogoni People which eventually led to the murder of the foremost environmentalist Ken Saro-Wiwa to the Kaima Declaration by the Ijaws in 1998 and the emergence of militia groups such as the Niger Delta Volunteer Force (NDVF), Movement for Emancipation of the Niger Delta (MEND) engaged in oil bunkering, artisanal refining, and sabotage of the oil industry. The emergence of several militant groups and subsequent destruction of oil facilities and kidnapping of foreign expatriates necessitated the then President Musa Yar'adua led federal government on June 25 2009 to proclaim presidential Amnesty to militants in the Niger Delta. The Amnesty programme was designed to be in three phases namely Disarmament, Rehabilitation and Reintegration. However, several years after the Amnesty declaration and the appreciable relative peace witnessed in the region, the entire peace building process has been thwarted by the re-emergence of new militant groups such as the Niger Delta Avengers and Ultimate Warriors. In the face of this new threats, one then would have no option than to question the success of the Presidential Amnesty Programme of the Nigerian Federal Government and what that would portend for the Post-Amnesty Niger Delta. It then becomes deducible that the establishment of interventionist programmes and agencies such as the the Niger Delta Amnesty Programme, Niger Delta Development Corporation (NDDC), and the Niger Delta Ministry has failed to address the root causes of the developmental crises of the Niger Delta which is the oil resource curse syndrome.

## CONCLUSION

The foregoing discussion and submissions informs this paper to conclude that the discovery of crude oil and gas in the Niger Delta since 1956 which ought to be a

blessing as catalyst for economic prosperity, better living standards, and human development for the people of the region, has however proven to be a curse as a

precursor to underdevelopment thereby engendering socio-economic and political problems and associated distortion of the common psyche, dignity and identity of the region and its people. In furtherance, crude oil politics of underdevelopment in the region has surmounted the aspirations of the people of the Niger Delta and short-changed them with tears, sorrows, and poverty thus leaving the people in continuous struggle for survival and environmental marginalization as a result of devastating environmental and social injustice which contributes to the intensity of social, economic and human development quagmires prevalent in the region. The implications therefore is a

vicious circle of under development as the downward spiral movement of oil exploitation and environmental degradation in the region remains a continuum as the Nigerian government relies solely on crude oil and gas exploration for its revenue. This reality portends grave danger for the region as the likelihood of a degeneration into a cancerous state of human development insecurity is great. In the light of the above, if the current crude oil resource curse realities in the Niger Delta is not consciously addressed by all stakeholders in the Nigerian oil industry, communities and civil society, the future of the region and Nigeria generally remains bleak.

## RECOMMENDATIONS

From the foregoing submissions, the study recommends that:

1. Active policy practice of true fiscal federalism should not only be paid lip-service to as is presently done, but driven to challenge political structure and flaws of our leaders towards social equity and justice on natural resource politics and development.
2. Efforts should be made to revolutionize the ideological gaps and weaknesses of the people and to raise true consciousness of political and economic leaders on the inherent imbalances in the national sharing formula which has placed the region to a great disadvantaged position. This objective can be achieved through adequate subscription and education of the people on imperatives of good governance and properly guided federalism.
3. Similarly, human capacity development programs in the Niger Delta region should be reassessment without bias to integrate ingenious contributions of environmental influenced initiatives of the youth in building domestic development.
4. The government at all levels needs to promote transparency and accountability with the management of common wealth accrued from natural resource exploitation. This should encompass equitable distribution of societal wealth for sustainable socio-economic development and improved standard of living.

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