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# NATURAL RESOURCES AND CHALLENGES OF INDIGENOUS PEOPLE DEVELOPMENT: A CASE OF THE OIL PRODUCING AREAS IN NIGERIA

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## ABSTRACT

*The development of any economy is dependent upon how the available resources at its disposal have been utilized and preserved for the betterment of immediate owners and their environment. Nigeria is blessed with different resources, both mineral and human but the level of development experience in the country is at the opposite pole if compared with the resources endowment. The Niger delta region is the worst hit because despite the huge mineral and human resources available in this area, poverty still remains very high, unemployment; poor infrastructural facilities, social unrest and environmental pollution are still eminent. This study examine the causes such unprecedented underdevelopment in the Niger delta region and discovered that one of the reasons for the problem is due to the near total neglect of the other resources despite the huge potentials inherent in them. Therefore, this study recommends that the federal government and the different states which make up the region must prepare a road map for the development of the area; such road map must emphasis on the other resources available in the area as a means of ameliorating the current challenges experienced in the region.*

**KEY WORDS**: *Natural Resources, Indigenous, Unemployment, Underdevelopment, Poverty,* Infrastructure.

**JEL Classification**: E24, F63, H54, O13, O44.

## 1.0 INTRODUCTION

Natural resources are very vital source of economic development around the world. Yet, experience shows that countries rich in natural resources are not the most develop, therefore, natural resources possession is neither necessary nor sufficient for economic development and progress. The world richest countries include Hong Kong, Japan, Singapore and Switzerland which do not owe their national wealth to nature and many other, such as the United States and the United Kingdom, where natural resources nowadays play only a minimum role in the generation of national income (Gylfalon and Zoega, 2001).

Natural resource extraction and other major development projects in or near indigenous territories are one of the most significant sources of abuse of the rights of indigenous people worldwide, the United Nations special Rapporteur on the right of indigenous people posited. Anaya said maintained that in its prevailing form, the model for advancing with natural resource extraction within the territories of indigenous peoples appears to run counter to the self-determination of indigenous peop0le in the political, social and economic spheres. Indigenous communities do not reject all natural resource development rather they seek methods that respect their

rights and can benefit them. This is because such economic systems are characterized by diversity of small-scale economic activities along with regulation of territories, land and resources. The oil producing area in Nigeria is mainly found in the southern part of the country with about nine states. The area is blessed with enormous natural resources with a maximum potential to driver economic development of the people in the area. Such resources cut across human and material resources. Prior to the discovery of oil in the country, the economy was sustained with agricultural resource but with the discovery of oil, other potential economic development diverse have been relegated to the background despite the associated problems inherent in oil exploration and exploitation.

Oil spills are natural consequence of petroleum exploitation and are generally speaking unavoidable. The production and transportation of oil involve many mechanical processes, the continuous efficiency of which may be hard to guarantee. Invariably a spillage may result because of faults at any stage of production and transportation of oil. Apart from oil spillage, other natural resources also have their own negative influence on the environment and human being as well. Mining has a negative effect on the life of the indigenous people and the environment in particular.

The oil producing area has consistent reduction in agricultural activities, mining, art and craft, spanning and dying etc. This reduction is as a result of the mono-cultural nature of the Nigerian economy. Financial resources as well as foreign investment are channel into the oil sector despite the low employment opportunity in the sector while the other natural resources are neglected irrespective of the high employment opportunities inherent in them. Between 1999 and 2010, oil and gas contributes about – 42.0 percent to GDP growth, agriculture contributed 73.1percent, and mining and quarrying contributed – 41.4 percent to GDP. This shows that the neglect of the agricultural sector as a result of the continuous emphasis on one resource (oil) is the cause of indigenous people under development.

This paper therefore is a highlight on the challenges of indigenous people development in the oil producing area of Nigeria. The paper is divided into four sections, section one is the introduction, section two handles theoretical issues and literature review. Section three dwells on the methodology and analysis of data. The last section dwells on recommendation and conclusion.

## 2.0 THEORETICAL ISSUES AND LITERATURE REVIEW

While there is no sacrosanct, universally accepted definition for indigenous people, there is a consensus that the concept is attachable to a special category of people's within a polity. According to Anaya (1996) indigenous people are 'the living descendants of pre-invasion inhabitants of lands now dominated by others'. This definition presumes that particular lands were inhabited by a distinct people before they were conquered and dominated by 'view' settlers but descendants of these original inhabitants continue to maintain themselves as distinct in tradition and culture based on their past heritage. Such heritage they believe will tantamount to a better standard of living.

However, majority of the indigenous people in the oil producing areas in Nigeria are inseparable from their heritage as well as their belief of making a living from fishing, farming, art and craft, palm wine tapping etc. From their thinking any development devoid of these is not beneficial and as such is alien to them.

In strictly economic terms, development has traditionally meant the capacity of a national economy, whose initial economic condition has been more or less static for a long time, to generate and sustain an annual increase in its Gross National Income (GNI) at rates of 5% to 7% or more. In short, during the 1970's development came to be redefined in terms of the reduction or elimination of poverty, inequality, and economy (Todaro and Smith, 2009: 15). Dudley seers posed the basic question about the meaning of development succinctly when he asserted:

The questions to ask about a country's development are therefore: what has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined form high levels, then beyond count this has been a period of development for that country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result 'development' even if per capital income doubled.

Several theories exist to examine the factors necessary for economic development; the linear stage model emphasizes the crucial role that saving and investment play in promoting sustainable long-run growth. The Lewis two-sector model of structural change underlines the importance of transfer of resources from low productivity to high productivity activities in the

process of economic development, and of attempting to analyze the many linkages between traditional agricultural and modern industry. Chenery and his associate's attempts to document precisely how economies undergo structural change while identifying the numerical values of key economic parameters involved in that process (Todaro and Smith, 2009, pg. 131). However, development is an increase in gross domestic product plus social, economic and political changes.

According to the Lewis two-sector model, which identifies the transfer of resources form low productivity to high-productivity activities in the process of economic development, there is need for the diversification of natural resources exploitation form oil and gas to other existing mineral resources in the area. This becomes imperative because the existing potentials in the oil sector in terms of employment generation cannot be compared to other natural resources. Glyfason (2000) also provide evidence that dependence on natural resources and agriculture fosters rent seeking activities and corruption. For him, natural resources abundance is associated with the emergence of powerful interest groups. Their rent-seeking can have many objectives: have an access to natural resource deposits, obtain protection from foreign competition, and benefit from subsidies. He uses cross-sectional data for the 1990's. His results show that an increase in the labour share of agriculture by 14 points is associated with an increase in the corruption level by 1 point (CPI from Transparency International). Glyfason also studies the channel of education and finds that results are not very convincing since estimates are sensitive to the inclusion of outliers.

Auty (2000) opines that, natural resources generate a false sense of security. He maintained that huge revenue is generated form natural resources but that the painful (but necessary) part is that resources can be delayed. In the same vein, interests groups have more chances to oppose successfully reform in resource-rich countries.

Esanor, Raiser and Buiter (2001) work on oil-abundant transition economies (Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan). They find that the probability of reform decrease as oil rent increases. Incentives to implement reforms are reduced since the political elite view reform as a way to reduce its ability to appropriate rents. However, natural resources cannot be regarded as pure curse for these countries. Oil wealth attracted foreign direct investment (construction of pipelines prospection, oil transformation) which generates positive externalities to the whole economy.

Toman (2003) in his study "the roles of the environment and natural resources in economic growth analysis" which is pedagogical in nature. He first present and discuss a 'wiring diagram framework in order to elucidate the general links between economic growth and natural capital. After developing the general framework, he develops parallel frameworks applicable to several specific sectors of the economy (agriculture, forestry, and manufacturing). He made use of two appendices to provide a mathematical formulation of the economy – wide framework and a brief historical review of the role of natural resources and the environment in economic growth theory.

Philippot (2010) investigated the impact of natural resources on economic growth among transition countries. He maintained that since the seminal work of Sachs and Warner (1995), it is widely admitted that natural resources abundance is a "curse" for economic performance. Transition countries provide an interesting case of study. Despite their initial conditions were rather the same around 1990, their growth rates dramatically diverged during the next decade. Some have recovered quickly whereas other still have a lower GDP than before the beginning the transition. To measure natural resources abundance, he used data on rents compiled by the World Bank. He posited that, the main results do not seem to corroborate the existence of a 'resource curse' among transition countries. According to him, most of the measures of resource abundance have a positive effect on economic growth. These results hold even for point resources which are generally said to be the most detrimental to growth. On the contrary agriculture seems to have a negative effect on growth.

Conceicao, P., Fuentes, R. & Lewine, S. (2011) Submitted that managing natural wealth and turning it into prosperity is challenging. They went further that countries endowed with natural riches can either find the path to increased human development or fall prey to the natural resource curse. However, they argued that an overall strategy to manage natural resources for human development consists of two broad elements:

a. Avoiding the resource curse through timely macroeconomic management and
b. Expanding people's choices with the revenues obtained form the natural resources through investment in human, physical and financial capital and the expansion of efficiency-enhancing social protection.

Gelb and Grasman (2010) distil some of the common features of countries that have been able to avoid the resource curse and use natural resources to enhance their development. These countries have been able to avoid the resource curse and use natural resources to enhance their development. These countries have been able to avoid boom and built cycles and to spend resources effectively. While institutions seem to have determined these outcomes in some countries e.g. in Botswana and Norway – success has even been achieved under challenging political and governance conditions e.g., in Indonesia and Chile. What they seem to share is:

a. Widely shared goals of preserving social stability and accelerating economic growth;
b. A credible and stable cadre of "technocrats' that income and influence political leaders;
c. Strong constituencies outside of the natural resource sector (e.g., fisheries in Norway, agriculture in Indonesia, traditional chiefs and cattle owners in Botswana) that argue for prudent spending during booms and for effective spending otherwise.
d. Link savings and investments to explicit objectives of economic and social progress, helping citizens understand the allocation decisions.

Ogunlade (2010) in his study maintained that indigenous people (IPs) have been at the receiving end of this resource extraction activity as they have been bed ragged with its deleterious effects on their lives, economy, health, environment, culture and future. This menace according to him is accentuated by the fact that the activities are undertaken with total disregard for the inalienable rights and interests as traditional land owners. He concluded that this research seeks to underscore the potential of the ILO convention 169 in safeguarding indigenous people right viz-a-viz petroleum activities (if ratified and demonstrated into domestic law in Nigeria), it further pinpoints, by legal and socio-political analysis, some other germane steps that are sine-qua-non for the protection of IP rights in deed and not merely in dead letter law in the country.

Gylfason and Zoega (2001) opine that economic development since 1985 has varied inversely with natural resource abundance or intensity across countries. He proposes a new linkage between natural resources and economic development through saving and investment. When the share of output that accrues to the owners of natural resources arises, the demand for capital falls and this leads to lower real interest rates and less rapid growth.From his empirical evidence form 85 countries form 1965 to 1998,he suggests that natural capital may on average crowd out physical as well as human capital, thereby inhibiting economic growth. The results also suggest that, across countries, heavy dependence on natural resources may hurt saving and investment indirectly by slowing down the development of the financial system.

Saheed and Egwaiklide (2012) in his study ''impact of social crisis on economic development: Theoretical evidence from Nigeria" asserts that social crisis could be corruption, ethno-Nigerians, war, genocide, or political, which effects are destruction of properties, waste of resources, and hence inefficient utilization of resources. Though Nigeria is blessed with abundant natural and human resources, however, the country has always been in one crisis or the other ranging from corruption, ethnic, and religious to political crisis. They made use of descriptive analysis approach. The finding indicates that social crisis in Nigeria, especially corruption and ethno-religious conflicts have been a clog on the wheels of economic growth and development in Nigeria. Hence, they recommended that government should employ the rule of engagement in deciding what the citizens want and take steps in meeting their needs, rather than deciding on its own what to provide for the people.

## 2.1 NATURLA RESORUCES AVAILABLE IN OIL PRODUCING AREA, OTHER VITAL MINERAL RESORUCES AND THEIR USES.

The oil producing area of Nigeria often called Niger Delta is a densely populated region which was formerly called oil River due to the fact that palm oil was usually produced in large quantity there, until the coming of the British in 1885. The area is about 70,000km$^2$ which is about 7.5% of Nigeria's land mass. It is made up of Abia State, Akwa Ibom State, Bayelsa State, Cross River State, Delta State, Edo State, Imo State and Ondo State. Over 30 million people of more than 40 ethnic groups including Efik, Ibibio, Anang, Oron, Ijaw, Itsekiri, Urhobo, Kalabari, and Igbo and among some who speak about 250 dialects in the area. This area is blessed with natural resources that if adequately utilize can make for profitable investments. Such natural resources and the states they are found are stated here below;

**Table 1: Available Mineral Resources in Different oil Producing States**

| State | Natural Resources Available apart from Oil |
|---|---|
| Abia | Gold, Salt, Limestone, Lead/Zinc |
| Akwa Ibom | Lead/zinc, clay, Limestone, Uranium (Traced), Salt, Lignite (Traces) |
| Bayelsa | Clay, Limestone, Gypsum, Uranium, Manganese, Lignite, Lead/Zinc etc. |
| Cross River | Limestone, Uranium, Manganese, Lignite, Lead/Zinc, Salt etc. |
| Delta State | Marble, Glass Sand, Gypsum, Lignite, Iron-ore, Kaolin etc. |
| Edo | Marble, Lignite, Clay, Limestone, Iron-ore, Gypsum, Glass Sand, Gold, Dolomite Phosphate, Bitumen etc. |
| Imo | Lead/Zinc, Limestone, Lignite, Phosphate, Marcasite, Gypsum, Salt etc. |
| Ondo | Bitumen, Kaolin, Limestone, Gypsum, Feldspar, Granite, Clay, Glass sand, Dimension Stones, Limestone, Coal etc. |
| River State | Glass-Sand, Clay, Marble, Lignite (Traced) etc. |

*Source: Authors Compilation*

By and large, apart from the above mention resources, the area is also blessed in eco-tourism and recreation, agriculture, maritime, commerce and industries, transportation, Housing and Urban Development etc. Despite these huge potential for development, these resources contributions to gross domestic product is minimal due to the neglect of the resources to a large extend.

**Table 2: Mineral Resources Available in Oil Producing Area and their uses**

| Mineral Resources | Uses |
|---|---|
| Zinc | Zinc is used as protective coating on steel, as die casting, as an alloying metal with copper to make brass, and as chemical compound in rubber and paint. Additional uses include galvanizing iron, electroplating, metal spraying, automotive parts, electrical fuses, nodes, dry-cell batteries, nutrition, chemicals, roof gutters, cable wrapping, and pennies. Zinc oxide is used in medicine, paints, vulcanizing rubber, and sun-block lotions. |
| Uranium | Uranium is a radioactive material used in nuclear defense system and for nuclear generation of electricity. It is also used in nuclear medicine x-ray machines, atomic dating, and electronic instruments. |
| Phosphate rock | Primarily a sedimentary rock used to produce phosphoric acid and ammoniated phosphate fertilizers; feed additives for livestock, elemental phosphorus, and a variety of phosphate chemicals for industrial and home consumers. |
| Manganese | Manganese is essential to iron and steal production manganese is obtained form the ore minerals bra unite (Mn,Si) 203, pyromsite Mn02, and psilomelane BaMn9018*2420 |
| Limestone | A sedimentary rock consisting largely of the minerals calcite and aragonite, which have the same composition CaC03. Limestone along with dolomite is one of the basic building blocks of the constructing industry. Limestone is used as aggregate, building stone, cement, and lime and in flukes, glass, refractories, fillers, abrasives, soil conditioners, and a host of chemical processes. |
| Lead | Lead is used in batteries, construction, ammunition, television tubes, nuclear shielding, ceramics, weights, and tubes or containers. The United States is the largest producer (mainly from Missouri), consumer, and recycler of lead metal. |
| Iron ore | Iron ore is used to manufacture steels of various types and other metallurgical products, such as magnets, auto pact, and catalysts. The Earth's crust contains about 5% iron, the fourth most abundant element in the crust. |
| Gypsum | Processed gypsum is used in industrial or building plaster, prefabricated wallboard, and cement manufacture and for agriculture. |
| Granite | Granite can be put into large blocks and used as a building stone. When polished, it is used for monuments, head stones, countertops, statues, and facing on buildings. It is also suitable for railroads ballast and for road aggregate in highway construction. |
| Gold | Gold is used in dentistry and medicine, Jewelry and arts, medallions and coins and in ingots. It is also used for scientific and electronic instruments, computer circuitry, as an electrolyte in the electroplating industry, and in many applications for the aerospace industry. |
| Feldspar | Feldspar is a rock-forming mineral. It is used in glass and ceramic industries, pottery, porcelain and enamelware, soaps, bond for abrasive wheels, cement, glues, fertilizer, and tarred roofing minerals and as a sizing or filer, in textiles and paper applications. |
| Dolomite | Dolomite is the near twin-sister rock to limestone. Like limestone, it typically forms in a marine environment but also has a primary magnesium component. Dolomite is used in agriculture, chemical and industrial applications, cement construction refractories, and environmental industries. |
| Clay | There are many different clay minerals that are used for industrial applications. Clays are used in the manufacturing of paper, refractories, rubber, ball clay, dinnerware and Pottery, floor and wall tile, sanitary wear, fire clay, firebricks, foundry sands, drilling mud, iron-ore pelletizing, absorbent and filtering materials, construction materials, and cosmetics. |

*Source: Authors compilation*

## 3 METHODOLOGY AND ANALYSIS

The oil producing area of Nigeria possesses enough developmental potential which can adequately transform the country in terms of food sufficiency, employment generation, poverty reduction, healthy living as well as increase revenue etc. Existing realities' depicts that majority of these potentials are not harness but rather emphases is placed on the oil and gas resources due to its short-term revenue and at the detriment of the other mineral resources and agricultural sector which has a long-term benefit to the region and the economy as a whole. These resources' also are more environmental friendly which is one of the factors for sustainable development. However, this study adopts a descriptive

approach to highlight on the performance of the oil producing area via some selected resources as a means of providing information on the existing potentials and development challenges in the region.

## HIDDEN FACTS AND REALITIES ABOUT THE OIL PRODUCING AREA OF NIGERIA

### Life Cycle facts:-

- 1 in 5 Nigerian children dies before the age of 5.
- Many of them die from preventable diseases.
- 38% of kids under 5 are chronically malnourished.
- 70% of Nigerians live on less than $1 a day.
- Life expectancy in Nigeria is 44 years.
- Medical attention for most villagers is hours away by boat.
- More than 15 million Nigerian children work.
- 36% of Nigerian kids enrolled in grade 1 reach grade 5.
- Nearly all schools in the Niger Delta are in extreme disrepair.
- Niger Delta unemployment is 40% for ages 15-24 and 70-90% for adults.

### Environmental facts:-

- More than 6,000 oil spills have been recorded since 1976.
- Less than 25% of spills are remediated.
- Many Niger Delta residents suffer from oil poisoning.
- More gas is flared in Nigeria than anywhere else in the world.
- Over 250 toxins have been identified in gas flare emissions.
- Breathing particulate from flaring is linked to disease and premature death.
- Potable water in the Niger Delta creeks region is virtually nonexistent due to oil contamination.
- Oil pollution has killed off fish, fouled the soil and caused wildlife to vanish.
- Handmade fishing nets can become useless in 6 months from acid rain caused by flaring.
- Acid rain acidifies bodies of water, damages vegetation and decays building materials.

### Marginalization perspectives of the area:-

- 130 million people live in Nigeria, 20-30 million in the Niger Delta.
- 9 out of 36 states are in the Delta but the region is politically marginalized.
- Oil revenue from the Delta is 80% of the federal budget.
- The government and oil companies split the oil money 60-40.
- The oil companies operate in joint ventures with the Nigerian government.
- The 1969 Petroleum Act transferred all energy earnings to the federal government.
- The 1978 Land Use Act assigned all oil-bearing land ownership to state governments.
- Less than 20% of the Delta region is accessible by good roads.
- Less than 20% of Delta communities are connected to the national electrical grid.

### Money Trail facts:-

- Nigeria's corruption score is 2.2 out of 10 one of the worst rankings in the world.
- Oil revenues since the 1970s are estimated at US$300 billion.
- 80% of oil and gas revenues accrue to just 1% of the population.
- By law, 13% of the oil money should go to producing localities; it doesn't get there.
- Niger Delta state governors are said to divert most of these funds for personal use.
- Local government chairs are paid by the federal government, with no local accountability.
- The Niger Delta Development Commission claims to receive a fraction of its allotted funding from the federal government.
- Audits show a huge gap between what oil companies say they paid and what the government says it received.

### Militancy Experience:-

- There are said to be 20 fortified militia camps in the Niger Delta.
- An estimated 12-15 armed militant groups operate in the Delta.
- The number of illicit weapons is thought to be about 70,000.
- About 15,000 Nigerian Joint Task Force troops are deployed in the Niger Delta creeks region.
- The Nigerian military has razed communities and killed thousands of civilians with impunity.
- Between January 2006 and May 2007, more than 200 hostages were taken by militants.
- Surges in global oil prices have been linked to announcements by the militancy.
- In January 2006, increased tension pushed oil prices to $68/barrel.
- In February 2006, oil prices rose sharply in response to a series of kidnappings by MEND.
- In April 2006, oil prices spiked toward $70/barrel after MEND issued a threat of renewed attacks.

*Source: http//:www.sweetcrudemovies.com/nigerstatistics.php*

**Table 3: HDI for the Niger Delta States, 2005**

| State | Life Expectancy | Education index | GDP index | HDI |
|---|---|---|---|---|
| Abia | 0.492 | 0.578 | 0.560 | 0.543 |
| Akwa Ibom | 0.506 | 0.683 | 0.540 | 0.576 |
| Bayelsa | 0.455 | 0.523 | 0.520 | 0.499 |
| Cross River | 0.556 | 0.630 | 0.565 | 0.584 |
| Delta | 0.587 | 0.636 | 0.621 | 0.615 |
| Edo | 0.579 | 0.602 | 0.600 | 0.594 |
| Imo | 0.503 | 0.546 | 0.591 | 0.547 |
| Ondo | 0.501 | 0.575 | 0.512 | 0.529 |
| Rivers | 0.563 | 0.590 | 0.620 | 0.591 |
| Niger Delta | 0.527 | 0.596 | 0.570 | 0.564 |

*Source: ERML field survey 2005.*

From table 1, the oil producing area is blessed with enormous resources that can transform any economy. Some economy in Africa without natural resources as compare to what we have in the region have experience economic development couple with significant level of employment opportunities. Countries like Botswana, Kenya and Malawi has make noticeable efforts to develop the available natural resources for the social, economic and political benefit of their people. Evidence from the human development Index (HDI) of oil producing area of Nigeria depicts that the Index is low; hence it has an indirect effect on the development of the region amidst the diverse resources in the area. Life expectancy is very low especially in Abia, the educational index is high despite the high unemployment in the country (ERML field survey 2005). According to table 4, employment in crop farming is significant since majority of the population is employ by the sector. Most of them even did the job with earning wages or salary. From the table below, the oil producing area have a significant population involve in this crop farming, hence, there is great opportunity for the area in crop farming which has not been utilize due to neglect by different administrations both military and civilian.

Table 5 shows the growth rate of the different sectors from 2007 through 2013.We discover that crude petroleum and natural gas where the budget of the economy is continuously based on over the years is not having a significant growth.

Its growth rate is negative within the period of review whereas solid minerals with less interest by the three tiers of government have witness consistency in it growth potential with the period. Agriculture which was the main stay of the economy in the 70s witnesses an increase between 2006 and 2008 before the decrease noticeable between 2009 to the first quarter of 2013. However, the oil producing area of Nigeria is endow with all the different components listed in the table even though majority of these resources has not been adequately exploited for revenue generation if compared with the level of patronage the oil sector has received. This can be seen in table 6. Despite the attendant growth in the solid mineral, its contribution to GDP is very low depicting that this resources is not adequate utilize for economic development. Agricultural sector contribution to GDP is very significant judging from it contribution to real GDP whereas the oil sector which the government of the day see as the bedrock of growth is half of the contribution from agricultural sector.

**Table 4: SECTORAL GROWTH RATE (%)**

| Sectoral Growth % | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 Q1 |
|---|---|---|---|---|---|---|---|---|
| Agriculture | 7.40 | 7.19 | 6.27 | 5.88 | 5.64 | 4.89 | 3.97 | 4.14 |
| Solid mineral | 10.28 | 12.15 | 12.77 | 12.08 | 12.28 | 12.12 | 12.52 | 12.00 |
| Crude petroleum and natural gas | -4.51 | -4.54 | -6.19 | 0.45 | 4.98 | 4.10 | -0.91 | -0.54 |
| Manufacturing | 9.39 | 9.57 | 8.89 | 7.85 | 7.64 | 7.32 | 7.55 | 8.41 |
| Telecommunication | 33.66 | 33.84 | 34.02 | 34.18 | 34.47 | 33.41 | 31.83 | 24.53 |
| Finance and Insurance | 4.98 | 5.03 | 4.82 | 4.01 | 3.95 | 3.40 | 4.05 | 3.61 |
| Wholesale and retail trade | 15.26 | 15.20 | 14.02 | 11.48 | 11.19 | 10.93 | 9.61 | 8.22 |
| Building and construction | 12.99 | 13.03 | 3.07 | 11.97 | 12.08 | 12.32 | 12.58 | 15.66 |
| Hotel and restaurants | 12.91 | 12.95 | 12.94 | 11.89 | 12.01 | 12.11 | 12.15 | 13.61 |
| Real Estate | 11.68 | 11.72 | 11.79 | 10.94 | 10.66 | 10.12 | 10.41 | 10.06 |
| Business and other service | 10.02 | 10.05 | 10.13 | 9.39 | 9.37 | 9.32 | 9.69 | 8.63 |
| Others | 5.79 | 5.85 | 5.29 | 5.00 | 5.01 | 5.09 | 5.18 | 5.37 |

*Source: National Bureau of Statistics 2012*

**Table 5: EMPLOYMENT IN CROP FARMING BY SEX AND CATEGORY OF WORKER, 2009.**

| STATE | FARMERS | | UNPAID FAMILY | | PAID EMPLOYEES | |
|---|---|---|---|---|---|---|
| | MALE | FEMALE | MALE | FEMALE | MALE | |
| Abia | 176,802 | 130,347 | 237,642 | 275,956 | 261,820 | 254,466 |
| Adamawa | 386,092 | 52,659 | 308,448 | 204,673 | 175,255 | 38,813 |
| Akwa Ibom | 223,318 | 107,434 | 127,331 | 171,136 | 33,448 | 42,851 |
| Anambra | 341,406 | 282,738 | 273,941 | 275,125 | 257,413 | 174,002 |
| Bauchi | 790,207 | 4,381 | 657,081 | 153,125 | 392,683 | 30,049 |
| Bayelsa | 72,220 | 41,134 | 54,912 | 59,826 | 96,708 | 35,107 |
| Benue | 322,025 | 125,581 | 499,381 | 511,520 | 190,879 | 236,577 |
| Borno | 426,039 | 11,238 | 275,376 | 289,509 | 207,637 | 103,995 |
| Cross River | 280,025 | 124,126 | 363,484 | 335,175 | 299,183 | 276,154 |
| Delta | 294,924 | 145,247 | 179,021 | 212,038 | 237,516 | 59,482 |
| Ebonyi | 395,283 | 264,962 | 449,742 | 436,744 | 479,463 | 390,672 |
| Edo | 247,599 | 104,579 | 191,831 | 225,347 | 213,180 | 46,195 |
| Ekiti | 117,791 | 16,848 | 57,866 | 67,106 | 159,001 | 17,423 |
| Enugu | 203,996 | 115,628 | 87,536 | 139,908 | 49,754 | 56,836 |
| Gombe | 368,973 | 88,052 | 436,431 | 200,684 | 461,243 | 377,090 |
| Imo | 511,638 | 122,647 | 304,985 | 526,812 | 100,357 | 307,188 |
| Jigawa | 1,021,184 | 2,985 | 498,425 | 129,920 | 278,185 | 36,873 |
| Kaduna | 1,049,454 | 384,248 | 949,563 | 540,881 | 676,828 | 343,426 |
| Kano | 415,553 | 234,465 | 1,223,889 | 581,939 | 1,119,608 | 374,848 |
| Katsina | 227,862 | 131,043 | 1,030,020 | 247,927 | 1,050,565 | 308,728 |
| Kebbi | 205,696 | 109,183 | 544,950 | 213,450 | 401,147 | 124,674 |
| Kogi | 134,423 | | 352,307 | 60,242 | 325,355 | 127,396 |
| Kwara | 285,961 | 17,591 | 191,272 | 132,841 | 146,640 | 34,422 |
| Lagos | 456,961 | 27,250 | 121,038 | 125,281 | 139,127 | 67,955 |
| Nassarawa | 285,594 | 35,019 | 223,303 | 169,599 | 115,985 | 50,141 |
| Niger | 456,961 | 3,279 | 563,022 | 385,006 | 360,661 | 289,363 |
| Ogun | 200,226 | 54,933 | 181,091 | 175,636 | 314,359 | 26,103 |
| Ondo | 237,416 | 47,806 | 212,503 | 239,374 | 307,488 | 265,083 |
| Osun | 322,331 | 31,130 | 189,191 | 271,585 | 309,500 | 205,870 |
| Oyo | 338,531 | 62,534 | 167,470 | 287,719 | 789,131 | 146,499 |
| Plateau | 307,229 | 35,180 | 374,203 | 380,698 | 1,145,386 | 132,795 |
| Rivers | 284,053 | 160,190 | 362,450 | 460,124 | 394,052 | 545,915 |
| Sokoto | 467,777 | 11,785 | 563,839 | 150,260 | 547,071 | 175,214 |
| Taraba | 325,709 | 15,083 | 389,355 | 238,167 | 243,550 | 108,895 |
| Yobe | 493,462 | 20,392 | 542,055 | 83,035 | 131,015 | 38,297 |
| Zamfara | 482,270 | 233,783 | 454,731 | 311,129 | 552,969 | 599,071 |
| FCT | 119,699 | 1,109 | 113,568 | 108,653 | 123,262 | 42,542 |
| Nigeria | 13,276,690 | 3,356,589 | 13,753,253 | 9,378,150 | 13,087,424 | 6,491,010 |

*SOURCE: National Bureau of Statistics 2012.*

The development of any nation or region is based on the level of human capital development in the country or region. However, the health status of the citizens has a role to play in this hence any country that envisage economic development must take the standard of living and health situation of the citizen very important. According to information from table 7, the government of the oil producing area is not mindful of this fact. The reality from the table reveals that health care facilities per 100,000 population is inadequate considering the population of some of this states. For example, Rivers state has only 476 health care facilities to carter for 6214664 people which therefore translate to 8 person person's 100,000 in the state. Same goes for other States like Akwa Ibom, Bayelsa and Abia, these states are noted with influx of people to take advantage of the business opportunities available. Another challenge facing development in this area is HIV/AIDs prevalence rate which has a direct effect on the level of productivity. Answering the questions raised by Dudley requires that the people must be healthy but how can we achieve this without adequate health facilities to handle health challenges.

**Table 6: SECTORAL CONTRIBUTION OF REAL GDP**

| Contribution to GDP (%) | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 QI |
|---|---|---|---|---|---|---|---|---|
| Agriculture | 41.72 | 42.01 | 42.13 | 41.70 | 40.84 | 40.8 | 39.21 | 33.69 |
| Solid mineral | 0.78 | 0.30 | 0.32 | 0.33 | 0.34 | 0.36 | 0.38 | 0.34 |
| Crude petroleum and natural gas | 21.85 | 19.60 | 17.35 | 16.29 | 15.85 | 14.16 | 13.76 | 14.5 |
| Manufacturing | 3.91 | 4.03 | 4.14 | 4.17 | 4.16 | 4.09 | 4.20 | 1.14 |
| Telecommunication | 1.83 | 2.31 | 2.92 | 3.66 | 4.56 | 6.09 | 7.05 | 8.53 |
| Finance and Insurance | 3.90 | 3.85 | 3.81 | 3.70 | 3.57 | 3.25 | 3.37 | 3.96 |
| Wholesale and retail trade | 14.95 | 16.18 | 71.41 | 18.14 | 18.70 | 18.80 | 19.92 | 23.75 |
| Building and construction | 1.62 | 1.72 | 1.84 | 1.92 | 2.00 | 2.11 | 2.19 | 3.27 |
| Hotel and restaurants | 0.41 | 0.43 | 0.46 | 0.48 | 0.50 | 0.49 | 0.55 | 0.74 |
| Real Estate | 1.47 | 1.55 | 1.63 | 1.69 | 1.74 | 1.80 | 1.85 | 2.10 |
| Business and other service | 0.81 | 0.84 | 0.87 | 0.89 | 0.90 | 0.91 | 0.95 | 1.09 |
| Others | 7.23 | 7.19 | 7.15 | 7.02 | 6.83 | 6.33 | 6.58 | 6.66 |
| | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

*Source: National Bureau of Statistics 2012*

**Table 7: HEALTH CARE FACILITIES PER 100,000 POPULATIONS BY STATE (2011)**

| State | Population | No. Of Health Care Facilities | Facilities per 100,000 population |
|---|---|---|---|
| Abia | 3278699 | 615 | 19 |
| Akwa Ibom | 4664601 | 543 | 12 |
| Bayelsa | 1894825 | 232 | 12 |
| Cross River | 3368744 | 734 | 22 |
| Delta | 4864762 | 908 | 19 |
| Edo | 3725771 | 924 | 25 |
| Imo | 4646058 | 1337 | 30 |
| Ondo | 4051236 | 811 | 20 |
| Rivers | 6214664 | 476 | 8 |

*Source: Federal Ministry of Health, Abuja in National Bureau of Statistics 2012*

**Table 8: Projected HIV Population in Oil Producing States (2007-2011)**

| State | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| Abia | 69391 | 77781 | 87046 | 96988 | 107336 |
| Akwa Ibom | 181253 | 194711 | 208808 | 222923 | 236285 |
| Bayelsa | 50299 | 58234 | 67169 | 77008 | 87456 |
| Cross River | 104833 | 100173 | 95932 | 91800 | 87621 |
| Delta | 78668 | 78180 | 77776 | 77221 | 76318 |
| Edo | 75311 | 78980 | 82771 | 86460 | 89772 |
| Imo | 69093 | 70795 | 72502 | 74012 | 75111 |
| Ondo | 41130 | 41412 | 41720 | 41928 | 41927 |
| Rivers | 156245 | 158846 | 161376 | 163458 | 164610 |

*Source: Federal Ministry of Health, Abuja in National Bureau of Statistics 2012*

**Table 9: HIV/AIDS prevalence rate in Nigeria, 2003, 2005, 2008 and 2010**

| State | 2003 | 2005 | 2008 | 2010 |
|---|---|---|---|---|
| Abia | 3.7 | 4.0 | 5.0 | 7.3 |
| Akwa Ibom | 7.2 | 8.0 | 9.7 | 10.9 |
| Bayelsa | 4.0 | 3.8 | 7.2 | 9.1 |
| Cross River | 12.0 | 6.1 | 8.0 | 7.1 |
| Delta | 5.0 | 3.7 | 3.7 | 4.1 |
| Edo | 4.3 | 4.6 | 5.2 | 5.3 |
| Imo | 3.1 | 3.9 | 4.6 | 3.0 |
| Ondo | 2.3 | 3.2 | 2.4 | 2.3 |
| Rivers | 6.6 | 5.4 | 7.3 | 6.0 |

*Source: Agency for the Control of AIDS/HIV (NACA), Abuja National Bureau of Statistics 2012*

**Table 10: Potential for Rural Economic Growth in Particular states**

| State | Crop Expansion Potentials | Fishing Growth Potentials | Tourism Growth Potentials |
|---|---|---|---|
| Abia | Cassava, Maize, yam, oil palm | Aquaculture | Heritage (Umuahia) |
| Akwa Ibom | Oil palm, leafy vegetables, yam, cassava | Fishing, shrimp culture, aquaculture | Leisure beach (Oron Beach) Ecological (Eket, Delta Creeks) |
| Bayelsa | Cassava, plantain, yam, cocoa-yam, oil palm, rice plantations in the mangrove swamps | Fishing aquaculture | Leisure beach Delta creeks Historical (Akassa Raid/Nembe-British war relics) |
| Cross River | Cassava, yam cocoyam, plantain, palm, rubber, cocoa, pineapples | Fishing, aquaculture | Numerous historic and prehistoric sites Ecological tourism; pristine tropical rainforest and wild life unique forests in the montane religion |
| Delta | Cassava, yam, plantain, rubber, oil palm, diverse fruits | Fishing, aquaculture | Tourism belt' (Ethiope Rover) |
| Edo | Yam, plantain, cassava, maize, rubber, oil palm, diverse fruits | Aquaculture | Heritage (Benin) Ecological forest (Okomu) |
| Imo | Cassava, oil palm, yam, vegetables, diverse fruits | fish cage culture in the water bodies | Leisure resort (Oguta Lake) Historical (war relics) |
| Ondo | Cocoa, oil palm, yam, maize | Aquaculture | Ecological hills (Indanre hills) |
| Rivers | Cassava, oil palm, yam, pineapple | Shrimps by trawling, fishing, aquaculture | Ecological forests Delta creeks Historic (Jaja of Opobo/slavery relics) |

*Source: NNDC Niger Delta Development Report, 2006*

**Table 11: What the people of the Nigeria Delta Most Dislike about the Region**

| Priority | Percent of respondents identifying it as most disliked |
|---|---|
| Poor leadership (governance) | 16.7 |
| Poor governance | 16.1 |
| Corruption | 14.4 |
| Environmental degradation | 14.3 |
| Unemployment | 14.0 |
| Low education | 6.7 |
| Insecurity | 5.6 |
| Lack of infrastructure | 4.4 |
| High cost of living | 4.4 |
| Poverty | 3.3 |

*Source: ERML field 2005 in Niger Delta Development Report, 2006*

Agriculture has been the main stay of the Nigerian economy before the advent of oil in the late 70s which relegated the sector to background. By and large, renewed efforts by successive government especially in the civilian era has contributed significantly to boost the output from the sector as well as its contribution to GDP as presented above. Table 10 presents the different potentials for economic growth in the 9 states that constitutes the oil producing area of Nigeria. This potentials are categorized into a)crop expansion potentials)fishing growth potentials and c) tourism growth potentials. A careful look at table 11 as reported by Environmental Resources Management Limited (ERNL) in 2005 reveals that what the indigene of the oil producing area dislike about the area as ranked according to their responses includes poor leadership (16.7%),poor governance(16.1%),corruption(14.3%) and environmental degradation(14.3%).However, the question is has there been any change eight years after this observation?, the answer is no because high unemployment and poverty is still eminent in the area according to existing statistics presented above.

## 4.SUMMARY AND RECOMMENDATION

The huge potentials existing in the oil producing area of Nigeria is no longer debate able as a result of the huge revenue accrued to the federal government from this area. One important fact which agitated the mind of the researcher is the challenges encountered in the area despite such potentials both human and material. Evidence from the study indicates that the government is not committed at developing the other mineral resources available in the area. Such attitude may be due to the high demand for crude oil in the international market and its associated short-term benefits. Another important point to note is the high unemployment level in the area which has made the youths to be fade up with the government and this conformed with the summation of ERML that poor leadership, poor governance, corruption and environmental degradation has been the canker worm obstructing the oil producing area ecosystem .Health facilities are not adequate to handle health challenges in the region, and hence the study recommence among others;

(i) Governors in the region should ensure that the master plan for the region is implemented to the later.

(ii) Efforts must be made to diversify the economy of region from oil to other mineral resources as a means of providing adequate employment opportunities for the youths.

(iii) Health is wealth and so therefore, the government should ensure that adequate fully equipped health care facilities are provided in the region to handle health challenges as a means of enhancing improves productivity.

iv) Efforts must be made to maintain the gains in the agricultural sector as well as the cultivation of other crops yet to be cultivated in commercial quantity.

v) Corruption must be eradicated through setting up anti craft agencies for the region. Such agency must be granted autonomy and make to oversee projects meant to develop the area to ensure efficiency and transparency.

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