Nigerian Deformed Capitalist State, Distorted Federalism and the Development Quagmire of the Niger Delta Region

Ukachikara Ucheoma O

Department of Political & Administrative Studies, Faculty of Social Sciences, University of Port Harcourt, University of PMB 5323 Choba, East-West Rd, Port Harcourt, Nigeria

Abstract: The development challenges of Nigeria’s oil-rich region – the Niger Delta – have remained palpable. It has also necessitated many debates from different ideological perspectives. The much attention received stems from the fact that the Niger Delta is a region blessed (cursed) with huge human and natural resources, but has remained perpetually poor. That is the basis for the now-cacophonous paradox in the region: wealthiest but penurious. Many reasons have been adduced for the existence of this paradox but very little attention has been given to the impacts of the character of Nigerian post-colonial state on the development issues of the region. It is against this backdrop that this paper attempted an investigation into the relationship between the nature of Nigerian state, its form of federalism and the demonstrable development challenges of the Niger Delta. In conducting this investigation, Marxian Political Economy Approach was adopted as the theoretical framework in order to historicise the emergence of Nigerian post-colonial state with a view to ascertaining the factors responsible for its characterisation as deformed-capitalist. As a largely desk study, data were mainly obtained from secondary sources which included such documents as journals, textbooks and articles in addition to internet resource materials. Content analysis of the data revealed that the deformed-capitalist nature of Nigerian post-colonial state partly manifests in its distorted federalism which has furthered the development of underdevelopment in the Niger Delta. The paper therefore recommended the restructuring of Nigeria’s federal system, tantamount to the implementation of real fiscal federal principles which are instrumental to the development of federations like United States of America and states like Alaska. In other words, resource control was highly advocated.

Keywords: Nigerian State, Fiscal Federalism, Capital, Federation, Development, Niger Delta.

INTRODUCTION

Nigeria’s Niger Delta is famous for two major reasons: it is the goose that lays the golden eggs for the Nigerian federation; it is also the most impoverished region of Nigeria, by every known standard. This may explain why it is referred to as a “region of paradox”, in the literature. Plethora of literature on the region is either on its wealthy disposition, vis-à-vis rich natural and human endowments, or the palpable severe underdevelopment crises in the region.

Over the past many decades, the Nigerian federation has been economically sustained by proceeds from oil and gas exports. Foreign exchange from these exports has continued to constitute greater part of Nigeria’s foreign reserve, in addition to being the major source of financing capital development projects across the federation. Thus, oil price has consistently remained the benchmark for Nigeria’s budget over the years, fluctuation of which directly affects the budget performance indices. Development plans and other development interventions in the Nigerian economy are also based on capital derived from oil and gas activities, 100 percent of which goes on in Nigeria’s Niger Delta. In other words, the Niger Delta region largely provides the economic mainstay of Nigeria’s federation. The region, which is found in the Southern part of Nigeria, is home to an estimated population of almost 40 million Nigerians, representing about 20 percent of the country’s estimated total population [1, 2]. It consists of nine coastal states of Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo, Rivers which collectively occupies about 112,110 Square Kilometres [3] representing about 12 percent of Nigeria’s total surface area. One hundred and eighty five, out of the seven hundred and seventy four local governments of Nigeria’s federation are in the Niger Delta. A lot of communities in the region are along creeks and accessed only by boats. Terrain of many parts of the region are extremely difficult with very susceptible ecosystem [4]. It is within this region, politically and administratively referred to as the Niger Delta, that the
world’s 13th, OPEC’s 5th and one of Africa’s largest producer of crude oil; world’s 7th and Africa’s 1st largest holder of gas reserve [3, 5, 6] makes meaning to the Nigerian federation. Yet, the region has remained perpetually dirt-poor.

No region has been so richly endowed with human and natural resources as the Niger Delta, yet so poor [7]. In most known indices of development, the region has continued to rank very low, making it seem that wealth of the region hardly produces anything but poverty [6]. This is because the conspicuously penurious region still grapples with poor sanitation, environmental degradation, lack of potable drinking water and other basic amenities and welfare facilities. The abnormally high unemployment rate, social deficiencies, low life expectancy, abysmal level of economic security and widespread conflict in the region are all indicative of the fact that the region’s underdevelopment is as obvious as its contribution to the economic growth of the Nigerian federation. Many studies have revealed the squaral, filthy and terribly precarious development condition of the region. UNDP [8], Amnesty International [9], Tom [10], Jack-Akhigbe [11], Usang & Ikpeme [12], Ogon [13], Idowu [14] and Ekekwe & Ukachikara [15] agree that the Niger Delta is a collocation of enormous resources and severe underdevelopment. Ironically, these development challenges, occasioned by not only the difficult terrain but also oil production activities in the region, have not been successfully tackled by the Nigerian state. This makes it seem that the region is not an equal partner in the project – Nigeria – when compared with other regions that contribute very little to the sustenance of Nigerian federation. What type of state is Nigeria; what form of federalism is implemented in the Nigerian state; what is the relationship between the type of state, form of federalism and the underdevelopment of Nigeria’s Niger Delta region? Answers to these questions are what this paper attempts to provide.

METHODOLOGY

Being a predominantly desk study, data for this paper was mainly gathered from secondary sources. Content Analysis method was employed to critically analyse the data available to the study to arrive at the findings and conclusions. Marxist Political Economy was adopted as the theory governing the analysis. As a guide, let us first situate our analysis within the Marxist Political Economy theory by attempting a concise overview of this theoretical framework here.

It is unequivocally true that a researcher’s perception of the problem, as well as his ideological perspectives, informs the choice of theories governing researches. The raft of researches on the development challenges of Nigeria’s wealthiest (but poorest) region have been conducted within different theoretical frameworks. However, nothing suits our perception, perspective and purpose here more than the Political Economy theory as espoused by Karl Marx and Friedrich Engels. The elements of history, class, economy and state strategically position this theory as the best suited for the analysis here. When Marx and Engels (in their works) radicalised political economy as a scientific approach to the analysis of society and social change, little did they know that they provided the most appropriate tool for the study of Nigerian state.

It is Marx’s view that historical processes are influenced and even determined by the ownership of means of production in society [16]. In other words, historical developments are given interpretations that are material-based. It is on the basis of the material conditions that classes in society are understood. Class, according to Marx and Engels, refers to the group of individuals in the historical development of the society that share similar socio-economic status. This status is dependent on the relationship they share with the means of production. Owners (and controllers) of the means of production belong to a distinct class from those that own just their labour power with which they work for the former. A good knowledge of history of the emergence and dynamics of classes in society is essential to the comprehension of the character of such classes, their impacts on the state and its institutions, as well as the forms of governance that take place within such states, vis-à-vis policies and their implementations.

In the foregoing circumstance, an appreciation of history and its roles in characterising the present condition of society is very expedient. Also, given that political economy gives much attention to economic factors (which are the most important for human existence) in the explanation of social problems, it tends to clarify the logic of socio-economic inequality and underdevelopment in society. Democracy can hardly thrive in a society where inequality is high because political power hovers around economic power, hence, the high tendency of repression and authoritarianism in societies that have higher degrees of inequality. This repression is constantly deployed to restrain the dominated groups from demanding for redistribution of economic surpluses. This may explain the disposition of Nigerian state, manifesting in its form of government as argued in what follows.

Deformed Capitalist Nigerian State, Distorted Federalism and the Development of Underdevelopment in Nigeria’s Niger Delta

Repressive nature of Nigerian state is a function of two factors. On the one hand, the colonial state in Nigeria, of which Nigerian post-colonial state is a product, was a repressive authoritarian one. Because it was not destroyed at independence, it was inherited by the emergent ruling class. On the other hand, the process of local class formation in Nigeria bequeathed it with such nature that requires repression to sustain.
Part of the colonial history that is important in understanding the nature of Nigerian post-colonial state is the unique mode of integration of Nigerian pre-capitalist economy into the advanced world capitalist economy. The integration, which resulted in an organic relationship, was made possible by imperialism of trade, monetisation, infrastructural development and metropolitan investment [17]. It was this form of integration that Ekekwe [18] referred to as “articulation of modes of production”. Nigeria’s pre-capitalist economic system was articulated with the global capitalist system and this resulted in the distortion of the indigenous modes of production. What resulted could neither be said to be capitalist nor pre-capitalist because traces of the pre-capitalist mode could still be seen in what could not completely transform into a capitalist mode. This branch economy [18] which was largely dependent [19] gave birth to a deformed capitalist state at independence. Let us explain how.

The Nigerian colonial economy was not consciously developed through industrialisation by the colonial state and its metropolitan capitalist enterprises. Rather, trade activities were skewed in favour of foreign bourgeoisie and to the disadvantage of the local class. The local class was more disposed to commerce activities with very little or no discernible interest in industries and manufacturing. Hence, quite a few members of this class made profit from trade sufficient to strengthen their economic base and transform them to the bourgeoisie class. In this circumstance, as a result of the obvious lack of robust national bourgeoisie in the colonial era, the ruling class that emerged at independence simply acquired political power and relevance unequal with its economic disposition. Despite that they lacked the economic base to drive a robust capitalist economy, they also did not have a harmonious picture of a nationalist agenda. They had varying pictures of independent Nigeria, in accordance with their respective personal and ethnic ideological leanings. They probably envisioned a Nigeria where they were presidents and prime ministers with all the paraphernalia that came with such positions. This might just explain why Cohen observed that national bourgeoisie in Africa were neither national nor bourgeois. Entrusting a newly-independent state in the hands of this type of ruling class meant, for Nigeria, struggling to build a capitalist state without capitalists, and the consequences are better imagined than what the country faces today. It also meant that the struggle by this class (in the guise of nationalist movement) to take over control of Nigerian state power from the foreign bourgeoisie (colonialists) was probably not necessarily to end the biases and prejudices in the colonial era. Rather, it was to inherit the state to replace the colonialists in positions of authority which would grant them unrestricted access to the capital needed to correct their disarticulated and disoriented structure. This could be why development policies in Nigeria, shortly after independence, still reflected class trends, implemented in class-biased ways to achieve class-centric results. The few members of the petit bourgeoisie class who eventually found themselves controlling state power were concerned more with the distribution of commonwealth, and preferred the benefits and lifestyles of colonial (foreign) bourgeoisie. With the massive political influence and power at their disposal, attention was consciously paid to the relations of wealth distribution than creation, as emblematised by the anxiety among them in the process of capturing state power.

Use of state apparatuses to foster capital accumulation and surplus expropriation therefore became inevitable and most rewarding. At some points, marketing boards were created purportedly for regulating trade in certain peasant commodities like palm oil, groundnut and cocoa. These boards were later revealed to be clear avenues to appropriate and expropriate peasant surpluses. Subsequently, as attention shifted from agriculture to crude oil, other avenues were sought to ensure a sustainable rapacious accumulation of capital by every available means, including subjugation of oil host regions such as the Niger Delta. The point here is that the nature of Nigerian post-colonial state and its ruling class supports a socio-political arrangement that concentrates appropriation and expropriation powers on a few members of the governing class at the centre. This enables them to maintain a full grip on the commonwealth at every point in time, without much challenge. This seems to explain why Nigerian brand of federalism, purportedly adopted and adapted from the American system, has remained a mere tool in the hands of managers of Nigerian post-colonial state to further dominate, alienate, exploit and underdevelop rich regions as the Niger Delta. This form of federalism is what has been termed in this paper as “distorted federalism” because, just as the Nigerian deformed capitalist state, what we have in Nigeria is not federalism in its pure form, neither is it real unitary system. It is just an organic blend of the two systems. It is therefore argued here that this form of federalism is fuelled by what has been identified here as the “political economy of oil”. Let us attempt an explanation.

Oil has been earlier noted to be the mainstay of Nigeria’s economy. It is the major source of what has been known as national cake in Nigeria. To that extent, Nigeria’s federalism is, at best, an avenue to distribute the national cake, under the whims and caprices of managers of the state. As such, other regions simply exist and survive by taking resources from the oil-rich region to spend. As observed earlier, attention and efforts of Nigeria’s ruling class are on the relations of distribution of the so-called commonwealth, in this case, oil resources. The simplest and surest way to take charge, or at least participate in the allocation of these
resources is to control state power at the centre in order to centrally appropriate economic surpluses for the benefit of the governing class. It therefore does appear that it really matters less from which part of the federation members of the governing class come, as long as it is part of the Nigerian federation.

With all the economic surpluses in one central purse, managers of Nigerian state stand better chances of expropriating as much of them as possible. This is probably why implementation of real fiscal federalism is not only an illusion but a dream that is never flickered into life in Nigeria. What passes for fiscal federalism in Nigeria are mere sham practices where proceeds from all economic activities in all the federating units are gathered into one honey pot from where they are redistributed to the component units of the federation, at such a formula unilaterally determined by the central government which is supposedly just a component unit of the federation. This national cake shared from the common pot is probably the main basis of Nigeria’s federalism, not necessarily for national integration as deceitfully portrayed by the cabal [20] that decides the fate of every other Nigerian.

At one time or the other, different fiscal federalism options are adopted, to the benefit of Nigeria’s governing class, and to the peril of the naturally rich regions. Creation of the Excess Crude Account (ECA) and Sovereign Wealth Fund (SWF) by Presidents Olusegun Obasanjo and Goodluck Jonathan respectively are some of such examples. In these cases, the so-called commonwealth is stored up and impulsively spent at the whims of managers of the Nigerian state. Such national accounts are portrayed to serve special development purposes. However, in reality, it does appear that they have been illegally created [21] for the primary purposes of enhancing capital accumulation of the ruling class. The accounts have been proven to serve self-aggrandisement purposes of those managing them. Evidences of this claim are more visible than development indications in the Niger Delta.

Creation of such accounts have at one time or the other attracted pervasive suspicions and criticisms because the act is debatably unconstitutional. Many a constitutional analyts and disadvantaged factions of the ruling class have argued that the central government lacked the constitutional powers to unilaterally store a portion of resources (funds) accruable to a federation of which it is just a unit. For instance, a former governor of Rivers State of Nigeria remained resolute about this position. These suspicions and critical dispositions are actually justifiable. We have seen where these accounts continuously and surreptitiously deplete on grounds of such national issues as fight against insurgency. Some of these matters are under criminal investigation by anti-graft agencies. Others are still subjects of criminal litigations pending before many courts of appropriate jurisdiction across the country, while the security issues have continued, probably unabated, in Nigeria’s North-East and Central.

The fiscal policies in Nigeria, as well as the regular FAAC (Federal Accounts Allocation Committee) syndrome appear to be the bane of development in Nigeria and Niger Delta in particular, as will be shown shortly. The reason is simple. Development fates of the various federating units are tied to the central government’s benevolence. Anything that affects the allocation process at the centre directly affects development in the units. Squabbles among the governing class over resource figures are directly felt by masses of the people in the federating units, and this is the development dilemma of people in the current fiscal arrangements in Nigeria’s federalism. For instance, most recently, there was a disagreement between the federal Ministry of Finance and Nigerian National Petroleum Corporation (NNPC) which is the sole government agency constitutionally empowered to receive petroleum revenues on behalf of the Nigerian federation. This dispute over revenue figures led to the inability of FAAC to disburse June 2018 revenue allocations to the federating units. Consequences of this situation were quite palpable as only a few states struggled to pay workers’ salaries for the period.

In the foregoing forms of distorted fiscal arrangements in Nigerian federation, interests and attentions are largely concentrated on allocation or distribution of so-called national resources, as earlier noted. The definitions of politics as the process of determining who gets what, when and how; and authoritative allocation of values by American behaviour lists and functionalists (Harold Lasswell and David Easton respectively) seem to put Nigeria and its fiscal federal options in perspective. These definitions, which usefulness is only seen in the equation of politics with power in Nigeria, increasingly place emphasis on the distribution of funds in the national accounts, rather than on production or contribution. Sharing formula is always the contention, and nothing more. Hence, legal frameworks establishing the commonwealth funds are replete with obnoxious distribution clauses.

Because of the undue emphasis on distribution of, rather than contribution to, the commonwealth, doubts and suspicions continue to breed among the federating units, especially those producing and contributing the largest chunk of the national wealth. They are right or, at least, justifiable in the face of brazen mismanagement, unaccountability and bad governance in Nigeria. These suspicions grow into feelings of alienation and estrangement in the rich regions. These feelings fuelled by the administrative neglect, massive poverty and underdevelopment of the region result in social eruptions which unavoidably
hamper oil production activities and threatens petroleum revenue base of the federation. In other to counteract this impediment to surplus expropriation in the region, managers of Nigerian state make frantic efforts to repress the region to subjugation and submission. At other times, probably where repression fails, they establish so-called programmes of development intervention to create the impression that development programmes are put in place to tackle the massive underdevelopment issues in the region. However, these programmes which have a very long history (since 1958) merely existed, from available data, to placate the region to allow unhindered and unchallenged rapacious capital accumulation [22] in the Niger Delta region. This might just explain why many programmes of development intervention in the region (which included Niger Delta Development Board (NDDB), Presidential Committee on 1.5 percent Oil Derivation, Niger Delta River Basin Development Authority (NDRBDA), Oil Mineral Producing Areas Development Commission (OMPADEC), Niger Delta Development Commission (NDDC), Ministry of Niger Delta affairs (MND), to which huge funds have been purportedly committed, have failed to attract visible development to the region.

What looks like development in the region are probably mere accumulation channels of managers of Nigerian deformed capitalist state as symbolised by the forms of development projects in the region. Despite existence of these programmes of intervention and the resultant development artefacts [19], the Niger Delta has continued to rank very poorly in all known development indices. The region has the poorest ranking in terms of economic security, with Bayelsa and Rivers states on the lead [23]. Life expectancy at birth, percentage household with good access to improved sanitation, quantity and quality of health facilities, unemployment and poverty rates are other such indices in which the Niger Delta has performed quite abysmally, compared with other parts of a federation where it contributes virtually everything. For instance, according to the 2016 National Human Development Report of the United Nations Development Programme, life expectancy at birth in the Niger Delta was 50.7 years against Nigeria’s 53.1 years. While percentage of household with access to good sanitation facilities in the region was 28.6 percent, it was 33.3 percent nationally. Health facility to population ratio stood at 1:4375 and 1:4097 for the Niger Delta and Nigeria respectively. Unemployment rate have also continued to be nationally lower than region of the goose that lays the golden eggs, especially Bayelsa, Delta and Rivers [24, 25, 13]. In terms of poverty reduction, many other states of the federation have performed better than the Niger Delta, while poverty situation has consistently worsened in some states of the region. Edo, Bayelsa and Abia are examples [25]. These frightening disheartening data exist about the Niger Delta in the face of many multi-billion dollars state interventionist “development” programmes, as observed earlier.

Being centrally planned, designed, created and implemented for a region in a federation, programmes of development intervention appear to be just other avenues to authoritatively allocate resources in an obvious class-biased manner. The funds channelled to the region through these programmes probably fritter away through the award of over-bloated contracts along consanguineous lines and other cronies as have been proven in many studies. These are easily discernible from the many corruption cases against the managers of the various state interventionist programmes in the region, especially the OMPADEC and NDDC. For instance, report of the four-man panel of inquiry into the activities of OMPADEC, headed by Professor Eric Opia, revealed that the Commission was characterised by sharp practices in the award of contracts and high level financial mismanagement. As this report led to the sack of the pioneer chairman of the Commission (Chief A. K. Horsfall), his successor (Professor Eric Opia) reportedly went ahead to plunder OMPADEC in a more brazen manner [6]. In the case of the NDDC, the governing board of the Commission has been prematurely dissolved about three times since its creation, on the grounds of corrupt practices [26]. First was in 2011, again in 2013 and 2015. The list of evidences of financial mismanagement by members of the management and governing boards of the Commission has become so long now, ranging from award of contracts under controversial circumstances, duplication of project titles and allocations, outright misappropriation of funds, etc [27].

Results of these are easily seen in the poor quality of the artefacts built in the Niger Delta in the name of development projects, some of which have very little or no meaningful impact on the development of the region. Rather, they have the potentials to hamper real development of the communities as has been observed by many studies. Anikpo [28], World Bank [29] and Ibab [30] observed that some road projects built by OMPADEC blocked waterways and caused heavy flooding around many communities. Many other projects were abandoned at various stages of completion, probably because of the huge amounts of kickbacks retained by managers of the programmes. It therefore seems that what looks like development efforts of the state in the Niger Delta are ordinary avenues through which the national cake trickles down to the ruling class in the region and others who have vested interest in the exploitation of the region. As a result, it is difficult to implement a fiscal federalism option that would constitutionally decentralise the resource allocation powers. A system that would give the federating units a reasonable level of financial autonomy to chart the course of their development in line with their needs, interests and pace has therefore.
become a mirage. As consequences, what we find are increased political tensions manifesting in much warlike electoral processes. Of course, a federal state that largely relies on oil and gas revenues for its major expenditures [31], and also depends on the central government as the only vehicle for the collection and distribution of petroleum funds, is most likely to be perpetually engrossed in “political war” to gain and secure access to state power, with which to access and control the so-called common wealth.

CONCLUSIONS
Flowing from data available to this paper, as shown in the foregoing discourse, it is concluded as follows:

- The deformed capitalist nature of Nigerian state is a consequence of its mode of integration into world capitalist economy and the faulty process of indigenous class formation in Nigeria.
- State apparatuses in Nigeria are consistently used by the ruling class to advance their economic interests.
- Nigeria’s distorted federalism is an offshoot of the character of its state.
- Federalism does not consist in other regions taking resources from the Niger Delta to spend, but in the various regions managing their respective environments for their own good.
- Nigeria’s federalism is primarily based on the distribution or allocation of the 'national cake', not national integration as erroneously and deceitfully portrayed by managers of the Nigerian state.
- Nigeria’s distorted/distributive fiscal federalism is the bane of development in naturally rich regions such as the Niger Delta.
- Intensification of political struggles in Nigeria and Niger Delta in particular is the unavoidable consequence of Nigeria’s deformed capitalist state and distorted federalism.

RECOMMENDATIONS
As a research paper, it will be rather too presumptuous to end without proffering solutions to the issues raised. Given the problems identified in the paper, the following recommendations are raised:

- Completion of Nigeria’s independence process which was hijacked by Nigeria’s petit bourgeois in the mid 20th century, who neither had fervour for freedom nor the economic and moral ability to manage a state.
- Conscious constitutional strengthening of state institutions in order to successfully detach them from both Nigeria’s ruling class and foreign capital.
- Encouragement of a developmental state in Nigeria, borrowing from the Asian Tigers’ experience (e.g. Singapore), as capital in Nigeria is not matured enough to drive the development process.

- Constitutionally trimming down of the size and cost of both executive and legislative arms of government, especially at the centre.
- Implementation of real fiscal federalism, or if you like, resource control. This is the surest antidote to the many development inadequacies in the Niger Delta because it is tantamount to placing the people’s destiny in their own hands.

REFERENCES


