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IFRA Nigeria

IFRA-NIGERIA WORKING PAPERS SERIES, N°47 01/12/2017

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Abstract: This article investigates the crucial issue of the redistribution of oil wealth in the Nigerian federation. Following the 2015 elections, it brings fresh perspectives to analyse the conflicting positions of the partisans of equalisation and militants for fiscal regionalism. The former speak of social justice and national unity. According to them, it is normal that the oil-rich Niger Delta in the South finance the development of the poorest regions in the North. On the opposite side, the advocates of 'resource control' argue for a 'genuine' federalism, with a very different approach. For them, the situation requires the implementation of the 'principle of derivation' whereby the states of the federation should control 100% of their resources or, at minimum, receive an income equivalent to their contribution to the federal budget. This political conflict gives sense to a Niger Delta rebellion which is often understood as sheer criminality. Yet the argument for 'resource control' in the Niger Delta is based on premises that are contested in this article.

Key Words: Nigeria – Oil – Curse – Federation – Rent - Niger Delta

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In 2015, the giant of Africa, Nigeria, held elections that brought to power a Muslim from the North, Muhammadu Buhari, against incumbent president Goodluck Jonathan, a Christian who hailed from the Niger Delta oil-producing region in the South. The campaign, which focused significantly on the Boko Haram insurgency, also addressed issues such as corruption, bad governance, regionalism and the management of the oil wealth. The challenges are high in Nigeria, the largest oil producing country in Africa and fifth largest federation after India, the United States, Brazil and Russia. Sometimes framed as an "oil curse" in the media and the academic literature (Obi 2010; Pérouse de Montclos 2014a), issues that pertain to the redistribution of resources actually existed before independence. But they show that the regional rebellion of the Niger Delta is fundamentally a political problem that still affects the whole nation… and beyond, as Nigeria is expected to become the third most populous country in the world by 2060.

Indeed, the government derives the bulk of its income from hydrocarbon exports. Since the 1990s, the crisis in the Niger Delta, where the oil and gas fields are located, has shaken the very foundations of the nation by depriving it of a large share of its financial resources. The insurrection led by the Movement for the Emancipation of the Niger Delta (MEND), with its acts of sabotage on pipelines and abductions of oil workers for ransom, has been seen as a criminal affair It was temporarily resolved by the payment of a considerable sum to combatants who surrendered their arms under the amnesty decreed by the federal government in 2009. The well-known economist, Paul Collier, refers to it as a typical case of revolt driven by greed, rather than genuine political grievances (2009). Undoubtedly, the armed struggle of the MEND – an organisation which is not particularly representative of the local people –resembles the work of gangsters seeking to take control of the oil riches. However, it also sheds light on problems stemming from the federal organisation of Nigeria.

Such tensions are eminently political and it would be a gross simplification to consider them merely a matter of criminality (Ukiwo 2007; Watts, 2008). This article thus analyses a national issue that involves more than the oil fields because it opposes different views on federalism, for or against fiscal regionalism. Relying on secondary sources and a large range of interviews with stakeholders since the late 1980s, it reviews conflicting positions to deconstruct the biased narratives of the Niger Delta militants.[1] The latter argue that a 'genuine' federalism should be based on a 'principle of derivation' whereby states would control 100% of their resources or, at minimum, receive an income equivalent to their contribution to the federal budget. It was the military, in power until 1999, who nationalised the oil fields of the South. In other words, the revolt of the people of the Niger Delta should be seen as a demand for democracy, and for a return to the status quo at the time of independence.

On the opposite side of the issue, the partisans of equalisation claim to support national unity, particularly since the civil war against the secession of Biafra in 1967-1970. According to them, it is only normal that oil-rich regions of the Atlantic coast in the predominantly

Christian South finance the development of the poorest regions, mostly located in Muslim, sub-Saharan areas of the North. Though such a distinction may give unwarranted religious overtones to the issue, the partisans of equalisation clearly want to use the redistribution of oil wealth in order to bolster and consolidate national unity in a plural society. They do have robust arguments because the claims of 'marginalization' in the Niger Delta are not substantiated by available data compared with other regions in Nigeria or with oil-producing countries elsewhere in the world. Bringing new evidence, this article thus contests some of the assertions of the militants of 'resource control', yet acknowledges that their grievances are political and go beyond the lust for wealth of criminal groups.

I. THE SHARING OF INCOME IN A FEDERATION CONTEXT: A COLONIAL AND MILITARY HISTORY (1946-1998)

The principle of 'derivation' has in fact been in place since the British colonial period. Historically, the debateon fiscal regionalism existed before oil production began in 1958 (Elaigwu 2008; Osaghae 1990). At the time, the modalities for redistributing government revenue within the country was mostly debated in ad hoc commissions led by colonial administrators such as Sir Sydney Philipson in 1946, Doctor John Hicks in 1951, Sir Louis Chicks in 1953, Sir Jeremy Raisman and Professor Ronald Tess in 1958 (Adedeji 1969). In 1951, for example, the Hicks-Philipson Commission questioned the claimed advantages of a regional financial sustainability that threatened Nigeria's national unity. In the lead-up to independence, tensions over this question ultimately led to a constitutional crisis in 1953, when northern politicians warned that they would leave the emerging federation if the modalities for allocating income were not more decentralised.

As a result, the Chicks Commission of 1953 tried to satisfy all attending parties by favouring the financial autonomy of the regions, rather than a national redistribution based on needs for development. With the passing of a federal Constitution in 1954, the principle of derivation was thus expanded to include, for the first time, 100% of rents and royalties deriving from mining resources. The three regions of the North, East and West were therefore authorised to retain 50% of all income they generated and taxes they collected. In 1958, however, the Raisman-Tess Commission chose to adjust the situation somewhat by creating an equalisation fund known as the Distributable Pools Account, to address development needs by allocating centrally collected income, including mining income which had until then devolved to the regions. Upon independence in 1960, 50% of rents, licenses and royalties deriving from mining resources were allocated to the zones of production, 20% to the central authorities, and 30% to an equalisation fund meant to redistribute income among the three regions of the North, East and West, based on a combination of criteria tied to the derivation principle, development needs, the geographic distribution of the population, the financing of basic services and the upkeep of governmental infrastructures.

But the military coup of 1966, the end of the First Republic and the ensuing civil war against Biafra soon challenged the status-quo which had been so painstakingly negotiated by the British. A commission had been created in 1964, led by Kenneth Johnstone Binns, the Australian Tax Commissioner in Tasmania, to revise the modalities of local taxation. Its conclusions became moot with the elimination of the parliamentary regime and the establishment of a federation of 12 states in 1967, replacing the three regions as they existed in 1960. The nationalist junta favoured centralisation. Busy defending territorial integrity and fighting the secessionists in Biafra, the military rulers sought to eliminate the principles of derivation and regional autonomy which were splitting the nation. To reorganise the mode of distributing income throughout the country, they created a technical committee in 1968 – the first such committee comprising only Nigerians – headed by Chief Isaac Dina, with the stated goal of unifying the fiscal system.

In the midst of the Biafran war, this decision by the military rulers marked the beginning of centralisation of oil income, barely ten years after the start of drilling. For the first time, the Dina Committee proposed to distinguish tax income which came from onshore or offshore fields. For onshore production, it allocated 15% of the proceeds to the federal government, 10% to the contributing states, 5% to a special fund and 70% to the Distributable Pools Account, renamed the States Joint Account. As for the revenue of offshore fields, 60% would be allocated to the central government, 30% to the States Joint Account and 10% to the special fund. But such provisions ran counter to the regionalist interests of the leaders of the First Republic, including Obafemi Awolowo, the Yoruba leader in the South West, who cooperated with the military junta to fight the Biafran secession in the South East. Officially rejected in April 1969, the conclusions of the Dina Committee also upset the oil-producing states of Bendel, Rivers and Cross River, which had been created in May 1967 specifically to satisfy the claims of coastal minorities and to steer them away from the secessionist stirrings of the Igbo in the hinterlands by promising them at least a partial continuation of the derivation principle in force at the time of independence.

Fresh from its military victory over Biafra in January 1970, the junta nonetheless took the risk of compromising its regional alliances by implementing the Dina Committee's main recommendations. Decrees no. 13 of 1970 and no. 9 of 1971 gave the federal government the lion's share of tax income generated by hydrocarbon deposits, especially those located offshore. In decree no. 6 of 1975, confirming the end of the derivation principle, the Distributable Pools Account received 80% of royalties on petroleum, half of which was to be redistributed equally among the states and the other half distributed proportionally according to their population. During the boom years in Nigeria following the first oil shock of 1973, the question of oil income came to dominate debate on how national wealth should be redistributed. Oil and gas exports had indeed become virtually the only source of foreign currency for the government. This situation led to a collapse of farm production which had until then guaranteed the prosperity of the northern regions, but which were now dependent on the oil income of the South (Asobie, 1996).

In 1979, the return to civilian government did not bring change in this respect. Two years after the preliminary works of a committee led by Professor Ojetunji Aboyade in 1977, the constitution of the Second Republic confirmed the falling share of royalties paid to the oil-producing regions, down to 2% in 1981. In November 1979, President Shehu Shagari gave the economist Pius Okigbo the task of drafting a report with proposals to partially restore the derivation principle in the modalities for redistributing federal revenue. Approved by the Parliament, the report's conclusions were nevertheless invalidated by the Supreme Court in October 1981… and the coup d'état of Muhammadu Buhari, which put an end to the parliamentary rule of the Second Republic in December 1983. Though Decree no. 36 of 1984 slightly raised the share allocated to the oil-producing regions, the military wanted no challenge to the federal principle of equalisation which, according to them, ensured national unity. In 1989, the commission of General Theophilus Danjuma proposed a revision of the weighting of parameters for redistributing income to the regions: 40% spread equally among the states, 30% divided according to demographic weight, 20% according to their contribution to the federal budget, and 10% based on their development needs.

Similar reforms put forward by successive regimes achieved little. The proposals of the commission led by the judge Alfa Belgore in 1992 were quickly buried along with the short-lived Third Republic, as were the recommendations of the Minister of Energy, Don Etiebet, in 1994 and General Oladayo Popoola in 1999 under the military dictatorship of Sani Abacha. It was not until the return to civilian government and the start of the Fourth Republic that the principle of derivation was put back on the table and that the share of oil revenue allotted to the oil-producing states was raised from 3% to 13%.

II. THE SHARING OF OIL WEALTH SINCE THE RETURN TO CIVILIAN GOVERNMENT IN 1999

To better understand the political aspects of the rebellion in the Niger Delta, we must now take a closer look at the modalities for sharing oil wealth under a federal system organised in three tiers, with 774 local government areas (LGAs), 36 states and a central authority in Abuja, the capital. The constitution of 1999 stipulates that 13% of oil revenue should be returned to the producing states, in addition to their federal allocation. The remaining 87% are to be shared between the central government, the states and the local authorities according to a calculation which has changed somewhat since the end of the military dictatorship. In 1999, the percentages for redistribution were, respectively, 48.5%, 24% and 20%, while 7.5% was allocated to special funds controlled by the presidency for environmental protection, development of the capital city and for the central bank reserves. In 2004, the federal government slightly raised the share awarded to the states and local authorities: 26.7% and 20.6%.[2] It nonetheless kept the largest share: 52.7%, including the president's special funds.

The parameters for calculating federal allocations to the 36 states have also evolved since the end of the dictatorship in 1999. Though the principle of equality among members of the federation continues to apply to 40% of the total amount to be shared, the weight of population and development needs have diminished, respectively, from 40% down to 30% and from 15% to 10%. The weight of a state's contribution to the federal budget has, meanwhile, been increased from 5% to 10%. This overall trend in favour of the most 'deserving' regions has been offset however by awarding 10% based on the surface area of each administrative territory and the harshness of its terrain. The nine oil-producing states have nonetheless gained from the new 'democratic' arrangement, compared with the situation during military rule.

The main oil-producing states are Akwa Ibom, Bayelsa, Delta and Rivers[3]. The oil wells of Akwa Ibom are mostly offshore and they are the most recently drilled. Until the end of the 1990s, Rivers State accounted for nearly half of all Nigeria's onshore oil production.[4] Since then, Delta State has occasionally taken the lead as the western part of Rivers State was split off to create Bayelsa State, and its eastern zone has experienced recurring unrest which ultimately forced Shell to withdraw completely from Ogoniland. At the end of the 1990s, Delta, Rivers and Bayelsa were still producing nearly three-fourths of the country's oil output. In exchange, they were receiving only a tiny amount of the federal funds distributed to the states: 7.7% in 1996 and 8.6% in 1997, for example. Their local authorities were no better off, collecting only about 6% of total allocations to territorial administrations across the country. The lag in development was most blatant inland of the Niger Delta, in mangrove zones only accessible by canoe or speedboat. In 1996, the newly created Bayelsa State had the distinction of being the only state in the Nigerian federation without a university, motorways, connection to the national grid or fresh water supply.

Since then, however, the share of wealth allotted to oil-producing regions has risen substantially, reaching nearly 25% of the federal funds redistributed to the states (Rotberg 2004: 72). In 2004, for example, Akwa Ibom, Rivers, Bayelsa and Delta received nearly one third of the $6 billion in government transfers to the various administrative entities of the country that year. In 2007, with $4 billion out of the $11 billion allocated to the regions, the proportion was even higher, if we include the neighbouring states of Edo and Cross River (Ibaba 2009: 559). From 1999 to 2007, the coastal oil-producing states in the zone known as South South (Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers), which constitutes one of the six major geopolitical regions of Nigeria, received on average 15.2% of federal funds, compared with 10.5% in the North East states which received the second largest slice of the so-called 'national cake'. The soaring price of oil played a clear part in this trend. During that period, the budget of the South South states was multiplied by 40, compared with a ten-fold increase for other regions of the federation (Mustapha 2009: 78; Sayne & Gillies 2011: 7). The local authorities of the Niger Delta also benefitted. In Rivers alone, their average budget quadrupled from 1999 to 2006.

The extent of such a windfall can be understood even better in per capita terms, in a region which is far less populated than the South East and the South West[5]. The four main oil-producing states of Akwa Ibom, Rivers, Bayelsa and Delta represent 10.7% of the national population, according to the census of 2006. Considering the percentage of federal funds they receive, 34.1% in 2008, they are relatively more fortunate than non-producing states (Ado-Kurawa 2008: 410). Between 1999 and 2004, the 1.7 million inhabitants of Bayelsa received twice as much in federal funds from Abuja than was paid to Lagos, officially the second most populous state of Nigeria (9 million inhabitants in the 2006 census) and the biggest beneficiary of federal funds among the non-producing states.

III. THE POLITICAL DEMANDS OF THE NIGER DELTA MILITANTS

Paradoxically, the protests of the Niger Delta militants escalated into armed conflict at the very time when their region began to receive a better share of funding – a fact which now casts doubt on the ability of the government or multinational corporations to buy peace by raising subsidies to people in the oil-rich zones.[6] This article does not delve into the origins of the rebellion of the western Ijaw, who took a far more violent turn after the peaceful struggle of the eastern Ogoni in the 1990s. It should be noted that these protests targeted all at the same time the pollution caused by the oil companies, the repression of the military, land-grabbing by the federal government and, sometimes, the corruption of local politicians (Ikelegbe 2001). The demands of the militants often centred on how oil wealth was being redistributed. Their slogan is quite revealing: '13% derivation, 87% deprivation.' They claim that their region generated an average of 40% of Nigeria's GDP, 80% of the federal government's revenues and 97% of the country's currency reserves between 2000 and 2004 (Mitee *et al.* 2008: 102).

In this respect, it is clear that the struggle of the Niger Delta militants (armed or not) has a political dimension. Thus similar claims can be found in different countries, from Indonesia to Malaysia.[7] During the 2004 peace talks on Darfur, for example, the insurgents demanded up front 13% of the oil revenues – in case any was ever found in their region! In South Sudan, the negotiations which eventually led to independence in 2011 also addressed the question of sharing oil wealth, with only a meagre portion reserved for communities living in the vicinity of the deposits.

In the case of Nigeria, the Niger Delta militants want the derivation percentage to rise gradually from 13% to 25%, then to 50%, based on the recommendations of an unpublished report by General Alexander Ogomudia in 2001. Extremists even request a rise up to 100% premised on an abrogation of the Land Use Act of 1978 in order to transfer ownership of oil fields from the federal level to the "host communities". Along the same lines, some activists demand the implementation of a 13% derivation to the LGAs, and not just states. Others also want the allotment of oil mineral leases to Nigerian companies to include quotas favouring indigenous peoples, in keeping with a principle known as 'local content.' All of them complain about dysfunctions in the implementation of fiscal regionalism.

After his election in 1999, President Olusegun Obasanjo indeed began his term by refusing to apply the 13% derivation rule to offshore deposits, as stipulated in the constitution. The Supreme Court upheld his decision and the coastal states had to negotiate a compromise with the federal government before the elections of 2003. Under a law of February 2004, the coastal states had to settle for 13% of revenue from offshore deposits located less than 200 metres from the coast, rather than 200 nautical miles. Another contested point was that the government of Olusegun Obasanjo had juggled the accounting to avoid applying the derivation principle. Starting in 2003, he drew up the budget using a reference price per barrel of oil that was lower than the international trading price, which allowed him to put the cash surplus in a reserve fund called the 'excess crude account' which skirted the rules for regional redistribution. According to the figures of the Nigerian Central Bank, the percentage of oil revenue paid back to the producing regions did not reach the official 13% and was no more than 9% at the end of Olusegun Obasanjo's term in 2007.

Such dysfunctions created discontent among political leaders in the Niger Delta, including Dawari George, Commissioner for Energy and Natural Resources of Rivers State. According to him, the federal government made insufficient efforts for development and reform, justifying demands for a higher percentage of revenue in order to finally solve the deep-seated causes of the crisis in the oil-producing regions (Aaron & George 2010). The governors of the other Niger Delta states generally agree with this position and continue to complain that they do not benefit from investments from the central government commensurate with their contribution to the federal budget. To support their position, they often cite the example of the capital city of Abuja, in the centre of the country, whose opulence reflects, in their view, the seizing of oil wealth by the Muslims of the North. The seat of federal power is indeed located in a newly created capital, in a territory with a special status which does not fall within the rules governing the 36 states of the federation. Though section 299 of the constitution of 1999 suggested establishing it as a full-fledged state, Abuja has no elected mayor, nor parliamentary representation. Its territory is directly governed by a federal minister who is traditionally a northern Muslim.[8]

IV. THE RATIONALE OF THE REGIONALISTS

In general, the grievances of the Delta militants are tied to demands for social justice, democracy, development, environmental protection and better governance of Nigeria. They consider it profoundly unfair that the territories from which the country's main source of wealth is extracted should also be, according to them, home to the poorest populations of the federation. They emphasize that, at the time of independence, Nigeria's economy was mostly agrarian. As they lived from exports of groundnuts, the Muslim regions of the North were the first to demand fiscal regionalism, with a derivation rate of 50%. It was the oil boom of the 1970s that made them covet the hydrocarbon resources in the South, while their crops became less valuable. Paradoxically, they later demanded greater political autonomy in order to expand sharia law in 1999, while rejecting the demands for selfdetermination of the Niger Delta, so as to keep a hand in the management of the oil wealth.

During that time, the oil-producing zones suffered greatly from pollution and ecological destruction. A large majority of villagers in the Niger Delta obtained no benefit from oil income and some are still trying to make a living from fishing. The restoration of the derivation principle was thus seen as a fitting compensation for their hardship according to the MOSOP (Movement for the Survival of the Ogoni People) and its leader Ken Saro-Wiwa, who was extra-judicially hanged by the military dictatorship in 1995.[9] This rationale is all the more valid in that oil and gas are not renewable resources, contrary to the agricultural products of the North. Taking a long-term view of development should lead to compensation for the future loss of income in the oil zones, compared with other regions where hydrocarbons might be discovered at some later date.

Later on in the 2000s, the arguments for 'resource control' went beyond demands for reparations and autonomy. They took a violent turn and were relayed by Ijaw leaders such as Asari Dokubo.[10] According to Steve Azaiki, a civil servant in Bayelsa State, what is now needed is a complete overhaul of the current political framework in which the federal government owns the land, monopolises mineral resources, manages the royalties and collects all oil revenues before redistributing a share to the states. In such a centralized system, the notoriously corrupt dictatorship of General Sani Abacha in 1993-1998 could divert into personal bank accounts nearly half of the oil income meant to finance debt repayments, stabilise the national currency and pay for the investments of the Petroleum Trust Fund created for future generations (Azaiki 2007a: 191). On the contrary, the fiscal autonomy of the regions would not allow such a diversion because it would compel states to be accountable and responsible for their budget.

In contrast with the equalisation criteria of population or development needs, tied to the nature of government spending, the derivation formula emphasizes the importance of generating local revenue. In the past, the Niger Delta militants argue, the regions were better managed because their budget depended almost exclusively on the taxes they were able to raise under the colonial system in place before independence.[11] Since military rule was established in 1966, the centralisation of revenue and the principle of equalisation in favour of less developed states have, conversely, led to recklessness by inciting the beneficiaries to spend freely, rather than implement unpopular policies of fiscal rigour. This adverse effect is exacerbated by the Nigerian federal system which grants regions more autonomy in matters of spending than in matters of revenue.[12] The result is that the states are less preoccupied with maintaining healthy finances than they are with claiming subsidies from Abuja. In 2000, for example, their representatives joined forces against a government plan to create a fund for future generations which would have involved reducing the share of the oil wealth distributed to the states.

The equalisation system thus appears counter-productive in economic terms. Other than in Lagos, the only state with a genuine industrial base, the system has not spawned revenue-generating activities that would have helped the regions become self-sufficient. On the contrary, it has increased the states' dependency on funding from Abuja, which runs counter to the basic principles of federalism. It is worth noting that, in Mali, which is not a federation but which became one of the most decentralised West African countries after the advent of democracy in 1991, the licence fees paid by mining companies are ear-marked for the local authorities. In Nigeria, the opposite is true: the central government collects the royalties from extractive industries and then redistributes a portion to the regions. The result is that Abuja, at the end of the 1990s, was collecting about 90% of the federation's income, compared with 8% by the states and 2% by the local governments. The system for redistributing oil wealth enables the capital to exercise control over the periphery and the lower levels of territorial administration. Except for Lagos, the budget of most of the other states, including the oil-producing regions, rely primarily on funding from Abuja.

In other words, the equalisation system was no more than a pretext, with the ultimate aim being to undermine the 'genuine' federalism instituted at the time of independence. According to the Niger Delta militants, the arguments of the nationalist opponents to fiscal regionalism are specious. In reality, the demand for a local resource control would not threaten the integrity of the Nigerian federation, provided that the producing states pay part of their royalties to the central government (Mbanefoh & Egwaikhide 2000; Ejobowah 2000; Suberu 2010, 1996). On the contrary, the fake federal system put in place during the Biafran war has failed to prevent persisting ethnic conflicts. By instituting quotas and complicated formulae for equalisation, it has in fact promoted community rights which weaken the sense of national identity in favour of an indigenous citizenship based on regional origins. The centralisation of revenues has also enabled the so-called 'Big Three', i.e. the Hausa, Yoruba and Igbo ethnic groups, to control the federal budget, to the detriment of various minorities in the Niger Delta and across the country. By poaching oil revenues, the military clique in Abuja has exacerbated regional antagonisms and local demands for a share of the "national cake". The damage is all the worse in that oil has deterred the exploitation of the country's other natural resources and compromised the development of agricultural zones.

The Niger Delta militants argue that raising the derivation percentage to oil-producing regions would help reduce local tensions and improve governance at the national level. The development of the South South geopolitical zone could, in fact, leverage development in the rest of the country. Abuja would therefore no longer need to take income away from the Niger Delta for redistribution. The project to build a gas pipeline across the Sahara to Algeria, for example, would also benefit the northern part of Nigeria. Furthermore, fiscal regionalism would force state governments to boost oil prospection outside the Niger Delta. In the central zone of the country, such efforts would no doubt satisfy pressure groups such as the Joint Action Committee on the Middle Belt (JACOMB), which has filed a court complaint accusing the federal government of deliberately neglecting the states of Benue and Kogi, where small oil deposits had been found in the 1970s but which were never exploited because they were thought to be insufficiently profitable (Kukah 2011: 364).

Along the same lines, the partisans of fiscal regionalism insist that the derivation principle should theoretically cover all mineral resources. In practice, however, it is only applied to oil, and not even gas. According to Victor Attah, a former governor of Akwa Ibom, the people of the North would benefit from the change by starting to exploit riches such as gold, zinc, and marble (2008: 344). He claims that in the states of Kaduna and Niger alone, the gains could prove far superior to those received by Akwa Ibom for its oil and gas. It is also important to start thinking about the post-oil era by developing viable sectors. In the 1970s, the competitiveness of Nigeria's agriculture in the northern regions was eroded only because of the easy money coming from oil. It is time to restore that sector of the economy. The Niger Delta militants see the North as possessing potential riches, and the current poverty of its people should not be used to justify the diversion of the South South's oil income. According to them, the under-development of the northern regions is a myth inherited from the colonial era. The British used the false pretext of a budget deficit in the Northern Nigeria Protectorate to unify it with Southern Nigeria in 1914. In fact, the North would not have had a deficit if it hadn't been made to bear the expense of the colonial conquest and if the customs duties on its agricultural goods had not been collected by the ports in the South.

Those in favour of local resource control claim that their vision is actually nationalist. Their demands, so they say, correspond to the aspirations of all Nigerian people and not just those of the Niger Delta. But according to surveys conducted in 2001, the claims for fiscal regionalism in fact find more support in the oil-producing states of the South South and South East, which is hardly surprising (Akindele *et al*. 2002: 559). What, then, is the situation in the other regions of Nigeria? Other than the industrial city of Lagos, which is self-sufficient, it is difficult to draw any conclusions. The most commonly heard views on fiscal regionalism do not reflect the opinion of all Nigerians because they are put forward by Niger Delta activists who demand greater regional autonomy. This is the case of Oronto Douglas, a writer and an advisor to President Goodluck Jonathan, who was elected in 2011 and who was Nigeria's first Head of State from the South South geopolitical zone since independence in 1960 (Okonta & Douglas 2001). Another example is the collective book by Augustine Ikein, Steve Azaiki and Diepreye Alamieyeseigha, respectively special advisor, chief of staff and governor of Bayelsa State (2008). By contrast, the partisans of equalisation are less vocal and visible in academia since their base is in the North, which suffers from limited access to modern education because of Islamist resistance and colonial-era restrictions on Christian mission schools in Muslim communities.

The militant authors of the South South offer a rather biased analysis. Generally hostile toward the Muslims of the North, whom they accuse of living like parasites off the national economy, they consider that the

Niger Delta crisis must be solved by the central government and they exonerate local authorities from any responsibility in the 'evaporation' of the oil wealth. In one of his books, Steve Azaiki (2007b: 170) writes, for example, that "Nigeria is about the only federation in the world where the constituent states are allocated revenue from the centre, rather than the states generating their own revenue and paying royalties and taxes to the central government. This should be reversed." But Steve Azaiki forgets to mention the glaring problem of 'local derivation,' i.e. the endemic corruption of the Niger Delta elite, who divert public money meant to finance basic services. The explanation is simple: like Oronto Douglas, Steve Azaiki used to work for the governor of Bayelsa State, Diepreye Alamieyeseigha, who prefaced his book and was one of the most corrupt politicians of Nigeria, before being arrested in 2005 in London for money laundering.

Authors who are not from the Niger Delta also propose alternatives to increasing the percentage of derivation which could bolster the mafia-like governments in the South South geopolitical zone. Nicholas Shaxson (2007), for example, argues that it would be smarter to share the oil wealth equally among all Nigerians of the production areas, as in Alaska and Alberta.[13] This form of redistribution could, according to him, help circumvent a corrupt and inefficient administration and could be entrusted to a private company or to the World Bank. But this model neglects issues of Nigerian sovereignty and would be nearly impossible to implement due to the lack of a civil registry and no precise census of the population. Furthermore, the payments would be rather low, probably less than one dollar per day per person, not to mention the fact that many people do not have any bank account: 60% according to a survey in late 2010 (Sayne & Gillies 2011: 14). Such redistribution would be inflationary and would not compensate, in any case, for the deficiency of basic public services. On the contrary, it would risk reigniting local conflicts to grab the oil money and, instead of allowing the Niger Delta population to control its resources, it would only result in democratizing corruption and shifting cronyism from federal to local level (Sayne & Gillies 2011). In any case, it would not be fair for the citizens of other Nigerian regions.

V. THE RATIONALE OF THE FEDERALISTS

On this point, the federalists have a number of arguments to counter the claims of the Niger Delta militants. Relatively speaking, the corruption of the governors in the oil-producing regions rivals that of the ruling class in Abuja. Increasing the percentage of derivation would thus have little chance of promoting development and improving basic services in the Niger Delta. Instead of stabilising the country, as militants claim, restoring the fiscal regionalism of the colonial era would merely transfer corruption to the local level[14]. An influx of money from greater derivation would exacerbate tensions among competing groups and could turn the population against state governors, rather than Abuja (Ako 2011; Thurber *et al.* 2010: 18). Furthermore, fiscal autonomy would play into the hands of foreign companies by enabling them to 'divide and rule', playing one region against the other. The Niger Delta governors cannot possibly match Abuja's ability to master sophisticated technicalities, regulate the oil industry and negotiate from a position of strength with multinational corporations.

Moreover, Nigeria compares relatively favourably among oil-producing countries which have implemented a legislative framework for allocating to indigenous communities a share of the revenues earned on hydrocarbon exports (see Table 2). Committed to maintaining national unity, the proponents of a 'federal' principle of equalisation insist on the dangers of fiscal regionalism.[15] According to Adeolu Adebayo, for example, the demands of the Niger Delta militants for total resource control amount to secession. He adds that greater devolution of powers to local governments would risk reinforcing the domination of the most powerful groups – in this case, the Ijaw – over minorities in the region (2010: 21, 30).

The federalists point out that the system of regional autonomy instituted by the colonial master was largely responsible for the Biafran secession. At the time of independence, they explain, ownership of the country's mineral resources was transferred by the British Crown to a sovereign State, not to ethnic minorities[16]. Since then, argues former president Olusegun Obasanjo, the nationalisation of oil has been, in one sense, the payment of the blood money owed by the inhabitants of the Niger Delta to thank the Nigerians of the North and South West for crushing the Biafran secession, a military victory which enabled the creation of the coastal states which otherwise would have remained under the economic domination of the Igbo in the hinterland.[17] The Muslims of the North also say that the minorities of the South South have no special rights over hydrocarbon resources since geological deposits took millions of years to form from the sediments of the Sahel regions carried by the Niger River down to the sea (Usman & Abba 2000: 56). The majority rule is, they argue, the most advanced form of democracy. This has helped establish a balance of power which the colonial authorities had skewed in favour of the most ambitious minorities: the Fulani over the Hausa, the Jukun over the Tiv, as well as the Ibibio and the Urhobo of the Niger Delta, who were allies of the Igbo, the majority in the hinterland, against the Ijaw, the Efik and the Itsekiri of the coast.

In such a context, the inhabitants of oil-producing regions are accused of being selfish because they refuse to support the development of their poorer fellow citizens. Their talk of economic marginalisation is seen as pure propaganda if one compares their situation with that of the Sahelian states in the North which occasionally suffer from extreme malnutrition. For example, some researchers claim that unemployment among Nigeria's youth is highest in the South South (Ibeanu 2002: 163-7). Such assertions are all the more dubious in a country which sorely lacks in statistics. In fact, the NDDC (*Niger Delta Development Commission*) is led by locals and is the only agency of the federation to claim that the per capita GNP and the level of education in the region are below the national average, and that 70% of the population lives below the poverty line (Idemudia & Ite 2006: 397). All other sources, whether Nigerian or foreign, contradict these assertions.

According to official data (Table 3), none of the Niger Delta states reach the levels of poverty found elsewhere in the country. On the contrary, figures for 2007 show that monthly household income in the South South was double the national average. This situation is not just a result of high crude prices and an improved economy in the region since the end of the military dictatorship. With the exception of Kaduna and the Federal Capital Territory of Abuja, Rivers State was, already in 1997, the fifth richest state in the federation after Ogun, Lagos and Oyo, all of which are in the South-West. At the time, the states with the highest number of poor inhabitants were in the North: Bauchi, Kano and Plateau (Kwanashie 2003: 323). According to the United States Agency for International Development (USAID), 35% of the population in the South live below the poverty line, compared with 70% in the North and the Middle Belt. A household survey conducted in 2004 puts the numbers more precisely at 72% in the North-East and North-West, with the Niger Delta at 35% (Campbell 2010: 12). According to the British NGO Oxfam, the rural zones of the Sahel are even more deprived than the cities (Ali-Akpajiak & Pyke 2003: 26). The states of Adamawa, Bauchi, Benue, Borno, Gombe, Jigawa, Kaduna, Kano, Katsina, Kebbi, Kogi, Kwara, Nassarawa, Niger, Plateau, Sokoto, Taraba, Yobe and Zamfara are the hardest hit by poverty.Overall, the living conditions of people in the North are the worst in the country. Malnutrition and infant mortality are double that of the South; children receive fewer vaccinations, attend school less, have higher rates of illiteracy and often weigh less than they should (Federal Office of Statistics 1992: 101). Life expectancy is also lower. Though maternal mortality dropped 50% between 1990 and 2010, women in the North are still ten times more likely to die in childbirth than women in the South.[18] The Human Development Index reflects these conditions: combining life expectancy, adult illiteracy, access to drinking water and malnutrition among children under age 5, the index is worse in the northeastern states, according to the United Nations Development Programme figures for 2009. The World Bank's statistics (2014: 18) show that 66% of Nigeria's poor live in the North.

Actually, the feeling of impoverishment and marginalisation among the inhabitants of the Niger Delta appears to stem from the idea that their region holds the bulk of the country's riches but it has not brought them the level of development they desire. In other words, their frustration is more a matter of unmet expectations rather than an objective assessment of their situation in relation to the rest of Nigeria. Surveys show that the feeling of poverty in the North is close to reality (Soludo 2007: 9). Among people in the South South, however, it is overestimated, perhaps because inequality is more glaring there (Campbell 2010: 12). In the Niger Delta, so-called 'host communities' in producing areas appear to feel even poorer than villagers without oil (Sayne & Gillies 2011: 4). It is difficult to have a clear understanding of this matter since regional statistics are contradictory. According to the 2004 Nigeria Living Standards Survey, the Gini coefficient is higher in the North (Appleton *et al.* 2008: 342-5), but other studies show the South South as having greater inequality (Adepoju & Wiel 2010: 77).

It is nonetheless clear that, contrary to the allegations of the Niger Delta militants, the inhabitants of the Sahelian states and the Middle Belt are poorer than the people of the South South. It would therefore seem that the diversion of the oil wealth, since the start of production in 1958, has mostly enriched the military juntas and civilian governments in Lagos or Abuja. In the North, ordinary citizens have benefited very little from such revenues. The only form of redistribution which benefits all Nigerians is the subsidised price of petrol and, during military rule, the granting of import licences with overvalued exchange rates on staple goods. None of these measures ever prevented corruption. The four refineries in the country, for example, cannot meet local needs, meaning that a large share of petrol must be imported. This shortage results in all kinds of trafficking. A commission of inquiry led by Farouk Lawan, mandated by the House of Representatives in January 2012, reported that out of 59 million litres of petrol officially imported every day in Nigeria, only 35 million litres were consumed locally. The rest is either resold as contraband in neighbouring countries or diverted by the approved importers after collecting the government subsidies meant to offset the difference with real international market prices.

VI. MAJORITY RULE AND PROPORTIONALITY: A SOCIAL CONTRACT FOR MINORITIES

Whether one agrees or not with the arguments of the nationalist federalists, the principles of majority rule and proportionality at the heart of any democracy leads us to reject the myth currently propagated by the Niger Delta minorities of their supposed economic and political marginalisation. When they were leading the fight in the mid-1990s against pollution and the oil companies, the Ogoni of Rivers State claimed for instance that they were under-represented in local, regional and national governments. But their assertions were unfounded. As Eghosa Osaghae (1995: 331) explains, in 1993 they held 30% of ministerial portfolios of the Rivers State government, though they accounted for barely 10% of the population.

Further West in the Niger Delta, the Ijaw of Bayelsa State, who took up the cause from the Ogoni in the 2000s, are no worse off, with five members of the House and the chairmanship of eight Local Government Areas (LGAs). In comparison, Kano State in the Muslim North – five times more populated than Bayelsa – has 25 members of the House and 40 LGAs. So the ratio of 1:5 corresponds quite closely to the population differences, i.e. 1.7 and 9.4 million, respectively, according to the census of 2006. On a national scale, Bayelsa has rather favourable conditions because, in addition to budget allocations inflated by oil revenue, the state has a right to three senators, like all other states of the federation, irrespective of their size. The grievances of the Ijaw were also defused in 2011, with the election of Goodluck Jonathan, the first president of Nigeria from Bayelsa since independence.

All told, the minorities of the Niger Delta are neither under- nor over-represented in comparison with the citizens of other states of the Federation. The real contrast is with the inhabitants of Abuja who have neither a mayor nor a governor. For many years, they were grossly under-represented because their electoral constituency was based on figures from the 1991 census, at a time when the city was far less populated. In the 2007 elections, the results of the 2006 census had not yet been published and so the sole member of the House for Abuja represented 703,000 constituents, compared with 284,000 for Bayelsa. It is therefore important to take a critical view of the claims of under-representation on the part of the Niger Delta militants who tend to exaggerate their demographic weight by more or less knowingly blurring the boundaries of their region. The four main oil-producing states – Akwa Ibom, Rivers, Bayelsa and Delta – have 14.9 million inhabitants according to the 2006 census. But this figure is higher if one includes the other states of the zone known as the South South, i.e. Cross River and Edo, or other oil-producing states including Abia, Imo and Ondo. In total, the nine member-states of the NDDC (Niger Delta Development Commission) comprised 31 million inhabitants in 2006, and it is this figure that is regularly cited by militants and NGOs such as Amnesty International (2009: 9) to support the claims of the populations in Akwa Ibom, Bayelsa, Delta and Rivers alone (see also Mitee et al. 2008: 102).

In fact, the Nigerian federal system is made to protect all minorities, including those in oil-producing regions. Admittedly, quotas favouring 'local content' in territorial administrations de facto prohibit a citizen of Rivers State from applying for a civil service position in Kano, though it is financed by oil revenue. But the reverse is true: a native of Kano State has no chance of being hired by the local authorities of Rivers. The Niger Delta minorities also have statutory rights commensurate with their population. In 2003, for example, Bayelsa, Delta and Rivers accounted for 8% of federal civil servants, i.e. a proportion in line with their demographic weight in the country. If we add Akwa Ibom, Cross River and Edo, the percentage reaches 21% of all civil servant posts, whereas those states represented only 15% of the national population. While the Yoruba of the South West held a large share of senior posts, the inhabitants of the South South were in fact more numerous in the federal administration (Ayodele *et al.* 2009: 86-8). The post of Minister of Petroleum Resources, for instance, was awarded to an indigene of the South South in 1984-86, 1993-98, 2003-08 and 2011-15 (Table 4). As for the national oil company NNPC (Nigerian National Petroleum Corporation), it was headed by someone from the North for a period of only 11 years out of the 38 years since its creation, in 1977 (Table 5).

VII. CONCLUSION

The Niger Delta populations are not more 'oppressed' than other minorities in Nigeria. The problems of the region have drawn special attention from the media, environmental groups and human rights organisations because of the presence of oil transnational corporations. As a result, local and international pressure has rewarded the demand for resource control through armed struggle. However, granting statutory, financial and legislative over-representation to the Niger Delta inhabitants would amount to creating different classes of citizens, to the detriment of people living outside the oil-producing zones. Such double standards could lead to conflicts. Following the secession war of Biafra, for instance, fiscal regionalism was seen as "an important cause of imbalances" that had weakened the capacity of the federal government to "intervene to prevent economic or political instability"; on the contrary, "the decreased reliance on the principle of derivation" was considered to be "a desirable development" (Rupley 1981: 276).

It is therefore critical to put the claims of the Niger Delta militants in perspective, though they may be justified regarding poor governance and mismanagement of natural resources at the local and national level. The protesters have focused their attacks on the softer target of international companies, rather than challenging state governors about their corruption and spoliation. To them, the main political issues are the Land Use Act and the federal mode of redistribution of oil revenues, which were discussed again during a national conference in 2014. Disputes over this question also arose from a Petroleum Industry Bill that had not been passed before the 2015 presidential elections (Pérouse de Montclos 2014b).

Undoubtedly, the problem is political, regardless of the crimes perpetrated by some of the Niger Delta rebels. Abuja's grip on oil resources that finance the bulk of the federal budget is a source of frustration for the inhabitants of a region where social inequality is very visible, though no worse than in the North of the country. From this perspective, it is important not to under-estimate the political dynamics of an insurrection that is not solely driven by greed. It is also important to acknowledge that the debate would take on a different turn if the non-oil producing regions had adequate alternative sources of income. The struggle of the Niger Delta is clearly a national issue that challenges the current federal and constitutional framework.

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Table 1
Changes in oil wealth redistribution since independence

Period	% kept by the central government	% allocated to the regions or states
1960-1969	50%	50%
1970-1972	100%	0%
1973-1975	55% plus all offshore proceeds	45% minus offshore proceeds
1976-1979	80% plus all offshore proceeds	20% minus offshore proceeds
1980-1981	100%	0%
1982-1992	98.5%	1.5%
1993-1999	97%	3%
Since 1999	87%	13%

Based on Azaiki, Steve [2009], *The Evil of Oil*, Ibdadan, Y-Books, p.358.

NB: The principle of derivation only applies to revenue collected at the federal level, not to taxes collected by the states or local authorities. Customs duties and business tax are also excluded.

Table 2
The percentage of derivation in other hydrocarbon-producing countries

Country: region concerned	Legal framework	Percentage of derivation
United Arab Emirates	Provisional constitution of 1971, revised in 1996	100% of revenue from crude oil and gas. The texts available do not fully specify the modalities for regional redistribution of the rent.
Indonesia: Aceh and Papua	Special autonomy laws of 2001, Article 1.3.4 of the 2005 peace agreement	70% of oil, gas and mining revenues.
United States: Alaska	Provisions of the state constitution of Alaska voted in 1976	50% of royalties on oil are placed in an investment fund, with half of the interest earned returned in the form of tax credits to the state's taxpayers who, therefore, pay no income tax and in fact receive an annual subsidy.
United States: Louisiana	Proposed law following the oil spill which devastated the	37.5% of revenue from new offshore drilling sites authorised by the coastal states.

	Gulf of Mexico in May 2010	
Russia: Chechnya	Secret agreement of 1992	20% of oil revenues. The nationalists demanded 50% and their claims no doubt contributed to the first war of independence (1994-1996)
Iraq: Kurdistan	Special status since the fall of Saddam Hussein in 2003	17% of oil revenue, in reality about 13% after repayment to the central authority of contributions to what is known as a sovereign fund.
Iraq: all governorates except Kurdistan	Since 2013	A flat fee of $5 per barrel produced goes to the oil-producing regions (compared with $1 in 2008-2012)
Libya	Law of 1958	15% of oil revenue; provision eliminated with the abolition of the monarchy in 1969
Russia: Siberia, Yamal Region	Decree of 1994	15% of taxes on mineral resources extracted, mostly gas, rather than oil
Kenya: Turkana and Northeast provinces	Natural Resources (Benefits Sharing) Bill, 2014	12.8% of total benefits to affected communities
Bolivia: Chaco	Constitution of 2009	11% of royalties return to gas-producing provinces, a provision which already existed and was expanded through a transfer of jurisdiction
Angola: Cabinda	Law of 1996	10% of tax revenue on oil
Malaysia: Sabah and Sarawak	Special status since independence in 1963	5% of royalties on oil
Chad: Doba	Agreement negotiated in 1999 with the World Bank, repealed de facto by a new oil law in 2006	5% of royalties on oil for the local authorities of the region of Doba; 10% for a reserve fund for future generations; 85% for the government
Sudan: South except the enclave of Abyei	Agreement for equal share with the North in 2003	2% to oil-producing regions
Sudan: enclave of Abyei disputed	Naivasha Agreement,	50% of net oil revenue for the North, 42% for the

by the North and South	signed in Kenya on 26 May 2004	South and 2% each for the regions of Bahr el Ghazal, Western Kordofan and the communities of Dinka Ngok and Missiriya
Equator: Yasuni National Park	2007 declaration committing the government to prohibit oil drilling on a biosphere reserve.	0% for the Indians of Yasuni but sale of carbon emissions reduction certificates to foreign entities to offset the loss of earnings. President Rafael Correa abandoned this measure in August 2013 due to lack of funding.
Malawi	Petroleum Act, 1983	0%. Since exploration resumed on Lake Malawi in 2012, Northern regions advocate for federalism as they are believed to have oil fields.
France	Mining code of 1810, revised in 1994	0%. Senators called for granting 2% of oil revenue to the land owners and 3% to a local development fund when drilling began at Parentis (Landes) in 1954. The proposal was never approved.

Table 3
Poverty levels nationwide and in the South South

	1980	1985	1992	1996	2004
National average	27.2%	46.3%	42.7%	65.6%	54.4%
South South	13.2%	45.7%	40.8%	58.2%	35.1%

Source: National Bureau of Statistics

Table 4
Oil ministers and advisers, by regional origin since the creation of the position in 1971[19]

Term of office	Name	State of origin	Geopolitical Zone
1971-1975	Alhaji Shettima Ali Mungono	Borno (Kanuri)	North East

1975-1979	General Muhammadu Buhari*	Katsina (Hausa-Fulani)	North West
1979-1983	Alhaji Engineer Yahaya Dikko	Nasarawa	North Central
1984-1986	Professor Tamunoemi David-West	Rivers (Kalabari)	South South
1986-1990	Dr. Rilwanu Lukman**	Kaduna (Zaria)	North West
1990-1992	Professor Jibril Aminu	Adamawa	North East
1992-1993	Dr. Chu Okongwu***	Anambra (Igbo, Nnewi)	South East
1993-1994	Chief Phillip Asiodu****	Delta (Igbo, Asaba)	South South
1994-1995	Chief Donald Dick Etiebet	Akwa Ibom (Annang)	South South
1995-1998	Chief Dan Etete*****	Bayelsa (Ijaw)	South South
1999-2003	Olusegun Obasanjo******	Ogun (Yoruba)	South West
2003-2007	Edmund Maduabebe Daukoru	Bayelsa (Nembe)	South South
2007-2008	Henry Odein Ajumogobia	Rivers (Ijaw Kalabari from Abonnema)	South South
2008-2010	Rilwanu Lukman**	Kaduna (Zaria)	North West
2011-2015	Diezani Allison-Madueke	Rivers	South South
2015-	Muhammadu Buhari******	Katsina (Daura)	North-West

* Leader of the junta, 1983-1985
** President of OPEC from 1995 to 2000.
*** Removed from office for embezzlement.
**** Chief of staff for the Oil Minister, 1971-1975.
***** Also known as Dauzia Loya, convicted *in abstentia* in France in 2007 and in 2009 for money laundering.
****** Simultaneously held the office of President of Nigeria.

Table 5
The GMD (Group Managing Directors) of the NNPC, 1977-2013

Term of office	**Name**	**State of origin**	**Geopolitical Zone**
July 1977-April 1980	Festus Remilekun Ayodele Marinho	Ogun	South West
Apr. 1980-Aug. 1981	Odiliyi Lolomari	Delta	South South
Oct. 1981-Dec. 1983	Lawrence Amu	Abia	South East
Jan. 1984-Oct. 1985	Festus Remilekun Ayodele Marinho	Ogun	South West

Nov. 1985-Apr. 1990	Aret Adams	Edo	South South
Apr. 1990-June 1990	Thomas Asuquo John	Rivers	South South
June 1990-Oct. 1993	Edmund Maduabebe Daukoru	Bayelsa	South South
Nov. 1993-Aug. 1995	Chamberlain Oyibo	Abia	South East
Aug. 1995-May 1999	Dalhatu Bayero	Kano	North West
May 1999-Nov. 2003	Jackson Gaius Obaseki	Edo	South South
Nov. 2003-Aug. 2007	Funso Kupolokun	Ogun	South West
Sept. 2007–Jan. 2009	Abubakar Yar'Adua	Katsina	North West
Jan. 2009-Apr. 2010	Mohammed Sanusi Barkindo	Adamawa	North East
Apr. 2010-May 2010	Shehu Ladan	Kaduna	North West
May 2010-June 2012	Austin Olusegun Oniwon	Kogi	North Central
June 2012-August 2014	Andrew La'ah Yakubu	Kaduna	North West
August 2014-August 2015	Joseph Thlama Dawha	Borno	North East
August 2015-July 2016	Emmanuel Ibe Kachikwu	Delta	South South
July 2016	Maikanti Kacalla Baru	Bauchi	North East

[1] The author used to teach at the University of Port Harcourt in 1989-1991 and has been doing fieldwork in Nigeria since 1988. He interviewed Niger Delta activists such as Harold Dappa-Biriye, Ken Saro-Wiwa, Asari Dokubo and John Togo.

[2] In relative terms, the share of oil wealth returned to the states tripled, for example, between 2006 and 2011. See Sada, Idris & Co Chartered Accountants 2013: 6.

[3] Abia, Cross River, Edo, Imo and Ondo produce much smaller quantities. Lagos State recently joined the club with a negligible production.

[4] *Newswatch* 16/10/2000, p.35.

[5] In 2014 according to the International Monetary Fund, of every dollar of oil revenue allocated to the states, 25 cents went to the South-South, which had only 15 per cent of the population and where the per capita expenditure was 25 per cent higher than the nationwide average.

[6] For a general study of cases in which a fairer redistribution of resources did not necessarily put an end to civil wars, see Binningsbo & Rustad 2012.

[7] On the island of Borneo, for instance, local parties demanded that the region of Sabah be awarded more than 5% of royalties on the oil extracted there. Yet they did not resort to force to complain about negative transfers of financial resources in favour of the continent and to the detriment of Sabah, which remained one of the two least-developed states in the federation, along with Sarawak, another oil-producing region. Both the progressives of the SBS (Sabah Progressive Party) and the Islamists of the PAS (*Parti Islam Se-Malaysia*), who won the elections in Terengganu in 1999, demanded that their share of redistributed royalties be raised to 20%. The opposition party PBS (*Parti Bersatu Sabah*), which took power in Sabah in 1985, was even demanding 50%. See Wee, Chong Hui [1995], *Sabah and Sarawak in the Malaysian Economy*, Kuala Lumpur, INSAN, pp.24-5.

[8] In 1975, the choice of location for Abuja had been made by a panel led by a Yoruba, the judge Akinola Aguda, in order to allay misgivings of the people of Lagos, who feared losing their status as capital. See Oloja, Martins [2011], "Abuja: The Making of Nigeria's Capital", in Collective, *Nigeria's Golden Book*, Lagos, The Sun, pp.135-40.

[9] Interview of the author with Ken Saro-Wiwa in Port Harcourt on 22 February 1994. See also Saro-Wiwa 1992.

[10] Interviews of the author with Asari Dokubo in Ogbakiri on 17 July 2004 and in Warri on 30 January 2011.

[11] This issue is in fact an area of contest. At independence, regions were not sustainable and depended a lot on statutory grants from the federal government, which provided between 56% and 60% of their revenue from 1953 to 1965 (Rupley 1981: 258; Phillips 1971). Moreover, regional governments were already very corrupt (Ellis 2016).

[12] In the 1990s, for example, Abuja centralised up to 96% of taxes collected, coming mostly from the oil industry in the form of rents, patents, royalties and taxes on business profits. However, the federal government accounted for only 72% of public spending, with the states and local authorities representing 20% and 8%, respectively (Akindele *et al.* 2002: 571).

[13] See also the proposal which consists of distributing half of oil revenues equally to the accounts of each household, and then allowing the state to levy income taxes for which it would be accountable to citizens (Diamond & Mosbacher 2013).

[14] See for example Aluko, Jones Oluwole [2006], *Corruption in the Local Government System in Nigeria*, Ibadan, BookBuilders, 281p.

[15] The crisis in Mali, one of the most decentralised countries in Western Africa, serves as a deterrent in this respect. In its tax

code of 2000, the lion's share goes to the smallest strata of the territorial administration: 60% of license fees paid by mining companies go to the communes, 25% to the counties (*cercles*) and 15% to the regions.

[16] The ownership of minerals was vested in the British Crown since 1916. In a country which was not industrialized, minerals were to be worked for export and not for local manufacture. Royalties were thus an export duty which was supposed to benefit all inhabitants and help reducing other taxes in the whole country. Officially, the natives were not deprived of customary rights on the surface. But they could not claim royalties and could only work minerals for their own use. See Lugard, Frederick [1922], *The Dual Mandate in British Tropical Africa*, London, W. Blackwood and Sons, pp.347-8.

[17] *Saturday Tribune* [17 March 2001], pp.1 & 5.

[18] IRIN News Africa English Report, 7 June 2012.

[19] Before 1972 there used to be Ministers of Mines and Powers, all Northerners: Musa Yar'Adua (1960-654), Maitama Sule (1966) and Russel Barau Dikko (1967-71).