



Working Paper No. 20

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Improving Public Sector Oil Derived Resource Flows
And Utilization in Abia State, Nigeria

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Introduction

The staggering contrast between the enormous wealth of the Niger Delta and its enduring human poverty, decaying infrastructure and distressed environment has been variously described as the “paradox of plenty”,² “where vultures feast”,³ and the “antinomies of wealth”,⁴ among others. A common reason for characterizing the Niger Delta as such is that much wealth is taken out of the region in the form of crude oil and gas revenues and very little is returned. This position seems to be largely justified going by available social and economic indicators. Petroleum derived from the Niger Delta accounts for about 50 percent of Nigeria’s GDP, 95% of foreign exchange earnings, and 80% of all budgetary revenues. This amounts to nearly \$20 billion annually or about \$54 million daily. Compared to this huge wealth, the social situation in the Niger Delta presents a mammoth discrepancy, and is generally worse than the situation in many other parts of the country. To illustrate, available figures show that by 2002 only 27% of people in the Niger Delta had safe drinking water and about 30% of households had access to electricity, both of which were below the national averages of 31.7% and 33.6%, respectively. At the same time, there was one doctor per 82,000 people, rising to one doctor per 132,000 people in some areas, especially the rural areas, which is more than three times the national average of 40,000 people per doctor.⁵ Poverty remains widespread, worsened by an exceedingly high cost of living created by the *petroeconomy*. According to a World Bank study, which many civil society organizations on the ground consider conservative, in the urban areas of Rivers State, the cost of

¹ This study was conducted as part of a larger project by the CASS in Port Harcourt.

² Terry Lynn Karl, *The Paradox of Plenty: Oil Booms and Petro-States*, Berkeley: University of California Press, 1997

³ Ike Okonta and Oronto Douglas, *Where Vultures Feast. 40 Years of Shell in the Niger Delta*, Ibadan, Nigeria: Environmental Rights Action and Friends of the Earth, 2001

⁴ Okechukwu Ibeanu (with Ike Ifelunni), ‘Antinomies of wealth: oil revenue allocation, distribution and utilisation in the Niger Delta’, Report for Oxfam GB, Abuja, 2006

⁵ International Institute for Democracy and Electoral Assistance (IDEA) *Democracy in Nigeria: Continuing Dialogue(s) for Nation-Building*, Stockholm: International Institute for Democracy and Electoral Assistance, 2000.

living index of 783 is the highest in Nigeria. GNP per capita is below the national average of \$280 and unemployment in Port Harcourt, the capital of Rivers State and the principal city of the Niger Delta, is as high as 30%. In addition, access to education, which is central to remedying some of the parlous social conditions of people in the region, lags abysmally when compared to other parts of the country. While 76% of all Nigerian children attend primary school, in the Niger Delta the figure drops appallingly to between 30 and 40 percent.⁶

Since Nigeria returned to civilian rule in 1999, there has been mounting pressure on government and oil companies to return more investments to the Niger Delta and to be more accountable and transparent regarding petroleum revenues. This *petro-Glasnost*, exemplified by the Publish What You Pay Campaign and Nigerian Extractive Industries Transparency Initiative (NEITI), has not only led to increased availability of information about oil derived resource flows, but has increased public interest in the use of petroleum revenues. Nonetheless, this seeming opening of the petroleum revenue governance space cannot be taken for granted. There is need to design a robust policy and advocacy framework to push for further widening of the space in order to improve the governance of public sector oil derived resource flows and utilization in the Niger Delta. To do this, it is a desideratum to map the tracks and flows of oil-derived revenues and to inquire into existing structures of their governance. This is the central task of this report on Abia State.

An Introduction to Abia State

Abia State was created on August 27, 1991 out of the former Imo State (figure 1 Appendix). The name 'Abia' comes from the first letters of the names of the five old administrative Divisions out of which the State was created namely, Aba, Bende, Isuikwuato/Ikwuano-Umuahia and Afikpo. They also correspond roughly to the five major sub-ethnic identities in the State.⁷ The State lies within approximately latitudes 4° 40' and 6° 14' North, and longitudes 7° 10' and 8° East. With a landmass of about 5,200 square kilometres and a population of almost 2 million in 1991, Abia State is one of the most densely populated States in Nigeria. The State is subdivided into 17 Local Government Areas, each with an administrative headquarters (Table 1). The main urban areas of the State are Aba and Umuahia. While Umuahia, the State capital, is the political-administrative headquarters of the State, Aba is its commercial nerve centre. In terms of geophysical characteristics, Abia State shows varied terra forms, notwithstanding the marked dominance of flat and low-lying land, generally less than 120 metres above sea level. "The low-lying plain is the inland extension of the coastal plain

⁶http://www-wds.worldbank.org/servlet/WDSCContentServer/WDSP/IB/2000/11/10/000094946_00082605382641/Rendered/INDEX/multi_page.txt.

⁷ The 'I' in Abia stands for both Isuikwuato and Ikwuano-Umuahia. Not all groups in the State accept this Pentagonal classification. For instance, a good number of people from the Ukwa area reject an Aba identity, which is associated with the Ngwa sub-ethnic group. The old Afikpo Division was incorporated into Ebonyi State in 1996.

from the Bight of Benin. The central part of the state is characterised by undulating land with many hills. The highland areas are part of the Enugu - Nsukka - Okigwe cuesta. This area has an average height of between 120m and 180m above sea-level (*sic*). From Okigwe (Imo State), this escarpment extends in a west-east direction and, on getting to Afikpo (Ebonyi State), veers south-eastwards to Arochukwu where it terminates”.⁸ Geologically, nine formations have been identified including the Coastal Plain Sand, Bende-Ameki Group, Nkporo Shale, Upper Coastal Measures (Nsukka formation), False-bedded Sandstone (Igali), Eze-Azu Shale and Asu River Group. There is one main river, Imo River, its tributary, Aba River, and a number of other smaller river formations including Igwu, Azumini and Kwa Ibo.⁹ The dominant vegetation is tropical rain forest although further north the State is characterized by the so-called derived Savannah, which “appears as a re-growth after the original rainforest has been cleared for agriculture. It comprises Savannah type grasses and shrub (*sic*), with a few scattered trees. Due to constant human pressure, growth recovery for mature trees to develop is impracticable”.¹⁰

The vast majority of people in the State are engaged in farming, in spite of proneness of the soil in many communities to leaching because of the heavy annual rainfall. However, there are rich stretches of fertile land, especially in the Southern and Eastern parts of the State, which support subsistence farming and some large-scale farming. Among the popular crops cultivated are yam, cassava, cocoyam, plantain, maize and various fruits. Next to farming are a variety of commercial engagements, especially around Aba. White-collar jobs are also quite popular because of the very high literacy rate in Abia State. Also, there is a seemingly incipient industrialization that has been incubating in the environs of Aba for many years, but which appears to have failed to fully takeoff. Aba has been noted for its textiles industry, shoe production and manufacture of household

Table 1: Population of Abia State by Local Government Area

Senatorial Zone	Local Government Area	Headquarters	1991 Census			2005 (Estimated)**		
			Male	Female	Total	Male	Female	Total
ABIA CENTRAL	Ikwo	Isiala Oboro	28,840	32,374	61,214	48,671	54,636	103,307
	Isialangwa North	Okpuala Ngwa	43,644	49,692	93,336	73,655	83,862	157,517
	Isialangwa South	Omoba	46,931	51,644	98,575	79,203	87,156	166,359
	Umuahia North*	Umuahia	73,087	73,504	146,591	123,344	124,048	247,393

⁸ <http://www.onlinenigeria.com/>

⁹ *ibid.*

¹⁰ Niger Delta Development Commission (NDDC) (nd)) *Niger Delta Regional Development Master Plan*, Port Harcourt: NDDC, p. 6.

	Umuahia South	Apumiri	34,654	38,859	73,513	58,483	65,580	124,063
ABIA NORTH	Arochukwu*	Arochukwu	46,546	51,254	97,800	78,553	86,498	165,051
	Bende	Bende	63,028	69,243	132,271	106,368	116,857	223,226
	Isuikwuato	Mbalano	34,808	38,966	73,774	58,743	65,761	124,504
	Ohafia	Ebem Ohafia	69,932	79,053	148,985	118,020	133,413	251,433
	Umunneochi	Isuochi	37,901	43,704	81,605	63,963	73,757	137,720
ABIA SOUTH	Aba North	Eziana	42,943	43,388	86,331	72,472	73,223	145,696
	Aba South	Aba	212,010	201,842	413,852	357,796	340,636	698,433
	Obingwa	Mgboko	61,733	68,680	130,413	104,183	115,907	220,090
	Osisioma	Osisioma	82,415	79,230	161,645	139,087	133,712	272,798
	Ugwunagbo	Ugwunagbo	15,591	17,323	32,914	26,312	29,235	55,547
	Ukwa East ^{\$}	Akwete	15,386	17,058	32,444	25,966	28,788	54,754
	Ukwa West** ^{\$}	Okeipke	23,590	25,064	48,654	39,811	42,299	82,110
	Total		933,039	980,878	1,913,917	1,574,633	1,655,367	3,230,000

**Based on Niger Delta Development Commission figures. See NDDC (nd) *Niger Delta Regional Development Master Plan*, Port Harcourt: NDDC, p. 2.

*Local Government Areas studied

^{\$} Local Government Areas where oil and gas are produced

goods such as toilet paper and soap. In fact, Abia State is well endowed to achieve industrialization because of its rich agricultural and mineral resources (Table 2). Some of these industries cannot take off because of the stigma that forced producers to be insincere and label the products as coming from outside the country. However, the problem can be solved by regular advertisement and improvement of products over a long term.

Table 2: Mineral and raw material endowments of Abia State

S/N	Minerals	Sources of Raw Materials	Potential uses
1	Crude Oil	Oilfields at Imo River, Obuzo, Owaza Ngboko, Nkali, Odogkwa, Obeakpu and Isimiri	Export, refined products petro-Chemicals
2	Natural Gas	Ohuru Gas Fields in Ukwa East LGA.	Export, refined products petrochemicals

3	Tar Sands/ Oil shale	Ugwueme-Lokpanta axis in Nneochi LGA	Asphalt, tar, Refined products
4	Lead, Zinc, Copper	Lokpaukwu (Nneochi LGA)	Metal extraction of lead, Zinc copper
5	Phosphate (traces)	Amaeke in Umuahia and Ewe in Arochukwu LGA	Fertiliser Detergent and other chemical industries
6	Gypsum	Lokpaukwu (Nneochi)	Manufacture of cement, pharmaceuticals, chalk and Plaster of Paris
7	Limestone	Ewe- Arochukwu LGA southwestern part of Isuikwuato LGA	Cement, Glass, Water treatment, sugar Refining Iron and Steel, Construction Agriculture fertiliser, etc
8	Iron Ore	Around the Northern part of Isuikwuato LGA	Iron and Steel
9	Kaolin	Umuahia, Ikwuano LGA and northwestern area of Isuikwuato LGA	Paints, detergent, steel glass ceramics etc
10	Industrial sands	Ukwa, Aba , Umuahia	Glass, Foundry, Ceramics, abrasives
11	Igneous rocks	Uturu Lokpanta Lekwesi	Aggregate for road and building construction
12	Laterite	All LGAs	Surfacing of roads

Source: <http://www.onlinenigeria.com>

In spite of this rich endowment in industrial raw materials, it is the petroleum sector that currently drives the formal economy of the State. Like the Federal government, petroleum revenues contribute as much as 90% of both State and local government revenues in Abia State, amounting to an average of about ₦15 billion annually.¹¹ According to the State government, internally generated revenue contributed only about 8.75% of total government revenue between 2000 and 2004.¹² However, this data must be taken cautiously, because, even though Abia State just like the Nigerian State derives huge resources from the petroleum sector, majority of the people are engaged in several other economic activities (not directly related to oil) informally. But, this is not reflected in the amount of internally generated revenue contributed to the State revenue between 2000 and 2004.

¹¹ Federal Ministry of Finance (nd) Detailed Breakdown of Allocations to Federal, State and Local Governments (June 1999 – July 2004), Abuja: Federal Ministry of Finance, pp. 3 & 5.

¹² Abia State Government *Abia State Economic Empowerment and Development Strategy*, Umuahia: Abia State Planning Commission, 2005, p. 19.

This report focuses on petroleum revenue governance and its impact on development in Abia State. In doing this, the report explores three related issues namely, the impact of petroleum revenue control and development in Abia State, the links between patterns of petroleum resource flows and social inclusion, especially regarding women, and finally, the impacts of petroleum on livelihoods, specifically agriculture and the environment. The aims of undertaking this study are threefold. First, it seeks to provide an empirically grounded basis for policy, advocacy and development interventions for government, civil society organizations and development agencies in Abia State. Second, it will provide a template for effective monitoring of petroleum revenue governance and resource flows, and third, it will contribute to applied research in the area of oil-derived resource allocation and use.

A Note on Methodology

The empirical data for this research were collected in three Local Government Areas of Abia State, one in each of the three Senatorial Zones (Table 1), namely Arochukwu, Umuahia North and Ukwa West Local Government Areas. Ukwa West is the main oil-producing Local Government Area of Abia State so we selected it for study. Umuahia North Local Government is the location of the State capital, while Arochukwu was selected for its historical importance not only in Abia State, but also in the entire South-East zone of Nigeria.¹³

The research entailed gathering both primary and secondary data. For primary data, a self-report (questionnaire) instrument was developed and administered to 300 respondents, 100 in each Local Government Area. Distribution of the questionnaire was informed by known characteristics of the population in the areas of study.¹⁴ Our aim is to reach the major occupational segments of the population and also get a balance between male and female respondents (Table 3). At the end of the fieldwork, 100 copies of the questionnaire were completed and returned from Arochukwu and Ukwa West, while 91 were returned from Umuahia North. On the whole, this gives a success rate of 97%, which we consider very adequate to support analysis.

The questionnaire was supplemented by focus group discussions (FGD). The template for selection of participant is given in Table 4. In each local government area, we held two FGDs. The first one took place around the start of the fieldwork, and the other

¹³ For a good historical background to Arochukwu and its critical role in the region, see Kenneth Dike and Felicia Ekejiuba (1990) *The Aro of South-eastern Nigeria, 1650 – 1980*, Ibadan: University Press Limited

¹⁴ This is a purposive sample size agreed on by a methodology workshop for the wider Niger Delta research. Umuahia North is predominantly urban and therefore agricultural activities are minimal. Arochukwu local government is urban and semi-rural and has both farming and fishing activities. Ukwa West is essentially the same in occupational composition as Arochukwu.

towards the end. One of the objectives behind the selection of participants is to get the voices of women, especially rural women. Women participants therefore dominated the FGDs in the rural areas. Identical sets of issues were explored in both the questionnaire and the FGDs. In selecting participants, emphasis was on knowledgeable individuals. A lot of emphasis was also placed on creating an atmosphere to ensure free and equal discussion, especially between men and women.

Table 3: Distribution of questionnaire respondents

Occupational Category	Specific Occupation	Gender distribution	Rural Sample Size			Urban Sample Size			Total	Total
			Arochukwu (Ndi Okpo)	Ukwa West (Umuorie)	Umuahia (Amachara)	Arochukwu (Amannagwu)	Ukwa West (Umuteke)	Umuahia (Umuahia)		
Agricultural	Farming	Male	3	3	6	1	1	2	16	90 (30%)
		Female	3	3	6	1	1	2	16	
	Fishing	Male	3	3	0	1	1	0	8	
		Female	3	3	0	1	1	0	8	
	Agric Labour	Male	4	4	4	3	3	3	21	
		Female	4	4	4	3	3	3	21	
Semi/Unskilled	Trader	Male	3	3	3	4	4	4	21	75 (25%)
		Female	3	3	3	5	5	5	24	
	Artisan	Male	2	2	2	3	3	3	15	
		Female	2	2	2	3	3	3	15	
Skilled	Skilled Worker	Male	3	3	3	8	8	8	33	60 (20%)
		Female	2	2	2	7	7	7	27	
Not working	Retired	Male	3	3	3	2	2	2	15	75 (25%)
		Female	2	2	2	1	1	1	9	
	Unemployed	Male	2	2	2	1	1	1	9	
		Female	3	3	3	2	2	2	15	
	Student	Male	2	2	2	2	2	2	12	
		Female	3	3	3	2	2	2	15	
		Total	50	50	50	50	50	50	300	300 (100%)

For secondary data, the research surveyed a broad array of literature first, to scope diverse issues that are linked to resource flows generally, and oil-derived resource flows in particular. Secondly, the literature survey enabled us to identify and assess existing information related to petroleum resources in Nigeria. Finally, the secondary data gathering process collected already published information related to resource flows such as budgets and reports of the Nigeria Extractive Industries Transparency Initiative (NEITI). Among other secondary sources were government gazettes, decrees and acts of parliaments, academic publications, web postings of reliable organizations, official documents of oil companies, publications by civil society organizations, especially those

working on resource transparency and budget monitoring such as the Publish What You Pay Campaign, International Budget Project of the Centre on Budget and Policy Priorities in Washington, Action Aid, Oxfam, Catholic Relief Services, Open Society Institute, and numerous private and intergovernmental corporate responsibility initiatives. The websites of these organizations were very useful sources.

Table 4: Distribution of participants in focus group discussions

LGA	Community	Male	Female	Total
Arochukwu	Amannagwu	6	6	12
	Ndi-Okpo	4	8	12
Ukwa West	Umuteke	6	9	15
	Umuorie	4	18	22
Umuahia	Umuahia Town	6	6	12
	Amachara	4	8	12
Total		30	55	85

Data gathering focused principally, though not exclusively on the following:

- (a) Oil-related financial receipts of Abia State government and the three local governments
- (b) State government budgets
- (c) NDDC Master Plan and projects
- (d) Oil company expenditures on community development.

Information from the FGDs and secondary sources was carefully extracted and organized. Our analysis of the questionnaire was based principally on descriptive statistics, essentially frequencies, relative frequencies and cross tabulations. These were all generated using the Statistical Package for the Social Sciences (SPSS). Tables and charts were developed based on the various frequency distributions. However, for rank order questions, we developed a Likert-type interval measure to enable us aggregate the different ranked (ordinal) responses. For each respondent, the item ranked first was given a weighting equal to the number of things being ranked, then the item ranked second given the weighting of the highest minus 1, the third was given the weighting of the second minus 1, and so on. Consequently, the lowest ranked item received a weighting of 1. A rank coefficient r was then developed as follows:

$$r = \frac{\sum_{i=1}^c (w_i \times n_i)}{N} \dots\dots\dots [1]$$

Where r_c is the number of things being ranked, w_i is the weight for each rank and n_i is the total number of respondents giving that item a specific rank. N is the highest possible points that an item can get, which is the score of the item if all the respondents ranked it first, i.e. product of total number of respondents and the highest weighting.

The Dissemination Seminar

A dissemination seminar was proposed to discuss the findings with a cross section of all that participated at the primary data gathering stage as resource persons and participants.

Revenue Profile of Abia State

Abia State has the least output (out of the nine Niger Delta States listed under NDDC law) in terms of oil and gas production in Nigeria as shown by its revenue from the Federal Government (Table 5). While Bayelsa State with a total of eight local governments received about 10 Billion Naira for the month of January 2005, Abia State received only about 2 Billion Naira for the same period. Thus, Abia State has one of the smallest net allocations from the Federation account from which most of the states in the country derive the bulk of their income.

Table 5: Comparative Federal Account Allocations of the Nine Oil Producing States (For the available periods)

State	No of LG	Total Net Allocation for July 2004 (in Naira)	Total Net Allocation for October 2004 (in Naira)	Total Net Allocation for November 2004 (in Naira)	Total Net Allocation for January 2005 (in Naira)	Rank
Bayelsa	8	5,746,995,500	5,244,607,311	8,498,486,902	9,581,588,556	1 st
Rivers	23	5,183,211,482	4,474,148,213	7,777,388,120	9,124,009,534	2 nd
Akwalbom	31	4,883,980,301	4,102,992,370	6,256,544,117	6,909,557,495	3 rd
Delta	25	6,929,046,092	5,898,413,996	5,676,933,479	6,633,758,860	4 th
Ondo	18	2,336,576,763	1,991,350,774	1,933,425,850	2,204,349,857	5 th
Imo	27	1,946,209,873	1,529,861,823	1,848,493,643	2,018,806,675	6 th
Edo	18	1,774,579,224	1,499,892,364	1,778,321,072	1,928,039,876	7 th
CrossRiver	18	1,690,873,372	1,417,597,419	1,576,441,583	1,777,967,997	8 th
Abia	17	1,683,037,276	1,406,278,006	1,532,649,646	1,684,761,863	9 th

Source: Federal Ministry of Finance, Abuja, Nigeria

The allocations for some specific available months (Table 6) show that both state and local governments received substantial amounts from the federal allocations and that the local governments received as much as 65% of what the states received.

The perception of the residents in the local government areas studied is that the LGA administration does not receive a lot of resources from both the state and the federal government as there is not much to show in terms of projects, that are not only expected to affect the development of the people, but to cushion the adverse effects of oil exploration and exploitation in their respective local government and state.

As shown in Table 7, Ukwu West Local Government received the least revenue from the federation accounts out of the three Local Governments studied. What came out

clearly is that the allocations received by the state from the federal government were strongly affected by the amount of crude oil produced by that state. However, the disbursements to the Local Governments Areas in the states were not. These were dictated by other factors. This observation buttressed the assertion by the residents in Ukwu West LGA, that they did not see any preferential allocation of resources (to their area) emanating from the fact that they are from the oil producing communities in the Local Government Area in Abia State.

Table 6: Federal allocation to Abia State Government and Local Government Councils (For specific available months)

Amount received for specific months	Beneficiary	Net Statutory Allocation	Crude oil excess proceeds	Value Added Tax Allocation	Total Net Allocation
July 2004	State	1,355,002,435	151,428,063	175,606,778	1,683,037,276
	Local Governments	868,942,773	77,521,483	105,803,183	1,052,267,440
October 2004	State	1,263,712,540	NIL	142,565,466	1,406,278,006
	Local Governments	818,765,554	NIL	85,515,758	904,281,313
November 2004	State	1,350,726,013	NIL	181,923,632	1,532,649,645
	Local Governments	906,554,783	NIL	197,714,060	1,014,268,843
January 2005	State	1,284,914,182	241,056,729	159,690,950	1,684,761,862
	Local Governments	860,405,372	125,693,028	94,550,446	1,080,648,847

Source: Federal Ministry of Finance, Abuja, Nigeria

**Table 7: Federal Allocations to Arochuku, Ukwu West and Umuahia North
Local Government Areas of Abia State, 2004 (=N=millions)**

2004	AROCHUKWU		UKWA WEST		UMUAHIA NORTH	
	Total Allocation	% of Total	Total Allocation	% of Total	Total Allocation	% of Total
January	53.7	9.0	42	8.8	61.2	9.3
February	52.9	8.9	41.3	8.7	60.2	9.2
March	51.4	8.6	40.2	8.4	58.6	8.9

April	N/A	N/A	N/A	N/A	N/A	N/A
May	47.9	8.1	38.8	8.1	52.4	8.0
June	55.3	9.3	44.7	9.4	60.3	9.2
July	55.5	9.4	44.9	9.4	60.6	9.2
August	61.8	10.4	50.1	10.5	67.6	10.3
September	48.9	8.2	39.6	8.3	53.5	8.1
October	54.4	9.2	44	9.2	59.6	9.1
November	53.1	8.9	43	9.1	58.1	8.8
December	59.6	10.0	48.3	10.1	65.2	9.9
Total	594.5	100	476.9	100	657.3	100

Source: Federal Ministry of Finance – <http://www.fmf.gov.ng/>

Pattern of Resource Flow and Utilization in Abia State

The estimates of Abia State budget for capital expenditure showed that they are in four major sectors (as stated by the State): economic, social services, regional development and general administration. A study of the five years that we were able to get the data (i.e.2000 - 2002 and 2004 - 2005) showed that generally, the budget lacked focus on yearly basis and there is no consistency in allocation to sectors over the period considered (Table 8). Some sections in the sectors were not allocated any resource in some years. One is not surprised why the residents in the communities are so concerned about the lack of effective impact of the government in their communities.

Even in allocations to areas in each sector, consistency is not also exhibited. In the economic sector, about 11% was allocated to agriculture on the average for the period studied. Agriculture is the major economic activity in the state, there is visible poverty among the people at the grassroots. Agriculture (including livestock, forestry and fisheries) was allocated 10% of the total of 33% for that sector in 2000, 10% of the total of 19% for that sector in 2001, 7% of the total of 40% for that sector in 2002, 6% of the total of 25% for that sector in 2004 and 11.2% of the total of 57% for that sector in 2005. However, there is not much to show on the ground with respect to these haphazard allocations. The respondents informed us that they read in the local and national dailies about the intentions of the state governments to boost agriculture, but on the ground, most times, they did not see much to show for the intentions. For example, fertilizers were not distributed to them for their farms as at when needed, extension workers were seldom seen at the communities while there are no motorable roads for them to get to their farms and assist in easy evacuation of their farm produce. Very important is the fact that they do not know who is responsible for what. Thus, they do not know who should be held responsible for failure to provide specific services.

Another notable area in the economic sector is transportation. Transportation was allocated 8% of the total 33% for that sector in 2000, nothing was allocated in 2001, 19% of the total 40% for that sector in 2002, 8% of the total 25% for that sector in 2004, and 18% of the total 57% for that sector in 2005. Our observation is that these resources

were spent on purchasing commercial 15-seater buses for intra and inter state transportation for the people. These buses were distributed to informal private entrepreneurs on attractive loan/subsidy basis. Boldly written on them were inscriptions purporting that the governor gave them the buses. However, it is known that the buses were allocated to individuals sponsored by distinguished political members of PDP (Peoples Democratic Party – the governor's party) that operate the transportation in locations where they are sure of maximizing their profits. These areas are definitely not where the buses will benefit appreciably the people at the grassroots.

The social services sector consists of education, health, information, social development and culture. Education was allocated 10% of the total of 35% for that sector in 2000; 10% of the total of 38% for that sector in 2001; 8.2% of the total of 28% for that sector in 2002; 28% of the total of 59% for that sector in 2004; and 10% of the total of 24% for that sector in 2005. However, what we observed are a few renovated primary school buildings in the communities studied. Health was allocated 17% of the total of 35% for that sector in 2000; 16% of the total of 38% for that sector in 2001; 10.8% of the total of 28% for that sector in 2002; 24% of the total of 59% for that sector in 2004; and 4% of the total of 24% for that sector in 2005. The observation is not that much different from that of education.

The least attention was paid to regional development i.e. 20% of the total budget in 2000; 26% in 2001; 17% in 2002; 2% in 2004 and 3% in 2005. Water, that is a major problem in the state was allocated 6% of the total of 20% for that sector in 2000; 8% of the total of 26% for that sector in 2001; 5% of the total of 17% for that sector in 2002; nothing of the total of 2% for that sector in 2004; and 2% of the total of 3% for that sector in 2005. These figures portray that progressively the state is dissociating itself from the plight of its people as majority of the residents are in the rural areas. In fact, if the cost of building Abia State House of Assembly (that gulped 4% in 2000, 5% in 2001, 2% in 2002, 0.2% in 2004 and 0.2% in 2005) is removed from that sector, the actual amount allocated to regional planning sector is further reduced.

On the average, for the five years considered, general administration was allocated a consistent 15% of the total budget except in 2000 when it got 12%. Whereas, regional planning development, although got 14% in 2000, this had dwindled to 3% in 2005.

A constraint of the way these estimates were presented by the state is that some important areas were not visible in the presentation. A very good example is rehabilitation of roads. The case of Aba town, the commercial and industrial capital of the state with very deplorable roads and unpardonable refuse dumps all over the city is very visible. Granted some inter state roads e.g. Ikot Ekpene Road, which leads Umuahia, the State capital to Akwa Ibom State, is noticeable. However, intra State Roads e.g. Umuahia - Arochukwu Road is still as deplorable as ever.

In the case of the local government authorities, there were no data available in respect of resources (or anything for that matter) except the one from the Federal government showing how much they were allocated from the Federal Account. The Local Government Councils did not prepare budgets, expenditure patterns and disbursement

of funds. There were no accounting documents to refer to in all the LGAs. The inference is that when they collect their allocations, they disburse the funds as they saw fit. This portrays lack of focus and accountability. It also gives room to gross fraudulent practices as observed by the respondents in the communities. Also, it was an uphill task to see the Chairmen of the LGAs in their offices. Somehow they are not accessible to their people. This observation by both the research team and the people at the grassroots negates the whole basis of instituting the local government councils in the country and calls for a serious need to reassess the fundamental principle of setting up the local government councils in order to make them relevant and accessible to the people at the grassroots.

Table 8: Estimates of Abia State – Summary of Capital Expenditure

Sector	Total Expenditure - % (Yr- 2000)	Total Expenditure - % (Yr- 2001)	Total Expenditure - % (Yr 2002)	Tot al Exp (Yr 200 3)	Total Expenditure - % (Yr 2004)	Total Expenditure - % (Yr 2005)
Economic Sector						
- Agriculture and Rural developmt	403,967,000 6%	468,500,000 8%	569,000,000 6%	Not Avai- lable	250,500,010 5%	1,256,134,030 11%
-Livestock	54,500,000 0.9%	47,000,000 0.9%	53,500,000 0.5%		30,500,000 0.6%	11,000,000 0.1%
-Forestry	55,000,000 1%	65,000,000 1%	50,000,000 0.5%		18,733,960 0.3%	4,000,010 0%
- Fisheries	5,000,000 0.1%	6,000,000 0.1%	6,000,000 0%		5,000,000 0.1%	13,000,000 0.1%
- Manufacturing	135,000,000 2%	100,050,000 2%	475,000,000 5%		200,000,010 4%	247,500,000 2%
- Manufacturing and finance	252,000,000 4%	310,000,000 5%	350,000,000 4%		338,000,000 7%	668,000,010 6%
-Energy/ power	81,000,000 1%	141,500,000 2%	420,000,000 5%		10 0%	2,244,014,310 20%
-Commerce and finance	1,187,000,000 8%	0 0%	1,789,310,940 19%		340,000,000 8%	1,999,059,090 18%
-Housing	2,173,467,000	1,138,050,000	3,712,810,940		1,182,733,990	6,442,707,450
-Transport						
Total						

	33%	19%	40%		25%	57%
Social Services	661,041,000	621,000,000	779,970,040	Not Available	1,316,000,000	1,105,845,860
-Education	10%	10%	8.2%		28%	10%
-Health	1,111,983,000	991,956,000	1,014,000,000		1,095,983,000	481,000,010
-Information	17%	16%	10.8%		24%	4%
-Social Develop, sports & culture	415,000,000	416,000,000	410,000,000		307,000,010	1,010,000,000
	6%	7%	4.2%		7%	9%
	150,000,000	300,000,000	450,000,000		0	113,000,000
	2%	6%	4.8%		0%	1%
Total	2,338,024,000	2,328,956,000	2,653,970,040		2,718,000,020	2,709,845,870
	35%	38%	28%		59%	24%
Regional Development				Not Available		
-Water resources and supply	395,980,000	470,000,000	440,000,000		0	159,000,010
	6%	8%	5%		0%	2%
-Survey & mapping	20,000,000	36,000,000	35,000,000		60,000,000	105,500,000
	0.2%	0.5%	0.4%		1.7%	1%
-Housing	533,000,000	610,000,000	720,000,000			
	8%	10%	8%			
-Town & country	100,000,000	100,000,000	94,000,000			
	2%	2%	1%			
Planning	40,000,000	40,000,000	45,000,000		15,000,000	38,000,000
-Community	0.9%	0.6%	0.5%		0.2%	0.2%
					75,000,000	302,500,010
Development	245,000,000	288,000,000	257,500,000			
-Abia State	4%	5%	2%		2%	3%
house-Assembly	1,334,480,000	1,544,000,000	1,591,500,000			
	20%	26%	17%			
Total						
General Administration				Not Available		
- General	763,433,070	1,027,928,590	1,424,000,000		657,500,000	1,804,221,000
	12%	17%	15%		14%	16%
Administratio n	763,433,070	1,027,928,590	1,424,000,000		657,500,000	1,804,221,000
	12%	17%	15%		14%	16%
Total						

Grand Total	6,609,404,070 100%	6,038,934,590 100%	9,382,280,980 100%	Not Available	4,633,234,010 100%	11,259,274,330 100%
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Source: Ministry of Finance, Umuahia, Abia State, Nigeria

We were not able to get the data on actual disbursement of revenue to the local governments. This has always been a thorny issue in budget allocations to the local governments in Nigeria. The states insist on disbursing the local government's allocations from the federal allocations to them, while the local governments are still pleading to get their allocations directly from the federal government. Their argument is based on the fact that most times, the states remove a lot of money before remitting their allocations. Thus, they are not able to plan and execute meaningful programs and projects in their local government areas. Most of them complain that the disbursements from the state allow them to pay staff salaries only. Thus, most hide under this cloak to embezzle the resources allocated to them. This is an area that must be sincerely looked at in order to make the local governments effective. Also, the local governments must prepare their budgets and actual disbursements. And most important, monitoring and evaluation must be built in to the system at all levels. This is sine-qua-non to effective, transparent and accountable budgeting system for the country. Presently, all the attention is paid to the federal government while the states and local governments are not accountable.

In summary, Abia State received the least amount of allocation (out of the oil producing states of the Niger Delta) from the federal account. We cannot say that the total amount allocated to the state is small, considering the fact that it received over 17 billion naira in 2002, 15 billion naira in 2003 and 25 billion naira in 2004. A comparison of the proposed budget and actual disbursement that would have assisted us to effectively critique the performance on the ground could not be made since we were not able to get the data. We were not able to get the data on recurrent expenditure for the state. We were also not able to get the annual monitoring and evaluation report of the performance of the state for any period. Thus, it became impossible to draw conclusions in respect to performance of the state. However, on the basis of the data that we collected, we can conclude that there was no consistency in the allocation of resources to the sectors. Some programs were not allocated resources in some years, therefore allocations to sectors and different sections in the sectors are largely arbitrary and whimsical. The inability to access information is very noticeable. We could not assess information about the entire sectors e.g. social services sector which covers critical areas like education, health etc. Also, it was difficult to provide a detailed assessment of specific projects and programs under the different sectors. This hampered our discussion on resource utilization and did not allow us to provide in depth insight of resource allocation and utilization of the many programs (that were not visible) that the state government has always talked about to the media particularly in education, health care delivery, women, youth and children concerns.

Results and Discussions

a) Oil revenue governance and development

Oil-derived revenue remains a lasting issue of development in Abia State. At different times, successive governments of the State have complained about under calculation of its oil production and illegal withholding of its revenues by the federal government. Fund transfers from the Federation Account, of which oil revenue forms the overwhelming inflow is the backbone of Abia development.¹⁵ According to the Federal Ministry of Finance, between June 1999 and July 2004, oil-derived allocations from the Federation Account to Abia State and Local governments amounted to about 87% of all allocations received by the State.

Table 9 shows that internally generated revenues (IGR) of Abia State have lagged abysmally behind allocations from the Federation Account. In 2000, IGR constituted about 6% of State revenues. Although it increased to 13% in 2001 and about 11% in 2002, it again dropped to about 5% in 2003. All these underscore the importance of oil-derived revenue to the development of Abia State. The centrality of oil-derived revenue to the development of Abia State raises the question of its governance as a primal issue in the development of the State. Governance here addresses the issue of control, management, allocation and expenditure of oil-derived revenue. In this regard, public assessment of the transparency and accountability of government in the use of such revenue, the level of consultation between government officials and the public, and the responsiveness of government to the needs of the public are crucial to oil revenue governance and its impact on development

To be sure, both the Abia State government and the local governments have received enormous oil-related funds since the country returned to civil rule in 1999. Prior to 1999, there were widespread accusations levelled against the military government concerning the (mis)use of petroleum revenues to fund personal interest and failure to return any substantial revenues to the oil producing areas. This accusation persisted notwithstanding that in July 1992 the military government of General Babangida by Decree No. 23 of that

year, established the Oil Mineral Producing Areas Development Commission (OMPADEC) and committed 3% of oil revenues to the Commission.¹⁶ However, high hopes at its inception that OMPADEC will become the driving force behind the regeneration of the Niger Delta soon proved to be forlorn in spite of the huge financial resources ostensibly available to it, which were estimated at about ₦1 billion (\$50 million) every month. Inter-ministerial intrigues, corruption and diverse insalubrious political calculations within government and OMPADEC soon made the Commission another conduit for siphoning oil revenues. For instance, according to A.K. Horsfall,

¹⁵ The other inflow into the Federation Account is Value Added Tax (VAT). From June 1999 to July 2004, VAT contributed only 2% of all allocations from the Federation Account to the Federal government and about 13% of allocations from the Federation Account to Abia State and Local Governments. See Federal Ministry of Finance (nd) *Detailed Breakdown of Allocations to Federal, State and Local Governments (June 1999 – July 2004)*, Abuja: Federal Ministry of Finance, pp. 6-7.

¹⁶ See the account of A.K. Horsfall, the pioneer Chief Executive of OMPADEC in A.K. Horsfall (1999) *The OMPADEC Dream*, London: Imprint Publication.

who chaired the inaugural Board of the Commission from its inception until it was dissolved in January 1996,¹⁷ “governments – civil or military – never stopped eyeing our funds with a view to either poaching them or indirectly controlling or sharing in them.”¹⁸ Still, OMPADEC received very substantial funding for the five years it was operational. In 1993 alone, it received about \$250 million for its activities, and by December 1997 had expended some \$870 million with very little to show for it.¹⁹ Not surprisingly, OMPADEC became in the popular consciousness another ruse designed to enrich the families and friends of the military government, while pretending to be investing in the Delta. OMPADEC was often accused of mismanagement of its resources if not outright corruption.

Incidentally, there seems to be some truth in the public perception of OMPADEC. By his own account, Horsfall accepts that there were shortcomings in the management of its finances. For instance, in March 1993, ₦2 billion was taken from OMPADEC account by the Federal Ministry of Works for projects, which according to Horsfall “never ever took place”. In addition, the management of OMPADEC made advance payments to contractors, sometimes amounting to over 50% of project cost, even before projects were executed. In one instance in 1993, this led to the loss of ₦275 million over a disputed water project.²⁰ It is not surprising that when OMPADEC was finally scrapped, it owed billions of Naira to its contractors and had hundreds of projects abandoned. In 1999, the military government requested the National Economic Intelligence Committee to evaluate OMPADEC debts to its contractors by assessing the extent of work on abandoned projects. In Bayelsa State alone, the Intelligence Committee found over 300 abandoned projects, the extent of work on many of them intentionally overestimated by OMPADEC staff and in others contractors had received huge sums of money for work they did not carry out.

Table 9: Abia Revenues, 2000 – 2003

Source	2000	2001	2002	2003
From Federation Account to State Government	6,609,404,070	6,038,934,590	9,382,280,980	11,285,184,731
From Federation Account to Local Government	3,243,337,589	3,809,589,585	6,807,154,255	8,447,518,898
Internally Generated Revenue	668,641,938	1,416,088,790	2,004,900,000	1,143,953,560
Total Allocation from	9,842,741,679	9,848,524,175	16,189,335,235	19,732,703,629

¹⁷ General Abacha dissolved the OMPADEC Board and appointed Prof. E. Opia as Sole Administrator.

¹⁸ A.K. Horsfall, *The OMPADEC Dream*, p. 66.

¹⁹ Okechukwu Ibeanu ‘(Sp)oil of politics: petroleum, politics and the illusion of development in the Niger Delta, Nigeria’, *ACAS Bulletin*, No. 64, Winter, 2002/2003.

²⁰ *Ibid*, p. 68.

Federation Account				
Grand Total	10,511,383,617	11,264,612,965	18,194,235,235	20,876,657,189
Internally Generated Revenue as % of Grand Total	6%	13%	11%	5%
Allocation from Federation Account as % of Grand Total	94%	87%	89%	95%

Source: Abia State Government *Abia State Economic Empowerment and Development Strategy*, Umuahia: Abia State Planning Commission, 2005

In January 2001, the present government through an Act of the National Assembly established the Niger Delta Development Commission, ostensibly in response to lingering accusations of neglect of the Niger Delta. The Commission took off with a very healthy revenue profile, projected to be between ₦20 and 40 billion annually. The NDDC is being funded from 15% of federal allocation to the nine states of the Niger Delta, 50% of ecological fund due to the nine states and 3% of annual budget of oil companies. Consequently, NDDC represents an additional track of oil revenue flowing into the Niger Delta States, including Abia State. In 2004, the Commission released its long-awaited Master Plan for the development of the Niger Delta. In it, the NDDC proposed five tracks of intervention for the Niger Delta namely, economic development, human and community needs, the natural environment, physical infrastructure and human and institutional infrastructure.²¹ Under the 2006 federal appropriation, NDDC is to receive ₦20.98 billion for its work.

Tables 10 and 11 show that the three local government councils that we studied received between them at least ₦1.43 billion in 2004 and 2005. On its part, the State government received about ₦17 billion in 2004 and ₦21.42 billion in 2005.²² A major controversy in the governance of oil revenue in Nigeria is the management of the huge funds accruing to government, including their application to development. Often, State governments accuse the federal government of acting arbitrarily in allocating oil revenues, while the federal government accuses State governments of mismanagement and diversion of Local government funds. While this ostrichism²³ and dubious morality debate goes on, development is placed at bay and communities have had to fend for themselves.

²¹ See Niger Delta Development Commission (NDDC) *Niger Delta Region Development Master Plan*, Port Harcourt: Niger Delta Development Commission, 2004, p. 13.

²² 2004 figure is the net receipt after all deductions, while 2005 figure is gross. These figures were calculated from two sources: (a) Federal Ministry of Finance (nd) Detailed Breakdown, op cit., p. 7; (b) <http://www.fmf.gov.ng/>

²³ This refers to the habit or policy of refusing to face unpleasant facts.

Table 10: Details of Allocations from the Federation Account to Arochukwu, Ukwa

Umuahia North L. G. A of Abia State, 2004

(=N=millions)

2004	AROCHUKWU			UKWA WEST			UMUAHIA NORTH		
	Gross Statutory Allocation	Value Added Tax	Total Allocation	Gross Statutory Allocation	Value Added Tax	Total Allocation	Gross Statutory Allocation	Value Added Tax	Total Allocation
January	48.6	5.1	53.7	37.6	4.4	42	55.3	5.9	61.2
February	48.7	4.2	52.9	37.7	3.6	41.3	55.4	4.8	60.2
March	46	5.4	51.4	35.6	4.6	40.2	52.4	6.2	58.6
April	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
May	42.7	5.2	47.9	34.4	4.4	38.8	46.5	5.9	52.4
June	50.7	4.6	55.3	40.8	3.9	44.7	55.1	5.2	60.3
July	50.4	5.1	55.5	40.5	4.4	44.9	54.8	5.8	60.6
August**	51.3	6.0	61.8	41.3	5.1	50.1	55.8	6.8	67.6
September	43.4	5.5	48.9	34.9	4.7	39.6	47.2	6.3	53.5
October	49.1	5.3	54.4	39.5	4.5	44	53.5	6.1	59.6
November	48.3	4.8	53.1	38.9	4.1	43	52.6	5.5	58.1
December	53.5	6.1	59.6	43.1	5.2	48.3	58.2	7.0	65.2
Total	532.7	57.3	594.5	424.3	48.9	476.9	586.8	65.5	657.3

**Total allocation for August includes revenue accruing from \$2 per barrel difference

Source: Federal Ministry of Finance – <http://www.fmf.gov.ng/>

Table 11: Allocations from the Federation Account to Arochukwu, Ukwa West and Umuahia North Local Government Areas of Abia State, 2005
(=N=millions)

	AROCHUKWU				UKWA WEST				UMUAHIA NORTH			
2005	Gross Statutory Allocation	Excise Crude	Value Added Tax	Total Allocation	Gross Statutory Allocation	Excise Crude	Value Added Tax	Total Allocation	Gross Statutory Allocation	Excise Crude	Value Added Tax	Total Allocation
January	52.6	7.4	6.7	66.7	42.3	6.0	6.7	55.0	57.2	8.1	7.6	72.9
February	50.7	7.4	5.3	63.4	40.9	6.0	4.6	51.5	55.2	8.1	6.1	69.4
March	48.5	7.4	6.4	62.3	39.0	6.0	5.5	50.5	52.8	8.1	7.3	68.2
April	47.4	7.4	5.8	60.6	38.1	6.0	4.9	49.0	51.5	8.1	6.7	66.3
May	46.7	7.4	5.4	59.5	37.6	6.0	4.6	48.2	50.9	8.1	6.2	65.2

June	48.5	7.4	6.1	62.0	39.0	6.0	5.2	50.2	52.8	8.1	7.0	67.9
July	59.0	7.4	6.1	72.5	47.5	6.0	5.2	58.7	64.1	8.1	6.9	79.1
August**	51.2	7.4	4.9	63.5	41.2	6.0	4.2	51.4	55.7	8.1	5.6	69.4
September	55.6	7.4	6.9	69.9	44.7	6.0	5.9	56.6	60.4	8.1	8.0	76.5
October	43.8	7.4	5.9	57.1	35.3	6.0	5.0	46.3	47.7	8.1	6.8	62.6
November	53.5	7.2	4.5	65.2	43.1	5.8	3.8	52.7	58.2	7.9	5.3	71.4
December	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	557.5	81.2	64	702.7	448.7	65.8	55.6	570.1	606.5	88.9	73.5	768.9

Source: Federal Ministry of Finance – <http://www.fmf.gov.ng/>

We sought to find out the public views on how different development funds are managed. Among the common sources of development funding in Abia State are oil revenue, local taxes, project launch, town union and meeting contributions, as well as funds of religious and voluntary agencies. From Table 12 we see that only 1 respondent out of 100 in Arochukwu, 4 out of 100 in Ukwu West and 1 out of 91 in Umuahia North said that oil revenues are well managed by the State government. At the same time 79, 76 and 84 respondents in Arochukwu, Ukwu West and Umuahia North respectively said that oil revenues are poorly managed.

The import of public attitude to the management of oil revenues becomes clearer when we look at aggregated responses of our respondents as a basis for their comparative assessment of the management of different sources of development funds. Table 13 clearly shows that members of the public are more confident in the management of development funds that are not under the control of politicians and by extension government, such as money from project launch, town union contributions and funds from religious groups. In fact, Table 14 shows that respondents overwhelmingly said that politicians control oil and gas revenues (89.69%) and taxes (78.69%). It is instructive that these two sources of development fund were also rated least in terms of proper management. While 82% and 59% of our respondents respectively think that oil revenue and taxes are poorly managed, only 13%, 12% and 7% of them think that funds from project launch, town union contributions and funds of religious organizations are poorly managed respectively.

Table 12: Public evaluation of management of development funds

	Well managed			Fairly well managed			Poorly managed			I don't know		
	Arochukwu	Ukwu West	Umuahia North	Arochukwu	Ukwu West	Umuahia North	Arochukwu	Ukwu West	Umuahia North	Arochukwu	Ukwu West	Umuahia North
Oil and gas revenues	1	4	1	3	9	9	79	76	84	4	8	4
Local taxes	11	8	9	41	15	8	31	70	70	6	6	6
Project launch	30	40	13	33	35	48	15	13	9	9	9	21

(“launching”)												
Town union/meeti ng contribution s	8	39	26	53	45	52	16	12	8	11	4	5
Funds from religious and voluntary bodies	6	49	56	56	5	21	11	4	6	12	14	0

To be sure, evidence from our fieldwork strongly shows that the people of Abia State hold politicians principally responsible for the mismanagement of public funds generally, and oil revenue in particular. Table 15 shows that 53.6% of our respondents think that politicians spend public funds mainly on buying personal property, while 44.3% think that they spend public funds on paying their political godfathers and supporters. Only 27% of respondents think that politicians spend funds on providing social amenities like roads, schools and markets, while less than 1% thinks that they support charitable work. Compare these figures with over 66% who believe that town union leaders spend public funds on providing public amenities and 33.3% who said that women and youth leaders provide such amenities.

Notwithstanding that these figures are derived from public perceptions, which may not be accurate, they are important in understanding oil-derived resource flows in Abia State, especially in measuring their impact. Surely, these figures at least point to the fact that members of the public are dissatisfied with the impact of oil-derived revenue on social conditions in the State. In any case, these perceptions are consistent with widely available evidence that suggests that revenues from oil accruing to successive Nigerian governments have not been properly managed to ensure that communities derive maximum benefits from such revenues. Thus, in about a decade from 1993 to 2004, Nigeria earned an estimated \$230 billion from crude oil production alone. Yet, she remains one of the poorest countries in the world.²⁴

Table 13: Aggregated responses on management of development funds

	Frequencies				Relative frequencies (%)			
	Well managed	Fairly well manag ed	Poorly manag ed	Don't know	Well managed	Fairly well manag ed	Poorly manag ed	Don't Know

²⁴ Okechukwu Ibeanu (with Ike Ifelunni), ‘Antinomies of wealth: oil revenue allocation, distribution and utilisation in the Niger Delta’, Report for Oxfam GB, Abuja, 2006, p. 15.

Oil and gas revenues	6	21	239	16	2.06	7.22	82.13	5.50
Local taxes	28	64	171	18	9.62	21.99	58.76	6.19
Project launch ("launching")	83	116	37	39	28.52	39.86	12.71	13.40
Town union/meeting contributions	73	150	36	20	25.09	51.55	12.37	6.87
Funds from religious and voluntary bodies	111	82	21	26	38.14	28.18	7.22	8.93

Table 14: Control of development funds

	Frequencies					Relative frequencies (%)				
	Politicians	Traditional Rulers	Town union executives	Priests & church leaders	The whole community	Politicians	Traditional Rulers	Town union executives	Priests & church leaders	The whole community
Oil and gas revenue	261	22	4	0	6	89.69	7.56	1.37	0.00	2.06
Local taxes	229	42	19	0	8	78.69	14.43	6.53	0.00	2.75
Project launch ("launching")	43	47	119	5	53	14.78	16.15	40.89	1.72	18.21
Town union/meeting contributions	2	24	185	38	17	0.69	8.25	63.57	13.06	5.84
Funds from religious and voluntary bodies	3	1	6	256	5	1.03	0.34	2.06	87.97	1.72

Table 15: Respondents' perception of how leaders spend Public funds in Abia State (%)

	Building roads, schools, markets, hospitals, etc	Buying personal property	Paying political godfathers and supporters	Living a life of comfort and wealth	Giving charity to the needy
Traditional rulers	25.43	17.87	8.25	43.64	4.47
Town union executives	66.67	7.22	4.12	4.47	3.44
Politicians	27.49	53.61	44.33	20.62	0.69
Church leaders	7.56	3.09	0.34	4.47	80.41

Women & youth leaders	33.33	15.12	0.34	5.50	31.96
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In spite of perceived poor utilization of oil-related revenue in Abia State by members of the public, a majority of our respondents (53.6%) do not think that the State gets its due in oil revenue from the federal government. Many government officials in the State share this view, blaming manipulation of oil production figures by oil companies and federal government officials for this situation. However, about 80% of our respondents in all three local government areas studied also told us that their specific communities do not get a fair share of oil revenue. This suggests that the communities are not only blaming the federal government for not giving enough to the State government, but also blaming the State government for not getting enough resources to their communities. Interestingly, in Ukwa West, which is the main oil-producing area of Abia State, 8% of respondents believe that their communities are getting their due in oil revenues. This is double the 4% and 4.4% who believe that their communities are getting a fair share of resources in Arochukwu and Umuahia respectively (Table 16). We think that the difference between Ukwa West and the other areas in this regard is connected to the work of the Niger Delta Development Commission (NDDC) and oil companies in providing social amenities to the area.

Table 16: Respondents' perception and knowledge of oil revenue flows to State and their communities(%)

	Arochukwu			Ukwa West			Umuahia		
	YES	NO	DON'T KNOW	YES	NO	DON'T KNOW	YES	NO	DON'T KNOW
Do you think that your State gets its due in government funding?	15.00	65.00	18.00	33.00	38.00	19.00	25.27	58.24	16.48
Do you think that your community gets its due in government funding?	4.00	80.00	10.00	8.00	80.00	12.00	4.40	82.42	10.99
Do you know how much of oil related revenue your state gets from the Federal Government?	0.00	94.00	-	6.00	94.00	-	2.20	95.61	-

Paradoxically, in spite of the strong feeling among our respondents that Abia State is not receiving its fair share of oil revenue from the federal government, an overwhelming majority of them do not know how much the State government receives in oil revenue. As Table 16 also shows, only 6% and 2.2% of respondents in Ukwa and Umuahia respectively know how much Abia State receives in oil-related revenue, while none of

the respondents in Arochukwu knows how much. This is a clear pointer that information on oil-related revenue is still an elite preserve and that much of public perception of oil resource flows to the States is based more on manipulation of information by political leaders than on dependable information flow. Consequently, there is need for more accurate information on oil revenue flows to Abia State to get to the public.

Expectedly, the lack of information on oil revenue flows mirrors a pervasive powerlessness among members of the public to control or hold public officials accountable on how they use public revenue. Asked how their communities ensure officials use funds for purposes they are meant, an average of 47.2% informed us that their communities could not check the officials. This sense of incapacity tends to increase dramatically with politicians, including NDDC officials. As Table 17 shows, on the average 58.7% of our respondents do not think that they can check politicians and NDDC officials, compared to 16.6% who think that they cannot control the other categories of leaders. The Table also indicates that respondents consider regular meeting with officials as the most viable means of ensuring control and accountability, followed by community supervision of projects, regular written reports and public tender for project contracts in that order.

According to our respondents (Table 18), the principal reason why they cannot get officials to use funds for the proper purposes is the remoteness of the officials. Again, this is particularly marked among politicians. For instance, about 74% of our respondents cannot reach the State governor, 75% cannot reach their Senator and 83% cannot reach their representative in the House of Representatives. Comparatively, only 10% cannot reach their Town Union executives, 12% cannot reach their church leaders and 14% cannot reach their traditional rulers.

In summary, these perceptions portray that the communities are far removed from the ruling class. They do not have authentic channels of communication in making sure that the resources to be spent for the communities are judiciously utilized and there are no ways to seek for redress in case of default. The communities cannot effectively monitor especially elected members, as they did not choose them. Their democratic powers are non-existent. In their own words the members are selected by the dominant political parties in the country and not elected by them. Thus, they are not accountable to the electorates but their political godfathers and patrons.

Table 17: How communities ensure proper use of revenue by officials (%)

	Regular Written reports	Regular meetings w/t community	Public tender for projects	Community supervision of projects	Community cannot check official
State governor	17.53	1.03	6.87	3.78	62.89
Senator	5.50	4.81	2.41	2.75	74.91

Member of House of Representatives	2.41	18.21	2.41	4.81	57.04
Member of State House of Assembly	4.12	15.46	3.44	4.12	63.92
State Commissioners	11.00	15.12	2.75	2.75	63.57
Local government chairman	4.47	15.81	3.44	13.06	51.55
Local government councillor	3.78	14.78	4.12	21.31	48.11
NDDC officials	14.09	5.84	11.34	12.37	47.77
Church leaders	22.68	26.12	1.72	13.75	32.99
Traditional rulers	3.09	48.45	13.40	17.53	9.62
Town union executive	8.93	48.45	4.81	24.05	7.22
AVERAGE	8.87	19.46	5.15	10.93	47.24

Table 18: Why communities cannot make officials to use funds for purposes they are meant (%)

	We are afraid of him/her	We can't reach him/her	Against our culture to ask	Against our religion to ask	We don't care
(a) State governor	11.00	73.88	1.03	0.69	6.19
(b) Senator	7.22	74.91	1.03	0.34	6.53
(c) Member of House of Representatives	4.47	83.16	0.34	0.69	5.15
(d) Member of State House of Assembly	5.50	79.04	1.37	0.69	6.19
(e) State commissioners	6.19	78.01	0.34	1.03	7.22
(f) Local government chairman	6.53	73.20	0.34	0.00	12.37
(g) Local government councillor	4.47	68.73	1.03	1.03	15.12
(h) NDDC officials	3.09	70.45	1.03	2.41	10.31
(i) Church leaders	3.44	12.03	10.65	29.21	26.46
(j) Traditional rulers	7.56	14.09	37.80	3.78	12.71
(k) Town union executive	7.56	10.31	10.65	1.72	40.89
AVERAGE	6.09	57.98	5.97	3.78	13.56

Oil resource flows and social inclusion in Abia State

Gender inequities against women in resource allocation and use are widely recognized in social science literature. Attributable generally to traditions associated with patriarchy, gender inequities are widely reproduced subtly by state policies, ideological institutions like the school, church and family, and more directly through coercion

expressed in such practices as forced marriages, forced eviction from the land and matricide. Within the last three decades, however, global attention has been focused on different dimensions of social vulnerability of women, leading to a process that has seen the adoption of CEDAW²⁵ and convening of a series of United Nations International Women's conferences in Mexico (1975), Nairobi (1985), Beijing (1995) and New York (2005). Two important gains of this process have been the increasing currency of gender planning and gender budgeting with specific attention to women. The two recognize that women interests traditionally correspond to the basic needs of their families and communities. Gender planning involves a clear identification of immediate practical needs of women, an assessment of "which societal changes will lead, in the long run, to more equal access to resources for women" and then empowering women to achieve the requisite benefits through sustainable human development.²⁶ On its part, gender budgeting is the most practical instrument for achieving these, especially through conscious allocation of resources, insofar as the budget actually expresses the financial plans of government.²⁷ Increased allocation of resources to women issues rapidly translates into wider social transformations in the community, especially improvements in the conditions of vulnerable groups like children, the disabled and the aged. In Nigeria, it is estimated that women and children constitute two-thirds of the poor²⁸ and this calls for increased allocation of resources to women issues, especially oil-related revenues controlled by public agencies like State and Local governments. Without a conscious effort to allocate revenue to women issues, the targets of the Millennium Development Goals including eradication of extreme poverty, achievement of universal primary education, promotion of gender equality, reduction of child mortality and improvement of maternal health will be difficult to achieve.²⁹

In Abia State, while there seems to be a recognition of the need to devote more resources and projects to women, children, the disabled and elderly, public agencies like State government, Local government and NDDC generally lag behind churches, town unions and women organizations in establishing such projects. Table 19 shows that on the average 49.4% of respondents to our questionnaire said that all the identified agencies provide services to women and vulnerable groups in Abia State. However, while an average of 44.44% of respondents said that governmental agencies such as State and Local governments and NDDC provide services, 53.18% said that non-governmental agencies like churches and women organizations provide such services. Conversely,

²⁵ The UN General Assembly adopted the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) by resolution 34/180 of 1979.

²⁶ Nan Wiegersma 'Introduction to part 5' in Nalini Visvanathan et al (eds) *The Women, Gender and Development Reader*, London: Zed Books, 1997, p. 362.

²⁷ In Nigeria, this is not always the case. In many cases, budgets, particularly capital budgets, are not followed and this often leads to disagreements between the executive and legislature.

²⁸ Zwaku Bonat *Gender-Aware Analysis of the Federal Budgets in Nigeria (1995 – 2002): Focus on the Agricultural Sector*, Lagos: Centre for Democracy and Development, 2005, p.10.

²⁹ http://www.worldbank.org/millennium_goals_summary.htm

while 22.9% of respondents said that government agencies did not provide such services, only 12.8% said that non-governmental agencies did not provide them.

Table 19: Agencies providing services to women, children, disabled and elderly

	Yes	No	Don't know	Yes Average	No Average
(a) State government	50.17	20.96	13.40	44.44%	22.9%
(b) Local government	48.45	19.24	16.49		
(c) NDDC	34.71	28.52	16.84		
(d) Churches	69.76	5.50	10.31	53.18%	12.8%
(e) Town unions	42.96	19.59	14.43		
(f) Women's organizations	59.45	8.93	12.37		
(g) Youth organizations	40.55	17.18	14.09		
Average	49.44	17.13	13.99		

However, respondents were less optimistic about the numbers of such projects. Only 6.19% of them indicated that there are programs and special financial expenditure for disadvantaged groups. Disaggregating these figures, only 12% of respondents know of the existence of such projects in Arochukwu, 2% in Ukwa West and 6.19% in Umuahia North (Table 20). Respondents were also not very optimistic about women and vulnerable groups participating in decisions on these projects and services, or sharing equitably in their benefits. We asked them three questions concerning the participation of vulnerable groups in choosing these projects and services, their role in determining where the projects are located and the benefits they derive from the projects and services. The results, which are given in Table 21, show that apart from the elderly, all the other groups generally fared poorly in participation, determination of project location and in benefits accruing from the projects, with widows, the disabled and minorities faring particularly badly.

The women are very articulate about the problems that affect their households' well being, and the inability of government (federal, state and local government) to execute special projects in their community deriving from the fact they are from the oil producing areas in the state.

Table 20: Vulnerable groups and provision of projects and funding

Existence of programmes & special financial expenditures for disadvantaged groups?			Disadvantaged groups doing something to redress lack of projects & funding?			Aware of opportunities for disadvantaged groups to gain access to resources?		
	YES	NO		YES	NO		YES	NO
Arochukwu	12 (12.00)	66 (66.00)	Arochukwu	10 (10.00)	38 (38.00)	Arochukwu	57 (57.00)	39 (39.00)
Ukwa West	2 (2.00)	69 (69.00)	Ukwa West	0 (0.00)	32 (32.00)	Ukwa West	2 (2.00)	97 (97.00)
Umuahia North	4 (4.40)	52 (57.14)	Umuahia North	6 (6.59)	75 (82.42)	Umuahia North	6 (6.59)	75 (82.42)
ALL	18 (6.19)	187 (64.26)	ALL	16 (5.50)	145 (49.83)	ALL	65 (22.34)	211 (72.51)

Table 21: How vulnerable groups fare in the choice, location and benefits from projects and services

	Women	Widows	Youth	Disabled persons	Elderly	Communal Minorities
(a) Which of these participate in choosing projects and services to be executed in your community?	28.18	0.00	33.33	1.03	75.95	8.25
(b) Which of these determine where projects are located in your community?	5.15	0.00	24.05	1.37	71.48	5.15
(c) Which of these groups receive equitable allocation of resources in your community?	27.15	19.24	27.49	14.09	29.55	15.12

Impact of oil and gas industry on agriculture and the environment

As in most parts of Nigeria, agriculture is the main economic activity in Abia States. This fact expresses an important paradox of the oil industry in Nigeria. Although petroleum sector contributes as high as 95% of all government revenues, it perhaps contributes far less than 50% of GDP and employs far fewer Nigerians than the agricultural sector. This means that although petroleum is very important to the survival of ruling groups, it is not as significant to the livelihoods of the vast majority of Nigerians. This is because of the manner in which ruling groups monopolize both employment and revenues from the petroleum industry.

We asked our respondents to rank the main economic activities in their communities. In all three locations, farming was ranked the main economic activity (Table 22). In all three communities also, trading was ranked the second main economic activity. In both Arochukwu and Ukwu West, artisanship was the third main economic activity, while in Umuahia North, the third main economic activities was identified as white-collar job. This is understandable because Umuahia is the capital of Abia State and most government establishments, the largest employers of white-collar workers, are located there. Ironically, the petroleum industry ranked last. Even in Ukwu West where oil is produced, respondents ranked the petroleum industry only the 5th most important economic activity.

Table 22 also shows that the main environmental problem facing Abia State, according to our respondents, is erosion. This is followed by pollution of air, land and water in Ukwu West and Arochukwu. In Umuahia, land degradation was identified as the second most important environmental problem. This is because the central areas of Abia State are not particularly fertile like the southern and northern parts of the State. Ironically, in spite of their overwhelming concern about erosion, our respondents identified lack of access to credits, rather than limited access to arable land, as the most important problem facing agriculture in their communities. In Ukwu West, respondents ranked access to markets as the second major problem facing agriculture, while in Umuahia and Arochukwu access to inputs and low productivity were ranked second respectively.

Finally, Table 22 shows respondents' rank ordering of the negative impacts of oil and gas activities in their communities. From the rank order, it seems that degradation of the natural environment is the most serious negative impact on communities. Both Ukwu West and Umuahia identified this problem as the most important. This is followed closely by low productivity. It seems that our respondents are making a nexus between environmental degradation, low productivity and the activities of the oil and gas industry in their communities.

In all, respondents are divided on whether oil activities have had negative impact on farming, fishing and the environment. As Table 23 shows, while almost 42% said that oil activities have had negative impact on their communities, about 39% said that they have not. However, when we disaggregate these numbers by Local Government Area (LGA), we find that a vast majority of respondents in Ukwu West (88%), the only LGA in our sample where oil is produced, said that oil has negative impact, compared to 51% in Arochukwu and 19% in Umuahia. On whether government and the oil industry provide communities with adequate information on the impact of oil and gas activities on agriculture and the environment, an absolute majority of respondents (85.22%) said that they do not provide such information. Finally, 70.8% of our respondents said that government does not monitor environmental conflict in their communities. This explains why many conflicts over land and other natural resources tend to fester. Respondents in the focus group discussions called for more serious government monitoring of conflicts.

Table 22: Main economic activity, environmental problems and impact of oil industry

	Ukwa West	Umuahia North	Arochukwu	ALL (Sum of weights)
MAIN ECONOMIC ACTIVITIES IN THE COMMUNITY				
Farming	1 st	1 st	1 st	1 st
Fishing	6 th	4 th	5 th	5 th
Trading	2 nd	2 nd	2 nd	2 nd
Artisan (carpenter, tailor, mechanic, etc.)	3 rd	5 th	3 rd	3 rd
White collar work	4 th	3 rd	4 th	4 th
Petroleum industry	5 th	6 th	6 th	6 th
MAIN ENVIRONMENTAL PROBLEMS IN THE COMMUNITY				
Pollution of air, land and water	2 nd	3 rd	2 nd	2 nd
Erosion – soil and shore	1 st	1 st	1 st	1 st
Land degradation	3 rd	2 nd	3 rd	3 rd
Deforestation	4 th	4 th	4 th	4 th
Excessive silt deposits in waterways	5 th	6 th	5 th	5 th
Water hyacinth	5 th	5 th	6 th	6 th
MAJOR AGRICULTURAL PROBLEMS OF THE COMMUNITY				
Low productivity	5 th	3 rd	2 nd	3 rd
Lack of access to markets	2 nd	4 th	5 th	4 th
Lack of access to credits	1 st	1 st	1 st	1 st
Lack of access to seeds, seedlings & tools	3 rd	2 nd	3 rd	2 nd
Lack of access to arable land	4 th	5 th	4 th	5 th
NEGATIVE IMPACTS OF OIL & GAS ON THE COMMUNITY				
Low productivity	3 rd	1 st	1 st	2 nd
Degradation of farming & fishing sites	1 st	1 st	3 rd	1 st
Destruction of farming & fishing implements	4 th	3 rd	2 nd	3 rd
Abandonment of farming & fishing for other jobs	2 nd	4 th	4 th	4 th

Table 23: Negative impact of oil, availability of information and monitoring of conflicts

Oil activities have negative	There is availability of adequate	There exists government
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impact on farming, fishing and environment			information from government and oil industry on the impact of oil & gas activities on agriculture and environment			supported monitoring of land and environmental conflict		
	YES	NO		YES	NO		YES	NO
Arochukwu	51 (51.00)	32 (32.00)	Arochukwu	12 (12.00)	72 (72.00)	Arochukwu	45 (45.00)	50 (50.00)
Ukwa West	88 (88.00)	12 (12.00)	Ukwa West	9 (9.00)	91 (91.00)	Ukwa West	9 (9.00)	82 (82.00)
Umuahia North	19 (20.88)	69 (75.82)	Umuahia North	3 (3.30)	85 (93.41)	Umuahia North	7 (7.69)	74 (81.32)
ALL	122 (41.92)	113 (38.83)	ALL	24 (8.25)	248 (85.22)	ALL	61 (20.96)	206 (70.79)

Worse still is that our respondents feel that government and oil companies are not doing anything to address the negative impact of oil and gas industry on their communities

(Table 24). Over 80% of them said that government and oil companies are doing nothing to remedy the impact of oil and gas activities on agriculture and the environment. Of those who think that they are doing something, about 6.5% said that they are doing something about erosion, 4.8% about cleaning up pollution and 3.8% about reclamation of land.

The reason for this neglect is not far fetched. Respondents believe that it has to do with poor management of monies allocated to agriculture and environmental protection. 89% of them informed us that money allocated to agriculture and environmental protection is currently either poorly or very poorly used (Table 25). On the other hand, none thought that such money is very well used, while only 2.4% thought that it is well used. The principal remedy they suggested for overcoming the poor application of money meant for agriculture and environmental protection is community supervision of the project, followed by regular written reports by project managers to the community. These point to the fact that Abia communities are calling for more community involvement in projects than presently obtains. The respondents attribute this lack of involvement in the development projects and the visible neglect by government agencies and politicians as the main problem causing conflict and violence at the slightest provocation.

Table 24: Actions of government and oil companies to address negative impacts of oil and gas activities

Frequencies	Relative Frequencies (%)
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	Yes	No	Yes	No
(A) Nothing	235	13	80.76	4.47
(B) Reclamation of land	11	74	3.78	25.43
(C) Reforestation	5	79	1.72	27.15
(D) Cleaning polluted land, water and air	14	79	4.81	27.15
(E) Erosion control	19	74	6.53	25.43
(F) Protection of wildlife	6	79	2.06	27.15

Table 25: Use of revenue allocated to agriculture and environmental protection

How monies allocated to agriculture and environmental protection are currently used				
	Frequencies		Relative frequencies (%)	
Very well used	0		0.00	
Well used	7		2.41	
Poorly used	155		53.26	
Very poorly used	104		35.74	
No response	25		8.59	
How to ensure better use of monies allocated to agriculture and environmental protection				
	Ukwa West	Umuahia North	Arochukwu	ALL (Sum of weights)
Regular meetings with communities	1 st	1 st	4 th	3 rd
Give regular written reports to communities	2 nd	2 nd	2 nd	2 nd
Public tender for projects	4 th	4 th	3 rd	4 th
Community supervision of projects	3 rd	3 rd	1 st	1 st

The Dissemination Seminar

The dissemination seminar started as a forum for all the people we interacted with during the primary data collection stage. This later turned into a lively focus group section. The seminar was well attended, and all the participants especially our resource persons in the three local government areas studied agreed that the report presented was a true representation of what happened during the data collection stage. The

participants agreed that some issues must be resolved before we can effectively utilize the resources flowing into the communities (from the federal and state accounts) for the development of the people at the grassroots.

The following problems were highlighted for discussions:

- i. What is the real meaning of resource control?

Comments

- a) Resource control is meaning more and more resource allocation

Politicians are becoming more and more concerned about allocation of more resources to the Niger Delta Region. Everyone agreed that what has been allocated so far was not well utilized and the leaders were not serious about allocating it to effectively develop their people. Most of the resources were channeled for personal benefits and the process is fraught with corruption. However, resource control must include resource utilization. This is what will pave the way for the development of the households in the communities.

The general discussions centered around the following questions after it was generally agreed that control of the resources is a big problem.

- What have we done about existing resources to create more resources for sustainable development?
- What are we doing about our Local Government Chairmen and their councilors who have turned out to be parasitic consumers? – what is apparent is that all they do is share the resources flowing into their areas from the federal government coffers – no visible budget, no implementation procedures, and no monitoring and evaluation of their activities.

The participants agreed that there is a dire need therefore to train policy entrepreneurs (to suggest, provide, utilize and critic) at all levels starting from the local government level.

- ii. An issue that arose from the discussions is that the people were not aware of the

process of oil resource flow into their communities, local government and state. As such, they do not know how the resources were utilized. Thus, the following question was extensively discussed. How do we solve the problem of non-inclusion of the communities in the process of resource flow into their communities from the state and local governments?

Comments

- a) There is a need to empower the residents in the communities financially.

This can be accomplished by sincerely interacting with the people as farmers and solving their occupational problems in the context of their environment.

b) Re-orientation of the populace was also extensively discussed. Very important, there is a need for conscious education of the mind. This will energize the people to: ask and demand for their rights; take their destinies into their own hands and not sell their rights to the politicians; be involved, ask questions and demand answers from the rulers; etc.

c) It was emphasized that until the people demand as of right for information, accountability from their elected officials and refused to allow them select themselves instead of being elected that elected officials will learn how to serve the people instead of ruling them.

iii. What can be done to ensure proper use of funds?

Comments

a) There is the need to have political power in the communities. It is only the residents that will eventually solve their problems sincerely.

b) The case of the activities of women's groups all over the country was highlighted. It was agreed that groups must move away from mediocre activities – “window dressing” – while no activity was carried out in respect to the development of their communities. Any time there is a dignitary around, they formed entourages in decorative uniforms along mapped out routes dancing and singing praises of the government in power for hours and at the end of the exercise, they are given some money to share. This exercise does not portray seriousness on their part and it is becoming disgusting to onlookers. The women or any community group for that matter must show seriousness by meeting regularly and suggesting well thought out development projects and making sure that they are implemented in their communities.

They must campaign sincerely against those mediocre that seek for elective offices and encourage those who are sincere and have impressive records of elective leadership to compete for offices. At all times, they must think more about the communities than individual and self. It is only then that elected representatives will realize that they are elected to serve and not to rule, and when found wanting, will be removed no matter their political affiliations.

iv. How will these objectives be achieved?

Comments

a) It was agreed that networking is important between families, groups, organizations etc. This is what will enlighten and improve peoples' knowledge about demanding their rights in respect of their involvement with the budget, solving youth restiveness, organizing effective civil societies and community based organizations (CBOs) etc. It will also assist them in learning from each other.

- v. How can organizations like Centre for Advanced Social Sciences (CASS) facilitate these processes?

Comments

a) CASS is not a money vending organization. However, from these discussions, it is apparent that CASS must pay more attention to organizing seminars, training workshops and encouraging positive actions by the communities to consciously improve the living standards of their people. For this to happen, the community leaders must exhibit sincerity and remain focused in all their endeavors.

In summary, it was agreed that demanding for resource control and utilization of resources flowing into the communities must be demanded as of right by the residents themselves. What is apparent is that the politicians in office have taken that right from the people and the onus is on them to take it back. To do this, the solutions must be worked out by them.

Summary of major problems arising from the study

1. What came out clearly from the study is lack of strategic vision at both the state and local governments. Budgets are drawn haphazardly at the state level. It was impossible to get data on disbursement of funds in the state after repeated efforts. The sectoral analysis over the years did not give direction of what the state felt was important in terms of allocation made to the particular sectors. The situation is worse at the local governments' level. There is no data available on anything.
2. There is visibility of personalization of state resources by the governor, chairmen of Local Governments and others in government. However, this observation is not peculiar to Abia State. It is the same all over the country. The challenge is in making those in government see that the resources as belonging to everyone in a particular region and using them for everyone's benefits. Stemming from this will be the right of the people to question and critique the use of their resources by those in government and are expected to be the custodian of the resources for the good of all. Arising from this observation is the challenge of the need for better focus of the state and local government through institution of effective accounts commission of both the state and local governments. This will automatically remove the misuse of power by the state in not remitting the actual disbursement of the local governments' allocations to the respective local governments as asserted by some local governments' chairmen in the National Dailies.
3. What is very visible is the state of helplessness identified in the communities. This portrayed intimidation by those in government. It is also buttressed by the observation by some respondents that the wave of assassination of important political figures in the country and the inability and helplessness of the police to fish out the culprits is a lesson for them not to criticize those in government. The challenge here is in finding ways to bridge the gap between monitoring of use of resources by those in government,

accountability, democratic elections and effective application of rule of law without respecting any person. This is a formidable task in the country.

4. There is a need for linkages in favor of helpless communities. This may be through the empowerment of civil society organizations. Visibly absent is a virile system of civil society organizations. These are expected to coordinate communication and other campaigns of community based organizations (CBOs). Reforms must start from the grassroots to be effective. The people must change their attitudes, orientation, expectation etc toward public resources instead of the current wave of embezzling or “taking one’s share” of public resources in the country.
5. The current orientation of micro-credit system is not going to affect the rural areas in a sustainable way. Thus, funds for rural industrialization must transcend micro-credit scope to move communities higher and make them be able to move towards solving the challenges of oil exploration and the aftermath of the exhaustion of the crude oil and gas resource.
6. Internally generated revenue (IGR) is grossly abused at both state and local government levels. There is the need for the state to explore other areas of generating revenue apart from federal government allocations. Observed is the inability of most of the states and local governments in Nigeria to generate healthy IGR. However, what must be stimulated are more healthy, accountable and auditable sources of IGR.
7. The issue of using associations e.g. churches, town unions, women’s groups that have good track records of managing community funds to be involved in resource utilization was discussed. However, it was agreed that this is not feasible as there is the problem of the orientation of the people dissociating themselves from public goods. This is one of the falls out of colonialism. Thus, it was advised that we have to move beyond such simplistic suggestions to more holistic suggestions
8. Democratic elections must be truly democratic. Until elected officials are accountable to the electorates and the electorates sincerely have the power to elect those to serve them sincerely, effective utilization of resources into the country, the state, the local governments, the communities etc will not be effected

Conclusions

Four related issues on the governance of oil-related revenues emerge from this study namely information and transparency, participation, accountability and equity. It is clear that there is still inadequate information flowing from government to the public on oil revenues and the uses to which they are put. As such the level of transparency in the governance of oil revenues remains very low and subject to speculation. This leads to constant misgiving among communities that they are not getting a fair treatment from government at all levels. Here the responsiveness of federal, State and local governments is called into question, particularly on meeting the developmental needs of communities, paying adequate attention to underprivileged groups, improving agriculture and protecting the environmental.

The second issue concerns the level of participation of communities in decisions concerning the allocation and use of oil related revenue. Repeatedly, respondents to our questionnaire and participants in the focus group discussions called for more community participation in allocating resources, choosing projects locations, receiving regular reports on projects and monitoring the progress of projects. As a result of limited consultation and participation by

communities, there is a general sense that the public cannot restrain leaders who control and use oil revenues. This is a big blight on revenue governance in a democracy, where public participation is a central organizing principle. There is need to strengthen public control of oil revenue use by carefully tracking and reporting flows, expenditures and projects.

Third, the findings of this study point to a low level of accountability in the use of oil revenue. There is a strong feeling that politicians and government officials are in control of oil revenue and they spend them principally to satisfy personal ends rather than public interest. There is an overall feeling that non-governmental structures like town unions, women groups, youth groups and faith-based organizations are more accountable in the use of resources than government agencies and politicians. This calls for more creative involvement of these non-governmental agencies in oil revenue governance, perhaps through the establishment of special (trust) funds for communities to be managed by a combination of these agencies and government.

Finally, our findings raise the issue of equity in the allocation and use of oil revenues. There appears to be a strongly skewed character to revenue allocation against underprivileged groups like women, children, the elderly, disabled and minority groups. There is need for government at all levels and special agencies like the NDDC to focus more resources on the particular needs of such groups.

In conclusion, although oil revenue governance has improved since the country returned to civil rule, leading to more revenues going to States and local governments and more public information on how the revenues are used, there is still a lot to be done. Community participation in decisions, accountability and equity in resource allocation and use still require attention. Ultimately, more decentralized systems of revenue governance have to be evolved if these shortcomings are to be adequately addressed.

Appendix

Figure 1 Abia State



