

**BENEFIT-SHARING AND THE UTILIZATION OF 13  
PERCENT DERIVATION FUND IN THE NIGER DELTA  
REGION: THE CASE OF BAYELSA STATE**

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## **Abstract**

*Part of the Niger Delta development question is the increasing concerns over the governance and utilization of all the revenue accruing and available for the development of oil-bearing communities in the region. The 13% derivation fund is a benefit-sharing system that helps concerned communities generate funds to restore aspects of their society affected by Oil production. This study assesses the development outcomes of the 13% derivation funds accruable to Bayelsa state since 1999 and the performance of the State in terms of delivery of development to concerned communities. The study employed a survey method involving 100 conveniently selected respondents from two LGA's. Descriptive statistics, such as percentage analysis and charts, was employed for data analysis. The survey revealed that communities in Bayelsa state are regrettably still suffering from massive infrastructural decay, widespread poverty, increasing criminality, growing unemployment, and environmental degradation, among other numerous challenges despite the 13% derivation funds allocated to them over the years. Essential infrastructures such as electricity, potable water, healthcare, and transportation, are still inaccessible to the majority of the people. Factors responsible for this, as revealed in the study, include the misappropriation of funds by successive administrations and the absence of an agency commissioned to ensure effective utilization of the funds for concerned communities. The study thus suggests, among others, that the Federal Government and other concerned bodies should review the current method of disbursing the 13% derivation funds and consider allowing host communities to participate actively in the governance of the funds.*

**Keywords:** *Bayelsa state, Benefit-sharing, Development, 13% Derivation funds, Revenue allocation*

## 1. INTRODUCTION

The increasing levels of frustration and the recurrent agitation of inhabitants of the Niger Delta region have been connected by various studies to the miss-match between the staggering oil-related revenue accruing to the Nigerian State and what appears to be sustained underdevelopment of the region. This is further exacerbated by the forceful exploitation and marginalization of the people, as well as the politics of oil governance and resource control affecting the growth and development of the region. The rationale for benefit sharing is primarily to ensure transparent and equitable redistribution of revenue accruing from resources and to give back to concerned communities and indigenous people. Such benefits are more like compensation to communities where resources are extracted and are targeted at helping concerned communities achieve sustainable development in the face of their peculiar challenges. Sustainable development here entails the ability of concerned communities to cope with the environmental challenges associated with oil exploration and production in the area, the ability of the communities to create prospering alternative livelihoods, as there is a decline in traditional economic activities of local people owing to oil exploration activities in the area and the ability of concerned communities to easily access appreciable standard of living and quality life, which manifests in the level of access to social amenities and infrastructure such as healthcare, education, freedom, safety, employment, nutritious food, as well as satisfaction in other various social and economic needs.

The 13% derivation fund, as acknowledged in section 162(2) of Nigeria's 1999 constitution, was mainly constituted to cushion the effects of the devastations of oil exploration, as well as to recompense Oil producing communities for divesting them of their proprietary right. The Nigerian Extractive Industries Transparency Initiative (NEITI) defines the 13% derivation fund as a financial incentive that is enshrined in the constitution to be disbursed to Oil producing communities as a way to encourage them to create a more enabling environment for more production of crude oil and gas (Ebiri, 2019). Thus, based on this constitutional provision, State Governments in the Niger Delta region, such as that of Rivers, Akwa Ibom, Delta, Edo, Abia, Ondo, Imo, Cross River, and Bayelsa have received over N9 trillion as 13% derivation funds between 1999 and 2018, this is asides other monetary allocations accruing to these states as development funds (Idio, 2017; Ebiri, 2019). However, despite this huge revenue available to the State Governments in the region the Niger Delta and its communities has remained a model for impoverishment and agitations. For instance, groups such as Host Communities Producing Oil and Gas in Nigeria (HOSCON), Ijaw Youth Congress (IYC), and Movement for the Survival of Ogoni People

(MOSOP); have repeatedly expressed their dissatisfaction with the lack of socio-economic transformation in the Niger Delta despite the huge wealth from oil resources. Furthermore, scholars such as Okonta and Douglas (2001), Ibeanu (2006), Tantua and Kamruzzamen (2016), and Joab-Peterside (2019) have noted that the Oil and gas resources that are supposed to present an opportunity for the oil-bearing states and communities to improve the welfare of their citizens now appear to be a curse as the people of the region suffer indescribable hardship, high levels of impoverishment and lack, high cost of living, unchecked pollution and environmental degradation and the regular destruction of the local populations' sources of livelihood. As noted by Jinadu, *et al.* (2007), this staggering paradox between the enormous wealth from oil resources in the Niger Delta and the impoverishment of the people, decaying infrastructure, and the distressed environment in Niger Delta, has earned the region various nomenclatures such as a '*place where vultures feast*' as captured in Okonta and Douglas' thesis in 2001. The reason for these depressing descriptions can be seen in the deplorable socio-economic conditions of the inhabitants of the region, who since the formation of the Nigerian State and the discovery of crude oil in 1956, have been subjected to systematic marginalization, impoverishment, and the degradation of their environment (Nwakanma & Joab-Peterside, 2019).

Bayelsa State, despite its relatively small demographic base and size, is one of the prominent states in the Niger Delta region, generally recognized as a major oil-producing state in Nigeria. Bayelsa State has one of the largest gas reservoirs and crude oil deposits in Nigeria and produces over 40% of the on-shore crude oil in the country. This is besides other essential mineral resources found in the State such as clay, silica, and limestone (Bayelsa Investment Promotion Agency, BIPA, 2019; Funmilayo, Robert, Olalekan, *et al.*, 2019). Owing to its assorted mineral resources and crude oil, petroleum production is extensive in the State and has exposed most of its oil-bearing communities to adverse socio-economic, environmental, and political challenges. This, as adduced by some scholars such as Oviasuyi and Uwadie (2010); Lysias, Amos, and Anthony (2015); Okotoni and Adesanmi (2018), fundamentally accounts for the recurrent oil-related struggles in the State as affected communities continue to demand fair and reasonable allocation of proceeds from resources vested in their area. Evidence also abound that Bayelsa State, like many states in the Niger Delta region, has received well over N1 trillion as 13% derivation funds since 1999. Although the State Government argues that they have judiciously applied the funds for all its legitimate and reasonable purposes, various claims and counterclaims abound on the successes and failure of the State government in the effective utilization of the derivation funds in concerned communities. It is thus the aim of this

study to assess the development outcomes of the 13% derivation funds accruable to Bayelsa state since 1999. In line with this, the specific objectives of the study are thus to examine the performance of the State Government in terms of delivery of development to inhabitants of the Oil and Gas Producing Areas in Bayelsa State, to investigate the level of understanding and uses of derivation funds, to examine the extent to which people of the oil and Gas producing Areas have benefited from the derivation fund. to examine Institutions established by State Governments for the sole purpose of managing the derivation fund, and to examine the peoples' view on how to make the governance of derivation resource space transparent and accountable to the people of Oil and Gas Producing Areas.

## 2. Derivation funds and Development implications for Oil producing areas

Benefit-sharing has remained one of the most controversial issues in the history of Nigeria's fiscal federalism, particularly since the discovery of Oil in 1956. The essence of benefit sharing is hinged on the need to ensure that a certain percent of the country's revenue from resources flows back to the various areas from which they were extracted. The 13% derivation fund, as shown in Figure 2.1 below, is one of such benefits, however, accruable to Oil bearing and Host communities.

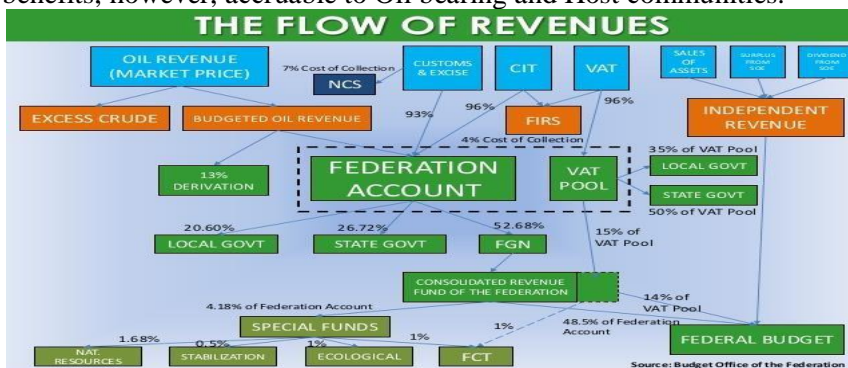


Figure 2.1: Revenues and sharing formula in Nigeria. Source: Budget Office (2015); Micaiah (2015)

The principle of derivation, as noted by, Nwokedi (2007), is based on the view that communities and states from which the bulk of the revenue is derived are entitled to get an extra share beyond what every other state receives. Nwokedi (2007) opined that the principle of derivation requires that all monetary and non-monetary revenues which are attributable to a particular state should be allocated in part or in full to such a state, irrespective of the fiscal jurisdiction involved or the machinery for its collection. This implies that the derivation principle seeks to allocate revenue from natural resources (in this case, oil and gas) from a federation's account to its confederate states, giving particular

consideration to the resource-producing states and regions. For Ofuebe (2005); Dang (2013) and Micaiah (2015), the principle of derivation is a constitutional device set up by the federal government to compensate for the minerals that are being extracted from communities in which the minerals are found. As opined by Micaiah (2015), it is simply the recognition of a prior beneficial right that was subsequently expropriated. It is a legal directive that constitutes a form of reparation for an expropriated interest and cannot be waived or derogated from by either the state or federal government.

The essence of revenue allocation is for host governments and oil-bearing communities to be able to utilize these funds to reduce the social, economic, and environmental challenges created by the extraction of these minerals. This aim can be further collapsed into six core objectives: economic diversification, human capacity development and infrastructural development, provision of social services, job creation, and environmental restoration, among others (see Figure 2.2).

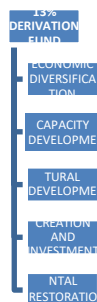


Figure 2.2: The principle of 13% Derivation Fund in Nigeria. Source: Authors illustration (2019)

1. **Economic Diversification:** It is an observable fact that one of the aims of the principle of derivation is to encourage diversification of livelihoods in oil-bearing communities, particularly as oil production affects the economic mainstay of the people. Diversification here helps to reduce the risks associated with Oil production and creates alternative skills, experience, and willingness that alters and amplifies the options of concerned communities in the region.
2. **Human Capacity Development:** As documented by various studies, the rapidity of a country's economic successes depends mainly on the developed competence and capacity of its citizenry. Human capacity development involves the process of systematically up skilling individuals to help them to be able to create economic, social, and institutional value that will benefit society as a whole. Diversified livelihoods corroborated by a development of the human capacity of concerned oil-bearing

communities are projected to resolve some of the issues surrounding the development question in the Niger Delta region.

3. **Infrastructural Development:** As noted by Spacey (2018) the development of a country manifests in the availability and accessibility of requisite infrastructural facilities. Scholars also opine that without a quality infrastructural base a country cannot develop its economy. Infrastructural development here involves, but is not limited, to the construction and improvement of foundational services to improve quality of life and engender economic growth. Infrastructure such as quality and accessible roads, potable water, energy/electricity, recreational facilities, educational programmes, health facilities, etc, are facilities needed and are expected to be provided in the Niger Delta region through the derivation funds, especially as it is the revenue hub of the country.
4. **Investment and Job Creation:** The revenues accruable to the region are also expected to create investment opportunities and jobs for the teeming youths and the increasing unemployed in the region. This is expected to reduce the agitations, grievances, and hostilities developing as a result of the negative impact of oil exploration in the region.
5. **Environmental Restoration:** Another core aim of the derivation funds as deduced from its constitutional provision is to initiate environmental restoration in the region. Part of the consequences of Oil production is the destruction of the physical environment through the incidences of Oil spillages, gas flaring, etc. Concerned communities are expected to apply the funds to tackle the challenges of environmental damages following Oil production in the region.

### 3. RESEARCH METHODOLOGY

#### 3.1 *Background information on selected Local Government Areas*

Bayelsa state, created in 1996 from Rivers State, is made up of 8 Local Government Areas, namely: Brass LGA, Nembe LGA, Ogbia LGA, Yenagoa LGA, Kolokuma/Opokuma LGA, Southern Ijaw LGA, Sagbama LGA, and Ekeremor LGA. Yenagoa Local Government Area (YELGA) is one of eight Local Government areas of Bayelsa State and the capital city of the oil-rich Bayelsa State. Yenagoa became a state capital when Bayelsa State was created in 1996 primarily because it was, as at that time, the only area that could be accessed by road in the State. The LGA has a land area of 706 km<sup>2</sup> with a Tropical Monsoon Climate and an average annual temperature of

about 30 degrees centigrade. YELGA boasts of a growing population of 353,344, comprising of 187,791 males and 165,553 females with an annual exponential growth rate of 2.9 (NBS, 2006; Funmilayo, Robert, Olalekan, *et al*, 2019). YELGA is bounded on the North and East by Mbiama communities of Rivers State, Kolokuma/Opokuma LGA on the Northwest, Ogbia LGA on the South, Southern Ijaw on the West, Ogbia LGA on the South East and Southern Ijaw again on the Southwest. YELGA is regarded as the gateway to Bayelsa owing to its strategic position at the entry of the State. Yenagoa is made up of seven clans, namely Epie, Atissa, Ekpetiama, Biseni, Gbarain, Okordia, and Zarama, as well as several notable communities such as Igbogene, Yenegwe, Akenfa, Edepie, Agudama, Akenpai, Etegwe, Okutukutu, Opolo, Biogbolo, Yenizue-Gene, Kpansia, Yenizue-Epie, Okaka, Azikoro, Ekeki, Amarata, Onopa, Ovom, Swali, Ikarama, Kalaba and Yenagoa (BIPA, 2019). The people of Yenagoa are Ijaws by ethnic nationality. The primary occupation of the people is fishing and farming largely done at the subsistence level. The riverine nature of some communities in the Local Government, e.g. Biseni community, encourages fishing. The people also engage in timber lumbering trading, carving, and palm oil production (BIPA, 2019). While the Local Government area is considered a capital city on the rise with several critical development projects ongoing, the LGA still lags in terms of sustainable economic development and industrialization.

Ogbia Local Government Area, on the other hand, is an LGA in Bayelsa State with great historic value, especially to Nigeria's oil economy. It is the Local Government Area where crude oil was first discovered and eventually produced in commercial quantity in Nigeria. Ogbia LGA has an expansive population of 179,926 and occupies a land area of 695 km<sup>2</sup> with an average temperature of 25 degrees centigrade. The area has some rivers and streams flowing within its territory with the average humidity level in the LGA put at 80 percent. Ogbia LGA witnesses two distinct seasons which are the dry and the rainy seasons characterized by heavy and frequent showers. The area can be accessed on the north by the Mbiama-Yenagoa road and on the south by the Nembe and Brass Rivers. Ogbia has about 66 villages and towns. Towns and villages that makeup Ogbia LGA include the famous Oloibiri where crude oil was first discovered, then Otuoke, Emakalakala, Imiringi, Opume, Eboh, Elebele, and Obeduma, which are mostly Oil producing areas. Ogbia people have a close kinship and language ties with the Okoroma people of Nembe Local Government of Bayelsa; the Odual people of Abua/Odual Local Government of Rivers state; the Ogbogolo people of Ahoada in Rivers state. The Ogbia dialect of the Ijaw language is a widely spoken language. It is the most popular language of the Central Delta languages of Nigeria. In the LGA, while the religion of Christianity is widely practiced in the area, there are also Traditional

worshippers and some Muslims.

The economy of Ogbia LGA is linked to its geographical provisions. The rivers and streams in the area are known for its wealth of seafood, thus fishing serving as the major livelihood of the people of Ogbia. The LGA is also a hub for farming with crops such as sugarcane, cassava, and plantain grown in the area. Other economic activities undertaken by dwellers of Ogbia LGA include trade and the making of fishing nets and canoes. Ogbia is also expected to benefit greatly from its Oil wealth, especially as it encompasses the famous Oloibiri where Oil was first discovered in Nigeria, however, the LGA remains largely undeveloped, earning it the title of one of the highly impoverished ‘richest towns’ in the world. As noted by Edeh (2017) although utility poles and electrical wires are erected everywhere along the streets of Ogbia, there is little no power supply. The community cannot boast of any government infrastructure in the area; even Oloibiri town which produced oil for over 20 years, and generated over 20 million barrels of oil and millions of dollars for the Nigerian Government, suggests serious abandonment by the Nigerian state as the people in the area complain of economic hardship and underdevelopment.

### 3.2 Population of the study and Sample size

The population of this study is made up of all adult residents of the communities in Yenagoa and Ogbia Local Government Areas, which adds up to 533,270 (NPC, 2016; Brinkhoff 2017). Communities selected for the study include Akudonu-Egbebi, Gbaratoru, Ikarama, Opolo-Epie, Koroama, Otuabagi, Otuasega, Oruma, Elebele, and Imiringi. From the target population, 100 respondents were conveniently selected. However, the survey had a difference in the attrition rate in Ogbia community, thus reducing the sample size to 96. Table 3.1 shows the distribution of the respondents in the selected LGA’s.

**Table 3.1** Distribution of the respondents per Local Government Area

		Frequency	Percent	Valid Percent
Local Government Areas	Yenagoa	50	52.1	52.1
	Ogbia	46	47.9	47.9
	Total	96	100.0	100.0

*Source: Fieldwork, 2019.*

In addition to the survey, two focus group discussions (FGDs), involving thirty conveniently selected persons from the two LGA’s,

was also conducted. The FGDs helped to generate supplementary qualitative information on the issues under study. The sampling process ensured that diverse elements of the population in the selected study areas, such as gender, marital status, occupations, and others, were well represented in the study sample.

### 3.3 Method of Data Collection and Analysis

The cross-sectional survey research design was employed to collect data for this study. The study relied on both primary and secondary sources of data. A self-completion questionnaire as well as FGD's were used to collect the primary data while relevant information from journal articles, gazettes, documentaries, and Newspaper publications, were also used to strengthen primary data. The choice of these instruments was informed by the need to ensure that valid qualitative and quantitative data are collected for the study. The study also relied on descriptive statistics for data analysis. Frequency tables, simple percentages, graphs, and charts were used to present the socio-demographic data of the respondents as well as the responses to the research questions raised in the study. The qualitative data collected for this study was simply transcribed verbatim. Transcription is a practice central to qualitative research and is seen as essential here especially as it helps the study identify the natural expressions of the respondents on the issues under study.

## 4. Data Presentation and Analysis

### 4.1 Socio-Demographic characteristics of Respondents

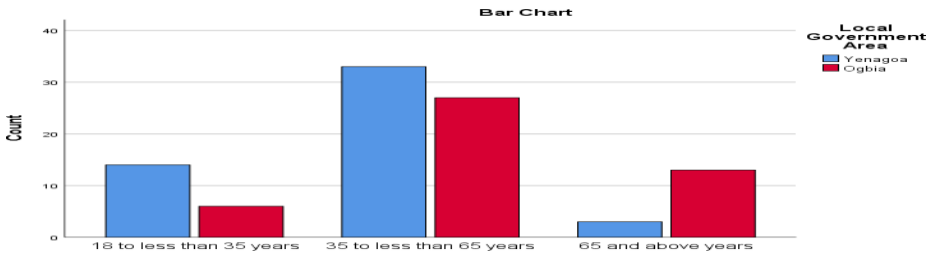
The study surveyed the gender, age, educational status, marital status, occupation, years of service, and alternative sources of income of the respondents. Table 4.1(a) shows that 66.7% (n=64) of the respondents are males, while the remaining 33.3% (n=32) are females.

Table 4.1(a) Gender distribution of Respondents

		Local Area		Government	Total	Valid Percent
		Yenagoa	Ogbi a			
Gender of Respondent	Male	31	33		64	66.67
	Female	19	13		32	33.33
Total		50	46		96	100.0

Source: Fieldwork, 2019.

Most of the respondents, as indicated in Figure 4.1, are between the ages of 18 – 35 years (20.8%), 62.5% are within the 35 and 65 years, while the remaining 16 (16.7%) were 65 years and above. This implies that the respondents are mature, largely knowledgeable, and conversant with the range of issues covered by this study.



**Figure 4.1(a)** Age distribution of Respondents. Source: Fieldwork, 2019.

The study also revealed, as shown in Table 4.1(b), that 60.4% or 58 of the respondents are educated above the secondary school level, another 27.1% or 26 of the respondents have completed secondary education, 3.1% or 3 of the respondents have completed primary schooling. The remaining 7.3% or 7 of the respondents have professional certificates. This high educational status of the majority of the respondents also strengthens the quality of the information provided by the respondents in the research.

**Table 4.1(b)** Educational Attainment of the Respondents

		Local Government Area		Total	Valid Percent
		Yenagoa	Ogbia		
Educational Attainment	Some Primary	2	0	2	2.1
	Completed Primary	2	1	3	3.1
	Secondary Completed	14	12	26	27.1
	Above Secondary	30	28	58	60.4
	Others	2	5	7	7.3
	Total		50	46	96

Source: Fieldwork, 2019.

Data in Table 4.1(c) shows that a large percentage of the respondents, 71.9%, are married while 26.0% (n=25) are single; only 2.1% are widows/widowers.

**Table 4.1(c): Marital Status and Occupation of Respondents**

		Frequency	Percent	Valid Percent
Marital Status	Single	25	26.0	26.0
	Married	69	71.9	71.9
	Widow/ Widower	2	2.1	2.1
	Total	96	100.0	100.0
Occupation	No Profession	1	1.0	1.0
	Civil Servant	27	28.1	28.1
	Private Sector Employee	8	8.3	8.3
	Farming/ Fishing	22	22.9	22.9
	Contractor	3	3.1	3.1
	Self Employed in Trade	10	10.4	10.4
	Student	8	8.3	8.3
	Unemployed	11	11.5	11.5
	Unpaid Worker	2	2.1	2.1
	Others	4	4.2	4.2
	Total	96	100.0	100.00

*Source: Fieldwork, 2019.*

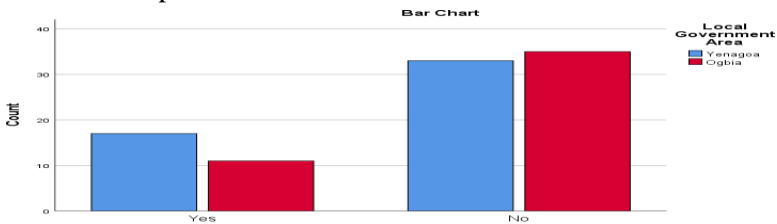
The survey also revealed in Table 4.1(c) that 28.1% (n=27) of the respondents are Civil servants, 8.3% (n=8) work in the private sector, another 22.9% (n=22) are in Fishing and Farming, 10.4% (n=10) are self-employed; 8.3% (n=8) are students, while 11.5% (n=11) were unemployed as at the time of the study. The study also surveyed the settlement pattern of the respondents. In Table 4.1(d), it is seen that 25.0% (n=24) live in Bungalows, 13.5% (n=13) live in semi-detached apartments, while another 2.1% (n=2) live in detached houses. Furthermore, some of the respondents, 19.8%, still reside in traditional apartments such as mud houses and huts; 28.1% live in rented apartments, while 3.1% of the respondents share an apartment with friends. This information has implications for the social and economic status of the respondents of this study, and by extension most residents of the selected study area.

**Table 4.1(d): Settlement pattern of the Respondents**

		Frequency	Percent	Valid Percent
Settlement Pattern	Traditional	19	19.8	19.8
	Rented Apartment	27	28.1	28.1
	Bungalow	24	25.0	25.0
	Semi-Detached	13	13.5	13.5
	Detached	2	2.1	2.1
	Sharing a Room with Friend	3	3.1	3.1
	Duplex	3	3.1	3.1
	Others	5	5.2	5.2
	Total	96	100.0	100.0

Source: Fieldwork, 2019.

The survey also revealed in Figure 4.1(b) that only 29.2% (n=28) of the respondents have some secondary source of income to meet their household and personal needs.



**Figure 4.1(b): Alternative sources of income of Respondents.** Source: Fieldwork, 2019.

Of the 28 respondents who indicated that they have some other sources of income, 22 (22.9%) pointed out that they have occasional businesses that fetch them some income, 3.1% (n=3) of the respondents indicated that their alternative source of income is from personal transfers, while only 2.1% (n=2) of them noted that they receive occasional transfers from friends and relatives, (see Table 4.1[e]). The remaining 70.8% (n=68) indicated that they do not have any other source of income other than their current employment.

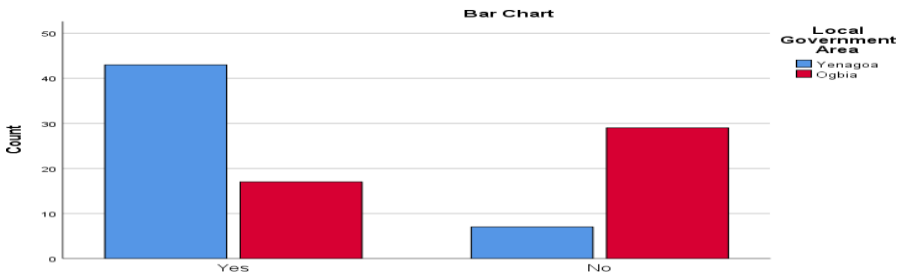
**Table 4.1(e):** Secondary sources of income of Respondents

		Local Government Area		Total	Valid Percent
		Yenagoa	Ogbia		
If Yes How?	Occasional Business	12	10	22	22.9
	Personal Transfers	3	0	3	3.1
	Occasional Transfers	1	1	2	2.1
	No Response	34	34	68	70.8
	Others	0	1	1	1.0
Total		50	46	96	100.0

Source: Fieldwork, 2019.

#### 4.2 Social amenities in the Selected Local Government Areas

The study examined the availability of essential social facilities such as electricity, potable water, transport services, health care facilities, and other necessary infrastructure in the various communities of the study area. The aim is to investigate the extent to which these communities benefit from the existence of the State and Local Governments. It is important to note here that infrastructure is important for the sustainability of human settlements; it also has the power to determine the quality of life of citizens. Figure 4.2(a) shows that 62.5% (n=60) of the respondents indicated that there is a supply of electricity in their communities, while the remaining 37.5% (n=36) indicated that there is no power supply in their communities. Those respondents who indicated that electricity is available in their community further stated that the supply is somewhat irregular (37.5%), another 6.3% noted that while there is the electricity supply in their area, it is very irregular, as they could stay weeks and sometimes months before power will be restored. Only 25.0% indicated that the electricity supply in their area is somewhat regular.



**Figure 4.2(a):** Electricity supply in respondent's communities.

Source: Fieldwork, 2019.

It was also noted in Table 4.2(a) that the core problems of electricity supply in most parts of the research area are poor electricity supply (45.8%) and the absence of electricity installations such as transformers (15.6%) and electric poles (3.1%). However, 45.8% (n=44) pointed out that even when there are transformers and electric poles in the communities, there is no constant supply of electricity. Also in Table 4.2(a), it is revealed that 36.5% or 35 of the respondents rely on personal generators to meet their light needs; 11.5% or 11 of the respondents rely on community generators, while 22.9% or 22 of the respondents rely on rechargeable lamps and locally made lanterns for lighting. Only 29.2% of the respondents indicated that they rely solely on Electricity distribution companies.

**Table 4.2(a):** Reasons for Absence of Electricity in Respondents Community

		Frequency	Valid Percent
Reasons for Poor Electricity	Absence of Transformer	15	15.6
	Absence of Electric Poles	3	3.1
	No Constant Electricity	44	45.8
	No Response	23	24.0
	Presence of Company	11	11.5
	Total	96	100.0
Sources of Lighting	Electricity Distribution Company	28	29.2
	Personal Generator	35	36.5
	Community Generator	11	11.5
	Lamp	22	22.9
	Total	96	100.0

*Source: Fieldwork, 2019.*

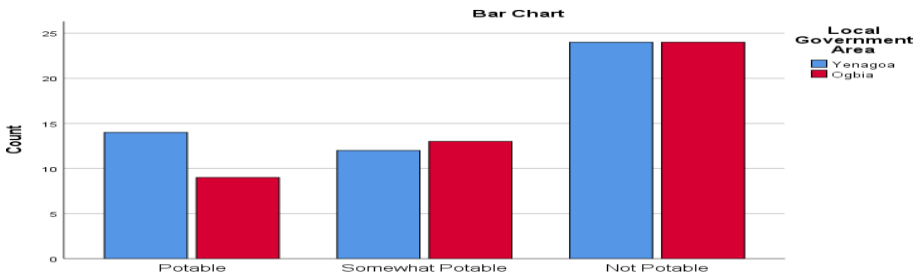
In Table 4.2(b), an overwhelming majority of the respondents (64.6% or 62) stated that public water supply is not available in their neighbourhood, while 35.4% or 34 other respondents stated that public water supply is available in their neighborhood.

**Table 4.2(b):** Availability of Potable water in respondents' communities

		Frequency	Percent
Availability of Public water Supply	Yes	34	35.4
	No	62	64.6
	Total	96	100.0

Source: Fieldwork, 2019.

Most of the respondents, (n=48 or 50%), in Figure 4.2(b) indicated that water supply is not available in their areas noted, and when it is, it is not potable. Another 25 or 26.04% indicated that water in their area is somewhat potable. Only 23 or 23.96% of the respondents indicated that the pipe-borne water in their community is potable.



**Figure 4.2(b):** Respondent's rating of Potable water. Source: Fieldwork, 2019.

On the availability of health and family care services in the area of the study, 62.5% or 60 of the respondents, as shown in Table 4.2(c), affirmed that there are health services available in their communities.

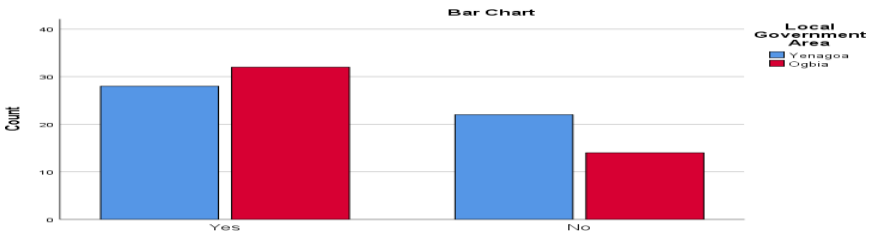
**Table 4.2(c):** Availability of Healthcare Services in the selected study area

		Local Government Area		Total	Valid Percent
		Yenagoa	Ogbia		
Health Delivery	Yes	28	32	60	62.5
	No	22	14	36	37.5
Total		50	46	96	100.0

Source: Fieldwork, 2019.

For instance, respondents in communities such as Akudonu-Egbebi, Opolo-Epie, Koroama, Otuasega, and Oruma, indicated that there are health centers and maternal health care services in their communities, although most of them are not well equipped or fully functional. The remaining 37.5% or 36 of the respondents stated that there is no

health service in their communities (see Figure 4.2[c]). Furthermore, some respondents in Gbaratoru, Ikarama, Elebele, and Imiringi communities stated that there are no well-equipped health services in their communities, and as a result, most persons use private hospitals or traditional health centers.



**Figure 4.2(c):** Availability of Health services in Communities.  
 Source: Fieldwork, 2019.

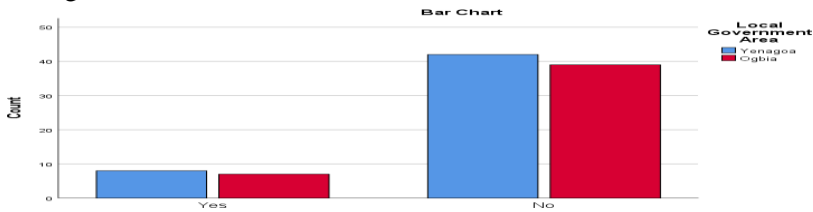
The study also investigated the availability and access to other essential facilities such as public transport facilities and educational services. An overwhelming 88.5% of the respondents, as against 11.5%, indicated that neither the Local nor the State Government have been able to provide any form of public transport services, making it difficult for residents of the communities to commute from their homes to their places of work, or transport easily their goods and services (see Table 4.2[d]).

**Table 4.2(d):** Availability of other essential services such as Transport and Educational services

		Local Government Area		
		Yenagoa	Ogbia	Total
<b>Public Transport Facilities</b>	Yes	2	9	11
	No	48	37	85
	Total	50	46	96
<b>Educational Services/Facilities</b>				
Primary	Yes	50	45	95
	No	0	1	1
	Total	50	46	96
Secondary	Yes	42	42	84
	No	8	4	12
	Total	50	46	96
Higher School	Yes	1	13	14
	No	49	33	82
	Total	50	46	96
University	Yes	0	1	1
	No	50	45	95
	Total	50	46	96

Source: Fieldwork, 2019.

Table 4.2(d) also shows that educational services at the high school and university levels are not available or functional in most communities in the selected LGA's. The Table shows that 99.0% or 95 of the respondents affirmed that there are no universities in their communities. In the same vein, 85.4% or 82 of the respondents indicated that there are no high schools in their communities, except primary and secondary schools built by the State Government many years ago.



**Figure 4.2(d):** Employment opportunities in the selected LGA's. Source: Fieldwork, 2019.

On employment opportunities in the selected LGA's, Table 4.2(e) shows that 84.37% of the respondents agree that employment opportunities are scarce in their area; and where there is any existing (like in some private companies and the State civil service), it is usually blighted by discriminatory recruitment practices.

**Table 4.2(e):** Employment opportunities in various sectors in the selected LGA's

		Local Government Area			Valid Percent
		Yenagoa	Ogbia	Total	
Employment Opportunities	Yes	8	7	15	15.63
	No	42	39	81	84.37
	Total	50	46	96	100.0
Oil Companies	Yes	3	4	7	7.29
	No	47	42	89	92.71
	Total	50	46	96	100.0
Private Sectors	Yes	12	14	26	27.08
	No	38	32	70	72.92
	Total	50	46	96	100.0
State Government	Yes	14	23	37	38.54
	No	36	23	59	61.46
	Total	50	46	96	100.0

Source: Fieldwork, 2019.

Table 4.2(e) also showed that only 38.54% or 37 of the respondents agreed that the State government provides employment opportunities for the people. The remaining 61.46% indicated that the processes

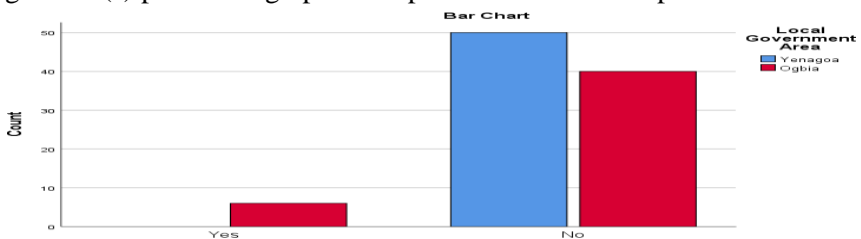
through which the State employs are usually discriminatory and shrouded in secrecy. Furthermore, 92.71% or 89 of the respondents also indicated that even though their communities are oil-bearing communities, there is little provision for employment for indigenes.

**Table 4.2(f):** Is the Government Good in terms of Social Services Provision?

		Local Government Area			Valid Percent
		Yenagoa	Ogbia	Total	
Is the Government Good in Terms of Social Services Provision	Yes	0	6	6	6.25
	No	50	40	90	93.75
Total		50	46	96	100.0

Source: Fieldwork, 2019.

The study also investigated the perception of the respondents on the Government’s ability to provide social services to the people. This flows from the concept of government as a provider and a protector of the public. As noted by Slaughter (2017) the essence of government is to provide those goods and services that the populace cannot provide individually or all by themselves. Government, in this conception, is the solution to collective action problems, the medium through which citizens create public goods that benefit everyone. As shown in Table 4.2(f), only 6.25% of the respondents agreed that the State Government is making efforts in the provision of social services, while an overwhelming 93.75% of the respondents stated clearly that the Government cannot provide social services for the populace. Figure 4.2(e) presents a graphical explanation of these responses.



**Figure 4.2(e):** Is the Government able to provide social services.  
 Source: Fieldwork, 2019

While 10.42% or 10 of the respondents gave no reason to explain the inability of Government to provide social services to the communities, 13.54% or 13 other respondents claimed that systemic corruption is responsible for Governments inefficiency, 21.87% or 21 of the respondents stated that the challenge is inequity in the levels of Governance making it difficult for the Local Government area, which

is the third tier of government, to provide social services directly to the people.

As shown in Table 4.2(g), another 53.13% or 51 of the respondents stated that bad governance is a major impediment to the Government's ability to provide social services and other essential facilities.

**Table 4.2(g):** Reasons for the Government's inability to provide Social Services

			Local Government			Valid Percent
			Area			
			Yenagoa	Ogbia	Total	
Why the Government is unable to provide social services	Inequality of the Government		13	8	21	21.87
	Bad Government		30	21	51	53.13
	No Reason		2	8	10	10.42
	Corruption		4	9	13	13.54
	Good Governance		1	0	1	1.04
Total			50	46	96	100.0

*Source: Fieldwork, 2019.*

An overwhelming proportion, 95 or 99.0% of the respondents indicated that there are a lot of services needed in their various communities. The majority of the respondents stated that Electricity, Education, Employment, Portable water, Health care, and Transport services are critically needed in their communities (see Table 4.2[h]).

**Table 4.2(h):** Are there services needed in the communities?  
 Highlight in order of importance.

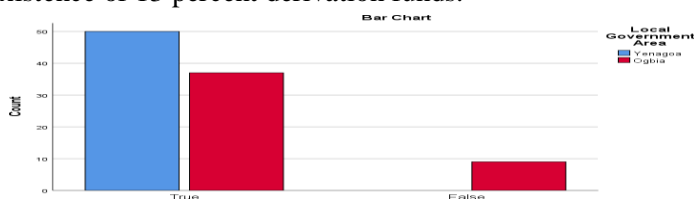
	Local Government Area		Percent
	Yenagoa	Ogbia	
Education, Potable water, Electricity, Health care, Employment	9	8	17.71
Employment, Potable water, Electricity, Health care, Education	13	5	18.75
Electricity, Education, Employment, Portable water, Health care	16	18	35.42
Potable water, Electricity, Education, Employment, Health care	5	11	16.66
No Response	0	1	1.04
Health care, Electricity, Education, Potable water, Employment	7	3	10.42
Total	50	46	100.0

*Source: Fieldwork, 2019.*

### **4.3 Respondents knowledge on 13% Derivation Fund in the selected Local Government Areas**

The idea of a derivation fund is conceived largely as a measure to cushion the effects of the devastations of oil exploration as well as to recompense Oil producing communities for divesting them of their proprietary rights to resources found in their communities. Oil-producing states such as Akwa-Ibom, Rivers, Delta, Cross River, Edo, Abia, Ondo, Imo, Anambra, and Bayelsa State, have received as Oil derivation funds the sum of N360.4 billion between 1999 and 2003; N1.338 trillion between 2004 and 2007; N2.36 trillion from 2008 to 2011, and about N2.947 trillion from 2012 to 2016. Ironically, the huge sum notwithstanding, communities in most of these States still suffer from massive infrastructure decay, widespread poverty, and environmental degradation, among other challenges. The 13 percent derivation fund has been a subject of controversy between the oil-producing communities and their various state government, with the former demanding that the Federal Government pay the funds directly

to concerned communities and not into the coffers of the State. However, there remains a concern on how much people know about the essence, need, and even the existence of the 13 percent derivation funds. This study, as a sequel, investigated respondents' knowledge on the existence and use of the 13 percent derivation fund in their Local Government area and various communities. Figure 4.3(a) shows that 90.6% or 87 of the respondents are aware of the existence of 13 percent derivation funds; and that the fund is a percentage from the sale of crude oil paid to Oil bearing States in direct proportion to the number of mineral resources extracted from their communities. Only 9.4% or 9 of the respondents indicated that they are not aware of the existence of 13 percent derivation funds.



**Figure 4.3(a):** 13% Derivation fund is the percentage of Resources.  
Source: Fieldwork, 2019

For 92.71% or 89 of the respondents, these derivation funds are routed through the State governments for administrative purposes only. Only 7.29% or 7 of the respondents indicated that they do not know why the derivation funds are routed through the State Government (see Table 4.3[a]).

**Table 4.3(a):** Derivation funds are routed through the State for Administrative Purposes only

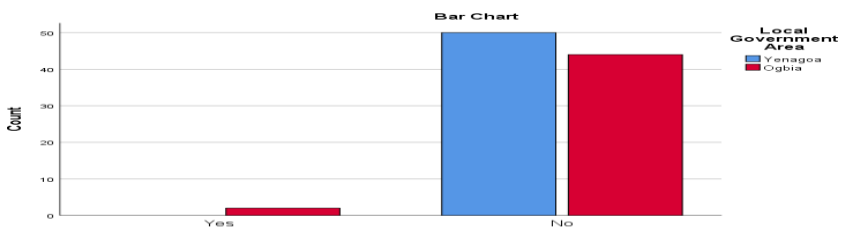
		Local Government Area			Valid Percent
		Yenagoa	Ogbia	Total	
Derivation funds are routed to States for administrative Purposes	True	4	42	89	92.71
	False	3	4	7	7.29
Total		50	46	96	100.0

Source: Fieldwork, 2019.

The study also surveyed if there is any institution or agency in the selected LGA's that is responsible for the administration of the 13 percent derivation in concerned communities. As shown in Figure 4.3(b), an overwhelming 97.92% or 94 of the respondents affirmed that there is no specific institution or agency created with such tasks.

The remaining 7.29% or 7 of the respondents agreed that agencies such as the NDDC and the Bayelsa State Oil and Environmental Commission (BSOEC) exist and may have in their mandate such responsibility. However, issues emanating from this assertion include the fact that the laws setting up the NDDC and the Bayelsa State Oil and Environmental Commission do not particularly include the administration of the 13% derivation funds accruable to concerned communities. For instance, the aim of the Bayelsa State Oil and Environmental Commission, as published on the official website of the commission, is to investigate the environmental and human damage caused by the operations of oil multinationals in Bayelsa State; analyze the existing legislation governing the operations of the multinational oil companies, undertake comparative analysis with legislation governing the operations of multinational oil companies in other territories, assess the suitability of the existing Nigerian legislation for holding multinational oil companies to account for their activities and above all, develop a set of informed recommendations that will lead to the development of a new legal framework that ensures accountability and an action plan for implementation to ensure a healthy environment by ensuring appropriate clean-up and remediation of impacted sites and also help host communities receive sufficient compensation for the impacts of environmental pollution and degradation and reap the benefits from the production of oil within their communities.

The NDDC on the other hand has the mandate to ascertain measures necessary to promote the physical and socio-economic development of the Niger Delta region. None of these institutions have in their mandate the administration, utility, or distribution of the 13 percent derivation funds. Rather, these funds are routed through the State Governments.



**Figure 4.3(b):** Institutions and agencies for 13% derivation funds.  
 Source: Fieldwork, 2019

Table 4.3(b) shows that majority of the respondents, 94.79% or 91, will prefer that the Federal Government stop paying the 13 percent Derivation funds to the State Government.

**Table 4.3(b):** Should the Federal Government stop paying 13% Derivation to State Governments?

		Local Government Area			Valid Percent
		Yenagoa	Ogbia	Total	
The government should stop paying 13% Derivation funds to States	Yes	47	44	91	94.79
	No	3	2	5	5.21
Total		50	46	96	100.0

*Source: Fieldwork, 2019.*

This flows from the conviction of 79.17% or 76 of the respondents' that the State Government misappropriates these funds and the fact that the dividends of these funds, as agreed to by 76.04% or 73 of the respondents, are currently unnoticed in the Oil bearing communities. Again, 78.13% or 75 of the respondents, as against 21.87%, also noted routing the funds through the State Government underscores a loss of faith and a significant disconnect between the State Government and the oil-bearing communities.

Furthermore, most of the respondents indicated that the 13 percent derivation fund is not part of the consolidated revenue of any tier of Government, thus should not be included in the allocations going to the State Government (see Table 4.3[c]).

**Table 4.3(c):** Reasons why the Derivation fund should not be routed through the State Government

		Local Government Area		
		Yenagoa	Ogbia	Total
Non-accountability & Misappropriation has become Endemic among State Government	Yes	36	40	76
	No	14	6	20
It Underscores a loss Faith & Disconnect between State Government and Oil bearing Communities	Yes	35	40	75
	No	15	6	21
13% Derivation Fund Remains Largely Unnoticed in the Oil Bearing Communities.	Yes	32	41	73
	No	18	5	23
The 13% Derivation Fund is not part of the Consolidated Revenue of any Tier of Government	Yes	34	4	75
	No	16	5	21
	Total	50	4	96
			6	

*Source: Fieldwork, January 2019.*

In response to these highlighted challenges facing the governance of the 13 percent derivation funds, various groups have emerged in the Oil bearing communities clamouring for absolute control of the funds by concerned communities. Some even agitate for the establishment of an Oil Producing Area Development Commission in the State. In 2016 the Artisanal Fishermen Association of Nigeria (ARFAN), from the oil-bearing communities of Bayelsa State, has called for the establishment of an Oil Producing Areas Development Commission in the State noting that the establishment of the commission had become necessary to ensure the rapid development of the oil-producing areas and to recompense oil affected communities.

#### **4.4 Respondents' perception of the effects of the present State administration**

The study, in the bid to assess the extent to which the State Government promotes the state economy and takes operational control over the provision of programs and infrastructure that affect the people, investigated the perception of the respondents on the felt

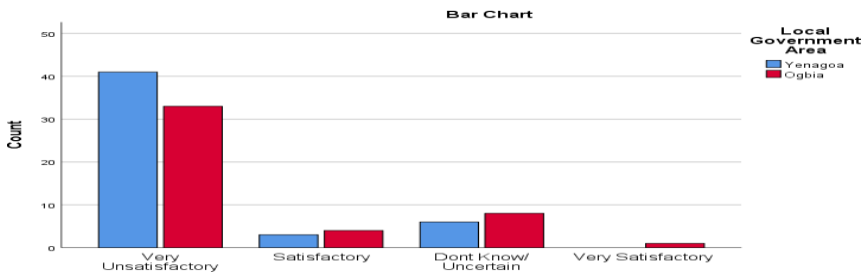
presence of the current State administration in the selected LGA's and their communities.

**Table 4.4(a):** Presence of the State Government in the selected LGA's

		Local Government Area			Valid Percent
		Yenagoa	Ogbia	Total	
Government Presence in the Community of Respondents	Yes	22	15	37	38.54
	No	28	31	59	61.46
	Total	50	46	96	100.0

Source: Fieldwork, 2019.

As shown in Table 4.4(a), while 38.54% or 37 of the respondents agreed that there is some presence of government in their communities, 61.46% or 59 of the respondents indicated that the presence of the State government is largely not felt in their communities, particularly in the areas of providing welfare and infrastructure.



**Figure 4.4(a):** Performance of the Present administration on Infrastructure. Source: Fieldwork, 2019

The majority of the respondents, (77.1%), noted that while the State Government has over the years been able to provide some requisite infrastructure for the populace, the performance of the present administration has been very unsatisfactory. Only 7.3% and another 1% indicated that the performance of the State Government in areas of infrastructure has been satisfactory (see Figure 4.4[a]).

**Table 4.4(b):** Performance of the present State administration in terms of welfare in selected LGA's

Valid	Responses	Frequency	Percent	Valid Percent
<b>Provision of Employment Opportunities for Indigenes</b>				
	Very Unsatisfactory	78	81.3	81.3
	Satisfactory	1	1.0	1.0
	Don't Know/ Uncertain	16	16.7	16.7
	Very Satisfactory	1	1.0	1.0
<b>Improvement of Local Agriculture</b>				
	Very Unsatisfactory	74	77.1	77.1
	Satisfactory	5	5.2	5.2
	Don't Know/Uncertain	16	16.7	16.7
	Very Satisfactory	1	1.0	1.0
<b>Aiding Small - Scale Industry</b>				
	Very Unsatisfactory	73	76.0	76.0
	Satisfactory	2	2.1	2.1
	Don't Know/Uncertain	19	19.8	19.8
	Very Satisfactory	2	2.1	2.1
<b>Women Development Programmes</b>				
	Very Unsatisfactory	74	77.1	77.1
	Satisfactory	2	2.1	2.1
	Don't Know/Uncertain	19	19.8	19.8
	Very Satisfactory	1	1.0	1.0
<b>Youth Development Programmes</b>				
	Very Unsatisfactory	77	80.2	80.2
	Satisfactory	4	4.2	4.2
	Don't Know/Uncertain	14	14.6	14.6
	Very Satisfactory	1	1.0	1.0

Source: Fieldwork, 2019

The study further assessed the perception of the respondents on some key indicators of the presence of Government, such as employment opportunities, youth development, women development, and agricultural development, in the LGA's. As shown in Table 2.4.4(b), 81.3% or 78 of the respondents stated that the provision of employment opportunities for indigenes by the State has been very unsatisfactory. This is corroborated by the general opinion of the FGD participants that:

“...There are no jobs in the State... this explains why most of the people rely on Government work (*Civil Service*), royalty from companies and politics for their livelihood.” “...If the State doesn’t pay salaries now, you will see that everything ceases in the State; you will hear market women, landlords, Students all lamenting.”

Of the 96 respondents, 77.1% (n=74) also noted that the State has performed very unsatisfactorily in the development of local agriculture in the State; 76.0% (n=73) further indicated that the State Government has also failed in aiding small-scale industries thus making it difficult for people to even be self-employed. 77.1% (n=74), as against 3.1% (n=3), also affirmed that women's development programmes by the State Government have been very unsatisfactory. On youth development programmes, only 5.2% or 5 of the respondents indicated that the State Government has performed satisfactorily, while 80% (n=77) affirmed that State Government’s youth programmes have been very unsatisfactory (see Table 4.4[b]).

**Table 4.4(c):** Everything Considered, how pleased are you with the present administration?

		Frequency	Percent	Valid Percent
How pleased are you with the present Administration?	Very Displeased	79	82.3	82.3
	Somewhat Displeased	9	9.4	9.4
	Neither Pleased nor Displeased	4	4.2	4.2
	Somewhat Pleased	3	3.1	3.1
	Very Pleased	1	1.0	1.0
Total		96	100.0	100.0

Source: *Fieldwork, 2019.*

An assessment of the performance of the present administration, as presented in Table 4.4(c), reveals that there is a common impression among the respondents as well as in a majority of the populace, that the State Government is ineffectual, insensitive, and irresponsible to the needs and welfare of the populace. Table 4.4(c) shows that 82.3% or 79 of the respondents are very displeased with the performance of the present administration. This displeasure, as indicated by the respondents, stems from the challenges of poor social services in terms of healthcare, education, facilities, and potable water; Unemployment, and the dearth of essential infrastructure in the State

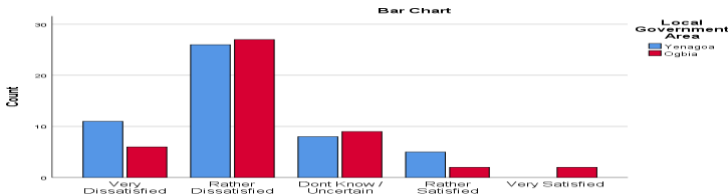
(see Table 4.4[d]). Another 9.4% or 9 indicated that they are somewhat displeased, while 3.1% or 3 respondents were somewhat pleased and another 1% or 1 respondent very pleased. In Table 4.4(d), most of the respondents indicated that the present administration has left a lot to be desired in terms of infrastructural development, employment, and social services necessary for living in the Bayelsa State. 43.8% or 42 of the respondents highlighted Social services (such as healthcare, education, and potable water) as critical needs in their communities; 19.8% or 19 of the respondents were of the opinion that employment opportunities are most urgent in the State before other needs such as social services and infrastructure. The remaining 36.5% or 35 of the respondents noted that Infrastructure is most urgent, followed by employment and social services. For this group, infrastructure is necessary as it will create the environment for private businesses to thrive, even before the State expands job opportunities.

**Table 4.4(d):** Three most urgent expectations of the Populace (In order of importance)

		Frequency	Percent (%)
Valid	<ul style="list-style-type: none"> <li>• Social Services (Healthcare, Education, Portable Water, etc),</li> <li>• Employment,</li> <li>• Infrastructure</li> </ul>	42	43.8
	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Social Services (Healthcare, Education, Portable Water, etc),</li> <li>• Infrastructure</li> </ul>	19	19.8
	<ul style="list-style-type: none"> <li>• Infrastructure,</li> <li>• Employment,</li> <li>• Social Services (Healthcare, Education, Portable Water, etc)</li> </ul>	35	36.5
	Total	96	100.0

*Source: Fieldwork, 2019*

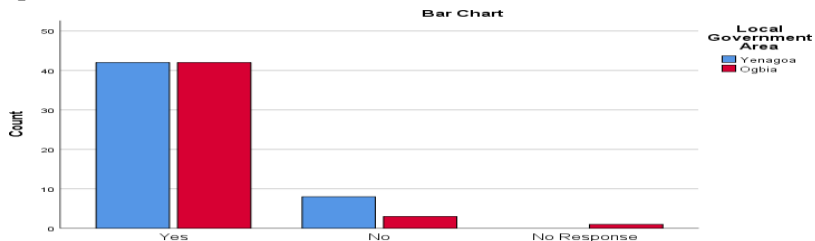
As a consequence of these development challenges in the State, the majority of the respondents have indicated that they are largely dissatisfied with the standards of living in the Bayelsa State. As shown in Figure 4.4(b), 17.7% or 17 of the respondents stated that they are very dissatisfied with the level of living in the State, with another 55.2% or 53 indicating that they are somewhat dissatisfied. Only 2.1% or 2 of the respondents indicated that they are very satisfied with the level of living in the State.



**Figure 4.4(b):** Satisfaction with the level of living in the State.  
 Source: Fieldwork, 2019

#### 4.5 Perception of Respondents on how to manage the 13 percent Derivation funds

As noted earlier in this study, in Table 4.3(b), the majority of the respondents believe that the Federal Government should discontinue the payment of the 13 percent derivation funds to the State Government. These demands derive from the issues surrounding the administration of the funds such as unaccountability and issues of improbity, misappropriation of the funds, and the disconnect between the dispatched derivation funds and development in Oil bearing communities. There has also been connected to the increased agitations, incessant disruption of petroleum operations, and recurrent sabotage of Oil facilities in the Niger Delta region despite the constitutional provision for derivation. Following the highlighted concerns on the most efficient and beneficent way to govern the derivation funds, the study surveyed the perception of the respondents.

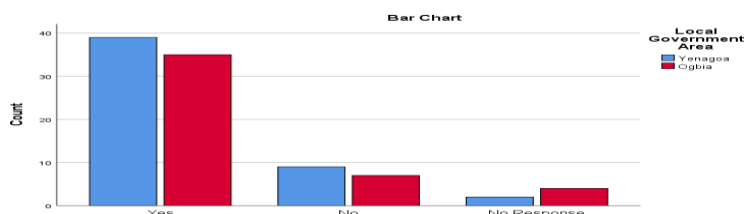


**Figure 4.5(a):** Should 13% be disbursed directly to Communities?  
 Source: Fieldwork, January 2019

As revealed in Figure 4.5(a), while there were varying positions on a sharing method between the State and the concerned communities, 87.5% or 84 (as against 11.5% or 11) of the respondents indicated that the finds should be disbursed directly to Oil producing communities. This perception validates the agitations from various quarters in the Niger Delta region that concerned communities should govern the derivation funds accruable to them. A case in point is the recent agitations by the Niger Delta People’s Congress (NPC) and the Host Communities Producing Oil and Gas in Nigeria (HOSCON). For

these groups, the governance of the 13 percent derivation funds by the State Governments of Oil producing communities has been befuddled with issues of mismanagement and unaccountability (Elebeke, 2012; Guardian, 2016; Idio, 2017). Chief Mike Loyibo, the Coordinator of Niger Delta Peoples' Congress (NPC), in a recent communiqué advocated for the direct transfer of the 13 percent derivation to oil-producing and host communities in the Niger Delta to enable them to manage the funds for their development. This follows a similar call by the President of HOSCON, Mr. Mike Emuh, that the Federal Government should stop remitting the 13 percent derivation funds to the States mainly because these funds are not properly utilized for the development of these communities (Guardian, 2016; Idio, 2017). Lysias, Amos, and Anthony (2015) had also noted that the 13% derivation fund and the lipstick democratic governance in Bayelsa State have been characterized by lack of accountability and transparency, thus the phenomenon of reverse development in the State.

In Figure 4.5(b), 77.1% or 74 of the respondents also indicated that creating a 13% derivation fund board or a commission made up of members of oil-producing communities, representatives of the State Government and the Federal Government can solve, to a large extent, the issues generated by the governance of the funds. Only 6.3% or 6 of the respondents disagreed.



**Figure 4.5(b):** An agency should be created to administer the 13%.  
Source: Fieldwork, 2019

## 5. DISCUSSION OF FINDINGS

The discovery of Crude Oil in the creeks of Oloibiri, Bayelsa State, in 1956 and the subsequent production in commercial quantities sparked hopes of an economic boom that would elevate the living standards of Nigerians, especially that of Bayelsans who are directly from the Oil rich areas in the country. True to the projections of experts, the oil industry became the backbone of Nigeria's economy. It provides over 90 percent of the country's export revenues and brings about a billion investments in the country's economy as well as the development of related sectors of the economy and infrastructure. Bayelsa State, being

a major contributor, accounts for about a third of Nigeria's oil wealth through 40% onshore crude oil production as well as 53% of the country's Liquefied Natural Gas (LNG) resources utilized at the Bonny LNG plant. This oil wealth did not come without its pains and challenges. As noted by Bayelsa State Oil and Environmental Commission (2019), the Niger Delta, Africa's biggest oil-producing region, has fuelled Nigeria's astonishing wealth; however, the masses rarely enjoy the dividends but suffer the socio-economic, political, and environmental consequences of oil production in their communities.

This necessitated the provision of the 13 percent derivation fund essentially to compensate concerned communities for the devastation of their areas (Aaron, 2005). However, since its inception, several questions have been asked, especially how the funds accruing to the Oil-bearing States have affected the lives of the indigenes of the Niger Delta since the inception of the initiative? This is coming at a time when figures from the Federal Ministry of Finance reveals that the nine Oil states have collectively received N44.68 trillion from the Federation Account Allocation Committee (FAAC) as 13 percent mineral derivation revenue from June 1999 to December 2018 – with Bayelsa state alone receiving N1.09 trillion during these 19 years. As noted by Abdallah (2019) these figures do not include the monthly statutory allocations and the revenue internally generated by the states.

The study revealed that the majority of the respondents believe that the State Government is misappropriating the funds meant for developing concerned communities, especially as the impact of the derivation funds is significantly unnoticed in the Oil-producing communities. An overwhelming percentage of the respondents noted that, despite the over N1.09 trillion received by Bayelsa State between 1999 and 2018, employment opportunities, necessary infrastructure, social amenities (including healthcare, potable water, and transport services), amongst other needs, are still lacking in the most of the oil-bearing communities. This does not gloss over the fact that the State Government has made consistent efforts at providing infrastructure in the State. For instance, the State has built-in various parts of the State primary to secondary schools, universities – such as the University of Africa and the Bayelsa Medical University, as well as a State polytechnic and a college of education. The State Government has also provided health facilities in some parts of the State, invested in agriculture, roads, amongst others.

The main concern is that in most Oil-producing communities in the State, facilities, and infrastructure such as utility network;

residential, commercial, and industrial access to water and sewage systems; sufficient power generation and distribution; road network linking rural and city centers, mass transit, affordable housing, and many others, are absent. Special interviews with respondents from Gbarantoru, Ikarama, Imiringi Akudonu-Egbebi, Opolo-Epie, Koroama, Otuasega, and Oruma communities revealed that on electricity and power generation, the State currently has no injection substation meaning that power generated in the State cannot be successfully distributed to other parts of the State or National grid. The State can also boast of only one transmission line which was built in 1988 before the State was created. Road networks leading to most of the Oil producing areas are currently in a poor state and inaccessible by land or rail.

It is revealed further in this study that the majority of Bayelsans have lost faith in the capacity of the current State administration to improve on the welfare of the citizens or providing basic and needed amenities in the Oil-producing State. This perception is hinged on the concerns of corruption, non-accountability, and misappropriation in the management of State funds by public officeholders. The study also finds that majority of the people in Oil-producing communities of Yenagoa and Ogbia LGA's feel frustrated that the State Government receive these funds unconstitutionally and only use it to develop their hometowns and other areas that appeal to them, leaving the actual concerned Oil and Gas producing communities in wretchedness and underdevelopment. This situation has contributed to the persistent agitations for resource control and crises of insurgency in the State and the recurrent demands by various groups for a direct remittance of all Oil derivation funds to host communities, especially as the 13 percent derivation funds were not part of the consolidated revenue funds of the State and its usage has not significantly impacted on the lives of the people.

## 6. CONCLUSION

As indicated earlier in the study, Bayelsa State is one of the major oil-producing states responsible for producing 80% of Nigeria's crude oil resources. Currently, Bayelsa has one of the largest crude oil and natural gas deposits in Nigeria with a production capacity of over 290,000 barrels per day, which accounts for around 18% of all Crude Oil produced in Nigeria. With the amount of wealth generated from Bayelsa State, it is expected that its communities and inhabitants would have access to a quality life in terms of infrastructure, healthy environment, safe community, and social opportunities; however, the reverse has been the case. As noted by various scholars, (Okonta &

Douglas, 2001; Oviasuyi and Uwadie, 2010; Lysias, Amos & Anthony, 2015), the huge Oil resources notwithstanding, Bayelsa State, just like every other State in the Niger Delta region, is still suffering from massive infrastructural decay, widespread poverty, increasing criminality and insecurity, growing unemployment and environmental degradation, among other numerous challenges. Communities in these Oil producing States have over the years expressed their grievances, either openly or subtly, noting their neglect and marginalization by the Nigerian State even as they receive first the impact of Oil production in the country. The study however noted that despite claims of neglect and abandonment, governments of oil-producing states in Nigeria had over the years, received millions of Naira as oil revenues and derivations meant for the development of the region.

Elebeke (2012); Guardian (2016) and Idio (2017), have also noted that the oil-producing states of Akwa-Ibom, Rivers, Delta, Cross River, Edo, Bayelsa, Abia, Ondo, Imo, Anambra, and of recent, Lagos, have received between 1999 to 2003, the sum of N360.4 billion as 13% derivation funds; between 2004 and 2007, N1.338 trillion were paid to these states; and N2.36 trillion between 2008 to, while from 2012 to 2016, the states received N2.947 trillion also as 13 percent derivation funds. Oil-pipeline Data obtained from a series of reports from the Central Bank of Nigeria, CBN, also shows that oil-producing states in Nigeria have received N7.006 trillion as payments under the 13 percent derivation principle over the last 18 years; that is from 1999 to 2016 (Eboh, 2017; Idio, 2017). In Bayelsa for instance, data from Revenue Mobilization, Fiscal and Allocation Commission (RMFAC) reveals that the Bayelsa State Government has received between 1999 and 2014 alone the sum of N856, 149,959,813.9 as 13% derivation funds, besides other littoral funds and allocations for State development (Okotoni & Adesanmi, 2018). Findings from this study reveal that the Bayelsa State Government has failed to utilize the resources provided allocated for the development of the State and its communities, with most of the respondents describing as unfair and unjust the process of sharing and utilizing the funds meant for developing concerned communities. Respondents of this study also noted the intractable lack of requisite social facilities in the State, stagnant human capital development, poor infrastructural development, and low quality of life in Bayelsa. All of these further expand the grievance spaces existing in the already socio-politically marginalized and environmentally degraded communities. Consequently, this study makes the following recommendations:

1. The State Government should make genuine efforts at resolving the recurrent underdevelopment challenges in the

Oil-producing communities, as well as in other affected communities in the State.

2. Essential infrastructure and social services should be made available to the people, especially in the areas where they are lacking and will assuage the welfare challenges of the people. It is important to note here once again that Oil exploration in these communities affects the people's livelihoods, causes food shortage, affects their health permanently, and damages their physical environment, thus the need to employ all possible measures to lessen the aforementioned impacts.
3. The Federal Government and other government agencies concerned should review the current method of disbursing the 13 percent derivation funds and consider allowing host communities to participate actively in the governance of the derivation fund. This can also be achieved by creating a commission or an agency separate from the state government to ensure the proper utilization and administration of these funds.

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