

## **NIGER DELTA DEVELOPMENT CRISIS: FISCAL FEDERALISM OR LEADERSHIP FAILURE**

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### ***Abstract***

*Since from colonial Administration Niger Delta region is facing development crisis. This led to the agitations for fiscal federalism, resource control and good governance by the people of Niger Delta region. They believed that it is the best option to solve their problems of underdevelopment in the region. This paper trace the history of Niger Delta Development Crisis and also find out whether the lack of development in the Niger Delta region is as result of absent of fiscal federalism or leadership failure. The paper examines the effort been made by previous regimes in response to the agitations of the people of Niger Delta region relying on secondary data. The paper reveals that leadership failure and bad governance is responsible for the underdevelopment of the region. Therefore, the problem of underdevelopment of Niger Delta region will be resolved by providing quality leadership through good governance.*

**Keywords:** *Fiscal federalism, Niger Delta, Development, Leadership.*

## **Introduction**

Niger Delta region supposed to be the most developed and civilized area in Nigeria due to the billions of dollars' worth of oil coming out from the region (Sango, 2009). Since the oil was discovered in January 1956 at Oloibiri in commercial quantity; instead of the region to witness rapid development because of the enormous contribution of the region to the economy of Nigeria, on the contrary the people of Niger Delta region have "little or nothing to show in the region" (Ohale, 2009). Rather poverty, underdevelopment, total destruction of entire environment which affects their economy and fishing. The region is behind in virtually all forms of social amenities and infrastructure like electricity, medical facilities, roads, shelter etc, with rising rates of underdevelopment, communal conflict, youth restiveness, Kidnapping and all forms of social insecurity (Ohale, 2009).

The continuous exploitation of the natural resource of Niger Delta region, without adequate compensation, even despite the government effort through promises, programmes and commissions, the region still remains underdeveloped (Sango, 2007). This led to the agitations for fiscal federalism and resource control. The demand for resource control is a demand for adequate compensation, a call for equity, justice and good governance in distribution of resources for the region.

This paper intends to briefly trace the history of Niger Delta development crisis and to investigate further why despite the effort of the previous administrations to solve the problems of the region's underdevelopment has not yield positive result up till now. The paper will also examine whether lack of development in the Niger Delta region is due to absent of fiscal federalism or leadership failure. After critical evaluation of what is hindering development in the Niger Delta region, the paper will make appropriate suggestions for the development of Niger Delta region.

## **Conceptual Clarification**

It is signification to start the discussion with clarification of terms which are relevant to the understanding of the topic. These are fiscal federalism, Niger Delta, Development and Leadership.

## **Fiscal Federalism**

For proper understanding of fiscal federalism, the concept of federalism has to be defined in order to give room for proper understanding of what is Fiscal Federalism. Federalism is the system of government where by a number of separate political component units unite to solve common problems. Federalism is a system of government which provides for proper division of powers among the separate political component units and the central authority. Therefore in federalism there is constitutional division of powers between the central government and the component units. According to Akindele (2007) (cited in Festus and pearl, 2015), federalism is a system of government whereby revenue and expenditure are constitutionally divided among the three tiers of government. This means that federalism is

all about distribution of political and economic decision-making power between levels of government.

The allocation of functions to levels of government in any federal setting has fiscal implications, due to the fact that implementation of the assigned functions involves expenditure and revenue (Fajana, 1996). Therefore, Fiscal Federalism which ensures true and balanced federalism has to be emphasized for the even development of all the component units. Fiscal federalism can be seen as the intergovernmental fiscal financial relation among the levels of government in the federal system. According to Ozor (2004) (cited in Festus and pearl, 2015), fiscal federalism is all about the allocation of taxing power, central collection of revenue and federal expenditures, to the three tiers of government in the federal system of government to enable them perform their constitutionally assigned responsibilities to their citizens. Fiscal federalism can be viewed as the financial relationship existing between the three tiers of government which is rooted through the political arrangement called federalism (Festus and pearl, 2015).

Fiscal federalism is concerned with the way in which federal government shares its revenue with the other two levels of government i.e state and local government. Fiscal federalism simply means that the component units of the federating units which are blessed with resources within their territories should benefit the revenues, royalties, taxes, etc, derivable from such resources and contribute for the up keeping of the central government.

Tekun (2000) defined fiscal federalism as a form of government in which the component units of a political entity participate in sharing of power and functions in acceptable manner with collaboration of ethnic pluralism and cultural diversity. Ekpo (2003) (cited in Festus and pearl, 2015) states that Fiscal federalism is all about the allocation of resources between the tiers of government to discharge the responsibilities given to them within their constituents. Similarly, Tekun (2000) stated that Nigeria Fiscal Federalism structure involves the allocation of expenditure and tax rising power among the three tiers of governments (Federal, State, Local government). Therefore, fiscal federalism means the fiscal arrangement in a federal setting.

### **Niger Delta**

Niger Delta is a geographical area located in the southern part of Nigeria with a total Landmass of 70,000 square kilometers (Ohale, 2009). The region shares boundary with Ogun state in the west. The area also share boundary with Enugu, Ebonyi, Anambra, Kogi and Ekiti states. Generally, the Niger Delta region is bounded in the South by the Atlantic Ocean (Ayokhai and Rufai 2015). The region comprise of the following states, Akwa Ibom, Bayelsa, Cross Rivers, Delta, Edo, Abia, Ondo, Imo and River states and with a population estimated at over 30 million (Ayokhai and Rufai 2015). It has been the main revenue generator for the Nigerian state since 1956 when oil was discovered at Oloibiri in the present day Bayelsa state (Ayokhai and Rufai 2015).

According to Terhenmen and Tyoyila (2016), the oil of Niger Delta has been the engine of the Nigerian economy for years. They further stated that the region generates wealth which account for over 90% of Nigeria's foreign earning and export value.

The Niger Delta region is blessed with both human and material resources. This made the region to serve as the major economic resources generator for Nigerian State, but still the region is behind in socio-economic and political development.

### **Development**

The concept of development is multidimensional; it connotes change from a less to more desirable state (McClean 1996). Development like any other concept in social sciences has no universally accepted definition. Some scholars argued that development must be relative to time, place and circumstance, so it cannot be reduced to universally applicable formula (McClean, 1996). According to Ayodele (2006), development is the transformation of an entity through growth and change. UMO (1986) (cited in Ayodele, 2006) viewed development from the socio-economic point of view; "development is a process by which high degree of self-reliant economic growth in any given society, sustained over a long time, is associated with substantial reductions in poverty, unemployment and inequality. Development cannot be seen as involving not only economic growth, but also the way in which the people of a country have adequate food, Job and income; thus, inadequate food, Job and income inequality among them is greatly reduced (Ayodele,2006).

To Simon (2004), development is an improvement in the standard of life in both quantitative and qualitative terms. Therefore, development can be seen as the increasing satisfaction or realization of potential of human personality, which leads to reduction in poverty, inequality and unemployment (McClean, 1996). Rondey (2009) (cited in Tyoyila and Terhenmen, 2016), development is the ability of a society to harness its natural resources in order to cater for the social-economic needs of the generality of the people. This means the production of goods and services in a society. Onyekpe (2004) asserted that development is nothing but the transformation of the economy, state and society through the attainment of greater capacity to deal with the challenges of production, political administration and governance and organizing the civil society as a political entity. Development therefore is all about total upliftment of the living condition of a people.

### **Leadership**

The concept of leadership is universal; it cuts across social, political, economic, culture and geography (Omolayo, 2006). The engine of leadership is influence; that is the capacity of the leader to influence his or her subjects. Leadership can be located in the churches, mosques, socio-political associations, sport clubs and government organizations.

According to Omolayo (2006), leadership is an important ingredient in the activities of government. It is the determining factor between success and failure in a society. Bamigboye (2000) defines leadership as "a process whereby one person exerts social

influence over the members of a group”. He also sees a leader as somebody with power over others, who use this power for influencing their behavior.

Similarly, Soteolu (2004) sees leadership as a process in which an individual consistently exerts more influence than the others in the struggle of group behavior. According to wule (2012), leadership is concerned about the leader’s function in catering for the well-being of the ruled. Leadership is the ability to influence the people or group of people to carry out activities in which they will feel secure. Bernard L. Montgomery, a British field Marshal (2004) (cited in Iyare, 2004), posits that “leadership is the capacity and will to rally and inspire men and women to a common cause”. Goodnews O. Ireunmi, B. Eti, C.A. (2015), also sees leadership as the ability to influence or to provide direction or guidance towards achieving a goal. They further stated that important components of leadership are vision and mission which will enable the leader to have a clear direction of what he wants to achieve for the society.

Therefore, leadership is associated with attempts made by the leader to affect the behavior of his/her followers. Leadership should be honest, transparent and morally accountable to its followers.

### **Theoretical Framework**

There is hardly a phenomenon in social sciences that lacks theoretical framework; therefore, this research work is not free of theoretical framework of analysis. The theoretical framework which is suitable to this work is “Frustration-Aggression” theory. The theory explained violent behavior as a result of inability to fulfill needs (Faleti, 2006). The pioneers of this theory John Daland and his associate in 1939; the theory is further modified by Leonard Berkowitz (1962) and Aubrey Yates (1962). These scholars use the explanation of the psychological theories of motivation and behavior, as well as frustration and aggression (Faleti, 2004). The scholars of this theory argued that aggressive behavior occurs as a result of frustration; that is, a situation where the individual or community is denied of what is legitimately theirs (Faleti, 2006). The individual or community who feels disappointed expresses their anger through violence which is always directed to the people or authority responsible for that.

From the above explanation, the theory is the most appropriate for the explanation of Niger Delta development crisis. The theory suits the explanation of Niger Delta development crisis which led to youths of Niger Delta to take law into their hands by vandalizing oil pipelines, kidnapping oil workers for ransoms; all these violent behaviors happen as a result of disappointment after peaceful agitations for their fair share of the oil wealth which is from their region (Faleti, 2006).

### **Brief Historical Background of Niger Delta Development Crisis**

The struggle for equal treatment by the people of Niger Delta started long time ago. This resistance is traceable to the time of colonialism independence and post-independence period (Sango, 2009). King Jaja of Opobo, a prominent Ijaw was disposed in 1880 and sent

on exile to Portugal as a result of fighting for a fair share of the then Palm oil wealth of the Niger Delta region (Sango, 2009).

Since oil was discovered in commercial quantity in 1956 at Oloibiri, issue of resource control and fiscal federalism which are all about equitable distribution of revenue becomes the bone of contention (Bakare, 2016). The struggle for equitable distribution of resources and equal development in Niger Delta can also be traced back to the 12days revolt of Isaac Adaka Boro and others in 1966 as a result of frustration suffered by the Niger Delta people under the Nigerian federal arrangement (Ayokhai and. Rufai 2015). The continuous agitations for fiscal federalism and resource control by the Niger Delta people is due to the failure of the Nigerian federalism and leadership to address the issue of socio-economic and political development in Niger Delta region; the region that generates the highest revenue for the government, but it is the region that is suffering from unemployment, underdevelopment and total destruction of their eco system (Ohale, 2009).

It is now clear that the Niger Delta development crisis is as a result of the neglect of the previous government to address the issue of “lacking social amenities and infrastructure” (Ohale, 2009) which gave rise to persistent youth restiveness demanding for redress for years of neglects by the government (Ohale, 2009).

### **Niger Delta Development Crisis: Fiscal Federalism or Leadership Failure.**

The Niger Delta region which is contributing the highest revenue to the economy of the country; instead of the region to become the most developed region in the country, the region has nothing to show instead poverty, lacking of social amenities and infrastructures such as electricity, medical facilities, roads, shelter etc. The region is also facing the increasing “destruction of agriculture, fishing and the ecosystem” (Sango 2009).

The effort of government to address the Niger Delta development crisis started far back pre-independence days. In 1958, the colonial government setup the Willinks Commission to address the minority problems. This commission recommended that, a Niger Delta Development Board should be set up. This led to the establishment of the Niger Delta Development Board (NDDDB) in 1961 to resolve the problems of Niger Delta people. Also, other agencies were established to find solution of Niger Delta region, they include: The Niger Delta River Basin Development Authority (NDBDA) in 1976, the Oil Mineral Producing Area Development Commission (OMPADEC) in 1992, and the present Niger Delta Development Commission (NDDC) and ministry of Niger Delta Affairs in 2000 (Ohale, 2009).

Despite the establishment of all these commissions the region is still enjoying 13% derivation principle of federal revenue allocation formula. All these are efforts of government to resolve the problems of the Niger Delta region; still the agitations for fiscal federalism, true federalism and resource control still persist. Now the question is, is it the absent of fiscal federalism or leadership failure that is responsible for development crisis of Niger Delta region. Lack of development in Niger Delta region is not the absent of fiscal federalism but it as a result of leadership failure in managing the resources provided by the government to

solve the lack development problems of the region through the establishment of commissions and other programmes by the various government.

According to Sango (2009):

*“It is not the lack of resources that has been preventing sufficient development of Niger Delta and Nigeria as a whole but the inherent wasteful and elitist approach of capitalist system which often inflates, outrageously, the actual cost of projects at the expense of dire needs of the economy and the masses”.*

He also pointed out that the believe of Niger Delta people that once fiscal federalism is accepted by the federal government the problems of Niger Delta people will be over. The idea contradicts the reality of life in Nigeria, due to the types of leaders we have in Nigeria, they are best in “sacrificing people’s basic needs on the altar of personal greed and aggrandizements (Sango, 2009). He further stated that, the additional resources accrued to Niger Delta as a result of 13% derivation are looted by its leaders.

Similarly, Abdulazeez (2016) stated that the problems of development of Niger Delta region and other regions is one of the examples of leadership failure and mismanagement of resources. That is, if you have the resources and you lack good leadership to managed the resources in the prudent manner. The resource mismanagement and corruption by the leaders of Niger Delta region such as the governors, chairmen, political and traditional leaders and other in the position of authority are responsible for the continuous lack of development in the Niger Delta region (Abdulazeez, 2016).

The region has the highest federal allocation beside the 13% derivation allocation. It also has additional annual allocation for the ministry of Niger Delta Affairs, Niger Delta Development Commission (NDDC) and also allocation for amnesty programme. Despite all these, there is no significant change in the region (Abdulazeez, 2016). Then how would one agree that fiscal federalism will solve the problems of Niger Delta development with the present day leaders on ground. Therefore, the lack of development in Niger Delta region is the lack of good leadership to manage the resources for the development of the region.

## **Conclusion**

From the foregoing analysis, it is very clear that leadership failure is responsible for the development crisis of the Niger Delta region. The study also finds out that various administrations made effort to address the development crisis in Niger Delta region but the efforts were not successful because of corruption which has eaten deep into Nigerians (Tayoyila and Terhenmen 2016). The paper also finds out that to solve the problems of the aforementioned is through prudent management of the resources by the leaders. If there is prudent and efficient management of resources the issue of lack of development would be the thing of the past.

Therefore, to solve the problem of Niger Delta Development crisis, the study recommends good governance as the useful tool for solving the problems. Good governance

is concerned about providing good leadership in progressive manner to the benefit of the governed. Some ingredients of good governance are democratization, maintenance of law and order, accountability and transparency. So for the region to develop, leaders of this region have to adopt good governance in handling the affairs of the region.



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