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RURAL DEVELOPMENT AND POVERTY ALLEVIATION:
THE OMPADEC APPROACH IN SOUTH-EASTERN NIGERIA

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INTRODUCTION

Development means different things to different people. It has a widespread conceptual frame. The word 'development' was ushered into the world's social, economic and political discourse by the end of the second world war – through the Marshall plan. Prior then, the term seemed to have defied any clear cut definition which commanded universal acceptance.

In the developmentalist literature however, four major boundaries are clearly discernible thus:

- (1) The Traditional View of Development – which is anchored on economic development as was the case in the 1950s and 1960s. This view basically emphasizes the increase of the Gross National Product (GNP) of developing countries in line with the UN perception of development.
- (2) the Modernization View Point – which emphasizes development as the process of social change and the acquisition of modern values. This view believes in such values as:
 - (a) more capital goods
 - (b) higher incomes and
 - (c) more technology

This view is more of an ideology propagated by the West, in which wanting development becomes virtually the same thing as wanting to be like the West.

- (3) The Distributive Justice View Point – which looks at development not merely as economic growth but as a process of reducing poverty and unemployment. This school comes closest to the heart of this article which as we shall unravel anon is the preoccupation of the vision of the Nigerian government in setting up

OMPADEC. Under this view point of development is the issue of self-reliance-in which State and communities in developing countries involve their people in projects aimed at changing the socio-economic and often times political circumstances of their societies for the better.

- (4) The Socio-Economic Transformation of the Society View Point. This approach of conceptualizing development began since the 1980s till date. This view is rooted in the fact that the term 'development of a society simply implies a transformation of the activities and social relations that are essential for the production of real values to him. Todaro (1977), Ekong (1991:10-11, Mill 1885) and Boulding (1952:36) all agree that development –whether local, community, rural, State, national, etc – is a multidimensional process involving changes in structure, attitudes and institution.

It is the acceleration of economic growth, the reduction of inequality and the eradication of absolute poverty. The current emphasis on development studies is socio-economic and human resources of the society in question, all of which are a drive towards the

- (a) reduction in the level of unemployment;
- (b) reduction in the extent of personal and regional inequalities;
- (c) reduction in the level of absolute poverty;
- (d) rise in real out put of goods and services
- (e) improvement in the techniques of production,
- (f) improvement in literacy, health service, housing conditions and government services.
- (g) Improvement in the level of social and political consciousness of the people and
- (h) Greater ability to draw in local resources to meet local needs.

RURAL AREA, DEVELOPMENT AND POVERTY ALLEVIATION:

It is arguable that the goal of development and poverty alleviation should be exclusively directed at the rural areas. The argument focuses on the fact that it is the rural rather than urban areas that need development more. But Ekong (1991:9, 1988K377-394) while agreeing no less, identifies the existence of urban poverty requiring areas councils and development studies agree that an aspect of the general notion of development is Rural Development which itself is the strategy and the process whereby significant improvement are brought about and sustained in the economic, socio-cultural and political lives of the rural population (NPIRD – 1991). It basically involves an organic integration of land, economy and society as well as the establishment of the enabling conditions for effective local participation in both decision making processes and the implementation of rural development programmes.

As earlier identified by Ekong (1991:1988) and Abasiokong (1985), attempts at developing and alleviating the general tone of poverty in the rural areas involves:

- (i) the development and increase of the productivity of agricultural sector.
- (ii) the stemming of the tide of migration of youths from rural to urban areas in search of non-existent jobs by creating rural-based employment opportunities.
- (iii) The improvement of the well-being of rural dwellers via the provision of basic needs infrastructures such as portable water, shelter, health, educational and communication facilities.
- (iv) The reduction of poverty and inequality in rural areas via such anti-poverty policies as land reforms, increased local participation, recognition of women, population control and food security.
- (v) The amelioration of regional development imbalances through a policy of locating publicly owned industries in rural areas and generally integrating the rural areas into the overall national development framework as the basic units of national planning.

Essoh (1996:1-11), DFRRI (1991:12-24), Uma Lele (1975:20) and others while agreeing with Ekong and Abasiokong above observe that Rural Development is geared towards meeting the strategy for national development – which is itself why the Federal Government of Nigeria – under three military dispensations 9Gen. I. B. Babaginda (1985-1993; Gen. Sanni Abacha 1993-1998 and Gen. Abdulsalami Abubakar 1998 – 1999) either as benevolent or outright autocratic military dictatorships – decided to minimize developmental lags between the urban and rural areas of oil mineral producing communities of the nation through setting up the now very important Oil Mineral Producing Area Development Commission (OMPADEC) for which this article addresses.

THE OMPADEC – ITS APPROACH TO RURAL DEVELOPMENT AND POVERTY ALLEVIATION IN SOUTH-EAST NIGERA:

HISTORICAL BACKGROUND:

As is well known, Oil mineral in commercial quantities was discovered in 1956 in the historic community of Oloibiri in the present day Bayelsa State. The discovery opened up a flood-gate of activities associated with the exploration and exploitation of this 'Black gold' in the Niger Delta area of Nigeria. For over forty years, these activities have increased in scope and intensity as petroleum products have become the life line and heart beat on which the nation's economy depends.

The nature of activities associated with oil mineral exploration and production is such that the rural-communities where these operations take place have to pay a heavy toll in environmental degradation and drastic changes in the traditional socio-economic life of the people. The activities have also been usually characterized by oil spillages which often result in irreversible ecological damage to the flora and fauna, thus depriving the inhabitants of the communities of their traditional occupations of fishing and farming.

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While the nation has always acknowledged and appreciated the blessing that petroleum production has brought, it has not marched such appreciation with a corresponding acknowledgement of the terrible price that the oil producing communities have had to pay, the hazards to which they are exposed; the economic deprivation they suffer or the upheavals which their social and economic circumstances have had to undergo. Even when these problems were identified and acknowledged, not much was done in a positive way to alleviate the sufferings of these communities.

The year 1981, however, marked a turning point. In that year, the 1.5% fund was established under the Allocation of Revenue (Federation Account, etc) Act of Parliament which came into force in January, 1982. This law provided that 1.5% of the Federation account be set aside and administered by the Federal Government for the development of the oil mineral producing areas of Nigeria. A committee known as the Mineral producing Areas Development Fund was set up. The committee could not do much because its activities were halted by a supreme court judgement on the utilization of the fund.

This situation persisted until 1984 when a new Decree – the allocation of Revenue (Federation Account, etc.) Amendment Decree No. 36 of 1984 was promulgated. In April, 1985, another committee was set up, pursuant to the provisions of this Decree, for the disbursement of the 1.5% fund. Not much was achieved in terms of disbursement of the fund to meet the objectives for which it was established.

In August, 1988, things took a turn for the better when Presidential Committee on the Development of Oil mineral producing Areas was set up by the President to disburse the 1.5% fund for the development of the oil rich zone.

This was a high-powered Committee whose membership consisted of the Hon. Minister of Power & Steel as Chairman; the Hon. Ministers of Employment, labour and Productivity and Finance & Economic Development, the Chief of Naval Operations, the Governor of the Central bank and the Group Managing Director of NNPC are members.

The Committee operated largely through State Implementation Committee in each of the oil producing states. Membership of these committee consisted of a nominee of the state government, being a public officer or a political office holder, as Chairman, a representative of a presidential committee and three eminent persons chosen on the basis of geographical spread of the state to cater for various interests, as members, while a state civil servant served as Secretary.

The presidential Committee, which operated from its secretariat in Lagos, embarked upon the identification and execution of the several projects in the oil producing areas. But the

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committee could not survive for long due to its political nature. Its membership consisted of person who did and were not authentic representatives of the oil producing communities.

By far, the most significant and fundamental change that has so far taken place in the history of the development of oil mineral producing states in Nigeria occurred in 1992. This was the promulgation of Decree No. 23 of 1992. Among other far-reaching changes, the Decree:

- (i) established the Oil Mineral producing Areas Development Commission as a full time body, to address the problems of Nigeria's oil producing communities;
- (ii) doubled the allocation from the Federation Account from 1.5% to 3%. The significance of these development and the critical importance of the Commission's mandate can best be illustrated in the words of the then President of the Federal Republic of Nigeria in the address he delivered at the inauguration of Commission on 19th October, 1992.

“However, in May this year, this administration decided to infuse greater development efforts into the affected communities and therefore revised the allocation upwards to 3%.

It was therefore the belief of Government, that every effort should be made to restore to the oil producing communities alternative means of sustenance, that the Oil producing Areas Development Commission (OMPADEC) was established.

OMPADEC DEVELOPMENT STRATEGIES

Right from inception, OMPADEC has elected to ignore ad-hoc strategies that would not encourage permanent and sustainable development in the oil producing communities.

These ad-hoc strategies were:

- (i) Digging of bore-holes for village water supply;
- (ii) Supply of generating sets for electricity for villages and Local towns and rural communities;
- (iii) Construction of embankments or sea walls rather than reclamation and shore protection.
- (iv) No need for long term planning and projections – sort out the immediate problems and the rest will be taken care of eventually by other Government Departments.

- (v) Share out most of the moneys to farmers, fishermen and local entrepreneurs and the most vocal elements in the communities and the accompanying euphoria will buy peace momentarily.
- (vi) Provide police and security cordons around the oil installations so that the oil companies can operate without disturbance.
- (vii) Employ consultants to do the bulk of the work of the commission rather than engage permanent staff.
- (viii) The commission has no need or duty to initiate peace meeting between the oil companies and the oil communities for the purpose of setting out basis for their cordial relationship.

The commission finally won over these ad-hoc strategies and proffered the following strategies which it used to generate sustainable development and rehabilitation:

- (i) it carefully studied and identified the problems involved,
- (ii) embarked on a two-pronged solution for;
 - (a) rehabilitation and development of specific communities directly affected by oil explorations; and
 - (b) development of infrastructural facilities such as water, electricity, road, etc. covering wide areas adjacent or contiguous to the actual oil producing communities who by extension share the consequences of oil exploration and with whom these oil bearing communities need to interact for socio-economic activities. In other words, the commission embarks on a programme of micro-projects for larger development areas.
 - (c) For water the commission aimed at provision of major modern water works properly maintained and to supply potable water to several communities,
 - (d) For electricity – it aimed at provision of gas turbines in appropriate places to serve several communities and to centrally operate and maintain such systems over a long term,
 - (e) The commission embarked and preferred repayable loans to outright grants so that, in the long run, more people can benefit from the facility. This was done because there was a guarantee provided for by the solid recovery, arrangement built into these loans to ensure regular repayments.
 - (f) In the commission's calculation, it was better to involve the people as much as possible in the various enterprises so that once they are stakeholders they will feel a sense of duty and obligation to ensure security in order to protect their self interest, instead of police and security cordons,
 - (g) The commission disregarded employment of consultants and engaged the services of permanent, loyal, well oriented and dedicated staff,
 - (h) the commission ensured that all the stakeholders in the oil business have been brought together. These are the oil producing companies, the Oil Producing Communities and the Federal Government (i.e. OMPADEC). These groups must talk, develop mutual confidence, respect and trust so as to encourage permanent progress in the oil communities.

RURAL COMMUNITY DEVELOPMENT-EVIDENCE FROM SOUTH-EASTERN NIGERIA:

Between 1993 and 1995 when it went underground, OMPADEC has:

- (a) provided good order and hope for the oil producing communities and oil companies,
- (b) established a viable administrative and operational machinery which, initially was deliberately centralized for effective policy initiatives and control and for maximum operational impact, especially in the areas of major project and for effective planning and research,
- (c) recruited, trained and deployed its own staff to effectively run the commission's Administrative machinery,
- (d) it continued to effectively service the several hundreds of on-going mini projects inherited from the Presidential Task Force in States within its jurisdiction,
- (e) the commission has awarded so many projects for roads, potable drinking water, land reclamation and electricity in its host communities. It has awarded so many in the categories of school building,
- (f) the commission provided or granted loans to over 50 persons in each of the states under the commission,
- (g) it has provided new vehicular and passenger ferry for the states,
- (h) it has also provided and established effective liaison with the oil companies and security agencies operating in these states.

Rural Community Development in the zone is carried out by the commission based on their oil production quota

These quota are reflected in the following tables.

TABLE 1: SUMMARY OF PERCENTAGE SHARE IN ONSHORE AND OFFSHORE CRUDE OIL PRODUCTION QUOTA BY STATES (1993) IN SOUTH-EASTERN NIGERIA

STATE	JAN(5)	FEB(5)	MARCH (%)	APRIL (%)	MAY (%)
Rivers/Bayelsa	43.71	41.29	42.17	41.72	40.50
Delta	29.64	30.52	30.74	31.26	32.65
Akwa Ibom	17.49	17.97	17.14	17.92	17.31
Ondo	4.84	5.46	5.43	4.39	4.59
Imo	2.22	2.65	2.53	2.58	2.50
Abia	0.78	0.85	0.82	0.88	0.85
Edo	1.32	1.25	1.17	0.95	1.00
Cross River	-	1	-	-	-

Total	100.00	100.00	100.00	100.00	100.00
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Source: OMPADEC Proceedings (1994)

From Table 1: the production quota for the member states of OMPADEC for the period (January – May, 1993) using the Arithmetic mean, were as follows

TABLE II:

S/NO	STATE	(%) SHARE
1	Rivers/Bayelsa	40.12
2	Delta	30.64
3	Akwa Ibom	19.48
4	Ondo	5.68
5	Imo	22.7
6	Abia	1.04
7	Edo	0.77
8	Cross River	-
TOTAL		100.00

Source: Calculation based on Data from Table I above.

However, these figures are not static. They are subject to fluctuation as volume of crude oil production of a state moves up and down. Consequently, rural community development in any of the oil producing states, is a function of oil production quota of the state. To adequately assess the evidence of the Commission's rural community development in South-Eastern Nigeria, the following data are necessary:

TABLE III: OLD AND NEW RATIOS OF CRUDE OIL PRODUCTION:

S/NO	STATE	OLD RATIO (1992-SEPTEMBER 1993) (%)	NEW RATIO (OCTOBER 1993 – TO DAY (%))
1	Rivers/Bayelsa	55.54	40.12
2	Delta	30.50	30.64
3	Akwa Ibom	0.59	19.48
4	Ondo	NIL	5.68
5	Imo	3.44	2.27
6	Abia	7.63	1.04
7	Edo	2.30	0.77
8	Cross River	NIL	NIL

*OMPADEC Files

- New Ratio means after abrogation of on-shore/off-shore dichotomy.

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Using data on Table III, the following expenditure was directed to various projects in Akwa Ibom State as the 3rd leading oil producing areas in the country.

S/NO	STATE	ENTITLEMENT	ACTUAL PAYMENT (N)
1	Rivers/Bayelsa	5,724,547,427	6,150,785,880
2	Delta	3,693,048,124	2,697,764,537
3	Akwa Ibom	1,276,896,311	906,598,112
4	Ondo	362,518,668	139,598,112
5	Imo	340,845,869	207,391,687
6	Abia	501,033,911	150,626,083
7	Edo	180,168,070	182,991,839
8	Cross River	-	-
	TOTAL	12,079,058,380	10,435,299,779

TABLE IV: ENTITLEMENTS COMPARED WITH ACTUAL PAYMENTS (1992-Dec. 1995):

*OMPADEC Files

Note: The difference of N1,643,758,601 between entitlements and actual payments is due to expenditure in the following areas;

- Loans
- General projects
- Investments
- Inherited projects, etc.

From Table IV, it can be deduced that between 1992 and 1995, the commission spent N906,598,112.00 on the following projects in Akwa Ibom State for example:

- 251 projects under the following heads:
 - roads
 - water
 - electrification
 - buildings and others

in the following local government areas:

- Ikot Abasi
- Mkpat Enin
- Uquo Ibena
- Eket
- Mbo

- (6) Onna
- (7) Itu
- (8) Uruan
- (9) Ikot Ekpene

- (ii) in the six local government areas of Ikot Abasi Mkpai Enin, Uquo Ibeno, Eket, Mbo, and Onna which are officially described as oil producing communities in the State, about N3 million was spent by the commission as small-scale loan to 219 loan beneficiaries and N54.7 million to 21 persons under industrial loan; with 8 buses as transport loan with 12 boats still under transport loan during the period under review.
- (iii) During the period under survey the commission awarded 16 post-graduate scholarships and grants to deserving indigenes of the six oil producing local government areas in the various universities within and abroad as follows:

S/NO	LOCAL GOVT. AREA	SCHOLARSHIP	GRANT	TOTAL
1	Eket	3	2	5
2	Ikot Abasi	4	-	4
3	Mbo	2	-	2
4	Mkpai Enin	1	-	1
5	Onna	3	-	2
6	Uquo Ibeno	1	-	1
TOTAL		14	2	16

Using data in Table III, especially those of the new ratio column, the commission employs 51 personnel from Akwa Ibom State into its staff of 464 as at February, 1996. This represents 10.99% of the Commission's total work-force. Out of these 51 employees, 14 of them, or 9.27% represents senior staff, while 23 personnel or 11.50% reflects junior staffers of Akwa Ibom State extraction. Another 14 personnel are treated as temporary staff.

The above represent empirical evidence of rural community development exploits of OMPADEC in Akwa Ibom State between 1993-1995.

OMPADEC rural community development momentum could not be sustained. This was so as is often the case with most Nigerian large-scale development institutions, whose fortunes are subject to the whims and caprices of the regimes in power. It would have nearly been smouldered by political subterfuge with the emergence of Sole Administratorship phenomenon at the dawn of oil producing areas prosperity propelled by OMPADEC. This phenomenon stands as a cog in the wheel of progress to the oil producing areas. The sooner this phenomenon is flushed out by the power that be, the better for the only major source of the country's oil revenue. However, soon after he came

better for the only major source of the country's oil revenue. However, soon after he came on "Stream" General Abubakar treaded the path of honour by reconstituting the commission with widespread empowerment for rural development of the host communities.

CONCLUSION

Indeed, this article has highlighted the fact that within so short a period (1993-1995), and (1998-now) OMPADEC has served as an undisputed institutional solution to development problems inflicted by oil companies on the oil producing areas. Available evidence based on data from Akwa Ibom State alone is in support of this assertion. Implicit in this foregoing analysis is the view that government imposition of sole Administratorship has rather than strengthened the tempo of rural community development in the oil rich zone of Nigeria, has tended to weaken it. And this tended to be a bad omen for the goose that lays the golden egg. The General Abubakar action-packed populist oriented though short-lived administration (1998-1999) responded to the pulse of the oil zone when he brought back to life, the activities of OMPADEC by reconstituting a reinvigorated commission to address cardinal rural – community development projects in South Eastern Nigeria as identified in this paper.

Given the analysis proffered in this article, one would not find difficulties linking the activities of OMPADEC with the objectives and strategies of rural-communities development in Nigeria. Students of development studies and Rural Socio-logists in the molds of Ekong (1991), Abasiokong (1985), Todaro (1977), Uma Lele (1975) Haralambos (1980), and international institutions like the World Bank (WB) and Overseas Development Institute (ODI) had earlier provided operational definitions of Rural Development and Poverty Alleviation (See Essoh 1996:1-13).

OMPADEC had consistently honoured its pursuits of excellence in all its endeavours in offshooting its belief that technology should be at the service of humanity. It has assisted the various rural community development projects and participates in the cultural life of the rural communities development projects and participates in the cultural life of the rural communities of the OMPADEC states in Nigeria's South-east. Frank Olize (1999) while throwing a poser on who a rural women is, opines that the Family Support programme (FSP), Family Economic Advancement program (FEAP) and Better Life Program (BLP) of Rural women before them could be used as avenue for poverty alleviation which could be galvanized to meet an aspect of the strategies of OMPADEC.

OMPADEC, like other poverty alleviation institutions in Nigeria, may not attain full-proof excellence in its set objectives, it has brought hope to many a hopeless communities and also left in its trail questions that bother on the people's perception of marginalization in project conception and execution. This perhaps influenced Ita Enang (1999) to put up a News analysis on the need for OMPADEC to compensate Akwa Ibom State for its Oil production. This short fall also perhaps influenced the protests and steam lettings in the Niger Delta in 1998-1999.

The acts of OMPADEC as a rural-community development and poverty alleviation outfit in the "eyes" of this articles which are demonstrated in the body of the work essentially agrees with the pen of A.K Cain Cross in Tunji Olaopa's "Ake's Unfinished Journey" that ".....the key to development lies in men's minds, in the institutions in which their thinking finds expression and in the play of opportunity on ideas and institution in which their thinking finds expression and in the play of opportunity on ideas and institutions" (Excepted from the Punch Tuesday, December 10, 1996:20).

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