Emperical Review of Nigerian Oil Economy in Diplomatic Studies

By

George Komi
Department of History and Diplomatic Studies,
Ignatius Ajuru University of Education,
Rumuolumeni, Port Harcourt

Abstract

Centrality to the base of the Nigerian economy is oil exploration. It has become the source of patronage, incentive for power aggrandizement, and caters for the country's capital and recurrent expenditures especially since 1975. Nigeria claims to practice federal system of government. But federalism is the putting of understanding and bonds through agreement in laws between independent entities to satisfy the need for autonomy and freedom, order and security. Fiscal federalism is a by-product of federalism because federalism is a political concept in which power to govern is shared between national and subnational governments. This article uses the decentralization theorem which states that the federal system of government recognizes that federal funds would be needed in projects of local goods with inter-jurisdictional spillovers such as interstate roads, etc enjoyed beyond a local jurisdiction. It exposes Natural Capital and Environmental Economics theories in seeking to demonstrate and estimate the value of ecosystem services generated from natural capital. It uses environmental economics to explain that policy making decisions shall imply valuations in themselves because we are choosing to pursue policies that protect damage ecosystems in relation to the economy. Environmental economists attempt to place value on the ecosystem as to rebalance the market failure that results in negative externalities like the effects of pollution.

Keywords: Emperical Review, Oil Economy, Diplomatic Studies, federalism, Nigeria.

Introduction

This study takes a deep dive into the administration of the Nigerian economy, and how it affects the governance of the country, ethnic relations and diplomatic affairs. It explains why the system was screwed up and the effects on society. It explains that concentrating the finances of the country in the federal purse manifest in corruption, arrogance, and profligacy. This military command structure of finance administration has prevented the creation of opportunities for self-resilient and sustainable growth and development in the Nigerian economy. It shows that this purposeful economic structure of defective financial administration is at variance with the object of rational and functional federal system of

government. True federalism practices fiscal federalism which means that each federating unit of government should have adequate resources to function properly without dependence on the central government for financial sustenance. During the first republic, revenue sharing provisions were enacted in the constitutions with the Binn's commission of 1964 which ensured that at least 50% of the revenue proceeds were derived to the region of production. But the current system enacts free riding which completely overtake competitions for investment, replacing it with opportunistic competition for federal funds that can become politically destructive when conducted along ethnic lines in a divided society.

This is the reason why the governing authorities brutally suppress powerless nationalities who seek to change the system. These internal issues affect Nigeria's diplomatic relations on the world stage. If ecosystem services are fully paid for, the balance of the global economy would be entirely different.

Empirical Review

Fatukasi and Okajare (2016) surmise that centrality to the base of the Nigerian economy is oil exploitation. That oil has maintained the survival of Nigeria, become the source of patronage, incentive for and power aggrandizement, and cater for the country's capital and recurrent expenditures especially since 1975. That successive government has depended on crude oil resource produced in the Niger Delta to maintain itself in power. They explain that the Movement for the Survival of the Ogoni People (MOSOP) spearheaded by Ken Saro-Wiwa had a well-organized campaign for equitable share of oil revenues from its area. They identified that the reason government took draconian actions against Ogoni as the movement's open national and international enlightened campaign against the Nigerian state and Shell international, to the point that "… Shell was forced to abandon oil production in the area and call on the Nigerian government to do something about the unfavorable operational environment in Ogoniland" (Fatakusi and Okajare, 2016, p.40). The authors surmise that the oil company lost about $200 million per annum due to disruptions in oil production in Ogoni land which was totally unacceptable to the government and the oil companies. They proved that from the beginning of oil production in Nigeria, the multinational oil companies constituted themselves into formidable entities in the industry and the nation's internal political affairs. Their dominance in the country was first accomplished in 1959 with the enactment of Petroleum Profit Tax Act (PPT Act) which structure disproportionately shared huge amounts of profits to the oil companies while the Nigerian government received peanuts and was a minor player in the oil industry.

Government's role remained simply of rent and royalty collectors and making laws to regulate the activities of the oil companies. It also severed the oil companies from the rest of the country's economy. In this arrangement, the oil-bearing communities of the Niger Delta were completely left out in the cold. The authors pointed out that in 1971 the Nigerian government established the Nigerian National Petroleum Corporation (NNPC) and abrogated the 1914 colonial mineral ordinances to wrest control and ownership of the oil industry from the multinational oil companies. Even that modest effort was bedeviled with inter-ethnic and intra-elite struggle for control and access to oil wealth just as any Nigerian government corporation infested with corruption. Because of the loss of revenue accruable to the government and SPDC, General Sani Abacha foreclosed any possibility of negotiating a peaceful settlement with MOSOP and instead embarked on the use of force to pacify Ogoni people. The authors alleged that the National Youth Council of Ogoni People (NYCOP) was the militant wing of MOSOP which threatened the Nigerian state. That NYCOP was led by Mr. Saro-Wiwa who inserted himself into the lead of what was increasingly a militant and often violent campaign against Shell and the Nigerian government. Centrality to any good research work is empirically verifiable data or evidence of incidents or actions. That Mr. Saro-Wiwa was at the head of NYCOP is a huge misinformation. Evidence shows that the President of NYCOP from formation up to the point of execution of Mr. Saro-Wiwa was Mr. Goodluck Diigbo. Mr. Saro-Wiwa was from the formation first elected Spokesperson/PRO and later President of MOSOP. A little more research would have exposed to the authors that Saro-Wiwa was never a member of NYCOP; he was a member of the Council of Ogoni Professionals. Neither did the authors show any evidence that MOSOP was a violent movement nor that it disrupted oil operations in Ogoni. Even the General Abacha's government did not allege that MOSOP held any SPDC staff, military, police, or non-Ogoni indigenes amongst them hostage. Nor did government claim that MOSOP vandalized any SPDC installations at the height of the Ogoni struggle. MOSOP had a proven track record as a peaceful nonviolent movement which was why NGOs from the West supported its cause. MOSOP organized public demonstrations, generated publicity that embarrassed the Nigerian military government and SPDC in both local and international Medias. These methods are not akin to being more aggressive and confrontational in pursuit of its demands, unless the research had to appropriate the propaganda of the aggressor.

Okonta (2008) opined that scholars of Africa in the 1950s believed that political independence after decades of colonialism, with technological and economic development and a firm visionary elite leadership would lead to a decline of tradition and ethnic conflicts which can produce modern democratic nation states. These idealists of modernization were mistaken because the tribal demon failed to disappear as they had

expected, rather, ethnic conflict assisted to destroy elected regimes in Africa. Like many African countries, ethnicity remained firmly an enduring feature of social change and intricately bound in the postcolonial Nigeria. Ethnic conflict has not only remained an obstacle to democratization process, but so has hegemonic intergroup relations. In the author's opinion, instead of independence providing new synergy that could usher in new democratic nation-state, the society split along earlier fault lines of communalism which triggered irredentism, civil war, and ethnic cleansing. He described MOSOP as a people's movement of rural Ogoni community of farmers and fishermen who live as part of the Niger Delta and on whose land oil and gas were discovered and commercially exploited since 1957 by SPDC. That the discovery of oil in Ogoni has failed to produce the expected prosperity to the people, rather it has subjected their human ecosystem to substantial damage through gas flaring and oil spillages. And that being:

> Trapped between a military regime that appropriated the bulk of the revenue and a cynical and complicit Shell conglomerate, Ogoni community leaders established the Movement for the Survival of Ogoni People, (MOSOP), a mass based social organization, in September 1990 and took to the path of peaceful protest (Okonta, 2008, p.3).

He argued that on behalf of the Ogoni people, MOSOP demanded some form of economic and political autonomy in a new Nigerian federation amongst others. The Movement also insisted that SPDC and the Nigerian government should pay compensation for farmlands and fishing streams which have been polluted and for oil taken from their land since 1957. He explained that the response of the Nigerian government to the demands of the Ogoni people was to dispatch armed soldiers to the area. He did not explain what the soldiers were expected to do with peacefully unarmed protesters against their government and the multinational corporation. On intra-Ogoni leadership conflicts, he argued that it was based on disagreements concerning appropriate strategies to achieve MOSOP objectives, and that in the intra-Ogoni conflicts the Nigerian security officials and shell executives were involved. He believed this disagreement led to the death of four prominent Ogoni leaders in May 1994 for which Mr. Saro-Wiwa was immediately accused by the military government for masterminding their murders, even before any investigations were made. The author suggests that ethnic identities are created in a certain historical circumstance and while the Ogoni had cohabited with their neighbors of other ethnic groups in relative harmony for decades, they "established MOSOP in 1990 and began to define themselves as a distinct ethnic nationality despite the fact that they are dispersed in six kingdoms and spoke a language with significant variations in dialect", (Okonta, 2008, p.4).

A little investigation would have proven to the author that Ogoni identity had being established over two thousand years ago when they migrated from the Nigerian-Cameroun border and settled in their present homeland. They have always regarded themselves as one people united by common descent, history, culture, and language with intelligible variation in dialects and are different from their neighbors. MOSOP did not define Ogoni identity; it mobilized them to a common cause. The author also argued that after the civil war, a substantial part of the country's oil reserves was in the Ogoni area, and that the military government from 1970 turned its attention to the distribution of the burgeoning oil revenue to the cities, and not to economic production. Most Ogoni people lived in the rural areas where the oil boom largess did not reach. The Ogoni elite's expectations of significant economic windfall were not realized even with the creation of Rivers State where they were significant players. He claimed that these were triggers which promoted resentment and turned to anger seeing that the revenue from oil taken from their land go to the elites of major ethnic groups. The author showed that in the boom and burst of an oil-based Nigerian economy, opposition opinions were suppressed, and minority voices were not tolerated. Claiming that based on these conditions elite anger joined forces with rural deprivation exploded into what he called militant Ogoni nationalism in the 1990s. This characterization of militant nationalism misrepresented the Ogoni struggle which he described as a peaceful protest and that "…the Ogoni quest for self-determination can best be understood as a citizens' revolt, the struggle of a people reduced to subjects by colonial rule and its postcolonial aftermath and forced to endure the social and economic privations that subject status entails", (Okonta, 2008 p.7). He surmises that MOSOP was formed by elites who were acutely aware of Ogoni minority status but were intent on forcing a new inclusive and participatory politics on the Nigerian state to their own advantage. He understood the Ogoni Bill of Rights was an attempt to transform the conflict of interest at the heart of African politics and economic crisis into a higher order of politics by urging Ogoni code of civic virtue on fellow Nigerian political actors. He observed that the failure of the international Non-Governmental Organizations (NGO) working with MOSOP was in their push of a hegemonic one-issue agenda item of the environment, because that was a dominant and appropriate discussion in the West in the 1990s. This made them less effective on the self-determination quest of the Ogoni agenda. Their focusing almost exclusively on the environmental and ethical performance records of Shell (SPDC) which were indeed horrible in the area led to little or no attention on a complex and many-sided political crisis of Ogoni self-determination with deep roots in the past.

Bassey and Akpan (2011) argue that though the structure of governance through the concept of new federation's cardinal of revenue sharing principle is supposed to serve the

common good, the nature of Nigeria's political economy and its challenge of poor governance make the problem unsettled. They claim that "There is no federation today where the federating units enjoy more fiscal powers than the federal government", (Bassey and Akpan, 2011, p.5). Following the arguments of Okeji (2006), Osaghae (1991), Elaigwe, (1979), that; "if the essence of federalism as a tool for managing conflicts in plural societies and correcting vertical imbalances generated by revenue and expenditure assignments are to be realized, the federating units cannot be economically and politically stronger than the central government", (cited by Bassey and Akpan, 2011, p.5). That is correct, to the extent that during the first republic the independence and Republican constitutions enshrined 50% derivation principle, so that the regions could not be stronger than the center but they must derive huge benefits from the products from their regions. What changed from that principle to the wholesale appropriation of these resources to the central coffers was that the nation abandoned previous sources on which it had generated revenue and depended wholly on Crude oil and Gas which were produced this time around in the lands of the minority ethnic nationalities of the Niger Delta. The earlier revenue sources of cocoa, groundnuts, hides and skins, etc were produced in the lands of the majority ethnic groups. Besides oil and gas, there are solid mineral resources in Nigeria such as gold, columbite, zinc, coal, etc which are in mined in the lands of the majority ethnic groups. For fairness and equity these resources ought to be appropriated by the federal government as crude oil and gas are and their proceeds should also be put on the table for sharing. It is pertinent to know that: a) When cash crops were the foreign exchange earners for the country, they were grown in the majority ethnic group's regions, b) the revenue sharing provisions made in the 1960 independence and the 1963 Republican constitution, and the Binn's commission of 1964 ensured at least 50% of the revenue proceeds were derived to the region of production. With solid minerals, policy is carved out for exemption, individuals are allowed to mine them and sell to the central bank. The first republic revenue sharing formulas which suffice for the majority ethnic regions then, was no longer good when oil and gas became the main foreign exchange earner for the nation. c) The environmental devastation of oil and gas production is nowhere near to environmental challenges if any for growing cash crops. What the oil-bearing communities found to be utterly distasteful were the absolute neglect, marginalization and repression by the Nigerian state controlled by the majority group elites, who had given themselves the benefit of 100%, and later 50% derivation. The benefit accruable to the oil-bearing communities was the ecological destruction and environment pollution from the crude oil and gas resources exploited in their lands. This was the reshaping of Nigeria and its economy from a fiscal federalism to a centralized military fiscal structure. The current federal structure of Nigeria is profoundly impacted by the new revenue allocation model. In Nigeria's mono-economy "revenue allocation largely implying the allocation of oil

revenues, oil is central to the politics of intergovernmental relations in Nigeria, the economic crisis, and the transcendence of the destabilizing tendencies within the system", (Obi, 1998, p.263).

Ewetan (2012) define Fiscal federalism as the decentralization and fiscal autonomy of the federating units in a federal Republic like Nigeria. Federal governments devolve power to its federating units to improve performance of their public sectors. Decentralization provides for a set of fiscal requirements such as the scope and structure of the various tiers of government responsibilities and functions, and the allocation of resources among the tiers of government to cope with their respective responsibilities. The challenges of concentrating the finances of the country in the federal burse had started to manifest in corruption and profligacy. This system created abysmal performance in the public sectors in Nigeria, which helped focus the attention of citizens on fiscal federalism and kept it in the front burner of public discuss beginning in the early 1980s.

Arowolo (2011) argue that fiscal federalism has remained dominant and contentious in Nigeria's polity because of the relentless focus amongst other things on the vanishing incomes of employees, the unbearable level of unemployment, inflation, decay in social amenities and the failure to maintain, not to talk of improving the nations' infrastructures. This state of performance in Nigeria has prevented the creation of opportunities for self-resilient and sustainable growth and development of the Nigerian economy, which should be the object of rational and functional federalism. He contends that the argument that long years of military rule with its centralized nature of military hierarchy structure, enabled them to create the financial hegemony enjoyed by the federal government over the states is not convincing. While acknowledging that the military's use of that hierarchical structure to create 36 states and 774 local governments most of which are financially unviable is flawed, the author failed to acknowledge that the only reason they did that is because all the military rulers belonged to the majority ethnic groups' ruling elites of the country. This has more to do with ethnic nationalism which started in the 1940s and 1950s by the political leaders of their ethnic groups. Their incentive for creating those unviable states and local governments was not borne out of, equity, patriotism or what was best for the country rather, it was for their ethnic nationalism purposes. His position that the creation of most of the unviable states and local governments has caused disaffection in the Nigerian federation is correct. Unfortunately, those who are vociferously agitating for real fiscal federalism are completely powerless because of the hegemony of the ruling elites who dictate the policy direction of the country. The author's contention that, Fiscal federalism is a by-product of federalism because federalism is a political concept in which power to govern is shared between national and subnational governments. "It is a political theory that is divergent in concept, varied in ecology and

dynamic in practice", concluding that fiscal federalism "is characterized by constant struggle, clamour for change and very recently, violence in the form of agitation for resource control in the Niger Delta" (Arowolo, 2011, p.9). Ecoma and Ecoma (2018) emphasize the importance of fiscal federalism for good governance in Nigeria. The authors opine that the vital principles for the survival and continued existence of Nigeria as a truly federal system of government must be based on fiscal autonomy and fiscal integrity. Arguing that the prospect for a stable Nigerian federation is a revenue sharing formula between the tiers of government rooted in equity, fairness, and justice. While Awa (1976) opines that "Federalism as involving co-operation, bargaining, and conflict", (Ecoma and Ecoma, 2018, p.2), the problem is how does the Nigerian government handle conflict of ideas and ideology in a federation? Onwe (2011) believe that federalism is the putting of understanding and bonds through agreement in laws between independent entities to satisfy the need for autonomy and freedom, on the one hand, and for order and security on the other hand.

Vincent (2011) opines that fiscal federalism; implies that each tier of government is coordinate and independent in its delimited sphere of authority and should also have appropriate taxing powers to exploit its independent sources of revenue. The demand placed on fiscal federalism is that each federating unit of government should have adequate resources to function properly without appealing to the central government for financial assistance. This theory states that:

> If state authorities… find that the services allotted to them are too expensive for them to perform, and if they call upon the federal authority for grants and subsidies to assist them, they are no longer coordinate with the federal government but subordinate to it. Financial subordination makes an end of federalism in fact, no matter how carefully the legal form may be preserved. (Wheare, 1963).

A major characteristic of fiscal federalism is the relationship between federal government and its constituent units. This can be explained in three major theories as expounded by Tella, (1999); the theory of fiscal relation which pertains to the functions expected of each level of government allocation, the theory of interjurisdictional cooperation which looks at the areas of shared responsibility by the national, state and the local governments, and the theory of multijurisdictional community. Each federating unit is expected to provide services which should be of benefit to people within its boundaries or jurisdictions and which they have the sources of finance that will internalize the costs.

According to Ozon-Eson (2005) the foundation of fiscal federalism was laid by Kenneth Arrow, Richard Musgrave, and Paul Samuelson, in what was known as "Decentralization Theorem". It identified three roles of the government sector which as; correcting the various dimensions of the market failure, maintaining macroeconomic stability, and redressing income inequality. The central government's responsibility is to correct market failures and maintain the macroeconomic stability, and the subnational governments as well as the central government are jointly responsible for redressing income inequality. Each tier of government seeks to maximize the social welfare of the citizens within its jurisdiction. This multi-layered quest becomes very important where public good exists, the consumption of which is not national in character, but localized. In such circumstances, local outputs targeted at local demands by respective jurisdictions clearly provide higher social welfare than the central provision (Ewatan, 2012). This is what Oates (1972) called Decentralization Theorem. This theory focusses according to Oates (2006) on a situation where different levels of government provide efficient levels of outputs of public goods for those goods whose special patterns of benefits are encompassed by the geographical scope of their jurisdictions. The theory recognizes that there would be local goods with inter-jurisdictional spillovers such as roads, etc enjoyed beyond a local jurisdiction. In such circumstances the theory resorts to traditional Pigouvian subsidies (subsidy provided to an activity on the grounds or with the explicit rationale that the activity generates external benefits beyond its local jurisdiction). This requires the central government to provide matching grants to the lower level of government so that it can internalize the full benefits. Therefore, the role of government in maximizing social welfare through public goods is assigned to the lower levels of government. From the above jurisdictional defined functions, the various tiers of government, the next logical steps are determining the appropriate taxing framework and fiscal equalization. The issue of fiscal federalism has generated intense discussion in Nigeria. The ruling leviathan pseudo federal government apologists continue to resist fiscal federalism in Nigeria because the majority ethnic groups who control the federal government do so for their ethnic primitive interests and not for the interest of the country. Aiyede (2009) opined that:

> Federalism is a mode of democratic governance in Africa that has been designed to unite diverse peoples who were forged together, based on colonial design and to achieve political stability of inclusiveness. What has been missing in this form of democratic experiment in Nigeria has been real fiscal federalism…an engagement with the theory and practice of federalism provides a window through which we can understand the challenge of evolving a developmental state in multiethnic societies in Africa, (Aiyede, 2009, p.37).

He opines that the challenge is with the design of the system. The missing piece has to do with the political administrators of federalism, should they maintain fidelity to its core principles and practices and forego their primitive cleavages? The system could better serve such disparate peoples forged together for the purposes of exploitation by the colonialists if they can go past their ethnic nationalism instincts. The proposition is that the linkage between fiscal federalism and development is determined within the context of a fair political structure and economic performance.

The ideal is that fiscal federalism ensures macroeconomic stability and promotes experimentation and innovativeness, while securing the larger market necessary for the achievement of economies of scale. The author's hypothesis holds that subnational governments try to circumvent the competition brought about by decentralization. He shows that "free-spending subnational governments may build up unsustainable deficits and then call upon the central government to provide special bail out transfers or otherwise assume their liabilities … subnational governments will try to overfish the common pool by shifting their cost onto others" (Aiyede, 2009). Here lies the failure of the centralized military financial system imposed on Nigeria while creating many economically unviable states and local governments to fish from the national pool.

The economically unsustainable states created by the majority ethnic group's military ruling elites who imposed a fiscal unitary system on a federal structure was aimed at appropriating the wealth of the resource rich but political weak regions to their ethnic majority's less endowed regions. In identifying this as challenge to a federal democratic system the author opines that such behaviors entrenched free riding in a context where central funds are particularly derived from the exploitation of natural resources in the minority regions. Free riding completely overtake competition for investment, replacing it with opportunistic competition for federal funds that can become politically destructive when conducted along ethnic lines in a divided society. In the notion of Woolock and Narayan (2000) such system it diverts energies from economically productive activities and drains society of social capital, limiting social network that cuts across traditional cleavages that promotes trust and reciprocity, which in turn nourish wider cooperation, law abidingness, and commitment to larger political community. Montero (2001), fiscal federalism is a thoroughly political matter that touches on the very possibility of the success or failure of not just the federal project but the state itself. This creates perennial struggle between national and subnational players for the distribution of authority among different levels of government. The failure of true democratic Nigeria has been its inability to practice fiscal federalism. In the first republic when the regions generated their revenues and paid taxes to the central government, when 50% proceeds were derived to the regions

of production, the regions engaged in healthy competition and the country progressed mightily.

Cheng's (2011) posit that natural capital and environmental economics should be the bedrock of environmental policy. He argues the similarities and differences of both approaches and their practical applications in the understanding by which states should formulate their policies towards economic sustainability. Constanza, et al, (1977) maintains that sustainability is only achievable if the level of natural capital stock is maintained at or above the current levels. It shows that the production of human capital and ultimately human welfare, depend on natural capital to yield the flow of eco-system goods. Pearce (2002) opine that the strong vision of the Natural Capital theory is the belief that Natural capital has a distinct contribution from other kinds of capital. It assumes that it is not possible to substitute one form of capital for the other such as economic capital for natural capital. In this conceptualization, he notes that manufactured capital generally requires natural capital for its production, and that the main economy must be viewed as a subsystem of the larger ecological system. Linking Cheng (2011), Constanza (1977) and Pearce (2002) arguments is that to value natural capital and eco-system services is to demonstrate the intrinsic value of eco-systems in relation to the economy and human welfare. He argued that when the value of eco-system services is not fully captured in commercial markets, the result is a lack of priority given to natural capital stocks in policy making. This is especially so in Nigeria where policy makers and regulators of oil and gas do not see value for clean and sustainable environment. The Environmental Economic theory by Pearce (2002) argue for cost benefit principles, that natural resources and eco-system may be depleted in the pursuit of economic development. He opines that if accurate compensation is paid to the loser i.e. the oil bearing communities, an overall optimal position can be achieved. Natural Capital and Environmental Economic theories seek to demonstrate and estimate the value of ecosystem services generated from natural capital. Therefore, policy making decisions should imply valuations in themselves because we are choosing to pursue policies that protect or damage eco-systems in relation to other elements such as the economy. If ecosystem services are fully paid for, the balance of the global economy would be entirely different. Environmental economists attempt to place value on the ecosystem as to rebalance the market failure that results in negative externalities like the effects of pollution. Here they seek to place monetary value on ecosystem services to internalize the effects of pollution within cost benefit analysis. That is the basis of the proposal of carbon tax in Europe and America. Valuation in monetary terms is useful for comparing ecosystem costs and benefits with other economic costs and benefits within the process of environmental impact assessment. Common to both theories are the acceptance that the current stock of natural capital is finite and that thresholds exist

at which point the damage will have a devastating effect on the economic system. The 2011 UNEP report on Ogoni environment has demonstrated the reality of this theory so do the ongoing climate change crisis consuming the world. Burger (2014) explains that significant human rights risks associated with mining, oil and gas extraction fall disproportionately on indigenous peoples such as the Ogoni ethnic nationality. He claims that because of growing demand for non-renewable resources and the need to explore and exploit oil and gas in ever more invasive ways suggest that such activities are likely to impinge even more on the lands of indigenous communities living in countries with important resource reserves.

Gilbert (2013) observed that ethno-nationalism in Nigeria is a call for restructuring and redefinition of the defective, colonially configured Nigerian federation to eliminate what he called fedro-centralism, hegemony, marginalization, and injustice. The author called to "order relations between different ethnic, linguistic, and cultural groups so they can have the same rights and privileges, equal access to power and equitable share of the natural resources" (Ajayi, 1992). He claims that this expression of nationalism along ethnic lines in contemporary Nigeria manifested during the Tiv riots of 1962, Boro's 12 Day Revolution of 1966, Biafran secessionist attempts of 1967 – 1970 and in the 1990s in which ethno-nationalistic groups arose in the Niger Delta for the advancement of their collective interests. The author observed that the Niger Delta believed in the legitimacy of the federal government and welcomed the MNOCs, granted them unhindered access to their natural resources of hydrocarbon production until Saro-Wiwa and MOSOP campaign raised their environmental consciousness. He noted that the results were decades of hydrocarbon pollution in Ogoni land which were more pervasive than initially thought, and as reported by a scientific findings of UNEP report (2011), the level of pollution is five metres deeper in 49 research sites and the concentration of benzene (cancer causing chemical) in drinking water is 900 times higher than WHO recommended. He argues that "The use of coercive state forces against MOSOP and the eventual judicial killing of Saro-Wiwa and some of his kinsmen alienated several people from the state and motivated more people to embark on violent ethno-nationalism…" (Gilbert, 2013, p.5). Even though MOSOP had insisted that; "While Ogoni people are willing, for the reason of Africa, to share their resources with other Africans, that it must be based on the principles of mutuality, of fairness, of equity and justice", (OBR, 1990, p.3).

The effect of the execution of Saro-Wiwa and his eight environmental activists was according to Ige (2013) ignited a new wave of consciousness in the Nigerian politics. Following the lack of developments in the South-South oil region by the Federal government over the years, "elites in the region began to canvas for power shift, they

argued that since the majority of the revenue that accrues to Nigeria comes from the Niger Delta, it is imperative that one of their own becomes President of Nigeria", (Ige, 2013, p.15) and that sentiment forced the country to produce Dr. Goodluck Jonathan as president of the federal republic of Nigeria. In Nigeria, dominant groups have repressed and marginalized smaller groups since independence, and it is this sort of present-day internal repression within African states that the contemporary African indigenous movements seek to address, (ACHPR, 2005, p. 10). Nyiayaana (2018) focused on the decline of MOSOP after 1995 murder of its leader Ken Saro-Wiwa and eight other activists. He surmises that internal leadership crisis, Nigeria's return to democracy and the decline in international support have helped undermine the cohesiveness and influence of the organization. The movement's inability to mass mobilizes local Ogoni support for rallies and protests which was its hallmark before the execution of Ogoni nine had led to its diminished capacity to confront the Nigerian state. Other causes of its decline according to him included the increased assertiveness of KAGOTE as a parallel leadership forum of the Ogoni people, by politicians to undermine the influence and political effectiveness of MOSOP. Others included government's efforts to defeat and destroy MOSOP through state repression, the failure of the international community to save the life of the Ogoni nine created disillusionment amongst some core grassroots believers of the cause and the failure of the movement to achieve any tangible goals in the OBR. He however argued that the 2011 UNEP Environmental Assessment of Ogoni Report was an achievement as was the launch of the environmental clean-up.

Conclusion

The overwhelming picture of the indigenous-extractive industry relations is one of misunderstanding, mistrust, conflict, and violence. These include violation of the right to life, forced displacement and destruction of the environment on which the indigenous peoples live, impacts on their health and wellbeing, destruction of their sacred sites which affects the right to their religion, violation to their adequate standard of living, their right to food, water, and subsistence. The common thread in these theories is the need to protect the environment from destruction of the fossil fuel industry for which Nigeria has failed woefully. This failure has created an atmosphere in which the minority ethnic nationalities from where crude oil is mined protest the destruction of their ecosystem. This failure is because of the failed policy of erecting a centralized unitary system on a federal republic.

These literatures show the corollary between the appropriation of the resources of the politically weak ethnic minority nationalities, the expropriation of the proceeds of their resources and the Ogoni citizen revolt against their government and the multinational oil companies. Unfortunately, the Nigerian state and SPDC lacked the skill and goodwill to handle and address the Ogoni nonviolent struggle. The Nigerian government failed to

provide inbuilt protection and remediation mechanisms against environmental destruction of the oil-bearing communities. Regardless, its violent rulers were imprudent enough to murder Mr. Saro-Wiwa and eight of his fellow Ogoni activists in 1995 for protesting the destruction of their ecosystem and insisting on equity, sustainable development for the region and to clean up their environment.

It was the violent repression of the Ogoni struggle and the Murder of its leaders that was the cause celebre that the international community reacted to by suspending Nigeria from the Commonwealth of Nations, placed sanctions on the country, matured democracies withdrew their ambassadors from Nigeria and deprived it from hosting the FIFA under 17 World Cup in 1996.

The literature reviewed in this study consists of conceptual, empirical and theoretical studies. From the conceptual perspective, the causes of conflict between SPDC and Government on one hand and Ogoni people on another was due to oil spillage, gas flaring and government and SPDC refusal to adequately compensate the people of Ogoni land. The causes of oil spillages were attributed to one or a combination of the following: oil tank overflow, break up of pipelines; damage to or leakage of oil pipelines, floating or under busy hose. Some of the spillages occur during the transportation of crude oil through pipelines or tankers from one location to another.

From the studies empirically reviewed, it was found that MOSOP out of obscurity garnered international recognition for its right for a safe environment but the Transnational Advocacy Networks that assisted to propagate its cause could not help the movement realize one of its main objectives of self-determination within the Nigerian state. Unfortunately, some scholars had accepted the oppressor's propaganda that MOSOP was violent for standing up against government and MNOCs. In either case, they have produced no evidence. On the contrary, MOSOP was never accused by either SPDC or the government to have vandalized the company's properties or kill any military personnel sent to pacify Ogoni or SPDC staff operating in their land. From the theoretical perspective, absolute ownership of crude oil and gas are vested in the owner of the land where they are found and extracted, it gives possessory personal property right to the owner of the land. The Nigerian government used the 1978 land use decree to vest in government the ownership and control of individual or family land under the guise that land ownership has been the main obstacle to the social and economic development of Nigeria. An overview of the reviewed studies show that many researches have been carried out on oil spillages and gas flaring that gave rise to the conflicts in various communities in Ogoni land, but no study had been carried out on the remote and immediate causes of the

internationalization of the Ogoni struggle that enmeshed Nigeria into a diplomatic conflict with the international community. Neither did proffer any proper remediation methods or conflict resolutions systems when citizens revolt against their government and foreign companies who destroy their environment.

References

Aiyede, E. R. (2009). The political economy of fiscal federalism and the delimma of constructing a developmental state in Nigeria, *International Political Science Review, 30*(3), 25-30.

Arowo, D. (2011). Fiscal federalism in Nigeria: Theory and dimensions. *Afro-Asian Journal of Social Sciences, 2*(2), 1-21.

Bassey, C., & Akpan, F. (2011).The politics of resource control in Nigerian. *Journal of Oil and Politics, 2*(3), 1-28.

Burger, J. (2014). *Indigenous peoples, extractive industries and human rights.* Human Rights Center, University of Essex, UK for the European Parliament, Directorate-General for External Policy for the European Union. www.europa.eu/activities/committees/studies.do

Cheng, E. (2011). *Theories and interpretations of environmental policy.* University of Westminster Press. www.E-IR.info

Constanza, R. (1999). Ecological economics and sustainable governance of the oceans. *Ecological Economics*, *3*(1), 12-14.

Ecoma, E. S., & Ecoma, C.S. (2018). Oil and the Niger Delta environments. *American Research Journal of Humanities and Social Sciences, 4*(1), 1-16.

Elaigwu, J. I. (1979). The military and state building: Federal–state relations in Nigeria's military federalism, 1966 – 76. In O. Akinyemi, et al. (Ed.), *Readings on federalism,* (pp.155 – 181). Insitute of International Affairs.

Ewatan, O. O. (2012). Fiscal federalism in Nigeria: Theory and practice. *International Journal of Development and Sustainability, 1*(3), 1075 – 1087.

Fatukasi, B., & Okajare, T. (2016).The political economy of the Ogoni and the agitation for resource control in the Niger-Delta, Nigeria. *Research on Humanities and Social Sciences, 6* (15), 39-48.

Gilbert, L.D. (2013). Revisiting etno-nationalism in the Niger Delta of Nigeria: An interrogation of its achievements and prospects. *International Affairs and Global Strategy, 16,* 50-56.

Ige, A. (2013). *Kenule Saro-Wiwa's trial and the emergence of South-South politics in Nigeria.* Rivona Conference, University of Pretoria. www.academia.edu

Obi, C. (1998).The impact of oil on Nigeria revenue allocation system. In K. Amuwo et al (Eds.), *Federalism and political restructuring in Nigeria.* (pp. 12-15). Spectrum Books.

Ogoni Bill of Rights, (1990).Saros International Publishers. Port Harcourt.

Okonta, I. (2008). *When citizens revolt – Nigerian elites, big oil and the Ogoni struggle for self-determination*.World Africa Press.

Osaghae, E. (1995). The Ogoni uprising: Oil politics, minority agitations and the future of nigerian state. *African Affairs, 94* (376), 1-10.

Ozo-Eson (2005). Fiscal federalism: Theory, issues and perspectives. *Daily Independent,* 16th February.

Onwe, D.(2011). *Politics of revenue allocation*.Unpublished Lecture Series.Ebonyi State University.

Pearce, D. W. (2002). An intellectual history of environmental economics. *Annual Review of Energy Environments, 27,* 12-16.

Tella, S. A. (1999). *Promoting states economic independence through financial market cooperation: Fiscal federalism and nigeria's economic development*.1999 proceedings of the Nigerian Economic Society.

Vincent, O. O (2001). Fiscal federalism: The Nigerian experience. Fourth Public Lecture, The Nigerian Society of Economics.

Wheare, K. C. (1963). *Federal government*. (4th edition). Oxford University Press.