STATE AND ECONOMIC DEVELOPMENT LINKAGES: REFLECTION ON THE NIGER DELTA REGION OF NIGERIA

Zion Stephen Ekainsai
Department of Economic,Niger Delta University,
Wilberfore Island, Bayelsa State0, Nigeria.
zionekainsai@gmail.com.

Abstract

The Nigerian State never existed until the amalgamation of 1914, which brought the Northern and Southern protectorates as one country. Before and after independence, agriculture was the major source of revenue. On the attainment of independence, the country embarked on several development programmes to improve the standard of living of her citizens. The paper therefore, examines the role of the state in economic development. The paper reviewed the economic development in Nigeria from the colonial time to the present day, highlighting impediments to as well as role of sub-national states in economic development. The paper argues that political instability, corruption, ethnicity, regionalism, civil war, militancy, terrorism and insurgency, maladministration, weak industrial base and undiversified economic base are the major impediments to economic development in Nigeria. Findings reveal that that sub-national states, particularly of the Niger Delta region have not experienced meaningful economic development despite their huge human and resource endowments. The paper recommends, among others, the diversification of the economy by government at all levels, especially in the area of agriculture. The Niger Delta States must go into partnership in the establishment of refineries to generate more revenue for states and also create job for the population. Moreover, sub-national states in the region should also exploit other mineral resources such as sand deposit that could be converted to various aesthetics for revenue generation.

Keywords: State, economic development, natural resources, Niger Delta region

Introduction

The Nigerian state came into being following the amalgamation of the Northern and Southern protectorates into one geographical entity in 1914. Before the amalgamation, the two major economic activities of the Northern and Southern protectorates were agriculture and slave trade. The abolition of slave trade in 1807 put a stop to the illicit business, making agriculture the mainstay of the economy. As a result, the country was literally partitioned into three regions (Western, Eastern and Northern region) for ease of administration by the colonial masters. Each of these regions engaged in different activities that could enhance the well-being and welfare of the people. The Western region was famous for its cocoa production, the Eastern region held sway in palm oil production while the Northern region dominated in hides and skin. In addition, the North was popular in groundnut, cotton and various food crops production (Momoh cited in Onimisis, 2014).

Thus, agriculture was the engine propelling growth of the entire Nigerian economy within the period covering 1960 to 1970 (Ogen, 2003). It is recorded that during this period Nigeria stands second world's largest producer of cocoa, largest exporter of palm kernel and largest producer and exporter of palm oil. According to Lawal (cited in Nwanosike et. al., 2016), agricultural sector pulled over 60% of the Gross Domestic Product (GDP) in the 1960s and regardless of the fact that Nigerian

peasant farmers relied heavily on crude traditional farm implements and indigenous farming techniques, they were able to produce 70% of Nigeria's exports and 95% of food consumed within the country. However, the creation of sub-national states in 1967, 1976, 1987, 1991 and 1996 was expected to further drive economic development to the door steps of Nigerians, but this is not the case. Worst hit is the Niger Delta region which serves as the nation's cash flow because of its enormous crude oil deposit. Hence, agricultural sector lost its value and was relegated to the background as a result of oil exploration and exploitation (Nwanosike et. al., 2016).

Despite involvement in various economic development programmes such as manufacturing, agriculture, transport, telecommunication etc., the country is yet to experience all-round socio-economic development. Pertinent question therefore, are: What are the impediments to Nigeria's economic development? How have the sub-national states improved economic development of the Nigerian state? What are the possible ways of stimulating economic development of the Nigeria state?

Conceptual and Methodological Issues

Economic development may mean different things to different people. Development 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 per cent to 7 per cent or more, (Todaro & Smith, 2009). Economic development can be the raising of income levels generally is called economic growth in rich countries and economic development in poor countries, (Maddison in Jihingan, 2008). Economic developmentrefers to economic growth accompanied by changes in output distribution and economic structure. These changes may include an improvement in the material well-being of the poorer half of the population; a decline in agriculture's share of GNP and a corresponding increase in the GNP share of industry and services; an increase in the education and skills of the labor force; and substantial technical advances originating within the country.For the purpose of enhancing economic growth and development, government often put in place a process of conscious allocation of resources to the different sectors of the economy, (Nafziger, 2006) .

This conscious and deliberate plan on how to allocate available resource to improve the welfare and wellbeing of the citizen is termed development plan. Development plan are meant to achieve relative perfection and efficiency in the market system so as to achieve economic progress. The general belief is that economic development of any country is dependent on the quantity and quality of resources (renewable and non-renewable) available to it, the level of adoption of technology, efficient utilisation of resources in goods production and consumption.

Developing countries, rich in resources such Nigeria, have the responsibility and the challenge to ensure that the downtrodden in the society are beneficiaries of the resources that are beneath and above the earth crust. Evidently, in African continent in general and Nigeria in particular, this has been impossible owing to the high rate of insecurity (insurgency, kidnapping, bandits and cultism), poverty, disease, food insecurity and famine, with a large external and internal debt and continued leadership ineptitude (Iwuagwu cited in Uzoigwe, 2007).

Interestingly, successive administration and regimes have embarked on several development plans to improve economic well-being and also enhance the welfare of citizens. The First National Development Plan (1962 – 1968) was designed to stimulate the economy and accelerate sustainable growth in agricultural and industrial

development and also develop high and middle-level manpower (Effoduh, 2014). The Second National Development Plan (1970-1974) was devoted primarily to the reconstruction and rehabilitation of infrastructure damaged during the Nigerian Civil War. This plan placed Nigeria economy on a sound footing and also brought about unity among the people. The Third Plan (1975 – 1980), which ensured the diversification of the economy facilitated the building of two giant refineries (Warri and Kaduna) and an iron steel company at Ajaokuta. The Fourth National Development Plan (1981-1985) was meant to reduce unemployment, balance development, deepened self-reliance. The Fifth National Development plan (1989 – 2008) focused on reducing inflation and exchange rate instability, maintain infrastructure, achieve agricultural self-sufficiency, and reduce the burden of structural adjustment on the most vulnerable groups (Ihonvbere, 1991).

Other development programmes undertook to improve the standard of living of Nigerians by government over the years includes the vision 2010 launched in 1996, the National Economic Empowerment and Development Strategy (NEEDS), Vision 20:2020 etc. In addition, government over the years continue to implement various economic policies in between the development plans e.g. the National Accelerated Food Production Programme (NAFPP), 1972, Agricultural Policy for Nigeria, 1988 and Agricultural, Control of Importation 1990, River Basin Development Decree (Decree 25 of 1976), Land Use Decree 1978, Structural Adjustment Programme 1986 and a host of other policies that could enhance the living standards of the citizens (Nwanosike et al, 2016). It is worthy of note that despite these development plans, the Nigerian state is yet to meet her economic development need and efforts directed towards implementing the various development plans, notably in the era of oil boom have not achieved the desired results (Shamsuddeen, 1998).

Overview of Economic Development among selected Niger Delta States

As earlier indicated, the creation of sub-national states started in 1967 with the creation of twelve (12) states by the military administration of Gen. Yakubu Gowon. Between 1967 and October 1996, a total of thirty-six states and the Federal Capital Territory had been created. States creation were expected to take development to the grass root but many of these states are considered not viable (Odigwu, 2012).

The Niger Delta region comprised all nine oil-producing states (Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers states) in Nigeria, and occupies a total land mass of approximately 75,000 square kilometres with 185 local government areas (UNDP, 2006). The UNDP report further stated that the region's wetland is the world's third largest with the most extensive freshwater swamp forest and well-endowed biodiversity. More than 5 9% of the area is criss-crossed with creeks and dotted with small islands, while the remainder is a lowland rainforest zone. The topography is tough which causes the people of the region to gather in small communities, of the recorded 13,329 settlements in the region, 94 per cent have an estimated population of less than 10,000. These communities which are rural in nature offer just only hand full of economic opportunities. Infrastructure and social services are generally deplorable, and vastly inadequate for an estimated regional population of nearly 30 million people (UNDP, 2006). At this point, let us briefly review some of the Niger Delta States.

(i) *Abia State and Economic Development*

Abia State is one of the Niger Delta states with a total number of 17 Local Government Areas and measuring about 5,834 sq.km. Economically, Abia is an oil producing state and contributes about 39 per cent of the state GDP. Agriculture is the second largest economic sector. It contributes 27% of the GDP and employs 70% of the state labour force. With a favourable seasonal rainfall, the state has land that is arable that produces yams, cocoyam, maize, rice, cashew, plantains, oil palm, rubber, potatoes, cocoa, banana and various types of fruits and cassava. Abia also has large crude oil deposits. The manufacturing sector only accounts for 2% of the GDP. Agriculture is the frontline occupation of the people of the state. Farmers are majorly subsistence but there are few large scale farmers who produce for the market. According to the NBS (2020) report, Abia state has an unemployment rate of 35.5%.

According to the Draft Abia State Economic Policy (ABEP), 2016, it is the policy of the State Government to encourage the development of industrial activities in the state. Large-scale industrial establishments located in the state include Nigerian Breweries, Aba; Golden Guinea Breweries, Umuahia; Aba Textile Mills, International Glass Industry (IGI), Aba and Modern Ceramics, Umuahia. Several medium scale industries abound in parts of the state that produce items such as plastic wares, textiles, food processing and machine tool fabrication. Aba is not only the major commercial centre of the state, but also one of the commercial nerve centres of the Eastern states. According to the blueprint for Abia state development, the state has the potential to attract investment in the following manufacturing projects: (i) Agro-allied industries (Cassava starch and flour; as well as Fruit and vegetable canning); (ii) Textiles (Cotton Socks, Fishing nets and Mosquito nets); (iii) Industrial Minerals/Quarrying (Glass industry, Table ware, Aggregate plant including Stone crushing plants) (iv) Plastics Industry (Plastics manufacture, Bottles, flask, cans, tubes and bags tiles); and (v) Chemical Industry.

The Draft Abia State Economic Policy (ABEP), 2016 noted that to quicken the pace of industrial development, the state government is ready to embark upon direct industrial establishments and enter into joint ventures with entrepreneurs in the private sector. Efforts to industrialize the state are also being augmented by the private sector. Thus, three main categories of industries - Public, Private and Public-Private Partnership (PPP) are found in the state (ABEP, 2016). The state received the total sum of N52,039,868,624.86 as Federal allocation and internally generated revenue stood at N14,769,307,658.56, totaling N66,809,176,283.42 for the year 2019. This amount is 4.78% below that of 2018 which stood at N70,161,217,967.64 (NBS, 2020). To uplift the living standard of the people of Abia State the state government embarked on programmes such as Abia State Economic Empowerment and Development Strategy (ASEEDS), Local Economic Empowerment and Development Strategy (LEEDS), Autonomous Community Economic Empowerment and Development Strategy (ACEEDS) amongst others.

(ii) *Akwa Ibom State and Economic Development*

Akwa Ibom State created on 23rd September, 1987 is another Niger Delta State that is rich in crude oil reserve. The state population is estimated to be about 3.44 million. It is the tenth largest state in the country with 31 local government areas. The landscape of Akwa Ibom covers a total area of 7,246.499 square kilometres and therefore has a population density of about 475 per square kilometre. The state lies approximately between latitudes $4^{o}32^{1}$ and $5^{o}53^{1}$ North and longitudes $7^{o}21^{1}$ and

$8^{o}25^{1}$East. It is one of the few states in Nigeria with sea coast as boarder (in the south). According to Ekpo and Umoh (2005), Akwa Ibom State is bounded in the North by Abia State, in the West by Rivers State and in the East by Cross River State.

Akwa Ibom State contributes about 504,000 barrels of crude oil to Nigeria's daily crude export, accounting for 32% of Nigeria crude oil production. The main economic activity of the people of Akwa Ibom State is fishing, farming, trading, artisanship and white collar services. The state has also made several attempt at diversifying the state economy by delving into areas like mechanized agriculture (Ibom rice), tourism (5 Star Ibom Meridian Hotel and Resort) and world class golf course, and IT. The state is home to a syringe manufacturing factory, meter manufacturing company, and a fertilizer blending plant amongst others. The state internally generated revenue in 2019 was N32,291,014,771.52 while federal allocation was N171,975,537,274.47 totalling N204,266,552,045.99 for the year 2019. This figure fell below that of 2018 by 9.85%. The unemployment rate in Akwa Ibom is 43.7% (NBS, 2020).

(iii) *Delta State and Economic Development*

Delta is yet another Niger Delta States created on 27 August, 1991. The state lies roughly between latitudes 5^0 00' and 6^0 00' north of the Equator and longitudes 5^0 00' and 6^0 45' east of the Greenwich Meridian and covers a land mass of about 18,050 km^2 of which about 60 per cent is land while the rest is swampy and waterlogged. The State accounts for 40 per cent of the country's gas reserves and a significant proportion of its national oil output – an average of 25 per cent since 1999 (Delta State, 2014). It is the fourth largest producer of oil in Nigeria, ranking after Akwa Ibom, Rivers and Bayelsa States (Delta State, Ministry of Economic Planning, 2012). The State's natural gas reserve is even more abundant than its crude oil: it boasts about 66.8 trillion cubic feet reserve out of the nation's 167 trillion cubic feet gas reserves.

The Delta State government has over the years embarked on programmes to improve the living standard of the people. One of such is the Delta State Economic Empowerment and
Development Strategy (DELTASEEDS) (2005- 2007) was introduced in 2005 to provide a new development framework for strengthening the achievements of the past and looking beyond the present to build a virile economy for the State. It was created to perform the same role as the National Economic Empowerment and Development Strategy (NEEDS), which was launched by the Federal Government in 2004.

Accordingly, DELTASEEDS focused on four key areas of concern, namely, poverty reduction, employment generation, wealth creation, and achieving the MDGs with emphasis on agriculture, social development with emphasis on health, education, roads, transportation, water supply and justice, environment/physical planning, small and medium enterprises and e-form of government finance institutions for revenue enhancement through various channels. The Delta State Vision 2020 Plan is another major blueprint that articulates the developmental issues and challenges facing the State as well as the short, medium and long-term actions to tackle them over a ten-year period (from 2011-2020) in order to put the State firmly on the path of sustainable growth and development. The Plan also has targets for each sector/area of activity covered. For example, two of the targets set for the education sector are to: First, systematically increase enrolment of primary school pupils from the current 605,891 to about 758,614 in the short to medium term and 1,000,000 by 2020; and second, raise the number of secondary school teachers from the current 11,254 to about 16,000 in the short to medium term and to 30,000 by 2020.

Beyond the oil, one of the programmes initiated to further bring development to the people is the setting up of infrastructure that will attract investment in other areas of the economy. These areas include power, youth development, transportation, education, peace and security. Overall, crude petroleum and natural gas dominated the output, contributing an average of 70.42 per cent GDP. This is followed by agriculture, manufacturing, wholesale and retail trade, public administration and real estate, in descending order (UN, 2015). The total revenue of Delta State in the past two years was N283,961,690,922.27. This is made of N219,282,893,930.70 from federal allocation and 64,678,796,991.57 internally generated revenues. Unemployment in Delta State is put at 40.3%.

(iv) *Imo State and Economic Development*

Imo State came into existence in 1976 along with other new states created under the leadership of the late military ruler of Nigeria, Murtala Muhammad, having been previously part of East-Central state. The state lies within latitudes 4°45'N and 7°15'N, and longitude 6°50'E and 7°25'E with an area of around 5,100 sq. km. It is bordered by Abia State on the East, by the River Niger and Delta state on the West, by Anambra state to the North and Rivers state to the South. The estimated population in 2016 was about 5,391,760.12 people. This high population density has led to intensified pressure on land, forests and other natural resources, leading to increasing rural poverty which is characteristic of densely populated rural areas. Fallow period rarely exceeds one year and in some areas. Continuous cropping is the rule. Low crop yield and loss of land to erosion have combined to induce people to migrate in search of jobs and even farmland in other parts of the country. The state is rich in natural resources including crude oil, natural gas, lead, zinc. Economically exploitable flora like the iroko, mahogany, obeche, bamboo, rubber tree and oil palm predominate.

In 2019, the total revenue of Imo State was N72,181,397,907.72 (FAAC: 56,086,098,287.13; IGR: 16,095,299,620.59). The unemployment rate in Imo State is put at 48.7% (NBS, 2020). One thing is visible among all the Niger Delta State discussed; unemployment is on the rie while revenue generation is on the fall. Population is growing but the means to provide basic necessities is on the decline. Project Information Document (2013) asserts that the Niger Delta Region states have some of the highest levels of youth unemployment in Nigeria despite oil production compared to the national average of 21.1%. The report further observed thus:

> Youth unemployment in the Niger Delta is driven by demographic, educational and economic factors. Two-thirds of the population of the Niger Delta is below the age of 30. With pervasive poverty and unemployment in the region, many youths are susceptible to being recruited into militant groups and criminal activities such as armed robbery, oil bunkering, prostitution and hostage taking for ransom. The persistent tension in the region further encouraged more youths to prefer quick gains from crime and conflict over longer term and frequently unavailable returns to investments in education and training.

Seven years after PID report (2013) nothing seems to have changed for the better. It is my view that sincere, concise and deliberate steps have not been initiated to develop the Nigerian economy at large and that of the Niger Delta Region in particular.

It is therefore necessary to look at the reason for this persistent crawling of the economy.

Discussion of Findings

From the present study, a number of impediment to economic development have been identified. The first is lack of private sector participation. The British High Commission Abuja (2018) estimated that 64% of overall capital spending in Nigeria has taken place at the state level. Thus, the impact of constrained fiscal finances could be severe and covering the fiscal gap through tax increases or spending cuts could mean delaying the growth benefits of public investments (IMF, 2017). Assuming there was no decline in revenues, state budgets can afford to fund only 6% of the USD 100 billion investment required annually. The socio-economic benefits of these low levels of investment are limited. With traditional sources of financing stretched and increasing pressure on basic infrastructure by a growing population, states urgently need to increase the flow of private investments into infrastructure.

The second is what is classified as mono-economic base. Arnold (1997) opined that the major challenge facing development in Nigeria appears to be political rather than economic, particularly the habit developed since the oil boom of the mid 1970s of over-dependence upon oil to solve all the nation's problem. This is the simple reason why most Niger Delta state governors complain when there is delay in getting allocation from the central government or when there is a fall in oil revenue. Many governors of the region have resort to massive borrowing to finance projects (e.g. the Bayelsa State governor that recently borrowed N17bn from the Central Bank of Nigeria).

The third impediment is weak manufacturing sector (industry). For a country's economy to develop rapidly, it must industrialize, since industrialized countries appear to be the most developed. However, for industrialization to take place substantial capital investment is required. This can be possible through either earnings from foreign exchange and exports; borrowing in the international financial markets; or allowing foreign businessmen to invest in the economy (Uzoigwe, 2007). The problem of a weak manufacturing sector is also linked to a hostile business environment, and the perceptions of risk and high costs of doing business. These factors have tended to cause some foreign companies in Nigeria to keep the bulk of their assets abroad.

The fourth is the growing incidence of poverty in the Nigerian economy. The aim and objective of every development programme worldwide is to eradicate poverty and this is recognised universally. Nigeria is ranked among the poorest nations of the world, and in addition confronted large of poor-disadvantaged or marginalised areas, groups, individuals, and mass poverty. Ukwu (2002) observed that most of the population exists at standards of living below the required measure for full development and the enjoyment of individual and societal well-being. The prevalent situation of mass poverty reflects the poor performance of the Nigerian economy. The level of economic performance in any country depends primarily on two factors: the level of resources relative to the population, and the level of productivity. In the case of Nigeria, there is abundant resource but productivity is low.

Difficulty in business registration has been considered the fifth impediment to economic development. The World Bank's report details the sub-national rankings across four indicators: starting a business, registering a property, enforcing contracts, and dealing with construction permits. The indicators measure business regulation and the protection of property rights and their effect on businesses, especially small and

medium-size domestic firms (World Bank, 2014). Investigation by the British High Commission in 2018 indicated that none of the focus states is best in Nigeria in any of the four indicators and each of the states outperformed the rest of the group in only one indicator. These show that there are best practices in each state that can be shared to raise the overall performance of all the states. These rankings by no means measure how progressive a state is relative to the others. Instead, they illustrate the requirement for appropriate actions by state governments to improve the business environment, in order to enable them deliver on their social agenda including employment creation and poverty reduction.

The impact of the external debt burden on the Nigerian economy is another but sixth impediment to economic development among African countries. Bhattacharya and Clements (2004) argue that the high external debt service absorbs resources that could be used for essential spending on poverty reduction and diverts resources away from public investment. The large debt stock and crushing debt service burden have introduced a new vicious cycle to the development problem in Nigeria. According to Akinyele (2019) the Edo State has external debt N276, 253, 922.96 while Cross River State owes N188,773,736.81 to foreign creditors in 2018. Furthermore, Delta State has a domestic debt stock of N228,805,996,159.83 and Rivers State internal debt stock stood at N225,592,469,150.22. Debt servicing in the face of inadequate foreign exchange earnings leads to severe import strangulation, and holds back export growth. This and other uncertainties created by debt further depress investment and output, escalating the current account deficit and leading to increasing debt and rising debt service obligations. External borrowing may have some desirable effects on the economy where such funds are properly invested into productive ventures or sectors.

The seventh is mistrust among the people. The delta today is a place of frustrated expectations and deep-rooted mistrust. Unprecedented restiveness at times erupts in violence. Long years of neglect and conflict have fostered a siege mentality, especially among youths who feel they are condemned to a future without hope, and see conflict as a strategy to escape deprivation. Persistent conflict, while in part a response to poor human development, has also entrenched it, serving as a consistent drag on the region's economic performance and expectations for advancement. The sabotage of oil production hurts the economy through the loss of sorely needed foreign exchange to finance national development. Blown pipelines interrupt the supply of crude to refineries and produce shortages that cause sudden spikes in oil prices. Hostage-taking is not only a stress on foreign captives, their families and the companies they work for, but also presents a challenge to international diplomacy and foreign direct investment.

For instance, on November 1, 2009, the Movement for the Emancipation of the Niger Delta (MEND) attacked Chevron Corporation tanker, killing a Nigerian sailor and took an American oil worker and five other foreigners hostage (Voice of America, 2009). Furthermore, between January and December 2006 for instance, a total of 118 workers of different oil companies operating in the region were taken as hostages in a total of 24 attacks. Four deaths were recorded in these attacks. Similarly, a total of 129 oil workers were taken hostage in 33 attacks between January and July 2007 in which 9 deaths were recorded, (AfricaMasterWeb 2006; Business Day 2007). But the disruption also has adverse effects on the local people, as ensuing violence threatens individuals and communities. Lives are lost, and investments drop along with the availability of jobs. The response to violence has at times meant further violence is unleashed randomly on unsuspecting communities or oil workers. Whole villages have been

destroyed and their populace displaced because of disputes that could have been amicably resolved. The human development implications extend to the harm done to the life chances of children unable to go to school and the further constraints on human and social capital (UNDP, 2006).

The eight impediment as identified by the study is political instability, several years of military rule had its toll on governance and development in the country. This form of government is usually characterized by flagrant abuse of office, weak accountability and probity, and widespread corruption. The quality of public administration in Nigeria particularly and Africa in general have deteriorated according to Bertelsmann-transformation index which shows very limited transformation index of 4.63 and a drop in overall and economic and political transformation ranking between 2008 (66), 2010 (84) and 2012 (89). The 2012 Mo Ibrahim Index which measures African countries on a number of governance indicators also ranked Nigeria 43 out of 53 countries which is a drop since 2010 (Odigwu, 2012).

The ninth reason why States in the continent are trailing the rear in economic development is associated with poor budget formulation and implementation. On many occasions, money budgeted for infrastructural development or empowerment programs are mostly either diverted to other use or squandered by those saddled with the responsibility to manage the programme or projects (Project Information Document (PID), 2013). The document further observed that states are characterized by significant levels of expenditure deviations from the budget over key MDG areas such as health and education, averaging 92 per cent in Bayelsa state. In Edo, on average, aggregate primary spending deviated from the original budget by an average of 23.9 percent over three years. In the case of Delta, actual expenditure deviated from budgeted expenditure in each year by an amount equivalent to more than the benchmark of 15% of budgeted expenditure during 2007-2009 (Public Expenditure Management and Financial Accountability Review, 2010).

The report of Newsom et al (2011) explained that the Annual budgets in the four main oil producing states of Bayelsa, Rivers, Akwa-Ibom, and Delta total $7 billion, was roughly Ghana's Federal budget. The report agreed that statistics are unreliable, but there is consensus that around 51 per cent of the Niger Delta's people still live on $2 or less a day, only 49 percent have access to safe drinking water, there is one secondary school for every 14,679 children, and one child in five dies before his/her fifth birthday which is an indication of high infant mortality.

Militancy in the region has been identified as the ninth reason. This in addition to leadership structure has been a challenge to development projects in the Niger Delta region. The level of violence, kidnapping, hostage taking and other activities of the militants has delayed and in some cases hampered the smooth operations of the contracting staff as well as the stakeholder's participation in the implementation of projects in the region. It was explained that one of the major road construction companies in Nigeria Julius Berger had to abandon the East-West road project owing to the high rate of kidnapping of their staff (Paki 2011). Overall, one of the biggest security challenges in contemporary Nigerian State is the activities of ethnic militias in the Niger Delta as this led to the deployment of military by the Federal Government to control and subdue the violence and the response by the federal government so as to secure the life of expatriate oil workers and safe guard the continued oil production so as to maintain the foreign revenue generation and this led to the increasing level of insecurity and violence rather than addressing the challenges of the region (Isidiho and Sabaran, 2015).

Conclusion

Nigeria ranks the sixth largest oil producer in the world and this achievement is largely the attributed to the Niger Delta which produces the oil wealth (UNDP, 2006). Paradoxically, however, these vast revenues from an international industry have barely touched the Niger Delta's own pervasive local people. This has spurred formidable challenges to sustainable human/economic development in the region in particular and the Nigerian State at large. Therefore, a challenge to economic development is traceable to several shortcomings as identified and analysed in this work, though not exhaustive. Improving governance is a tall order for every development partner, and it has to be done in collaboration with the state actors and other interested stakeholders.

To achieve this, however, there is the need for a proper definition of the most suitable approach to be adopted for every focal state. In some states, the top-bottom approach can help achieve some results within the shortest period, while in others the bottom-top approach may help in achieving some results. Proper analysis of the states which are closely homogenous at inception have provided insight, and from all indication across these focal states, it seems that both the top-bottom and bottom-top approaches are needed for better, faster and more sustainable development.

Recommendations

From the forgone discussion, analysis and conclusion, the following recommendations have become necessary.

1. There is need for the diversification of economy. Therefore, government at all levels must genuinely focus in critical areas such as agriculture, tourism and manufacturing. The sub-national states, particularly those of the Niger Delta region must go into partner with development partners for the establishment of refineries to generate more revenue for states and also create job for the population.
2. Peace building measures backed with sincerity of purpose must be pursued at all levels of governance. Without peace, there will be no human development. Brokering peace can only be achieved through a closely coordinated domestic strategy that addresses oil theft, money laundering and illegal arms. The specific activities of a regional blueprint for peace should encompass renewing peace building initiatives; promoting the rule of law and easier access to justice; promoting equitable distribution of the benefits from mineral resources; encouraging demilitarization (including disarmament); and ensuring effective law enforcement and policing.
3. The government of sub-national states must also explore and exploit other resources such as sand and clay deposit that is abundant in the region and attract firms that could convert them to various aesthetics for revenue generation.
4. Government must ensure the implementation of annual budget as approved by the legislative arms or government. Deviating from the budget provisions usually affects economic development as most business organisations and partners often patterned their activities in line with publicly announced budgets. Non implementation of the approved budget distort the flow economic activities and also encourage corruption and mismanagement.

5. Government must at all-time engage with the people to diffuse tensions arising from mistrust. There is no doubt that secrecy in governance, lack of accountability and inadequate communication with the people has resulted in deep mistrust which has led to violence and demonstration.

References

Akinyele, B. (2019). Nigerian's top 10 states with highest debt profile in 2018. ProshareWebTV. www.proshareng.com.

Arnold, G. (1997). *The Resources of the Third World*. Chicago: Fitzroy Dearborn Alton.

Bhattacharya, R., & Clements, B. (2004). Calculating the benefits of debt relief.

Delta State Government (2012). Sector Investment Programme: Macroeconomic Overview. Asaba: DSG.

Delta State Government (2014). Sector Investment Programme: Macroeconomic Overview. Asaba: DSG.

Effoduh, O. (2014). The Economic Development of Nigeria from 1914 to 2014. Council on African Security and Development (CASADE). Academic Paper.

Ekpo, A. H. and Umoh, O. J. (2007). Akwa Ibom State Millennium Development Goals 2005Report. Uyo: Sleymas Ventures.

Ihonvbere, J. O. (1991). The state, governance and democratization in Africa: Constraints and possibilities. *Hunger Teachenet, 6* (3). Austin.

Isidiho, O. A., & Sabran, M. S. B. (2015). Challenges facing Niger Delta Development Commission (NDDC) projects in ImoState and Niger Delta Region in Nigeria, *International Journal of Humanities and Social Science,*5 (6),37-48.

Jinhingan, M. L. (2008). The Economics of Development and Planning, Vrinda Publications (P) Ltd, Mayur Vihar, Phase-I, Delhi, India.

Nafziger, E. W. (2006). *Development Economics*. Cambridge University Press, New York.

Newsom, C. (2011). Conflict in the Niger Delta. United States Institute of Peace (USIP), Special Report, 1 – 18.

Nwanosike, D. U., Ugbor, I. K., Jonathan, E. O., Uzoechina, B. & Ebenyi, G. O. (2016). Economic development dynamics in Nigeria: Evidence from 1914-2014. *Saudi Journal of Business and Management Studies*, 154-161.

Ogen, O. (2003). *Patterns of economic growth and development in Nigeria since 1960*. Lagos: First Academic Publishers.

Onimisi, T. (2014). The Politics of State Creation in Nigeria and the Economic Viability of the Existing 36 States, *International Journal of Social Sciences and Management,* 1 (2), 64-68.

Project Information Document (PID) (2013). Additional financing for state employment and expenditure for results. Project Report No.: AB7294.

Todaro, M. P., & Smith, S. C. (2009). *Economic Development*. Addison-Wesley, New York.

Ukwu, I. U. 2002. Toward effective poverty eradication strategies in Nigeria. *Bullion.*Publication of the Central Bank of Nigeria, 26 (2), 44-45.

United Nations Development Programme (UNDP) (2006), *Human development Report,*New York, Oxford University Press.

United Nations (2014). Delta state development performance in education, health, agriculture, and water, sanitation and hygiene (WASH) sectors, 1991–2013: *Assessment Report*, United Nations Country Office in Nigeria.

Uzoigwe, D. C. (2007). Economic development in Nigeria through the agricultural, manufacturing and mining sectors: An econometric approach. PhD Thesis,University of Pretoria.