

# ECONOMIC AND DEVELOPMENT HISTORY IN THE NIGER DELTA REGION OF NIGERIA: THE CASE OF THE NIGER DELTA DEVELOPMENT COMMISSION (NDDC).

OGBARI C.C. AMA-OGBARI, PhD.  
DEPARTMENT OF HISTORY AND DIPLOMACY  
NIGER DELTA UNIVERSITY  
WILBERFORCE ISLAND  
BAYELSA STATE

## Abstract

*The Niger Delta region is Nigeria's greatest wetland and pyramidically located at the South-South geo-political confirmation of Nigeria. It is a region with great natural gas and oil wealth in its "bowel". Ironically, this nature's gift to the people has not benefited the inhabitants of this zone as expected. Several attempts have been made to lift out this area from underdevelopment and its people from the strangulation of chronic poverty and deprivation. These attempts, though good intentioned have failed to develop the region. The Niger Delta Development Commission (NDDC) which grow from the "ashes" of the defunct Oil Mineral Producing Area Development Commission (OMPADEC) came on board but it is also crippled by the same factors that had hitherto bedeviled the OMPADEC. It is therefore the essence of this paper to have a holistic examination of institution as an economic and development body in the economic history of the Niger Delta region of Nigeria. The paper adopts the historical and descriptive approach in its study and secondary sources are copiously consulted and utilized.*

## Introduction

The Niger Delta is variantly defined by different scholars and pundits. Thus there are definitions boardering on politics, on economy and geography. This discourse defines the Niger Delta as a region occupying the Southernmost part of Nigeria. The region is within the South-South region of Nigeria in the geo-political configuration. Geographically the River Niger runs and empties its content in this region through various tributaries, waterways such as rivers, streams canals and so on into the Atlantic Ocean.

In the geo historical and political dispensation, the states of Bayelsa, Delta and Rives State are the major occupants of this region; although other states were added to actualize the passage of the NDDC bill.

Development on the other hand means a multidimensional growth process involving the entire transformation of all segments of the society - the polity, culture, economy, education, infrastructure, human and so on.

The issue of the Niger Delta and development has been an age-long one. The question of the underdevelopment of the Niger Delta pre-bates Nigeria's independence. In 1958 the Willink Commission clearly states that this region is underdeveloped. This is evidenced by the near absence of infrastructural and social amenities even at independence. The underdevelopment of the Niger Delta is predicated on several factors.

One of such argument attribute this to the nature and character of the Nigerian state which promote ethnic based political domination. According to this argument because the Niger Delta people do not control the state, the oil wealth is transferred to the other areas for development.

Writing on the development problems of the Niger Delta, Ben Naanem (quoted in Izuan Wilcox 2010) attribute the underdevelopment of the Niger Delta to a number of factors which include ethnic based political domination which is used to expropriate the resources of the oil communities for the dominant groups, the oil companies and the state enterprises which restricts the minorities access to the modern and more rewarding sectors of the economy.

Basically, the argument blames the enabling laws governing the oil industry for the woes of the people. It contends that the laws (The Petroleum Act of 1969, the Land use Decrees of 1978, etc) have alienated the people from the oil wealth, thus setting in the process of underdevelopment, for instance the Petroleum Act places the responsibility for issuing mining rights or mining leases and licenses, for petroleum prospecting, lease, search, for, win, work, carry away and dispense of petroleum with the Minister of Petroleum resources.

The provision of the Petroleum Act which was re-enacted in the 1979 and 1999 constitutions emphatically states that;

...the entire property in all control of all mineral oil and national gas in, under or upon any land in Nigeria or in under or upon the territorial waters and the exclusive economic zone of Nigeria shall vest in the government of the federation.

Furthermore, the underdevelopment of the Niger Delta is traced to the impact of the oil industry on the economy and society of the people. The spill oil, gas flaring and other activities of the oil companies have stagnated the development of the area.

To overcome these problem, a number of policy option were suggested. Although the dominant view of the people of the area suggest the control of the resources in their domain, including crude oil and gas, the federal government of Nigeria established the Niger Delta Development Commission (NDDC) to solve and tackle the problems of the Niger Delta. The NDDC was established from the 'ashes' of other institution.

### **The PRE-NDDC Institutions**

After the Willink Commission of 1958, practical steps to develop the Niger Delta at Independence started in 1961 with the establishment of the Niger Delta Development Board (NDDC). This board was renamed the Niger Delta Basin Development Authority (NDBDA) in 1976. Particularly this board was charged with the development of the Niger delta. However, it failed to make any meaningful contribution to the development of the area. This has been blamed on ethnicity, lack of political will, inadequate funding and so on.

Besides, the proliferation of Basin Development Authorities added to the woes of the board.

Apart from the fore-going, other efforts to develop the region centered on the disbursement of the 1.5 percent oil producing area development fund. This was done through ad hoc committee, set up by the federal government in 1981 and 1985. The efforts of these committees were stalled by the politics of resource distribution.

Subsequently in 1992, another serious attempt was made to develop the region. This was the establishment of the Oil Mineral Producing Area Development Commission (OMPADEC) by decree no 23 of 1992.

The under listed formed the fundamental objectives of the commission:

- a. To receive and administer the monthly sum from the allocation with confirmed ration of oil production of each state for;
  - i. The rehabilitation and development of oil producing areas.
  - ii. The tackling of ecological problem that may have arisen.
- b. To determine and identify through the commission and the respective oil producing states, the actual oil producing areas and embark on the development of projects properly agreed on with the local communities of the oil producing areas.
- c. To consult with the relevant federal and state government authorities on the control and effective methods of tackling the problems of oil pollution and control.
- d. To liaise with the various oil companies on matters of pollution control.
- e. To obtain from the Nigerian National Petroleum Cooperation (NNPC), the proper formula for actual oil production of each state, local government area and community and to ensure the fair and equitable distribution of projects, services and employment of personnel in accordance with recognized percentage production.

Despite these laudable objectives, the Oil Mineral Producing Area Development Commission (OMPADEC) failed to achieve any meaningful result. The reason been blamed on ethnicity, corruption, mismanagement, nepotism, misplaced projects and fault in implementing strategy.

Others include the engagement of incompetent contractors and the refusal on the part of government to provide fund for the commission.

Therefore, the problems OMPADEC set out to solve remained unsolved, and consequently the underdevelopment of the region resulted in various agitations.

With the inception of the third republic under Olusegu Obasinjo, the Niger Delta Development Commission came on stream, and was charged with the development of the region.

### **The Establishment of the Niger Delta Development Commission (NDDC)**

The Niger Delta Development Commission was established to replace the Oil Mineral Producing Area Development Commission (OMPADEC) by Olusegu Obansinjo's administration. The functions of the NDDC include;

1. To formulate policies and guidelines for the development of the Niger Delta Area.
2. To conceive, plan and implement in accordance with set rules and regulating projects and programmes for the sustainable development of the Niger Delta Area in the field of transportation, including construction of roads, jetties and water ways, health education, housing and urban development, water supply and telecommunications.
3. Cause the Niger Delta Area to be surveyed in order to ascertain measures which are necessary to promote the physical and socio economic development.
4. To prepare master plan and scheme designed to promote the physical developments of the Niger Delta area and to estimate the cost of implementation of such master plans and schemes.
5. To implement all the measures approved for the development of the Niger Delta by the Federal Government and the member states of the commission.

6. To identify factors inhibiting the development of the Niger Delta area and assist the member states in the formulation and implementation of policies to ensure a sound and efficient management of the resources of the Niger delta.
7. To assess and report jobs being constructed in the Niger Delta by any oil and gas related companies, including jobs done by non-governmental bodies and to ensure that funds released for such project are properly utilized.
8. To tackle ecological and environmental problems that arise from the exploration of oil and the Niger Delta area and advice the federal government and the member states on preventive mechanism.
9. To liaise with the various oil mineral and gas prospecting and producing companies on all the matters of pollution and prevention control.
10. To execute such other works and perform such other functions which, in the opinion of the commission are required for the sustainable development of the Niger Delta area and its people and to ascertain;
  - i. 3 percent of the total annual budget of oil producing company operating on-shore or off-shore in the Niger Delta area, including gas producing companies.
  - ii. 50 percent of monies due to member state of the commission from the ecological fund.
  - iii. Such monies as may from time to time be granted or lent to or deposited with the commission by the federal or state government, any other body or institution, whether local or foreign.
  - iv. All monies rose for the purpose of the commission by way of profits, loans, grant-in-aid etc.
  - v. Proceeds from all other asset that may arise from time to time accruing to the commission.

In terms of its management, the acts provides for a governing board made up of a chairman, an indigenous representative of each member states of Abia, Akwa Ibom, Bayelsa, Cross Rivers, Delta, Edo, Imo, Ondo and Rivers State, three representatives from the ministries of Finance and Environment, the Managing Director of the Commission and two executive directors.

Furthermore, the commission is organized into directorates, namely;

- i. Administration and human resources
- ii. Community and Rural Development
- iii. Utilities, Infrastructural Development and waterways
- iv. Environmental protection and control
- v. Finance and supply
- vi. Agriculture and fisheries
- vii. Planning, Research, Statistics, management and information system and
- viii. Legal services

Equally, the act created a management committee and a monitory committee for the commission. The management committee consists of;

- a. A chairman who shall be the managing director.
- b. Two executive directors
- c. Other members as may be determined from time to time.

The management committee is responsible to the board for the administration of the commission. The monitoring committee on the other hand, is saddled with the under listed functions. These are;

- a. Monitor the management of the funds of the commission and the implementation of the commission and
- b. Have access to examine the accounts and other records of the commission at all times and submit periodical report to the president.

### **Problems Associated with Development Objectives of the NDDC**

Although the NDDC had carried out several development projects in the Niger Delta region, it has not attained its full developmental objectives. There are problems confronting NDDC in its quest to develop the Niger Delta region. These problems are examined below;

The first noticeable problem confronting the NDDC is the lack of political will and ethnic politics. Basically, it is noticed that the federal government is not releasing enough money for the funding of the commission.

The geographical and environmental setting of the Niger Delta is very challenging. The terrain is harsh and inhospitable. According to Ibaba S. Ibaba nearly three quarters of the area is covered by water made of lagoons, creeks and lakes. The reminder is largely made of swamp land which is usually flooded for about four months in the Year (Ibaba S. Ibaba, 2001). This implies that the region is not only difficult to develop, but also every expensive in the developmental process.

Another author, Philip Asiadu captures the Niger Delta in this way. "...like in many other areas of the world, the region where oil is produced in this country is very inhospitable. They require massive injection of money if their conditions and standard of living are to compare with what obtains elsewhere".

Apart from the above obstacles, the delay in the release of funds, and the reduction of its allocated revenues is also a major problem to the realization of its objectives. On this issues, Joshua Fumudoh opines that "...as to whether or not OMPADEC money was well utilize... it is a moot point. I think they started on a good note. Most of the project became abandoned because the allocations to OMPADEC were drastically out and were not coming on time". This scenario can also play out in the NDDC.

Corruption and mismanagement of state resources had been a bane in Nigeria's political economy. in the case of the NDDC, some state officials and their allies, Chiefs, Opinion leaders, political leaders and contractors hijack the NDDC for their selfish and personal interest. The contention here is that the inherent dubious characters and factors which created the corruption in OMPADEC are still intact and therefore adversely affect the operations of the NDDC. Indeed, the OMPADEC experiences makes the suggestion real.

Thus, for example, the Eric Opia team which confirmed allegation of corruption and mismanagement in OMPADEC report that;

*"...while the commission spent N48,812,590.00 on general administration in 1993, the amount went up to 114,372,550 in 1994, N191,942,480.00 in 1995 and then to N354,614,829.00 in 1996.*

The report observes further that there are wide variations in the total salary paid month to month, especially for 1994 and 1995, average annual monthly bill was N1.5 million, but the figure for December was 7.5 million. This rose to 8 million in January 1995. It noted that the variation was wider with a monthly average of N3.7 million but the figures 8 million in January, 8.3 million in April and 8.1 million in December were not easily understandable.

Significantly, some contractors, Opinion leaders, state officials, chiefs etc. have for long positioned themselves to reap from the commission. The implication here is that if corruption and mismanagement of fund is not tackled properly, fund meant for the development of the Niger Delta communities may be diverted into private pockets.

This above fear is justified because corruption in Nigeria is deep-rooted and has become a negative characteristic of the Nigerian state. In the words of Eme Ekekwe; "...The state is incapable of checking corruption... it becomes merely a pawn in the hands of the preeminent... class" even when in its sober moments, it recognized the need for disciplined and purposeful action that state is unable to intervene to restore order".

Besides, it is clear from the law establishing the NDDC that it failed to address the fundamentals structural problems of alienation, deprivation and marginalization which constitute the bedrock of the development crisis in the Niger Delta.

Tekenah Tamuno has this to say on this issues, "... in its substantive and adjectival sense, failed to concede a key demand well-articulated in the Ogoni Bill of Rights (1990) and Kaiama Declaration of 1998 for vetting in the Niger Delta Communities ownership and control of their natural resources.

The above thinking negates the OMPADEC dream, which was attributed to the followings:

- i. OMPADEC fell into the trap of projects approach to development without a simultaneous assault on mental road blocks and articulation of strict ethical prerequisites.
- ii. The OMPADEC dream did not espouse ground-breaking solutions with major political implications such as a star-reaching restructuring of Nigerian deficient current and recurrent institutional and instruments of governance.
- iii. OMPADEC dream did not address fundamental issues such as the dignity of the persons constantly oppressed by monopolists of state power before and since independence.
- iv. The OMPADEC dream was also soft on the necessity for a timely relocation of power to own and control natural and human resources within an agreed, more equitable federal system of governance.

In the same vein, the NDDC is also characterized by the same fault of OMPADEC outlined above. Indeed, it fails to address the fundamental issues which have created under-development in the region. The literature on the legal basis and fundamentals for the communities, the point being made is that with the laws, the communities are completely excluded from the oil wealth.

The greatest challenge of the NDDC in this regard is the non-integration of the Niger Delta Communities into the enclave of the oil industry, within the present framework of laws which governs and controls the industry. Closely related to the above is the federal government system which facilitates ethnic based politic domination, to the disadvantage of the ethnic minorities who constitute the Niger delta region.

### **The Prospect of the NDDC**

Going by the many problems and challenges of the NDDC, it does appear as if the NDDC holds little or no prospect for the Niger Delta people. Speaking on this Tekena Tamuno opines that "it is useful for the people of the Niger Delta to learn appropriate lesson from their bitter experience".

Concerning several failed responses to the Niger Delta question, he says in the language of common man that "first fool no be fool (NDC 1961), second fool na fool (NDDBA, 1976), Third fool, na damn fool (OMPADEC, 1992), Fourth fool, madamn damn fool (NDDC, 1999).

The above graphically illustrates the contempt with which many see the NDDC.

However, in spite of the pessimistic views expressed, the commission has some prospects for the people. At present, the NDDC is not a complete failure. It is still executing projects in the Niger Delta, though far from achieving its laudable objectives. It also seeks to complete the many abandoned projects scattered all over the Niger Delta region. Thus, if this is done, will help to solve development problems. These projects cut across water, electricity, school building, jetties, bridges, etc. of equal importance is the master plan being formulated by the commission. This project can give direction on the future development of the Niger Delta region. If properly done the plan can shed light on the problems and development needs and priorities of the people and thereby promotes the development of the area.

Moreso, since the NDDC is an institutional factor in Niger Delta development, it can over a long period of time impact positively on the development variable of the area.

### **Conclusion**

The paper examines the Niger Delta Development Commission as an important Economic History of the Niger Delta.

The antecedent of institutions saddled with the development of the Niger Delta in the past have failed records. These institutions; notably, the Niger Delta Development Basin Authority (NDDBA) and the Oil Mineral producing Area Development Commission were crippled due to many vices prevalent in the Nigerian Society, some of which have been highlighted in this paper, the NDDC rose from the "ashes of OMPADEC. Arguable the "Sins" of OMPADEC are also afflicting the NDDC.

It will be erroneous to judge the NDDC as a complete failure in terms of performance; but it is also apparent that the NDDC is like a "Lame Duck". Its objectives are far from been achieved, and the economic history of the NDDC in the early years of the 21<sup>st</sup> century is sluggish and the region is still impoverished.

The wakeup call is for the Nigerian federal government to have a political will in the development of the Niger delta by injecting more fund into the commission, flush out all undesirable elements among the stakeholders and above all, the operation of the true federal structure be put in place to give a sense of belonging to the ethnic nationalities of the Niger Delta. If these virtues are put in place, a new life would have been injected into the NDDC and this will rekindle the economic growth and development in the Niger Delta.

### **Works Cited**

Ake, Claude (1981). *A Political Economy of Africa*, Longman Nigeria.

Ama-Ogbari, C.C.O (2009). *Introduction to the economic History of the Niger Delta*, Savvy Books, Port Harcourt, Rivers State, Nigeria.

- Amucheazi, E.C. (ed.) (1980). *Readings in Social Sciences: Issues in National Development*. Fourth Dimension publishers, Enugu.
- Anikpo, M. (1986). *Foundations of Social Science Research*. A Methodological Guide for students. ABIC Publishers, Enugu.
- Ekekwe, E. (1986). *Class and State in Nigeria*. Macmillan, Nigeria.
- Gbatark, S. (1978). *Development Economics*, Longman, London.
- Ibaba, I. S. (2001). *Understanding the Niger Delta Crisis*. Divac Publishing Company, Port Harcourt.
- Onyeiwu, S. & Iwarinie, J. (eds) (1991). *Issues in the Political Economy of Structural Adjustment in Nigeria*. SU Publishers, Port Harcourt.
- Rodney Walter (1972). *How Europe Underdeveloped Africa*, Quiverture Publications, London.

### **Journals**

- Journals of Commonwealth and Comparative Politics Vol. 33 No. 1 March 1995.
- Nigeria Journal of Oil and politics, Vol. 1 No. 1, September, 1987.
- Pan African Social Science Review, No. 3, April, 1998.

### **Government Publications**

- The report of the joint conference committee of the National Assembly on the Niger Delta Development Commission (NDDC) Bill, 1999.
- Constitution of the Federal Republic of Nigeria (1999).
- OMPADEC Quarterly Report, Vol. 1 No. 1, October, 1993.
- The NDES Report phase I, Vol. 4, September, 1997.

### **Newspapers and Magazines**

- Environmental Watch, Vol. 1 No. 1, April, 1998.
- Environmental Watch, Vol. 1 No. 2 July, 1998.
- Environmental Watch, Vol. 1 No. 5, November 1998.

### **Unpublished Works**

- Anderson, Brain "*Economical Issues and Strategies*". Key note address in the 8<sup>th</sup> Biennial International Services on Petroleum Industry and the Nigeria Environment, Port Harcourt, November, 1996.
- Anyia, N. T. "*Oil Exploration and Petroleum Production in Rivers State. An analysis of the political and socio-economic consequence for six (6) communities (1950-1990)*", PHD Thesis, Department of Political and Administrative studies, University of Port Harcourt.
- Wilcox, Izuan, "*The NDDC and Niger Delta Development; Problems and Prospects*". A Research Project, Imo State University.