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Making A Case for the Braced Commission as A Development Agency for The South-South Zone of Nigeria: The Opportunity Cost

by

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Abstract

The exploratory study sought to establish the imperative of the development of the Niger Delta area through the formation of BRACED Commission now that the resources are flowing to obtain Sustainable Development in the zone. This was predicated on the fact that crude oil is an expendable asset and would be exhausted someday. After which the future of the zone would be the worst for it, as exemplified by Oloibiri town in Bayelsa State, where Nigeria obtained crude oil since 1958, which is now desolate as the oil have dried up. The study adopted the exploratory method, whereby problems are examined at its preliminary stages, without previous reference point. It relied on identifying the opportunities and drawing up agenda to turn it to advantage. The method identified available opportunities and defined the projects to fit it, in order to generate sustainable development. It canvassed the formation of a development agency BRACED and the allocation of fund by the member states, which would be invested in various development sector of the economy of the zones. The commission is to be structured with the executive board of directors, made of the governors of the six states in the zones, charged with drawing up policy directions, investment mission to be made up of investment focus persons from the member states, to draw up the best of strategies to execute the decisions of the board of directors-governors, before the chief executive and management team, who would be the day-to-day managers of the commission. This investment would range from education, shipping, refinery, fishing and many others. These investments are expected to create the future for sustainable development for the citizens of the zone with a high standard of living with or without crude oil. The opportunity is now when the resources are available, while the opportunity cost is to do nothing.

Keywords: Commission, Education, Sustainable Development, Return on Investment

1. Introduction

The South-South zone of Nigeria is made up of the six (6) coastal states of Cross River, Akwa Ibom, Bayelsa, Rivers, Delta and Edo States). Together, they form the Niger Delta region upon which Nigeria's crude oil economy depends (Idung, 2009).

BRACED is an acronym derived from the first letter of the states of the South-South, otherwise known as the Niger Delta states. In this study, BRACED, Niger Deltan and South- South would refer to the same people and area. They are derived from the thirty-six (36) states structure and one of the six (6) geopolitical zones constituting the Nigerian federation. These states except Edo and Delta initially belonged to the defunct Eastern region, while Edo and Delta were part of the former Western region. They, therefore, share the same political experiences of being minorities and attendant discriminations in both regions. Their experiences include among others:

- i) Difficult terrain, which are mostly marshy and swampy (less land for cultivation);
- ii) They were treated with scorn and discrimination and disregard by the majority ethnic group (the Igbos) of the Eastern region (Isaac Boro won the student Union election in University of Nsukka, but was not allow to assume office on the basis of minority status, Professor Eyo Ita was removed as leader of Government business in the Eastern region government on the basis of his minority status);
- iii) These minorities cried out to the departing colonial authority –which set up the Willink Commission to investigate the genuineness of the fears of the minorities in 1958.
- iv) Minorities in the defunct Eastern region, given their experiences in the hands of the majority Igbo ethnic group in the region, agitated for the creation of Calabar-Ogoja and Rivers (COR) state, just to gain their freedom from political suffocation of the majority ethnic group (the Igbos), who disregarded every other ethnic groups holding position from the minority ethnic group (the minorities suspected they would be oppressed, this led to the Willink commission).
- v) The yearning for the COR State was actualized on May 27, 1967 with the creation of Cross River and Rivers States.

Today, these states have been grouped together as the ‘South- South geopolitical zones known for sustaining the rest of the country with its crude oil endowment which exploitation dialectically underdeveloped the zone and its ecosystem.

2. Aim and Objectives

The main aim of this study was to generate the thinking that, the opportunity of the zone to develop the area by embarking on joint economic, social and cultural development is now, with the resources accruing to the states in the region. The subsidiary objectives include the fact that, (i) the opportunity cost to build on the wealth of the zone may be forgone, since crude oil the main stay of Nigeria’s economy is being exploited at a very rapid rate and it is a non-replaceable wealth. (ii) The citizens of these zone would miss the golden opportunity to indeed build the economy today for tomorrow (iii) To stress that the then Western and Northern regions had seized the opportunity to form and operate Odua Investment (West) and Northern Nigeria Development Corporation (North) the defunct Northern region now consist of three geographical zones of North West, North East and North Central this constituted the bedrock of the economic and social development of these zones which has given them socio-economic

edge over the South-South which today is being derided despite its enormous wealth. The South-South has not had any platform to fashion the development trajectory of the region. The need for that now is imperative.

3. Commonality of the South-South Zone

One variable that is common among the South-South states is their origin and characteristics. Edo and Delta states originated from the old Western region, while the other four states of the South-South emerged from the former Eastern region. According to the Willink Commission report of 1958:

The fear most generally expressed. Was that the people of theMid-West would always be ‘dominated’ by the Yorubas majority with the rest of the region. Action Group was based on secure majority...similarly, the COR state, (Calabar, Ogoja, Rivers) three provinces, which are not Ibo in population, are broadly in agreement in resenting Ibo domination. The problems arising from peculiar nature of the country were not understood at an inland headquarters.

These areas were to be termed ‘special areas’ and assisted by both Federal and regional government based on the recommendation of Willink Commission. This is the area defined by the above peculiarity, which has formed itself into a BRACED Commission with no serious pursuit of development since formation.

4. Statement of the Problem

The problem to which this paper addressed itself are two-fold. The main problem is that ever since after the first South-South Nigeria Economic summit in 2009, there has been no follow-up actions by the political leaders of the South-South states. On the other hand, BRACED has not been formally inaugurated and registered as a person in law, to be empowered to become the main administrative engine room to conceive of development programmes to be executed in all the states ofthe zones, evaluate it, to measure the degree of milestones achieved and changes observed in the lives of the Niger-Deltans, and create conducive environment for competitive economic development.

It is instructive to state here that the type of development considered appropriate and sustainable for the South-South states consists of type which would create a united, strong and self reliant economy (with backward and forward integration), a great and dynamic economy –capable of sustaining a just and an egalitarian society (where the states would ensure most people have the means of livelihood hence provide full opportunities for all in the zone. This is predicated on robust investment by all the state governments. All the societies of the south- south would be democratic –where the people would access equality equally rather than proportionally. This would the people to demand accountability from the political class who would be the drivers of development in the zone.

In the first place, achieving the above development goals, constitute major constraints because none of the economies of these states has the socio-economic

structures to drive the zone in the direction envisaged herein. Secondly, the economies of these states have not been planned to be linked to each other for backward and forward linkages. Thirdly, the resources available to the states in the zone, is better invested properly now because crude oil is an exhaustible and resource. This is because as the late President Franklin Roosevelt of the United States of America (USA) once said: ‘we may not be able to prepare the future for our youth, but we can prepare our youth for the future’ (Anagwonye, 2013). How do we organize the South-South for the youth who are the majority in the population aggregate (NPC, 2006)?

5. Materials and Methods

This study was fundamentally an ‘exploratory one’, which dealt with the problems that are at the preliminary stages of investigation. Being an exploratory study, there is a given lack of substantive literature on the topic. Accordingly, in order to ensure construct, internal and external validity a two stage approach was envisaged. These included an identification of available development opportunities and drawing up an agenda for development using the identified opportunities. The technique sought to establish priorities areas for the investment of available resources for the sustainable development of the South-South now that the scarce but exhaustible resources are available.

The areas identified for investment were those, which would guarantee what the departing colonial masters described as the future improvement of the socio-economic lives of the people of the ‘special area’ as it was difficult area for investments.

The research design consisted of the processes of project selection,

- i) ‘to identify those projects which can utilize existing and new resources more efficiently and which have the maximum catalytic effect in promoting opportunities for development.
- ii) Projects should be subjected to a rigorous examination to ensure their priority for the economy and especially for the sector to which they are related.
- iii) Projects should be capable of neutralizing or minimizing the inhibiting effects of the constraints facing the development of the sector or sub-sector.
- iv) Projects should make the optimum use of scarce resources in the economy.
- v) Projects should yield a high rate of economic returns to the society (Ayo, 1988).

The study relied considerably on secondary data obtained through Focus Group Discussion (FGD), Key Informant Interviews (KII), Case study/pilot studies. Conclusion drawn in exploratory study such as this was cautiously stated. This was done in this study of the South-South states of Nigeria and the conditions for their development clearly outlined for the investment of the available resources.

6. Framework for Development

By this is meant, the factors of development available in the South-South states for BRACED ‘Commission’ to deploy for the incremental improvement of the lives of the citizens of the zones. The study is essentially an exploratory study thus the

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framework may not capture all of what is projected to stimulate development in the South-South geopolitical area, also known as BRACED states or the Niger Delta.

A detailed study of the comprehensive available resources of the South-South zone might not have been conducted, but a tentative estimate indicated the following;

i)	Human Capital	StatePopulation
	Bayelsa	1,703,358
	Rivers	5,185,400
	Akwa Ibom	3,920,208
	Cross River	2,888,966
	Edo	3,218,332
	Delta	4,098,391
	Total	21,014,655

*Source: MOFINews Jan-Feb 2007 Vol.6(3) p. 7

The above data indicated that the South-South zone has a large market of about twenty-one million people. Thomas Malthus, it would be recalled, had written in 1820 that an increase in population cannot take place without proportionate increase in wealth. What he implied was that as the economy prospers and capital accumulation increases, the demand for labour (employment) and income would increase which would encourage more people to marry. Economic prosperity, therefore exacerbate population growth (Agbor, 2011).

- ii) Extensive Maritime zone: The six (6) South-South States have extensive maritime zone consisting of (i) internal waters, (ii) territorial sea and (iii) high seas. The Rights of the coastal states over the territorial sea include; an exclusive right to fish, and to exploit the resources of the seabed and subsoil of the territorial sea (Akehurst, 1980 p. 164). This is an enormous resource for fish canning industry, which is discountenance for now. Land is a factor of production, in its absence, providence provided extensive maritime resources.
- iii) Education: Scientific education/technical training and in specialize areas to serve the kind of industries prevalent in the zone is a necessity. There can be no development without raising the critical mass, empowered by education to have inquisitive minds agitated by the events in the environment to embark on critical thinking, which would end up in development.
- iv) Agriculture is man’s main and primary occupation, the South-South zone though have less land area, cannot be adverse to agriculture, fish-farming, agro-fishery, sea-foods etc which are also agricultural activities that require bodies of water (rivers and sea) more than landmass.

7. Sustainable Development: An Agenda for BRACED

a) **Education:** All history as well as all current experience points to the fact that it is man, not nature, who provides the primary resource: that the key factor of all economic development comes out of the mind of man...initiative, invention, constructive activity through various kinds of schools, in other words, through education. In a very real sense,

therefore, we can say that education is the most vital of all resources...In fact, the belief in education is so strong that we treat it as a residual legatee of all our problems. The modern way of life is becoming ever more complex; this means that everybody must become more highly educated (Schumacher, 1973 p. 72). Education is the answer to the problems of the Niger Delta hence Plato (427 -347 BC) averred that 'No man should bring children into the world who is unwilling to persevere to the end in their nurture and education (Frank, 2015). Pursuant to the attainment of this in the zone, there must be a jointly funded South-South University of Nigeria (SOSUN), Polytechnics, Colleges of Education, Technical colleges and Grammar schools where the courses available, would be because of the need assessment of the zone for a twenty (20) year period. All member states would have to ensure that they have a certain number of students in the University and colleges who would be on scholarship from the various state governments. ICT education would be given pride of place in the education in the zone.

b) Finance: The establishment of Bank of Niger Delta (BOND) as Finance capital is critical for any form of development. Consequent upon this; the states in the Zone would have to make available to the BRACED Commission jointly the capital base for the incorporation of Bank of Niger Delta (BOND). This bank would mobilize fiscal capital to fund business development of the citizens of the zone. The states would be the owners/shareholders. The branches would be in all the states of the zone. By this token, Small and Medium scale (SMEs) would be able to access funds for their economic operations to keep economic dynamics alive. The bank would also create a contingency fund, which will serve as a protection against recession/depression and the drop in business value of its investments in the zone.

c) Agricultural Development: It is a truism that food is man's most important need; this is because economic need is man's most fundamental need. Unless man is able to meet this need, he cannot exist in the first place. Man must eat before he can do anything- worship, pursue culture or become an economist. When an individual achieves a level of economic well-being such that he can take the basic economic necessities, particularly his daily food, for granted, the urgency of economic need loses its edge (Ake, 1981 p. 1). This is necessary to get the people ready for sustainable development. According to Frank (2012), the South-South states have less land area for agriculture; they have by the 2006 population census estimate, 21.1 million people and would require an estimated land area of 41.4 hectares of land for agricultural cultivation in order to generate enough food crops to meet their daily food and nutrition requirements excluding cash crop cultivation. As Ake (1981) had posited, it is only when the food requirement must have been met that the people would be ready for mobilization towards other aspects of development. The food and cash crops derivable in the zone is cassava from the available land area and fish from the extensive seashore.

The development required in this perspective are; extensive revolution in agriculture in the skewed available land, use of Green House technology, modernization

of the agricultural practices and the mobilization and provisions of credits by the proposed financial institution-BOND.

The individual agriculturalists should be informed that they could access funds for modern agricultural practices, while BRACED on behalf of the states should open farms in the six states and establish processing industries to add value to cassava paste produce and package garri from cassava. It is also instructive to urge BRACED to commence the processes of industrial fishing (use of trawlers) and canning industries in the zone for domestic consumption and export.

d) Technical training- The zone is the hub of technical activities from the numerous oil drilling companies. In order to be players in this industry, the Niger Deltans need to acquire the necessary skills. Consequently, the BRACED Commission must be empowered to ensure that there specialized trainings in areas such as Steel fabrication, Welding Dimension control, asset engineering construction and installation, riser and mooring engineering, offshore structural engineering, control system, project quality pipe fabrication specialist.

e) BRACED Shipping Line (BSL)- The BRACED states are capable of syndicating funds to acquire ships for commercial ventures to benefit not only the zone but also the country at large. Beyond being an investment, information from Nigeria Maritime and Safety Agency (NIMASA) does have it that of all the ships that freight cargo into Nigeria, none is owned nor is an indigenous carrier. The idea is to replace the defunct Nigerian National Shipping Line. This position is enhanced by the fact that almost all the seaports in Nigeria outside of Lagos are located in the zone. The zone must be a major player in the industry consequently. Closely related to this agenda, is to ensure that the two major maritime institutions in the zone, are upgraded and funded, Maritime University in Bayelsa and the proposed conversion of Maritime Academy Oron into Marine University of Nigeria (MUN). BRACED may need to establish its own Maritime Academy University to prepare manpower for the shipping industry. BRACED should pursue and obtain admission quota from these federal institutions and encourage the youth of the BRACED states to take advantage of this. This is to ensure that the manpower required for the operation of the BRACED Shipping Line is generated from within.

f) Regional Sustainable Development Plan-The imperative of a Regional Development Plan in the context of this agenda cannot be overemphasized. The BRACED commission should be able to plan for; (i) balanced development investments between the urban centres and the rural areas of the states in the zone to prevent the activation of 'urban pull theory', (ii) select the projects which are tangential with sustainable development (plantain 'musa paradisiaca')* for investments in locations that would generate the 'Spinoff theory of rural development (Frank, 2015) (iii) In order to ensure that projects selected into the regional plan are technically sound and provide reasonable economic and appropriate financial returns, and its objectives cannot be achieved in some less costly way; and that it helps to promote the overall economic

objectives of the entire south-south zone. If the selection is well carried out, the rate of development can increase tremendously while on the other hand if the selection is poor, the growth of the economy would be slow and additional development efforts may be sacrificed. A necessary precondition for rapid development - achievement of greater efficiency in the use of resources- developing economies where critical resources are in short supply and where the need for accelerated development and structural changes are most urgent... priority should be given to identification of those projects which can utilize existing and new resources more efficiently and which have the maximum catalytic effect in promoting opportunities for development (Ayo, 1988 p 27). The operational principles would ensure that projects are sustainable and generate Return on Investments (ROI).

8. Proposed Administrative Structure for BRACED

The task here is to examine the administrative structure that BRACED enterprise should assume to drive sustainable development in the zone. The purpose of the BRACED Commission would be to aid the economic development of the South –South States. All the states should latch on to BRACED Commission meeting and sign a multilateral diplomatic treaty(among the South-South to give birth to the commission) to allow it operate as an economic organisation which would be driven by Information Communication Technology techno structure), with little or no political interference. Each State is to contribute to the BRACED funds and they are to jointly get the crude oil related MNCs to contribute in a form to be decided by the ownership structure.

BRACED Commission would be structured in both hierarchical and horizontal format to allow investment and management decisions to be taken as at when due. Structure: (i) Executive board of Governors made of the Governors of the six states of the commission. It approves the budget of the commission and receives report on Return on Investments (ROI) on each of the project selected for investment and the rationale for its location (ii) The Business Mission Council (BMC) would consist of Investment Focal Persons (IFPs) from each state and MNCs that have latched into development. It would define the strategies for the actualization of the decisions of the board of governors. (iii) Managing Director or the CEO/the management (who would be chosen from the zone from the business world or the Universities). The commission would be saddled with the detailed implementation of all decisions on business principles. (iv) Managers to head directorates depending on the investment focus (v). Each directorate would be as small as possible in terms of personnel since both intra and internet would be the foundation. The directorate would be responsible for monitoring; evaluating and appraising every investment with clear attainable milestones (vi) Each member state would have a BRACED office with State managers with staff who would oversee the progress of BRACED investments in the state and its impact thereof.

9. Challenges to BRACED

One of the obvious challenges that is expected to confront the new spirit of development is expected to be the concept of 'core states of Niger Delta', this is against

the backdrop of the fact the quantity of crude oil produced by each state is not the same. Some are referred to as non-oil bearing (Cross River). The ratio of crude oil output from each state and the corresponding capitation fee to be polled together may constitute a source of disagreement. This can be address in proportional investments. Let it be stated that since the effect of oil exploration affects all the littoral states negatively, it is just logical that the derivation fund should also go to Cross River State (Ojah, 2009).

The other anticipated challenge that may confront the commission may be on the criteria for project citing. It is the conviction of this study that both the Executive board of directors and the Management team would evolve a standard investment format for investment in all the states.

Funding, it seems, would be the greatest challenge to the commission. This is because in all organizations such as this, funding has always been the major problem. This is true of the United Nations; African Union ECOWAS so BRACED is likely to experience this as well.

10. Conclusion and Recommendations

In this study, the 'opportunity cost' (Opportunity cost refers to a benefit that a person could have received, but gave up, to take another course of action, or an alternative given up when a decision is made. Return of most lucrative option minus return of chosen option) of not embracing, the outcome of this study is exemplified by the current experience of Oloibiri. The place is under-developed, the people are poor peasants, the epidemic rate is off the charts, the unemployment rate is alarming, and their land has suffered deadly blows from oil spills. The oil in Oloibiri has since dried up but there is nothing to show that it was the place where Nigeria's oil breakthrough started. In plain terms, it could be said that the town of Oloibiri was used and 'dumped' after the oil explorers found no more use for it. Interestingly and disappointingly, the Federal Government of Nigeria once promised to build a museum in Oloibiri, but until date, that promise has not been fulfilled. This is what the entire South-South zone would be after the expendable crude oil must have dried up. This is why as the saying goes, 'make haste while the sun shines'. The opportunity cost would be excessive poverty of the people, because given the minority status of the zone, no one would recall that it once served the building of 'Abuja', sustained 774 local governments and bogus federal bureaucracies.

It is imperative to state that since the various state governments would concentrate with governance, it is just appropriate that BRACED should be empowered to drive development in the zones. 'Marshall and Molotov' Plans were managed by administrative bodies, hence BRACED commission would not interfere with the administration of the states, but to the contrary, compliment and quicken the investment of the crude oil revenue in a sustainable manner.

The governors of the south-south states should first of all accept the philosophy that it is the state that must drive development in a cooperative fashion with the organized private sector. The viewpoint that the state should step aside for the private sector is not appropriate for the south –south to attain a considerable level of sustainable development before the crude oil dries up as the case of Oloibiri. The political economy thinking to drive BRACED commission is a Keynesian one. Conversely, even if the

crude oil does not dry up, the critical challenge remains the innovation to dump vehicles which run on gasoline by many countries. The countries have given dateline to stop the use of crude oil for clean energy.

Development as canvassed herein would create enormous opportunities in the Niger Delta so much that, militancy would be reduced to the barest minimum if not eradicated completely.

Sustainable Development through the mechanism of BRACED remain the hope of the zone to get out of underdevelopment, the Northern region is better off because they had Northern Nigeria Development Corporation which owned all the textile factories, New Nigerian Newspaper, farms etc. The BRACED commission would be better placed to accomplish much more and raise the standard of living of the people of the region and prepare the zone for the future generation yet unborn. When the crude oil is exhausted, the zone would be the poorest in the country. This would be the real opportunity cost, unless urgent action is taken to halt the situation now.

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