

# OIL POLITICS AND ENVIRONMENTAL REMEDIATION IN NIGERIA

**BAGHEBO, MICHAEL PhD**

Department of Economics

Faculty of Social Sciences

Niger Delta University

Wilberforce Island

Corresponding Author Email [mikephd3c@gmail.com](mailto:mikephd3c@gmail.com)

P.O.Box 1147, Yenagoa, Bayelsa State

**PHILIPS O.OKOLO PhD**

Department of Political Science

Faculty of Social Sciences

Niger Delta University

Wilberforce Island

## **ABSTRACT**

*The study examines oil politics and environmental remediation in Nigeria. The benefits as well as the attendant negative externalities, destruction of the ecosystem which has increased poverty, misery, prevalence of diseases and death in the Niger Delta region. Quasi experimental research design enriched with tables, chart, library and internet materials form the methodology of the study. The role of Crude oil in national and international politics, externalities arising from crude oil production and remediation efforts by stakeholders to ensure hazard free environment were explicitly treated. The findings reveal that oil exploration has caused environmental degradation through oil pipeline leakages, gas flaring and discharge of waste and hazardous substances to the environment. The authors recommends active participation of host communities in the oil sector, monitoring of oil spillages for prompt action, environmental sustainability laws be enforced, expenditure adjustment of elected officials in government in order to direct spending to growth oriented investment.*

*Keywords: Oil Politics, Environment, Remediation.*

## **INTRODUCTION**

Oil politics refers to the authoritative allocation of resources from crude oil by those entrusted with the exercise of political power which either helps in reshaping the political system or destroy it. Crude oil is an oily mixture of complex hydrocarbons occurring naturally in the pores and fissures of sedimentary rocks usually in association with its gaseous form. In the refining process, crude oil is distilled to produce gasoline, kerosene, diesel fuel, fuel oil, lubricating oil, etc.

Petroleum is the source of petrochemicals used widely in manufacturing plastics, synthetic fibres, drugs, fertilizers, insecticides and rust prevention. The Niger Delta of Nigeria is one of the largest wetlands in Africa and is known for its richness in biodiversity and in oil and gas and covers about 70, 000 sq. km spread over a number of ecological zones along the Gulf of Guinea. The Niger Delta is made up of Nine States: Bayelsa, Rivers, Abia, Akwa-Ibom, Cross

Rivers, Delta, Edo, Imo and Ondo states and has estimated population of over 29 million based on the 2012 population estimates.

Crude oil was discovered in 1956 which dramatically transformed Nigerian economy. The first shipment of about 5,100 barrels of crude oil hit the international market in 1958. Oil provides approximately 90 percent of foreign exchange earnings and about 80 percent of federal revenue. Nigeria also has huge reserves of natural gas, yet to be fully exploited. Nigeria is blessed with more natural gas than crude oil. As of September 2004, Nigeria was the largest producer in the sub-Saharan Africa, the fifth largest oil exporting country in the Organisation of oil exporting countries (OPEC) and the fifth oil exporting country to the United States of America, amounting to 8 percent of US oil import. Nigeria produces 30 percent of the total crude oil production in the African region (Baghebo, 2012).

The increase in oil revenue results to structural disarticulation in the economy. The contribution of other sectors of the economy to Gross Domestic Product (GDP), employment, foreign exchange earnings decline resulting eventually to a mono-product economy with its adverse consequences. In development theory, if a sector's contribution to Gross Domestic Product is 30 percent and above, the country is underdeveloped. The effect of this is that downward fluctuations in the price of crude oil in the international market results to economic crisis. This is because of the inability of the cumulative effort of the contributions of the other sectors to stimulate economic growth and development. The above illustration is very feasible in Nigeria where crude oil sector's contribution to GDP is above 30% and also constitutes a significant high in foreign exchange earnings and external reserve. Crisis in the sector (oil sector) plunged the economy into recession.

Budgetary provisions could not be met because it was based on projected target price of a barrel per day of crude oil. The two consecutive quarterly increased in GDP growth rate in 2017 in theory has made Nigeria exit recession but technically, Nigeria is still in recession. The crude oil sector was the major driver in this theoretical exit from Recession with Agricultural sector growth being positive. Other sectors recorded negative growth rate. This was as a result of stability in oil prices in recent time and rebuilt confidence of investors in the sector and also the green policies in the Agricultural sector by government significantly improved Agricultural production and export and also discourage food and other imports. This implies that any oil crisis either externally or internally transmitted to the economy would throw it back to recession. Continuous policy synergy on economic diversification to ensuring that a sector's contribution to GDP is less than 15 percent becomes necessary, so that a decline in economic activities in one sector would be counter balanced by the collective contributions of other sectors. This would reduce the impact of commodity price instability on the domestic economy (See Odisu 2015).

Crude oil and gas production has contributed greatly to global wetland loss, which has severely deteriorated the effectiveness of global and local water cycles. The water, carbon, and nutrient cycles are also significantly altered (Baghebo, 2017).Wetlands provides many key ecosystem services such as regulation of temperature and precipitation, raw materials and food, tourism, recreation, education and research, cultural, spiritual and religious value, protection, carbon sequestration, water supply, water purification, flood control, etc.The activities of multi-national oil companies results to biodiversity loss and loss of ecosystem services, culminating to poverty and suffering of the people. The struggle for political power in

Nigeria could be rightly attributed to the juicy remuneration and allowances that political offices attract ranging from the office of the President, Governors, National and State Assemblies, Local government chairmen and councilors and various political appointees of government.

Concerted efforts by the Nigerian government to improve environmental quality through institutions of environmental management and laws have not achieved the desired objective of living in a safe, clean and healthy environment. The situation becomes worrisome as crude oil production has led to sufferings, misery, hunger, poverty and death of the Niger Delta people. Nigeria has been described as a pollution haven where government allows oil companies to operate without regard to environmental sustainability.

The questions that ponder the study are: (i) Has crude oil production impacted positively on the lives of Nigerians? (ii) What efforts are made by government and oil companies to improve environmental quality in Nigeria? (iii) Is crude oil revenue responsible for the increased elective positions and political appointments in Nigeria?

The main objective of the study is to examine oil politics and environmental remediation in Nigeria. The specific objectives are: (i) To determine the impact of crude oil production on the lives of Nigerians (ii) To examine the efforts of Nigerian government and oil companies in improving environmental quality? (iii) To show whether the increase in elective seats and political appointments is as a result of oil revenue.

The study assumes that the positive externalities arising from crude oil production outweighs the negative externalities and that the living condition of Nigerians have improved significantly.

### **Crude oil in International and National Politics**

Crude oil is a major instrument for national and international politics. Both the producers and buyers of the commodity have used it as a major instrument in influencing their diplomatic relations (Baghebo, 2012). In the international scene, oil keeps the factories of the industrialized countries working and provides the revenue which enable oil exporters to execute ambitious national and economic development plans. This is why oil has become a concern of government, a vital ingredient of their politics and a crucial sector in the political and diplomatic strategies (Baghebo 2017).

In the 1950's world oil consumption grew at a rate of 7% annually as a result of expansion of automobile manufacturing by the industrialized countries leading to a dramatic increase in demand for fuel. As the world economy and the oil and gas sector evolved overtime, various political and social events occurred, in particular, wars in the Middle East during the late 1960s and 1970s which had substantial impact on the world oil and gas industry. The economic environment experienced a rapid rise in oil consumption and economic projections indicated that oil resources will be exhausted in 30 years beginning from 1970.

Events within the global political and economic environment have led to periodic world oil shocks. The first oil shock occurred in 1973 as a result of war in the Middle East especially the Yom Kippur war. The war and its political effect caused an enormous increase in world oil prices. Oil embargoes were also instituted by OPEC in the region, resulting to reduction in output and skyrocketing oil prices. Industries in the industrialized and oil importing countries were severely affected especially countries that financed the war against the OPEC member.

The damaging effect of oil embargo culminated to the formation of the International Energy Agency (IEA) within the organization of Economic Co-operation and Development (OECD) in 1974 made up of over 20 countries (including the US, Canada, Western Europe, Japan) to among other objectives, promote co-operation among member countries to source for an alternative to crude oil and energy conservation, international information network with oil producing companies and stabilize world energy market (Baghebo, 2012).

The second oil shock started in Iran in 1979 causing increase in world oil prices. The shock was caused by social and political upheaval in Iran. Iran oil production was drastically reduced, causing supply shortages and price increase. As pointed out by Augustine (2017), Nigeria with the power of crude oil in the 20<sup>th</sup> century was very successful in Africa liberation struggle especially countries under colonialism. Nigeria has utilized her membership of Organization of African Unity (OAU), the United Nations and other international bodies to eliminate Apartheid in South Africa. Nigeria was set to liberate the African Sub region from the pangs of economic impoverishment and underdevelopment but the idea was shortlived due to oil crisis and recession that plunged the nation.

When there is oil glut and international price of oil falls, America and other oil importers are happy and have turned back to question the integrity of OPEC as a cartel. America affirmed that OPEC is an incompetent group and has lost its relevance for failing to stabilize oil prices which has a detrimental effect on OPEC countries with no vast oil reserves especially Nigeria and Venezuela.

With oil wealth, Nigeria is wooed from West to East. The new economic superpowers of Asia - China, India and South Korea - are all attracted to Nigeria. China, in particular, is the new competitive rival to US in Africa in energy, trade, investment and diplomacy. With Nigeria's oil power, the superpowers compete for attention and Nigeria meets with them all to influence the new world economic order to benefit Africa.

The US has stopped oil import from Nigeria. It is partly linked to its geopolitical interest since it still imports oil from the Middle Eastern countries, and the discovery of shale oil (low quality oil) aggravates the Nigerian situation. The importation of crude oil by China from Nigeria may fall because of the discovery of shale oil.

What is needed in Nigeria is economic diversification to reduce over dependence on oil revenue on one hand and international co-operation with industrialized nations or major energy consumers to seek co-ordination and co-operation between oil consumers and producers to avert any national and global economic catastrophic consequences since lost market share and lower prices could pose a devastating challenge to oil export-dependent economies (see OTC 2002, Uwem 2008).

In the national scene crude oil revenue, which has become a national cake, has significantly influenced political participation. We have witnessed the formation of more political parties and more elective seats.

Nigeria under colonialism had constitutional provisions for elective positions. For instance the 1954 Lyttleton Constitution which embodied the decisions reached in both London and Lagos conferences in 1953 and 1954 respectively made provisions of a Federal House of Representatives composed of 184 directly elected members on single member constituencies. The North had 92 members, the West and East had 42 members each, Southern Cameroons had 6 members and the Federal Capital Territory of Lagos had 2 members.

The Federal Executive consisted of the Governor-General as President, 3 official members and 10 African ministers (3 from each region and 1 from Southern Cameroons). Ministers were appointed by the Governor-General from the members of the House of Representatives on the advice of the leaders of the Regional parties.

At the Regional legislatures, the Western House of Assembly consisted of 80 members directly elected and a speaker elected from among the members of the House. The Western House of Chiefs consisted of 90 members and a president appointed by the Governor and 4 official members.

The Northern House of Chiefs consisted of all leading Emirs, 3 official members and the Governor who was the president of the House. The Eastern region House of Assembly consisted of 84 members and a speaker who was appointed by the Governor on the advice of both the leader of the majority and opposition parties.

The Regional Premier was appointed by the Governor from the majority party in the Regional Assembly. Other Regional ministers were also appointed by the Governor on the advice of the premier. The Regional Governors still presided over the executive council meetings.

The Southern Cameroons was separated from the Eastern Region and granted its own legislature but it was subordinate to the House of Representatives, as were the Regional legislatures under the 1951 constitution.

The 1960 and 1999 constitutions as amended were enacted during the period of crude oil discovery. Federal and state governments became rich due to the sharing of the federally collected revenue mainly from sale of crude oil and other oil revenue. The number of senatorial seats increased with 3 senators from each state, and increased membership in the House of Representatives as well as the State Houses of Assembly and Local Government Councils. The role of oil in national politics culminated to marginalization of the oil rich region in the country. Oil revenue has necessitated the move to enact a federal legislation for the institutionalization of cattle colony in the country as a ploy to compete for ownership of land in the Niger Delta Region whose oil wells are named after non indigenes with huge financial benefit. This is an aspect of oil politics using political power to forcefully and authoritatively allocate the regions oil blocs to the political cabals. This is internal colonialism which has severely impoverished the Niger Delta people.

The discovery of oil has witnessed the promulgation or enactment of inimical federal legislations such as: Land use decree of 1978; the oil pipeline Act of 1966; the Petroleum Act of 1969 etc. which deprived the Niger Delta people from enjoying full benefits of their natural endowment.

Political appointments in all tiers of government are influenced by oil revenue. The higher the allocation to the three tiers of government from the federal account, the higher the proliferation of appointments made, and the higher the level of corruption and pirate capitalism in the country.

## **EMPIRICAL LITERATURE**

The literature is replete on oil politics and environmental remediation especially in the oil rich Niger Delta of Nigeria. Odisu (2015) evaluates the environmental performances of SPDC

and the Nigerian state in ensuring improved environmental quality. The study discussed the company's effort and that of the Nigerian government in ensuring environmental quality. Descriptive statistics was used by the author in analysing the data. The findings shows that agricultural land are degraded, air and water pollution are endemic and the environmental policies of SPDC and Nigerian government are inadequate considering the huge revenue generated from the environment and the severe environmental devastation caused. The study recommends among others, putting in place legislative framework (anti-pollution laws) that compel the oil companies to maintain a healthy and sound environment.

Ephraim Ikechukwu Elenwo, Justice Ayaegbunem Akan kali (2014), reviewed environmental policies and strategies in the Nigerian oil and gas sector, assessing its efficiency, challenges and prospects. The study reveals that the environmental policies and strategies of the oil and gas industry have impacted positively on the Nigerian environment over the years especially in awareness creation for all stakeholders. Lack of logistics, poor environmental institutions were identified as some of the challenges. The study considered the prospects as bright due to its evolving nature. The authors recommended among others the use of qualified professionals in the development of environmental policies and strategies as necessary condition for effectiveness. Also, strengthening the role of Ministries, Departments and Agencies (MDAs) involved in environmental policies and strategies so as to avoid duplication of functions was recommended.

Adelana *et al* (2011) study environmental pollution and remediation of oil spillage in the Nigerian coastal areas. The authors emphasis oil pollution is one of the greatest environmental challenges Nigeria is currently facing. This has generated a lot of concern in the coastal oil producing areas of the Niger Delta as they continue to be confronted with severe environmental challenges. Oil spills according to the study are common in the coastal areas and manifest in the form of vandalization of oil pipelines by the local inhabitants, ageing of the pipeline, oil blow outs from the flow station, cleaning of oil tankers on the high sea and waste disposal, etc. The study recommended among others the use of geographic information system to effectively monitor oil spill and take quick remediation measures to avoid its spread.

Baghebo, Ubi and Nwagbara (2012) investigated the impact of oil and gas exploration in the host communities of the Niger Delta region of Nigeria. The author noted that while the people of Niger Delta region may have benefited from oil and gas exploration, the adverse economic, environmental, health, social, urbanization impacts of their operations outweighs the benefits. Among the negative impacts are the emergence of new diseases, change in water quality, a reduction in the quality of mangrove, infertility of farmland, collapse of fisheries and shift in regional climate. The study recommended among others the enforcement of government environmental management laws.

Baghebo and Apere (2014) tested the Pollution Haven Hypothesis in Nigeria for the period 1970 – 2013 using Autoregressive Distributed Lag (ARDL) approach. The study reveals a long run causal link between  $\text{CO}_2$  per capita (a measure of environmental quality) and FDI flows and no long run relationship between FDI and economic growth. It was also revealed that economic growth and Foreign Direct Investment (FDI) flows into Nigeria significantly fuelled pollution. The study recommended that any policy that will attract FDI inflow should be one that will encourage and promote the adoption of cleaner production techniques.

Iroye and Folashade (2016) give an over view of the environmental impact of gas flaring and legislative response in Nigeria noted that one of the major environmental challenges in the Nigerian territory is gas flaring which has put unredeemable, indelible marks on all spheres of the societal life of the country. The authors used analytical method of research in collecting the data and concluded that the menace of gas flaring is curable and suggested several ways this can be achieved. The directorate of petroleum resources, Federal and states ministries of environment etc should be proactive on environmental issues, Non-governmental organizations (NGOs), realistic, enforceable and justifiable legislative framework, and independent judicial system becomes imperative in reducing the negative externalities caused by the activities of oil companies operating in the country..

Okoye (2012) studied the problem of climate change using Anthropocentric Environmental Ethics. The study shows that climate change is usually caused by excessive carbon dioxide emission in the atmosphere which distorts weather condition leading to excessive heat. The problem is compounded by activities of humans such as industrialization and careless environmental unfriendly activities. The management of these problems poses a puzzle in the contemporary world. The paper recommended the application of anthropocentric ethic of environmental management/remediation which requires a more human-centred approach to industrialization.

Okolo (2016) examined oil multinationals and communal conflict in the Niger Delta of Nigeria using structured questionnaire and guided by the assumptions derived from Systems theory. The author argued that socioeconomic problems such as poverty, lack of portable water, increasing unemployment amongst others have continued to serve as conditions for conflict between local communities and oil companies in the Niger Delta. The study recommends that oil companies should focus on good working relationships with oil bearing communities by improving their corporate social responsibility profiles, also to increase the 13 percent derivation principle to 25 percent as this will improve the revenue profile of the oil rich Niger Delta region and will as a result stimulate growth. (See also Okolo 2016, 2015, 2004)

Other studies on the greenhouse gas emission through oil based activities and the impact on the environment and remediation measures can be found in the works of Baghebo (2012: 132-133, 2017, &2013) and Baghebo and Emmanuel (2017).

## **THEORETICAL FRAMEWORK**

The theoretical foundation of the study is rooted in Pollution Havens and Resource Curse.

### **Pollution Haven Theory**

The theory basically states that companies will move their operations to less developed countries in order to take advantage of less stringent environmental regulations. Countries may purposely undervalue their environment to attract new investment. Either way, this leads to excessive (non-optimal level of pollution and environmental degradation (see Baghebo and Apere 2014). Pollution Havens effect must not be conveniently aggregated away as an insignificant determinant of total investment flows. There is clear evidence that, even though full environmental costs are not internalized, certain pollution intensive industries have a location preference for areas of low environmental standards. There is also evidence that host

countries (Nigeria inclusive) do not enforce domestic standards. Mabay and McNally(1996) stressed that the policy thrust of host countries in encouraging pollution haven is to stimulate economic growth and generate revenue irrespective of the severe environmental consequences it might cause.

As Gary (2012) mentions, the race to the bottom is a subject in pollution haven phenomenon and consists of actions by government lowering environmental standards to attract Foreign Direct Investment (FDI) inflows. Government efforts to regulate and enforce environmental laws can be restrained by a volume of institutional limitations in developing countries.

### **Resource Curse**

Many natural resource blessed countries end up being lazy, effeminate and unproductive, whereas a resource poor country makes people creative, industrious and productive. Lack of positive externalities from the natural resource sector (crude oil in the case of Nigeria) and the manufacturing sectors, lack of forward and backward linkages and the shrinkages of the manufacturing sector is a disease (Dutch disease).The shrinkage of the manufacturing sector in the Nigerian economy and the dependence on raw material export (crude oil) has exposed the country to external shocks transmitted in the commodity market.

The Resource curse was evident in Nigeria during the oil boom era. Lack of prudent management of resources, frivolities and wasteful spending, primitive capital accumulation, pirate capitalism through the contract system and the over invoicing of government contracts resulting to looting of government treasury and institutionalization of corruption were visible in Nigeria.

There was misplacement of priority. More states and local governments were created during the oil era and making legislative and executive position very attractive in terms of remunerations and other benefits. This is in sharp contrast to other resource blessed countries like Malaysia and Thailand that were able to diversify their economies by reinvesting the surplus from the natural resource sector for export. Botswana has not successfully diversified their economy significantly but has developed favourable institutions and policies for managing its natural wealth and primary production for extensive economy-wide benefits. The BRICS (Brazil, Russia, India, China and South Africa) enjoy economy-wide benefits from exploiting their vast resources of land and natural resources. United States of America, Britain, Germany and France derive economy-wide benefit from their resource endowment. These countries have specific knowledge and technology in the use of their resources. There was linkage between the resource sector and frontier based activities and the rest of the economy as well as substantial knowledge spill over arising from the extraction and use of resources and land in the economy. There was no mono economy in these countries, which was the case in Nigeria (see Neary and Van Wijnbergen 1986, Hirschman 1958).

### **Environmental Impacts of Oil/Gas production**

Petroleum based activities have negatively impacted on the environment, reducing the ecosystem services that sustains humans. The current state of ecological scarcity has a direct relationship with oil exploration and production. Emission of greenhouse gases like Sulphur dioxide (SO<sub>2</sub>), Carbon dioxide (CO<sub>2</sub>), Methane CH<sub>4</sub>, Nitrous oxide NO<sub>2</sub> etc. increases with oil

production and gas flaring causing environmental degradation. Environmental degradation causes climate change and global warming and poses a threat to human existence, sea level has continued to rise, increase flooding, erosion and deforestation among others have become seasonal occurrence. Also oil pollution has trans-boundary effects. Soil and sediment are contaminated resulted to stunted growth of crops and poor fish catch, most of which are contaminated with chemical discharged in the rivers, lands are destructive to humans that consume them. Some negative externalities of oil based activities especially in the Niger Delta according to Baghebo(2017) includes destruction of the traditional occupation of farming and fishing, biodiversity loss and the fast disappearance of mangrove and replacement with *Nypa*, migration of people, and the rise of environmental refugees, health impact such as the prevalence of dangerous and contagious diseases like Asthma and other respiratory diseases, becomes prevalent, thus increasing the death rate in the Niger Delta region.

Several environmental protection laws exist to regulate the oil and gas sector but lacked full implementation hence the unabated environmental degradation. Some of the environmental laws includes: National Environmental Standard and Regulatory Enforcement Agency (NESREA) of 2007 arising from the repealing of FEPA Act of 1988, Oil Mineral Regulation 1963, oil in Navigation Acts 1968, Petroleum Act 1969, Associated Gas Reinjection Act 1979, National Policy on Environment 1989, Environmental Guidelines and Standards for the Petroleum Industry in Nigeria (EGASPIN) 2002.

#### **METHOD OF STUDY**

The study applied quasi experimental research design. Secondary data are sourced from relevant publications from official sources. Data includes oil and non-oil export, Revenue profile of states in the Niger Delta Region, Size and Composition of elective legislative seats, environmental degradation data such as the oil spills in the Niger Delta region

#### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS**

**Table 7.1 Percentage of oil and Non-oil Related Exports in Nigeria as a ratio of Total Exports (1960-1997)**

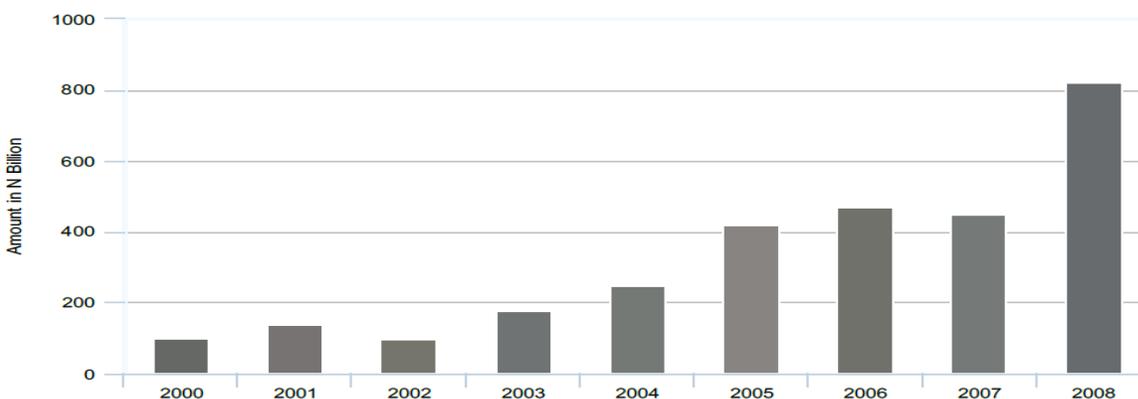
<b>YEAR</b>	<b>OIL EXPORTS</b>	<b>NON OIL EXPORTS</b>	<b>YEAR</b>	<b>OIL EXPORTS</b>	<b>NON OIL EXPORTS</b>
1960	2.7	97.3	1983	94.3	5.7
1966	32.4	67.6	1984	97.3	2.7
1968	17.5	82.5	1985	97.1	2.9
1970	57.6	42.4	1986	93.8	6.2
1971	73.7	26.3	1987	92.9	7.1
1972	82.0	18.0	1988	86.7	13.3
1973	83.1	16.9	1989	92.2	7.8
1974	92.6	7.4	1990	97.6	2.4
1975	93.6	6.4	1991	96.6	3.4
1976	93.6	6.4	1992	97.9	2.1
1977	93.4	6.6	1993	97.7	2.3
1978	89.1	10.9	1994	97.4	2.6

1979	93.8	6.2	1995	97.3	2.7
1980	96.1	3.9	1996	98.2	1.8
1981	96.9	3.1	1997	97.6	2.4
1982	97.5	2.5			

Source: Adapted from Ibaba 2017 P.15

The derivation share of fifty percent benefited the regions that produced agricultural products like groundnut, cocoa before the 1970s which financially empowered them and were able to embark on ambitious development programmes such as free education in the western region. During this period, the contribution of non-oil export to total export was exceedingly high compared to oil export. From 1970 to 1997 and to date, oil export increased phenomenally while non-oil export decreased significantly. During this period crude oil has come to stay in the economy. The 50 percent derivation was no longer tenable. Obnoxious and inimical federal legislations such as the land use decree of 1978, oil pipeline Act 1966, the petroleum Act of 1969 among others were enacted by the government which deprived the owners of the resources from enjoying the benefits of resource endowment. Derivation principle was 1.5%, latter increased to 3% and now 13%. Oil wells were allocated to non-owners of land by those in power contributing greatly to the high level of poverty in the oil blessed Niger Delta region. Ibaba (2017) linked this to the paradox where despite the fact that the Niger Delta bears the burden of generating the huge oil revenues the country earns, the area represents one of the extreme conditions of poverty in the country.

**Fig. 7.1 Revenue Allocation to Niger Delta States from the Federation Account. January 2000 to November 2008**



Source: Adapted from Ibaba, 2017 pp. 20



■ 2000   
 ■ 2001   
 ■ 2002   
 ■ 2003   
 ■ 2004   
 ■ 2005   
 ■ 2006   
 ■ 2007  
■ 2008

From the figures above and in comparison with other states of the federation, the Niger Delta states have received more revenue than other states of the Nigerian Federation. Evidently the Niger Delta region received ₦852, 112, 410, 145.40 out of a total sum of ₦1975, 830, 151, 342.05 allocated to 36 states of the federation.

**Table 7.3 Constituencies in Nigeria**

State	Population	No. of Constituencies		State	Population	No. of Constituencies	
		Senatorial Districts	Federal constituencies			Senatorial Districts	Federal constituencies
Abia	2,845,376	3	8	Kano	9,401,288	3	24
Adamawa	3,178,950	3	8	Katsina	5,801,584	3	15
Akwai-Ibom	3,902,061	3	10	Kebbi	3,256,541	3	8
Anambra	4,177,828	3	11	Kogi	3,314,043	3	9
Bauchi	4,653,066	3	12	Kwara	2,365,353	3	6
Bayelsa	1,704,515	3	5	Lagos	9,113,605	3	24
Benue	4,253,641	3	11	Nassarawa	1,869,377	3	5
Borno	4,171,104	3	10	Niger	3,954,772	3	10
Cross River	2,882,988	3	8	Ogun	3,751,104	3	9
Delta	4,112,445	3	10	Ondo	3,460,959	3	9
Ebonyi	2,176,947	3	6	Osun	3,416,959	3	9
Edo	3,233,366	3	9	Oyo	5,580,894	3	14
Ekiti	2,398,357	3	6	Plateau	3,206,531	3	8

Enugu	3,267,837	3	8	Rivers	5,198,716	3	13
Gombe	2,365,040	3	6	Sokoto	3,702,676	3	11
Imo	3,927,563	3	10	Taraba	2,294,800	3	6
Jigawa	4,361,002	3	11	Yobe	2,321,339	3	6
Kaduna	6,113,503	3	16	Zamfara	3,278,873	3	7

Source: Adapted from Ibaba, 2017: 47

The increase in number of federal legislative seats through population factor makes the South-South, South East and South West have less legislative seats when compared to the North. In the Senate there is equality of state in representation. But because the Northern region has more states than the South and so has more senators. According to Ibaba (2017) the situation is critical for many reasons. First is the ethnicization of politics and the consequent unfair allocation of resources by custodians of political power to their ethnic enclave. Second is the concentration of governmental powers in the central government which in addition to 68 powers listed in the exclusive legislative list, has overriding control over the 33 items in the concurrent legislative list. Third is the exclusive ownership of all minerals, mineral oil and natural gas by the federal government. Ibaba (2017) also stressed that public policy such as federal character principle, although meant to achieve ethnic balancing have rather strengthened unequal political representation.

Table 7.4: Summary of some oil spills in the Niger Delta of Nigeria.

Year	State	Episode	Quantity
1979	Delta	Forcados terminal oil spills	570,000
1980	River	Funwa No. 5 well blow out	400,00
1982	Edo	System 2C Warri-Kaduna pipeline rupture at Abudu	18,000
1983	Rivers	Oyakama Oil Spillings	10,000
1983	Rivers	Jolika Oil Spills	10,000
1983	Akwa-ibom	Idoho Oil Spill	40,000
1998	Delta	Jones Creek Oil Spill	21,000
1998	Delta	Jesse Oil Spill	10,00
2000	Bayelsa	Etiam Oil Spill	11.000
2005	Delta	Ugheli Oil Spill	10,000
2011	Rivers	Bongo Oil Spill	40,000

Source: Adapted from Baghebo 2013 P: 86

**Table 7.4** presents the scenario of environmental damage caused by the activities of multinational oil giants in the oil rich Niger delta region of Nigeria.

For instance, annual report by Shell Petroleum Development Company (SPDC 2000; 17) reveals that 1,137 cases were sabotage involving 17,644 barrels of spill oil in 2000. The Department of Petroleum Resources (DPR) traced the oil spill to equipment failure.

Oil spill disrupt the peoples' traditional occupation of fishing and farming in the Niger Delta region. Oil pollution poses serious threat in the environment, affects the health status of the people, sustainable development and ecological balance, land degradation, reduced air quality, deforestation and water contamination. Polluted farm lands and water produces poor yield, thus increase the level of poverty in the region.

Lack of prompt response by the multinational oil companies to clean up oil spill has increased the quantum of damage and environmental degradation. There are examples of oil spills where clean up lasted for months or years. In Epubu community in Bayelsa state a spill that occurred in December 1998 was not cleaned until about a year. There are worst cases like the Ogoni oil spill which has taken decades and the issue of clean-up is being politicized. It takes 30-40 years and 10-15 years for an oil polluted environment to regain its status depending on the depth and severity of the damage caused (Baghebo 2013). Open air gas flaring has become a norm in Nigeria contrary to international best practices. This caused unprecedented change to the environment. The open pipe type contains elements derived from the products of incomplete combustion, including soot and various sizes of carbon particles which are hazardous. SPDC flares 78% of its total gas production in Nigeria but does not adopt this same method in the advanced countries. There is lack of commitment to environmental restoration. According to Odisu (2015), in order to make more profit by the oil companies, everything is compromised including the livelihood of the people as well as the environment subjecting the people to life threatening pollution. He also asserted that severe air and water pollution and land degradation characterize the Niger Delta region. The people live in squalor and misery. Government and oil companies are nonchalant to the developmental aspirations of the people, such as the provision of cottage clinics, portable water, roads and electricity etc.

## **CONCLUSIONS**

The study examined oil politics and environmental remediation in the Niger Delta region of Nigeria. Oil has significantly influenced national and international politics. The struggle for power for the authoritative allocation of resources in Nigeria has increased as a result of the discovery of oil. It has become a dominant force in shaping the Nigerian economy. The number of federal, state and local government legislative seats has increased astronomically when compared to the era of regionalism and the period when derivation principle of 50% was introduced in favour of regions producing agricultural products. It has made vying for elective seats becomes "a do or die affair". More states and local government areas were created during the era of crude oil. It has also increased the rate of corruption and primitive capital accumulation. Nigeria was able to use oil in the freedom and anti-apartheid fight in South Africa and other oppressed countries in the African sub-region.

Crude oil production has caused environmental degradation. The Ecosystem is destroyed; the people's livelihood is affected, thus increasing the poverty level of an oil rich region. Government and multinational oil companies are not proactive in dealing with oil pollution and gas flaring, oil pollution matters are not promptly attended to. Delay in oil spill clean-up, and/or outright abandonment of oil spill clean-up by oil companies cause severe

damage to the environment causing death, misery and poverty in the host communities. This calls for remediation effort by the stakeholders in order to conserve and restore the oil rich region from further environmental degradation and improve the living standard of the people.

## **RECOMMENDATIONS**

The following recommendations emanate from the study

- I. Environmental impact assessment activities should be strengthened to determine the cost-benefit analysis of oil operations in the Niger Delta region not necessarily the benefit to the government in terms of revenue accruable but to the people in livelihood sustainability and poverty reduction. If the benefit to society outweighs the cost measured in terms of environmental degradation and sufferings, the project should be accepted, otherwise be rejected.
- II. The robust allowances and other benefits due to elective officials of governments should be reduced. This expenditure adjustment and switching policy will free our scarce resources which will be directed to economic growth oriented investments. The reduction of the “take home” of elected officials in all tiers of government will result to the enthronement of leaders who will be genuinely and totally committed to national development and not self-development through corruption and other unwholesome practices.
- III. The practice of true federalism is highly recommended. More power should be devolved to states, and autonomy in the use of resources should be a state concern. This will reduce laziness and unproductivity of states that relies on the sharing of the “national cake” derived from the oil rich Niger Delta region. Competition among states will result to sustained economic growth and development of Nigeria.
- IV. National geographic information system be installed in all government oil and gas related departments, agencies and parastatals to monitor oil spills and for prompt remediation action. This will reduce the magnitude of oil spill and its attendant destructive nature. Nigerian government should provide more pipeline and oil installation security to avoid sabotage by hooligans, oil theft and bunkering should be monitored by the geographic information system (GIS) to reduce the fast depleting crude oil reserves.
- V. Adequate and prompt clean-up of oil spills and payment of compensation to victims should not be politicized. The idea of oil companies creating “divide and rule” in host communities who fought and killed themselves through oil money should be discouraged. Periodic sensitization programmes to educate the host communities on “divide and rule” as a destabilizing force.
- VI. Host communities should be allowed to own shares in the oil companies in order to reap oil dividend. This will improve the status of host communities in terms of eradication of poverty. Oil wells in the Niger Delta region should be renamed after the host communities in order for the communities to enjoy the benefits hitherto enjoyed by the political cabals in the country.

- VII. The overdependence on crude oil in Nigeria should be reduced through economic diversification. This will free the region from excessive exploitation of crude oil and its associated negative externalities.
  - VIII. Prudent and transparent management of resources allocated to the government of the Niger Delta states should be ensured. The level of development fall short of the amount of resources allocated to the region. The other states of the federation are not exempted from the policy of transparency and accountability. The situation becomes more worrisome inspite of the huge allocation from the federation account to the region. Poverty, unemployment, high crime rate are prevalent. Looted funds by the political class while in government should be recovered and ploughed back to the state.
  - IX. Government should maximize the benefits of crude oil exploration through the proper execution of tax laws and blocking loopholes, check tax evasion and avoidance. This deliberate act of tax payers deprives the government from the bounties of revenue expected from crude oil sector.
  - X. Pollution abatement devices should be compulsorily installed in all production units to avoid air pollution and reduce the accumulation of greenhouse gases in the environment. This would reduce the level of global warming. Also, water pollution and the discharge of hazardous chemicals and waste to environment by the oil companies should be checked through the enactment and enforcement of legislation, so as to free the masses from the inherent danger associated with water pollution.
- The major contribution to knowledge in this study is the role of crude oil in national and international politics, the negative externalities caused by oil producing companies and remediation measures for environmental sustainability. Previous studies centred on oil and the Nigeria environment, environmental damages caused by multinational oil companies in Nigeria etc. The study therefore is a novelty in the Nigerian scenario.

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