

THE NIGER DELTA DEVELOPMENT COMMISSION'S APPROACH TO
INFRASTRUCTURE AND SOCIO-ECONOMIC DEVELOPMENT OF THE
NIGER DELTA REGION OF NIGERIA

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requirements for the degree of Master of Science in Engineering.

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DECLARATION

I declare that this research report is my own unaided work. It is being submitted for the degree of Masters of Science to the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination to any other university.

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(Signature of Candidate)

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ABSTRACT

Over the past 50 years, The Niger Delta Region of Nigeria has generated millions of USD from its endowed sale of crude oil. Yet still, its people live in abject poverty and lack basic infrastructure.

This propelled Government's intervention with the introduction of the Niger Delta Development Commission as a follow up to a series of failed development initiatives as a means of offering a lasting solution to the needs of the region. But like its predecessors, it has been confronted with similar difficulties of service delivery.

In this research report, failure of these programmes was seen to be mainly as a result of poor strategic long term planning, weak institutional capacity, corruption, poorly planned infrastructure delivery implementation processes and project management practice.

To alleviate the sufferings in the region, there is a need for a more participatory approach and entrenchment of best practice in infrastructure delivery in the region.

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LIST OF ACRONYMS

AHDR	Arab Human Development Report
EFCC	Economic and Financial Crime Commission
EPWP	South African Expanded Public Works Programme
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GNP	Gross National Product
GNI	Gross National Income
HDI	Human Development Index
HDR	Human Development Report
INC	Ijaw National Congress
IMF	International Monetary Fund
LFA	Logic Framework Approach
MDGs	Millennium Development Goals
MENA	Middle East and North Africa
MEND	Movement for the Emancipation of the Niger Delta
MPLA	Movement for the Liberation of Angola
NDDB	Niger Delta Development Board
NDDC	Niger Delta Development Commission
NDR	Niger Delta Region
NDRMP	Niger Delta Regional Master Plan
NEEDS	National Economic Empowerment and Development Strategy
NEPAD	New Partnership for Africa's Development
NGO	Non Governmental Organization
OECD	Organization for Economic Cooperation and Development
OMPADEC	Oil Minerals Producing Areas Development Commission

OPEC	Organization of the Petroleum Exporting Countries
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
UAE	United Arab Emirates
UNDP	United Nations Development Programme
UNITA	National Unity for the Total Independence of Angola
USD	United State Dollars

CHAPTER ONE

INTRODUCTION

1.1 Background to Study

Oil was discovered in Nigeria in the late 1950s in the Niger Delta Region (NDR); since then the country has been faced with many challenges such as infrastructure development, environmental degradation and struggle for resource control. During the oil boom of the 1970's, Nigeria joined the Organization of the Petroleum Exporting Countries (OPEC) and billions of dollars generated from production in the oil-rich Niger Delta flowed into the coffers of the Nigerian state. As oil production and revenue rose, it became the main earner of foreign exchange and driver of the economy. The government focused on the oil industry and neglected other sectors of the economy making her an oil dependent State. The region accounts for 40% gross domestic product (GDP) and 80% gross revenue for the country. To date, Nigeria is the largest oil producing country in Africa and 12th in the world with a capacity to produce over 2 million barrels of oil per day (bpd).

The NDR enriched the Nigerian State but its people became poorer. Exploitation of crude oil in the region has been going on for over 50 years with no form of development commensurate with wealth accrued to the national coffers. Rather, the people of the region live in abject poverty, unemployment, lack of basic amenities, environmental degradation and hopelessness. A large portion of the wealth generated from the region has been mismanaged and invested in white elephants by corrupt past military dictators and politicians.

The situation in the NDR is unlike other world oil regions. Firstly, In Kuwait, Saudi Arabia, Iraq and Iran, most oil facilities are sited away from human habitation and these governments have well established environmental protection laws. In the Niger Delta, farmers with farming tools meander through pipelines crossing farmlands; communities live close to the flared gas and are at the receiving end of the negative effect of oil operations. This has severely affected the easiest source of livelihood for the people: agriculture. Secondly, the Niger Delta is made up of mangroves, swamps and rainforest posing a difficult and fragile terrain which has made development possibilities in the area a serious challenge (Thomas 2001). There is a problem of accessibility to the creeks

of the region due to poorly developed transportation networks including waterways, roads and bridges.

The genesis of the problem in the Niger Delta can be tied to government's legislation promulgated by the military government of General Olusegun Obasanjo which enacted the controversial Land Use Decree of 1978 and the Petroleum Act. The Decree vested the ownership of land in the country on the Governor of the State who would hold such land in trust for the people. With such a Decree enforced, it denied the communities the right to claim royalties from oil sourced from their own land and multinational oil companies were under no contractual obligation to develop these communities.

The Federal Government has attempted several times to address the needs of the region through establishment of development agencies but too many times have these bodies failed to live up to expectation because of government's strong involvement, inadequate and irregular funding, official profligacy, corruption, lack of transparency and accountability, and high overhead expenditure. These claims are addressed further in the course of this research. On December 21, 2000 the Government officially inaugurated the Niger Delta Development Commission (NDDC) with a vision to offer a lasting solution through addressing the development of social and physical infrastructure, ecological / environmental remediation and human development.

Government's neglect in paying special attention to the developmental needs of the region over the years has evolved to restiveness in the area giving birth to insurgents, vandalizing of oil pipelines, kidnapping of expatriates, upsurge of violence all to get government's attention. To bring calm to the region, President Olusegun Obasanjo inaugurated a committee to develop a 15 years development master plan for the region under the NDDC and the present administration of President Umaru Musa Yar'adua created a Federal Ministry of Niger Delta.

1.2 Statement of the Problem

Since 1960 several attempts have been made by the Nigerian government to pay special developmental attention to the Niger Delta region because of its uniqueness by establishing development agencies to plan, organize and implement necessary phases of the service delivery process. They left behind a legacy that has kept a picture of

backwardness, missed opportunities and disappointment for communities whose hopes and aspirations were raised and repeatedly shattered.

This has led to questions such as “why lack in the bounty of plenty?” with blames ranging from corrupt practices, insincerity of government and community leaders, marginalization, and poorly designed action plans submerged by hidden agendas.

The Niger Delta suffers a major lack of basic physical infrastructure, badly maintained road networks, poor water and sanitation all that is much needed to improve the quality of life of the people and reduce poverty. According to the United Nations Development Project Nigeria (2006), the region’s human development index (HDI) score remains at a low value of 0.564 (with 1 being the highest score), the area rates far below countries or regions with similar oil and gas resources. For example, the HDI for Saudi Arabia in 2000 stood at 0.800, while in 2003 the United Arab Emirates, Kuwait, Libya, Venezuela and Indonesia achieved scores of 0.849, 0.844, 0.799, 0.772 and 0.697, respectively (UNDP Nigeria 2006).

Self employment is unrealistic as farmlands and water bodies which locals use as their source of livelihood are contaminated by oil spill and other environmental contaminants resulting from gas flaring. This has made the people heavily reliant on government aid and programs for compensation.

1.3 Objective of Report

The objectives of this research report are as follows:

- To investigate NDDC’s development programmes, their concepts and approach in addressing the socio-economical and infrastructure backlog in the region and comparing them with international development agencies approach.
- To examine the Niger Delta Regional Development Master plan in terms of its responsiveness to the development needs of the area.
- To identify major problems preventing development growth and contributing to restiveness in the region.

1.4 Research Questions

- Are the NDDC development programmes centered on human development and empowerment, and if so, to what extent?
- Are these programmes in line with world recognized best practice?

Sub-questions

- Is the Niger Delta Regional Development Master plan capable of addressing the socio-economical and infrastructural backlogs?
- Has NDDC lived up to the mandate for which it was established?
- Has infrastructural development in the region met the peoples demand for service?
- If not, what are the constraints and challenges?

1.5 Significance of the Report

This report aims to uncover the underlying problems entangled in the issues of development in the region, using methodologies from project management and development studies. This research report is aimed at providing practicable approaches, suggestions and recommendations that could lead to a better quality of life and services to the people by the commission.

1.6 Scope of Report

The problem in the Niger Delta region is characterized with very complex variables. For the purpose of this report, the focus is on the infrastructural and initiated development programmes, and not an in-depth study of political, environmental or social elements.

1.7 Limitation of Report

A desktop research approach has been adopted for this study with extensive literature and archived programme information extracted and used as a basis for inference.

The NDR is divided into nine States; this report is limited to only one State as representative of the whole region.

CHAPTER TWO

LITERATURE REVIEW

2.1 Oil and World Economies

Oil is a natural resource that drives the economy of many countries. Its source and availability determines industrial development, infrastructural development and means of transportation. It plays a vital role in influencing world economies and as such is in the front of political and environmental dynamics: the scramble for control of oil wealth proves to be a major spur to conflict within countries and a source of tension between countries.

Oil consumption remains dominated by the wealthy post-colonial powers while export and production by developing countries. According to Shelley (2005: 3-4), energy demand is on a strong upward trend, generated by the consumerism prevalent in wealthy countries. But demand growth is increasingly powered by the larger developing economies as they extend provision of electricity, gas for cooking and motorized transport to their own populations and as their industrial production ramps up, largely to feed exports to Organization of Economic Cooperation and Development (OECD) countries whose corporations seek cheaper labour and less regulation of manufacturing (Shelly 2005).

Oil and natural gas are largely exports of the developing world, processed and consumed in the industrialized world. Earnings from the trade of crude oil by Southern American, Middle East and African countries have not been reflected in the level of infrastructure and service availability in these nations as compared to developed non-petroleum producing countries. Based on the gross national income (GNI) released on April 2005 by the International Monetary Fund (IMF), none of the oil producing nations from the Middle East, Southern America and Africa made the top ten list i.e. none can be tagged as a *developed nation*, but seven of the top ten oil producers are from the developing world (US Energy Information Administration, 2006; see appendix: Table 7.1). Of the top ten oil consumers¹ in 2006, four were members of the OECD i.e. industrialized nations (US Energy Information Administration, 2006; see appendix: Table 7.2). By contrast, only two of the top fifteen exporters were members of the industrialized

¹ Energy consumption can be seen as a measure of the level of industrialization.

countries' club (See appendix: Table 7.3). As shown, countries such as the United States of America are not big exporters of crude oil, most probably linked to their high local demand for energy and vehement environmental sustainability policies on conservation of their natural resources which de-emphasizes large scale exportation. Nevertheless, OECD countries operate high level of diversified economic. Again, USA which is one of the largest producers of oil has been able to build a multi-facet economy long before oil became a global player in world economies and hence they do not rely on exportation of crude oil for sustaining their economy.

In spite of the large export and associated petro-dollars gained by oil-producing nations, these countries are yet to achieve the level of infrastructure development of most OECD countries. According to the UNDP (2002), economic wealth achieved by some European countries has surpassed the GDP of the combined Arabic nations². The overall GDP of these countries at the end of the 20th century (US \$ 604 billion) was little more than that of a single European country such as Spain (US \$ 559 billion) and much less than that of richer European countries, for example Italy at US \$1, 074 billion. This buttresses the contention that a country's dependence on a single natural resource is not enough for the economic advancement of its people.

Industrialized countries of the OECD currently account for 60 % of world oil demand and 55 % of natural gas demand. The United States of America is the biggest consumer of oil with consumption as high as 25 % of total world's consumption in 2005. The United States' demand growth rates according to these figures remain higher than for the EU and OECD pacific (Looney 2001).

The Human Development Index (HDI) can be used to ascertain the development well-being of a nation. The HDI is a comparative measure of life expectancy, literacy, education, and standards of living for countries worldwide and can be further used to distinguish whether a country is developed, developing or under – developed. Recent statistical data released on 18 December 2008 by the United Nations Development Programme on the Human Development Report (HDR) ranking of 179 nations places the top oil exporting nations outside the top 20 countries with Kuwait topping the OPEC nations in 29th position. This reveals that the wealth generated in these countries does not

² Arab nations comprise both oil-rich and oil-poor countries

trickle down to the people. Any good development initiative should be people-centered as living conditions are the key measure of development as seen by the HDI which emphasizes quality and quantity of life. As Van Zyl (1993: 10) puts it:

A conception of the development process that has recently received renewed attention and indeed appears to have moved to the center of the current global development debate is that of “human-centered development”.....In practical terms, development processes should be woven around people and not people around “development”.

The HDI has been the subject of several critiques as a true representation of development levels. The HDI ranks countries differently from the GNP per capita ranking, with disparity between countries resulting from the inclusion of life expectancy and literacy. Criticism of the HDI method of ranking countries includes its treatment of income distribution as inappropriate; its year-on-year comparability as limited; and its robustness with respect to measurement error with suggestions on improving the index, regarding weights, composition and comparability (McGillivray and White 1992). But notwithstanding, it tends to make a large contribution in understanding the characteristics of a country observed from human development levels.

From the abundance of this ‘black gold’ (oil), there is usually a tendency for oil-producing countries to neglect development of non-oil subsectors. For Saudi Arabia, oil accounted for over 99 % of export in 1977 and 94 % in 2002, even after decades of talk about investment in economic diversification. In Venezuela, which adopted the Mexican policy of ‘sowing the oil’ to expand away from total reliance on oil exports, there was some reduction in dependency with revenue from oil dropping from around 95 % in 1977 to 75 % in 2003 (Shelly 2005). For Nigeria, oil accounted for over 93 % of export value in 1977 and 99 % in 2002 which indicates a stronger dependence on oil with little or no change since 2002. With over \$300 billion as revenue from export of oil from 1960 (when oil was first exported from Nigeria), there has been weak incentive by the government to invest funds in other sectors of the economy such as agriculture, which was once the mainstay of the economy, and also in providing basic infrastructure stock which is still lacking and if available, in a deplorable state.

2.2 History of Oil Concessions

The discovery of oil and its related by-products stimulated growing interest in the usability, significance and resourcefulness which became the center of interest across the world. Advanced industrialized nations saw hydro-carbon resources as a potential for driving future investment and a new dawn for business during the industrial revolution. This propelled the quest to exploration of world petroleum deposits with exploration pioneered by the United States of America, Great Britain, France, Germany and the Netherlands competing intensely with each other, going from region to region for access to oil fields through concessions with host countries in South America and the Middle East.

Rouhani (1971:37) states that the first problem these pioneers faced was determining from whom to acquire the rights they sought; since they found that in all regions underground resources belonged to the State. With concessions from the Head of States as representatives of the people, they began the rush for securing the necessary legal grants in these regions, which were to become the scene of intense industrial activity, opened opportunities and hope for infrastructure development of these regions.

This was commented on before the second Arab Petroleum Congress by Sheik Abdullah Tariki, then Minister of Petroleum of Saudi Arabia as a manifestation of divine providence:

It seems that God in his wisdom has given to many poor and underdeveloped countries the wealth which consists of immense reserves of petroleum in order that by its means they may raise the standard of living of their populations (Rouhani 1971: 37).

Oil exploring nations continued to acquire exploitation rights in as many countries as possible and to gain a footing on all the international markets to enable them to increase sources of supply and spread their risks (Rouhani 1971:37). This they achieved through concession agreement with respective governments.

2.2.1 Early Oil Concessions

Concessions are the oldest and most widely used type of petroleum arrangement. During the first half of the twentieth century, concessions typically granted a company exclusive rights to explore and exploit a large area for a period of 60 – 75 years in exchange for an

upfront payment, and sometimes royalty (Gao 1998). The Oil concession model was adopted between exploring companies and by oil nations as the predominant legal framework for oil exploitation that took the form of legislative decrees or acts.

According to Sayegh (1968:31), a typical global oil concession had the following features: grant by government giving the company exclusive right to explore, prospect, drill for, extract and deal with petroleum; a provision as to area of operation; a statement of the duration of the grant which usually ran for 45–75 years; a provision for the payment to the government an annual dead rent, bonus or other security fees. After a series of recommendations by the State, a commitment to the employment of an indigenous labour force and obligation to train the workers was also included. The early concessions allowed very little involvement by the host countries in the contract implementation, and companies conducted their activities with no regard for host countries' needs or interests (Gao 1998).

However, with more enlightenment, producing nations embarked on campaigns to remove the defects and seek amendment of the system of concession which they considered unfair. The early form of concession gave little control to the State regulation of the industry and thereby played a minor role in contributing to its national interest. The concession era saw the “Parachute approach” where foreign expatriates were called in with little or no emphasis made on technical skills transfer to the locals, therefore placing low priority on capacity building.

According to Rouhani (1971: 42):

The concessionaire were authorized to recruit foreign nationals for their operations to the extent that they could not find qualified persons among the nationals of the host country but they also had the obligation to provide technical training courses and to take other steps to make possible the progressive replacement of foreign nationals. However, the policy actually pursued by the concessionaire aimed at postponing such replacement as long as possible and in particular at maintaining for an indefinite period the occupation of positions of importance by foreign nations.

The early oil concessions were controversial, with the oil industry's operations based on the written agreement between the companies and the government, which at that time

were politically subordinated directly or indirectly to foreign powers. According to Sayegh (1968: 31), the motive of any State in granting concessions was to promote the speedy discovery and development of the nation's oil resources.

Dissatisfaction over the years arose as a result of the unpopular and unfavorable concession because they did not have the best interest of the nation at heart, thus initiating a reason for restructuring. This evolution led to: renegotiations; nationalization; creation of national companies and other state agencies; promulgation of national petroleum laws; establishment of the so-called 50 – 50 and 75 – 25 profit – sharing regimes; state partnership with the exploiting companies; and direct operation by the state (Rouhani 1971: 45). This was the beginning of the modern-day operating structure. Sayegh (1968: 32) stated that:

Recently, most of the Arab governments have sought more direct participation, and now various agreements provide for a State agency to be admitted to partnership with the foreign company after the discovery of oil. The practice is valuable not only because governments have not always been satisfied merely to draw revenues from the industry, but also because such partnership gives them knowledge and experience in oil problems.

Nevertheless, the early oil concession played an important role in the economic and social development of these countries and laid the foundations of the legal relationships that sustained the structure of the industry (Rouhani 1971:40).

2.2.2 Modern Oil Concessions

Modern oil concessions allow for more involvement by host countries and focus on local content. Under modern concession agreements, companies receive the right to explore, produce, and eventually sell the petroleum they extract from the leased area (Gao 1998). The concessionaires are usually required to meet certain obligations, including training and employing nationals, technology transfer, satisfaction of domestic oil consumption needs before export, and use of local goods and services (Gao 1998). The host countries may also choose to participate in petroleum operations and oil pricing. The modern oil concession gave countries a stronger grip on affairs of oil exploitation with the breaking of the concessionaire's monopoly: long-term concessions were replaced with short-term license for prospecting over a limited area; and better profit sharing formulae were initiated on 50–50 or 75–25 basis. This meant that countries had more control and

involvement in the industry and more financial resources to meet the development needs of their people. They believed that the highest possible rate of growth of their countries could only be reached by the greatest possible development of their natural resources and the strengthening of their ability to undertake this development themselves (Sayegh 1968:32). This was supported by the United Nations Resolution of November 25 (1966), where the General Assembly recognized the right of all countries, and in particular of the developing countries, to secure and increase their share in the administration of enterprises which are fully or partly operated by foreign capital. They should have a greater share in the advantages and profits derived therefrom on an equitable basis, with due regard to the development needs and objectives of the peoples concerned. The Resolution called for mutually acceptable contractual practices and required the countries from which such capital originates to refrain from any action which would hinder the exercise of that right (Sayegh 1968).

Countries started to seek nationalization of the oil industry, with Mexico taking the lead. During the 1920s and 1930s, it made efforts to secure a larger proportion of the companies' profits and to improve the living conditions of Mexican workers engaged in the industry. Nationalization brought to Mexico equilibrium to its domestic consumption, which increased considerably with its economic development and its production (Rouhani 1971:47).

These countries however, did not achieve nationalization easily: there was diplomatic tension which led to boycotting of their oil exports in the world market; and difficulty in obtaining foreign support in the form of equipment, materials, maintenance of installations and finances. Compensation was agreed on for expropriation. Mexico's attempt to seek amendment to the system of concession led to the reduction in rate of oil production. The Mexican government decided to take over the management of the industry and expropriated the company's properties in the public's interest. By its action, the government exposed itself to political, technical, financial and administrative challenges which it did not have the capacity to shoulder (Rouhani 1971: 47). This was followed by Great Britain's breaking-off of diplomatic relations. The government had to face the obligation of paying compensation. Similar difficulties were experienced in Iran and Iraq who embraced nationalization and expropriation.

The major companies strongly resisted any suggestion that they should admit the producing countries to any form of participation in their enterprises. Iran laid the foundation of a new arrangement that went beyond that regime, not by directly modifying each party's share of the profits but by securing for itself participation in the enterprise (Rouhani 1971:52). This important development was effected under the terms of the Petroleum Act of 1957: special advantageous treatment was reserved for operators who would agree to conclude participation agreements with National Iranian Oil Company with the latter's share the equity not to less than 30 per cent (Rouhani 1971:52). Though this was reported 40 years ago, modern oil concession as of today, has as an important part of its core framework the incorporation of participation and recognition of local content of host countries in almost all phases of oil operations.

2.3 Scale of Return on Investment

The return from investment in the oil and natural gas industry is vast and has the potential to drive the required economic growth of any impoverished oil-producing nation. Shelley (2005) states that the capital expenditure of British Petroleum in 2003 was \$14–14.5 billion, more than the gross domestic product of each of the 83 countries surveyed in the UN development programme's 2001 Human Development Report. Phase II of Shell, Mitsui and Mitsubishi's Sakhalin oil and gas development in the far East of Russia was estimated at \$10 billion, the biggest ever investment in Russia. In the Middle East, the Dolphin project to pipe natural gas from Qatar to Abu Dhabi, Dubai, Oman and then Pakistan was expected to cost \$8–10 billion.

Returns from investment are obtained through rent, paid by the producers to the State in exchange for the right to extract petroleum resources. This may take the form of concession fee, royalty on volumes produced, tax on profits, or the State's portion of a production-sharing agreement

The oil and gas sector is seen to be much more lucrative than other industrial sectors. Shelley (2002) states that for integrated oil and natural gas companies (those with upstream and downstream operations) the return on investment for 1993–2002 was the highest for any industry at 12 % with those with only exploration and production at 7 %, refiners and marketers over 9 %, compared with 11 % for the retail industry, 9 % for machinery and computer makers, 8 % for primary metals and less for communications and real estate as shown in the table below.

Table 2.1: Industrial, oil and gas return on investment (1993-2002) (*Source:* Shelly 2002)

s/no	Economic sector	Return on investment (%)
1	Oil and gas operations	12
2	Oil and gas exploration and production	7
3	Refiners and marketers	9
4	Retail industry	9
5	Machinery and computer makers	9
6	Primary metals	8

In Nigeria, according to the Economic and Financial Crime Commission (EFCC) a sum of about \$300–400 billion has been generated in the oil and gas sector of the country since production.

The enormous volatility of the oil price (to which many gas prices are linked, directly or indirectly), has swung from \$10 a barrel to over \$140 a barrel in the 1997–2008 period and may vary by several percent on a single day. With the fluctuating oil market prices, a management system has been devised by oil-producing countries in which excess oil windfalls are invested in a stabilization fund to finance production in times of short-fall. This system shoulders the effect of undulating oil prices on the economies of affected countries. However, the return on oil and natural gas investment is very healthy and has the potential to transform any peasant nation to an advanced industrialized nation.

2.4 Influence of Petroleum on Development of Oil Producing Nations

The potential for the contribution of petroleum resources to the economic growth of producing nations cannot be over-emphasized though the level of development varies from one country to the other. Most of these countries, mainly developing nations, have seen this era as an opportunity to increase government earnings through trade of crude oil. Rouhani (1971) states that in 1965 exports of petroleum as percentages of total exports in OPEC countries were more than 97 % in Saudi Arabia, Kuwait, Libya and

Qatar, about 94–94 % in Venezuela and Iraq, and 87 % in Iran, thereby being classed as petroleum-driven economies. The rapid rise in oil revenues in the Near Eastern oil states produced an era of unprecedented infrastructural development. Investment in improved physical infrastructure was welcomed since it improved the quality of life of their population but the extent to which it served to add to these countries' long-term development prospects was variable (Findlay 1994). This could be attributed to unsustainable development programmes which can be attributed to various State agencies' and governments' eagerness to spend money in public infrastructure without strategic planning.

The exploitation of oil in these nations brought in auxiliary activities which had a multiplier effect on every facet of the society ranging from: technical and professional training; employment through private enterprises and entrepreneurship; and modern administrative techniques which contributed to improvement of local capacity.

Most of these regions have experienced urbanization. Money is channeled to the few existing urban centers, mainly to the center of government which attracts influx of immigrants who participate in the process of change in these centers. Urban communities are usually multinational, composed mainly of Asians and Westerners. This is common in oil-producing regions where a diverse work force is attracted that influences the level of modernization and the cultural beliefs of the indigenes. Sayegh (1968:97) stated that urbanization implies profound social and cultural changes for those involved in it.

Drilling for oil, however, has a significant advantage as far as the nomads' and villagers' settlements are concerned. It has often made available for general use previously unknown supplies of underground water which can be used for irrigation and other agricultural purposes (Sayegh 1968:102).

Revenue is obtained from companies by the State through direct payment of royalties and taxes usually in foreign exchange, payment of salaries and wages to employees, and payment for goods and services sourced locally. The question asked is: *“Is the wealth obtained from export of oil over the years commensurate with the development on the ground?”* Development initiatives of Middle Eastern countries that have attained significant levels in service delivery are examined in the following section.

2.4.1 United Arab Emirates

The United Arab Emirates (UAE) is a confederation of seven autonomous emirates and is one of the most prosperous economies in the emerging-market regions with Abu Dhabi, an oil power house, and Dubai, the regional hub for trade, commerce and finance forming the backbone of the Emirates' success (Business and Finance 2007: 37). A desert area, solely reliant on fishing and pearl-diving has rapidly transformed to a bouyant economy enjoying the benefits of "first world" infrastructure. The IMF describes it thus: " An open economic system and sound economic management have allowed the UAE to escape what for some countries has been the curse of oil," (Business and Finance 2007:37).

The UAE economy has been stimulated by oil revenues, fiscal stimulus, a liberal-oriented development strategy, as well as a prudent utilisation of the hydrocarbon resources. With a direct reduction of oil revenue contributing to the GDP from 60 % in the 1980's to 27 % in 2005, non-oil growth averaged 10.6 % annually over the past five years, the fastest expansion in the gulf region, according to the IMF database (Business and Finance 2007:37). Also, between 1999 and 2006, nominal GDP (in US dollar terms) surged more than threefold, to \$163.21 billion, with real GDP growth averaging 5.5 % per annum. What is experienced in the Emirates is a prudent and conscious reinvestment of revenues from oil back into the system to build a new economy. The Emirates boast of the best social indicator in the developing world such as life expectancy and literacy rates.

The total population of the UAE is approximately 4.1 million, of whom only one-third are indigenous nationals. This indicates a high influx of expatriates contributing to the overall growth of its economy and raises questions on the extent of integration of the locals into the fast growing market oriented neo-liberal system. This points to a development disaster in which most of the wealth is held by expatriates, a phenomenon that could be described as the 'new colonialism'. However, the Arab Human Development Report 2002 points out lack of freedom, gender inequality, low level of education and information technology usage and high unemployment as major drawbacks to the development of the Emirates. Though in recent times remarkable improvements have been recorded, the primary education enrolment rate is 98 %, and the literacy rate among 15-24 year olds is 99 %. There are twice as many females in tertiary

education as males. Child mortality is 10.6 per 1,000 births; and the HIV/AIDS prevalence rate is below 0.2 per cent (United Nations 2007).

It should be noted that neo-liberalized market policies present their own challenges associated with rapid economic growth which increases at a rate faster than the level of human development that is obtainable in the region, leading to importation of foreign expatriates and skills. Such rapid development also poses problems such as increase in cost of living, increase in unemployment and inequality thereby widening the gap between the lower and middle class.

Wealth in the UAE however is not distributed evenly. Abu Dhabi and Dubai control 83.2 % of the UAE's GDP in large part because of Abu Dhabi's large oil production and Dubai's oil supply and commercial base. Sharjah has built its economy on trade and oil has also stimulated manufacturing. The other four emirates have little oil and accounted for only 6.9 % of GDP in 1999. They depend heavily on subsidies from the UAE central government. (Advameg Inc, 2008).

Abu Dhabi

The reward from oil converted an agriculturally based society to one of the richest countries in the world within a space of seven years. With an active public-private partnership that is gradually taking over the role traditionally held by government in infrastructure development, Abu Dhabi is in a new era of economic transition. Housing, tourist, industrial and commercial facilities, education and healthcare amenities, transportation, utilities, communications, ports and airports are all undergoing massive redevelopment, radically altering the urban environment in the United Arab Emirates (United Arab Emirates YearBook 2007).

The Abu Dhabi government took advantage of the private sector partnership in the provision and maintenance of social infrastructure. This is in line with recommendations from the World Bank (1994) and other international agencies as a means of providing quality and effective public infrastructure as a means of reducing poverty. More than US\$100 billion (Dh367 billion) has been earmarked for investment over the next four to five years on infrastructure projects.

As with other emirates, the growing influence of expatriates has led to continuing income disparity within the population and has caused some tension. So far, the UAE has been successful in limiting the social and political impact of these demographic patterns through the aggressive policy of “Emiratisation” (replacing foreign workers with locals) in a bid to boost employment opportunities for UAE nationals and reduce the country’s dependence on expatriate labour (Collier, 1998). In order to reduce household income disparity between nationals and expatriates in most GCC states, a biased income priority system is adopted with higher income preferences given to the nationals because they have fewer earners per household than foreigners and would narrow disparities in incomes at the household level (Collier, 1998).

Dubai

The government turned around a once oil-reliant economy to a trade-based, service and tourism oriented economy with a vibrant real estate and property development market. About four-fifths of business activities are powered by trade, construction, niche financial services (mainly private banking), transport, logistics and tourism (Business and Finance 2007:39). Dubai is home to many world class development projects, including Burj Al Arab, Dubai Internet City, Media City and Knowledge Village.

Dubai has achieved all of this through disassociation from regional political turmoil, more transparent institutions (at least in comparison to other Persian Gulf countries), policies designed to attract foreign companies, few burdensome regulations, insignificant taxes, excellent infrastructure and communications, and respect for personal freedoms (Askari 2006:326).

The vast scale of development has attracted investors and professionals from around the world which has turned Dubai to one of the fastest growing cities with more than \$310 billion in total construction underway or planned over the next decade. However, this type of development could be criticized as creating a global tourist venue in which the citizens are purely the service sector, at the expense of indigenous culture.

Concerns have been raised on the distribution of wealth in the Emirates and the extent of the trickle-down effect amidst the rapid economic growth experienced in the region. There are a number of measures of inequality in the distribution of consumption expenditure or income, as appropriate proxies for the standard of living and hence the

welfare of individuals (Collier, 1998). The most widely used measure of inequality in the distribution of income is the Gini coefficient. This statistic varies from zero (where every person in society has the same income, presenting conditions of perfect equality) to one (where one person gets all the income and the rest receive nothing, indicating the presence of complete inequality) (Collier, 1998). Thus higher Gini coefficient values indicate higher degrees of inequality in the distribution of the relevant attribute.

The Human Development Report 2007/2008 does not capture any result for recent information on the Gini coefficient in the UAE, but in order to understand the inequality in wealth distribution, a broader classification would be used showing other regions of the world over the five five-year periods (1960-90) as shown in Table 2.2 below.

Table 2.2: Income Inequality in the Arab Countries and World Regions 1966-90 (Gini Coefficients) (*Source:* Collier, 1998)

Region	States	1966-70	1971-75	1976-80	1981-85	1986-90
Arab Countries	6	0.4367	0.4165	0.4190	0.4295	0.3817
East Asia/Pacific	9	0.3726	0.3889	0.3853	0.3860	0.4004
Latin America	17	0.5724	0.5093	0.4977	0.4906	0.5016
North America	2	0.3561	0.3528	0.3591	0.3512	0.3654
South Asia	4	0.3330	0.3332	0.3537	0.3668	0.3357
Sub-Saharan Africa	7	0.3900	–	0.4400	0.4121	0.3575
Western Europe	15	0.3709	0.3488	0.3082	0.2974	0.3083
Sample	60	0.4063	0.3932	0.3851	0.3691	0.3858

Source: Deininger and Olinto (2002, 23, Table 1).

It should be noted that since Arab countries include both non-oil and oil producing countries and that some countries calculate their Gini coefficients based on consumption expenditure rather than income, these findings should therefore be interpreted carefully.

The Gini coefficient in the Arab countries has shown an improvement in equality from 0.4367 in 1960 to 0.3817 in 1990. Comparatively, the average Gini coefficient in the Arab countries (within which the UAE falls) of 0.41668 is above that for North America and Western Europe (0.35692 and 0.32672 respectively) indicating higher inequality in the distribution of wealth.

Looking at household income distribution, Dubai has one of the highest income distributions after Qatar with a median income of approximately US \$ 1,700 per month (Askari, 2006).

2.4.2 Qatar

Qatar focused on economic development of the country from the onset of production of oil with the establishment of several hundreds of primary and secondary schools, thereby focusing on development of human capacity which they viewed as a thrust for future development. At the same time attention was given to hospitals and social services (Rouhani 1971:110).

Most importantly, the Qatar government sought a long-term policy for reducing oil dependency. In 1963, the government called on an international firm to prepare a study on its national resources whose development would permit economic prosperity to continue after the exhaustion of petroleum (Rouhani 1971:110).

Based on the HDR 2007/08, Qatar has a HDI of 0.875 and is ranked 35th out of 177 countries (see Appendix: Table 7.5) and thereby serves as a model for the kind of development proposed in this dissertation.

2.4.3 Kuwait

Before the export of oil, Kuwait's economy solely depended on the construction of small craft, cabotage and pearl fishing. The population was small, and public revenue came from import duties. Kuwait is now the third largest petroleum producer in the Middle East, with its petroleum resources contributing approximately 94 % of the total revenue of the country.

Royalties and taxes were invested abroad with some of the revenue retained for financing development projects. With its abundant annual income from oil, its vast municipal, social, and industrial achievements, and its strong financial situation, Kuwait is one of the richest countries in the world. The oil industry has probably affected the political, economic, social and cultural life of Kuwait more than it has that of other countries (Rouhani 1971:111). It has been able to build up large foreign exchange reserves and donated large sums to assist other Arab countries.

The commercial real estate market in Kuwait is presently witnessing a boom as a result of a combination of factors, most notably the dearth of commercial real estate, accompanied by high demand, and talks about the government's move to amend laws to open doors for foreign companies. Recently there was a reduction in foreign tax from 55% to 15% to encourage foreign investment (Wehbi n.d.).

Kuwait has one of the best welfare systems in the world, with education and health services free and subsidized housing. Despite having one of the highest GDP per capita figures in the world and a Human Development Index of 0.891 ranking 33rd in the world, its income distribution is so skewed towards the skilled foreign workers that most unskilled Kuwaitis are fairly poor (Sherman, 2003). Amongst the Kuwaitis, income and wealth are not evenly distributed. Youssif and Al-Sabah (1980:82) have attributed this partly to the system of inherited wealth and position, which has allowed subsequent profitable investment in banking, insurance, industry and international concerns. However, a proper study of income distribution in Kuwait is almost impossible because of the lack of accurate data on income and wealth as there is no personal income tax, therefore, no financial and monetary record (Youssif and Al-Sabah, 1980:82).

Kuwait like other GCC states is experiencing a steady flow of immigrant labour to the extent of Kuwaitis becoming a shrinking minority in their own country.

2.4.4 Saudi Arabia

The people of Sovereign Kingdom of Saudi Arabia have gained enormously from oil since the creation of the oil industry in 1932. As a result of the importance of its oil to the international community, Saudi Arabia has been given preferential aid by both the USA and Great Britain.

From 1945, oil income reached a peak that allowed financing of extensive development projects in the fields of industry, agriculture, and social rehabilitation. Proceeds from oil trade contributed directly and largely to the development of the vast territory with road construction; professional and technical training of nationals; construction of schools; provision of medical and health services; drilling for water and bringing it to the surface in desert areas; improvement in the means of communication; and determined efforts for integrating the people into the oil business by letting out work to local contractors in

connection with a number of ancillary services needed by the petroleum industry (Rouhani 1971:113).

Today, Saudi Arabia is the largest producer of oil and like most Middle East oil-producing nations; the economy has gradually reduced dependence on oil revenues by diversifying into export industries such as metals, plastics and chemicals. It has a HDI value of 0.812 (HDR 2007/08) and ranked 61st out of 177 countries. In spite of these recorded achievements, with a population of 22.7 million, 6.1 million of whom are expatriates, Saudi Arabia faces a particular human development challenge that involves a gradual shift away from dependence on expatriate labour, and creating an environment for viable, value-adding and sustainable employment opportunities for new entrants in the labour market, especially the youth and women (United Nations 2006).

In terms of social development, Saudi Arabia has recorded some major achievements. According to national statistics, the country is well on its way to achieving the Millennium Development Goals (MDGs) by 2015. The extreme poverty rate in the country is only 1.6 per cent. The enrolment rate in primary education is 94.5 per cent for boys and 93 per cent for girls, and the net enrolment in secondary and tertiary education stands at 65 per cent for both. However, the unemployment rate for females still seems to be higher than for males, although the gap is closing. The under-five child mortality rate is 22.4 per 1,000 births, and the maternal mortality rate is 1.4 per 100,000 live births. The cumulative number of reported cases of HIV/AIDS-infected people since 1984 is estimated at 10,000 (United Nations 2006).

Saudi Arabia's developmental policies and plans were outlined in a five-year national plan for guiding public investment. In May 1975, Saudi Arabia's Council of Ministers approved a five year economic plan calling for the expenditure of \$143 billion. Its general objectives were:

...maintaining Saudi's religious and moral values, and to raise the living standards and welfare of its people, while providing for national security and maintaining economic and social stability (Wells 1976: 17).

The plan was ambitious; it anticipated a growth rate of over 13 % a year for the output of goods and services (excluding the petroleum sector). Investment was to be directed into all sectors of the economy – agriculture, industry, mining, and development of water

resources and expenditures for transportation, communication, and electricity (Wells 1976: 7). However, the five-year plan was criticized as a *shopping list* because the development plan did not clearly establish priorities which were synonymous with Saudi's development strategy in the past decade of development. Notwithstanding, the Saudi development policy has been able to persist into the future as a result of the continuity of policies associated with the dominance of the royal family and the political stability that it brings (Wells 1976) and has yielded recommendable results as stated above.

The eighth five-year development plan (2005-2009) further addresses many of today's challenges. It has, for the first time, a long-term strategic perspective on development based on the Future Vision of the Saudi Economy towards 2025. It underscores a national commitment to the people by: (a) integrating all the MDGs and seeking to promote the role of women and the youth in national development processes; (b) supporting private sector investment as the driver of future growth and promoting further diversification away from heavy reliance on natural resources, particularly oil and natural gas; avoiding negative impacts on the environment, particularly water resources; and (c) optimizing the efficiency of the public sector including a reform process towards greater transparency, participation, democratization, decentralization and local governance. A serious effort has been made to promote and protect human rights in the country, including children's and women's rights (United Nations 2006).

2.4.5 Iraq

Iraq achieved economic development through 5-6 year plans periodically financed from oil income. The Iraqi government constituted a development board which was enacted by the Basic Development Law in 1950. It was allocated the entire revenue derived from the oil industry. Revisions made subsequently, modified the structure of this organization and allotted to it a substantial percentage of oil revenues (70 % during the first plan) (Rouhani 1971:114). After 1951, Iraq's oil revenue rose rapidly due to sanctions on oil exports from Iran in 1952; thenceforward it was possible to rely on this source of income for implementing much-needed development projects (Rouhani 1971:114).

In 1980, the Iraqi government used \$100bn of oil money to finance the five-year economic development plan. As a result of those genuine endeavors, the Iraqi GDP almost quintupled over the period 1960-80, growing in real 1980 prices, from around

\$10.7bn in 1960 to around \$53bn in 1980, with a remarkable average growth rate of 8% per annum. The Iraqi per capita income increased in real 1980 prices about 2.6 times from \$1,557 in 1960 to \$4,000 in 1980, making a yearly real growth of 4.7% despite the high Iraqi population growth rate during that period of around 3.3% per annum. Furthermore, on the road of economic diversification, the Iraqi oil sector's contribution to GDP decreased from 66% in 1960 to less than 62% in 1980 (Zilani 2008) which was quite a trivial reduction in dependency given the timeframe.

The 1980s under Saddam Hussein began with Iraq recognized as being one of the highly promising countries in the Middle East and the Third World in terms of its economic development: a donor country, a creditor country, a cash country, and owner of an estimated U.S. \$36 billion in foreign assets. By the close of the 1980s however, following the devastation of an eight-year war with Iran, Iraq faced — for the first time in its history — a serious debt-related liquidity problem (Arab Studies Quarterly 2001). Saddam Hussein's 'iron fist' rule was however not popular with the Western World and brought with it series of economic sanctions which further weakened the Iranian economy, international relations and invoked hardship on the people. In 2003, Iraq was invaded by the United States and Allies in search for the so called "weapons of mass destruction" and ousting of Saddam Hussein's government. These acts were accompanied by severe mass destruction of public infrastructure and human lives.

2.4.6 Iran

Iran adopted the method of strategic planning to achieve development. As early as 1937, a High Economic Council was set up to plan Iran's future economic expansion (Davidian 1971). Iran carried out large-scale development projects in the framework of periodic plans elaborated and put into effect by a special organization created to this end. The first seven-year plan was laid down for the period 1949–55, the second for the years 1956–62; then a five-year plan was adopted extending to the end of 1967. During these nineteen years, a sum of 1.3 billion pounds sterling was allocated to the plan organization. The fourth plan, covering a period of five years from 1968- 72, involved an expenditure for economic development purposes of over 2.6 billion pounds which was 80 % of all revenue from the petroleum industry (Rouhani 1971:116).

Although Iran cannot be said to be more economically advanced than the above mentioned countries (with exception of Iraq), it was able to direct its oil resources

towards a system of national development planning though with an outcome below its counterpart nations. Iran could have done much better economically if more open and enlightened policies had been adopted. Unlike other Middle East oil states that have a high human development record, Iran is ranked as moderately developed with a HDI of 0.759. Its population should also be taken into consideration, which is larger than Kuwait, Qatar and the UAE put together.

2.5 International Development Programmes

The following international development programmes have been widely accepted by developing countries as a framework to which government policies and development strategies should emulate in order to bring the much needed social and economic improvement. The concepts of these programmes have become a model to which other mirco-programmes have adopted to meet consensual target dates.

2.5.1 Millennium Development Goals (MDGs)

Adopted in 2000 at the dawn of the new millennium, the 192 United Nations member states pledged towards eight international development goals; agreeing to free all men, women and children all over the world from the abject and dehumanizing condition of extreme poverty by 2015 (United Nations, 2008). They accepted development goals are as follows:

- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote gender equality and empower women
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 6: Combat HIV/AIDS, malaria and diseases
- Goal 7: Ensure environmental sustainability
- Goal 8: Develop a global partnership for development

These programmes have been accepted by most developing countries and they have fashioned their own development policies and strategies around meeting these goals.

These Millennium Development Goals (MDGs) have become the main yardstick for global progress in the battle against deprivation and are followed closely around the world (Khalid, 2008).

With 2015 set as the target deadline for achieving these goals, the extent of measurable success has been uneven between countries. Some countries have been on track in achieving many of the goals whilst some have not met any. China has been lauded as a star performer, having already achieved the goals on halving poverty and hunger, and providing universal access to primary education while it is firmly on track to meeting most of the rest by 2015 (Khalid, 2008). Sub-Saharan Africa has not achieved so much and is at a risk of not meeting the 2015 target although it is acknowledged that the current world wide economic and food crisis have been a hindrance; with the slowing down and even reverse in the fight against poverty and hunger in many distressed countries.

Learning from China's experience, Khalid (2008) states that local ownership and commitment, better governance, key policy reform and funding combined with energetic local implementation are the key recipe to success. Any effective and responsive development programme should as much as possible embrace these concepts as fundamentals of its work plan to produce needed outcomes.

Notwithstanding, the MDGs have fallen under series of criticism most especially for being unrealistic; placing excessive financial burden on developing countries and financial aids; and for being unachievable by the year ended 2015. Contributing to this, Clemens and Moss (2005) argues that based on the actual rates of progress for both rich and poor countries in the past, the MDGs are now asking many countries to perform at the top end of historical experience. They further add that to halving poverty, African economies must grow at about 7% per year over 2000-2015 in order to halve the number of people living below the poverty line. History has it that just seven out of 153 countries have accomplished this feat in the preceding 15 years. Of those seven, only two were African: Botswana, and Equatorial Guinea, neither of which is easily replicable (Clemens & Moss, 2005). Further, there are pressures of bigger aid budgets of about \$50 billion per year - if the goals are to be met. Clemens and Moss (2005) states that mere resources are not capable of making Africa grow at 7%. Literature has shown links

between aids and economic growth with very steep diminishing returns to additional aid which is most likely due to the broader economic environment.

2.5.2 New Partnership for African's Development (NEPAD)

The NEPAD strategic framework document arises from a mandate given to the five initiating Heads of State (Algeria, Egypt, Nigeria, Senegal, and South Africa) by the Organization of African Unity (OAU) to develop an integrated socio-economic development framework for Africa. The 37th Summit of the OAU in July 2001 formally adopted the strategic framework document.

The primary objectives of NEPAD are as follows:

- a) To eradicate poverty;
- b) To place African countries, both individually and collectively, on a path of sustainable growth and development;
- c) To halt the marginalization of Africa in the globalization process and enhance its full and beneficial integration into the global economy;
- d) To accelerate the empowerment of women

The first five years of the existence of NEPAD have focused on the popularization of its principles and action plans through organization of regional workshops with civil society, business and government sectors to create awareness. This has yielded reasonable success as some African Union (AU) member countries have realigned their development and business policies to meet the overall goals of the programme (Namibian Economic Policy Research Unit, 2006). NEPAD as part of its initiatives has also worked to develop partnerships with international development finance institutions—including the World Bank, G8, European Commission, UNECA and others—and with the private sector.

However, NEPAD has fallen under the heels of heavy scepticism and criticism from African civil society institutions. The programme has been viewed as playing to the “Washington Consensus” of economic development and rather not adopting an “African for Africa” initiative. Furthermore, Much of the criticism of NEPAD has focused on procedure—the lack of consultation in its drafting—and its neoliberal policy orientation. The latter underscores the sense of betrayal that comes through much of the civil society resistance to NEPAD (Adesina, 2004).

Since the MDGs and NEPAD have been the key reference development policy documents in Nigeria in the form of its own National Economic Empowerment Development and Strategy (NEEDS), the understanding of these programmes serves as a reference to which the NDDC programmes should align where possible in order to conform with the general development direction of the country- as it is part of the larger society.

2.6 Oil and Developing Nations

A developing country is a country which is still to attain free market economies, industrialization, social programmes, true democratic government and human rights guarantees for their citizens (DonPedro 2006:112). Development entails modern infrastructure (both physical and institutional), and a move away from low value-added sectors such as agriculture and natural resource extraction. Developed countries, in comparison, usually have economic systems based on continuous, self-sustaining economic growth in the tertiary and quaternary sectors and high standards of living.

Sub-Sahara African, MENA and Latin American regions are classified as *emerging and developing countries* as they have not achieved a significant degree of industrialization relative to their populations, and which have, in most cases a medium to low standard of living. The greatest challenge facing these regions is the lack of human capacity, physical infrastructure and technical capacity required to convert abundant resources to sustainable beneficial growth. They are dependent on immigrant skills which introduce sophisticated Western technology and concepts that alienate the locals and require a minimum level of education which the people cannot supply. During the concession era, little attention was paid to the development needs of these regions through building of human capacity. Now they believe that the highest possible rate of growth of their countries can only be reached by the greatest possible development of their natural resources and the strengthening of their ability to undertake this development themselves (Sayegh 1968).

The unfortunate fact is that most oil-rich developing countries are underperformers across a whole spectrum of economic, social, political and governance standards. This can be seen as a result of the non-readiness of these countries (which at that time were recovering from colonialism or emerging from their traditional societies) to absorb high

level of professionalism, technology, modern business intricacies and capital-intensive expenditure required in the oil and gas industry. Sayegh (1968) argues that the oil industry came into regions which had not developed industrial traditions of their own, nor had they constructed legislative and institutional commitment around the oil sector. The capital, the skills and the initiative for industrialization were imported. Richard L. Meier has also stated that:

A diet of rich resources is rather indigestible for a poor, traditional society and that the resulting upsets inhibit the development of the modern institutions. The social, cultural and political variables throttle the growth rate to a modest level when there is no scarcity of capital or high-level technological skill (Sayegh 1968:97).

It is to the advantage of human and prudently managed capital resources that non-oil producing nations have achieved extensive economic development with little natural resources. Countries such as Germany have made a paradigm shift from emphasis on natural resources to development of human capacity; advancement of science and technology; and a formidable business environment.

Developing countries have adopted advanced-countries technology and business shrewdness which assumes high levels of skills and literacy. According to Stewart (1977:75), countries which adopt advanced-country technology must provide similar skills, or import them. Thus the educational systems of the advanced countries have to be duplicated. But these systems are costly, and when introduced in poor countries only a minority can be so educated. The need for associated skills imposed by the use of advanced-country technology often leads to an apparently chronic shortage of skilled manpower. On the one-hand, the shortage of local appropriately trained people appears to justify the development of the educational system along advanced-country lines, and encourages its further expansion. On the other, it requires the continued import of foreign personnel to carryout some of the skilled jobs (Stewart, 1977:75).

Nevertheless, the backbone of any modern society is investment in science, technology and human capacity development. It is to this end that the Arab Human Development Report (AHDR 2002) has recognized the building of a knowledge society in Arab countries as one of the greatest challenges of the region (UNDP 2003). Knowledge is recognized as cornerstone of human development, a means of expanding people's capabilities and choices and a tool for overcoming human poverty. In the 21st century,

knowledge is also increasingly a dynamic factor of production and a powerful driver of productivity and human capital (UNDP 2003). Recently, the Saudi Arabia government announced its largest ever national budget of \$294 billion with huge allocations to educational purposes in support of the country's vision in investing internally and to prepare human resources capable of leading the country's future development. Also, the Qatar government, realizing that the vast oil and gas reserves would not last forever, formed the Qatar Foundation, with the aim of focusing on quality education, scientific research and community development as a way of building their expatriate population which relies mainly on foreigners for its workforce³.

2.6.1 Oil and Poverty

Despite the wealth abundant in the oil producing countries of the Middle East and North Africa (MENA), Sub-Saharan Africa and Latin America regions, poverty and deprivation are still on the rise though significant improvement has been achieved in MENA from the growing economic success compared with other regions. Poor management and utilization of exploited resources have hindered the conversion to sustainable wealth for the locals. These regions account for high levels of poverty in the world; mainly sub-Saharan Africa which still battles with meeting the minimum requirements for achieving the Millennium Development Goals (MDG).

According to the The Millennium Development Goals Report 2008, since 2002, one of the factors contributing to poverty growth in many developing countries has been the increased prices of commodities, including oil. The price of oil has an import role in influencing a country's economic well-being by affecting cost of commodities and services. For oil-producing nations, an increase in oil price can be an opportunity to earn more and increase financial reserves, while for non-oil producing nations it represents an increase in commodity price. Nigeria is an example of a country that finds itself at both ends. Nigeria exports crude oil but imports its finished product as a result of non-functional refineries that cannot meet the country's daily consumption demand. That aside, the dividend from petrol dollars has not had a significant impact on the lives of the people as compared to other oil-producing nations. Apart from the poor implementation of development programmes by the government, there is high inflation due to the cost of importing finished petroleum products such as petrol, kerosene and diesel; this is

³ The Star, Monday March 23 2009.

exacerbated by the government's gradual removal of petroleum subsidy and frequent scarcity of finished products in the market. This has invoked economic hardship on the populace by increasing the cost of goods and service thereby pushing poverty on an upward trend.

The recent increases in the price of food have a direct and adverse effect on the poor. Poor people who do not produce their own food are the most severely hurt because a larger proportion of their expenditure is allocated to food. Higher food prices limit their ability to obtain not only food but also other essential goods and services, including education and health care (United Nations 2008).

Hence, poverty can be defined as deprivation of common necessities such as food, clothing, shelter and safe drinking water, and lack of access to opportunities such as education and health care, all of which determine our quality of life (Egset 2000). Handley et al (2009) defines poverty as a sense of helplessness, dependence and lack of opportunities, self-confidence and self-respect on the part of the poor.

About half of the human population suffers from poverty which can be measured in terms of absolute or relative poverty. Absolute poverty refers to a set standard which is consistent over time and between countries. An example could be the percentage of the population eating less food than is required to sustain the human body. The World Bank defines extreme poverty as living on less than US \$1 (PPP or purchasing power parity⁴) per day, and moderate poverty as less than \$2 a day. It estimates that in 2001, 1.1 billion people had consumption levels below \$1 a day and 2.7 billion lived on less than \$2 a day.

According to Egset (2000:73), there are several common approaches to measure poverty namely: income / consumption; basic human need; social exclusion; participatory and human poverty / capacity approach. Human poverty approach is the most comprehensive and is developed by the UNDP using the HDI and HPI for cross-country comparison.

The proportion of the developing world's population living in extreme economic poverty fell from 28 percent in 1990 to 21 percent in 2001. Looking at the period 1981-2001, the percentage of the world's population living on less than \$1 per day has halved. However,

⁴ PPP measures the amount of local currency that is needed to purchase a basket of foods and service that would cost \$1 in the US.

the actual value of US \$1 per day has also decreased considerably over those same years (United Nations 2008). As shown in Figure 2.1 below, in sub-Saharan Africa extreme poverty reduced from 46 percent in 1990 to 41 percent in 2004. This significant reduction can be attributed to the efforts of the MDG.

It should be noted that there have been critiques on the validity of the World Bank's global poverty statistics stating that it is calculated from household surveys which understates the extent of poverty in Africa, particularly in sub-Saharan Africa. Suggestions have been to use national income statistics (Raghavan, 2002).

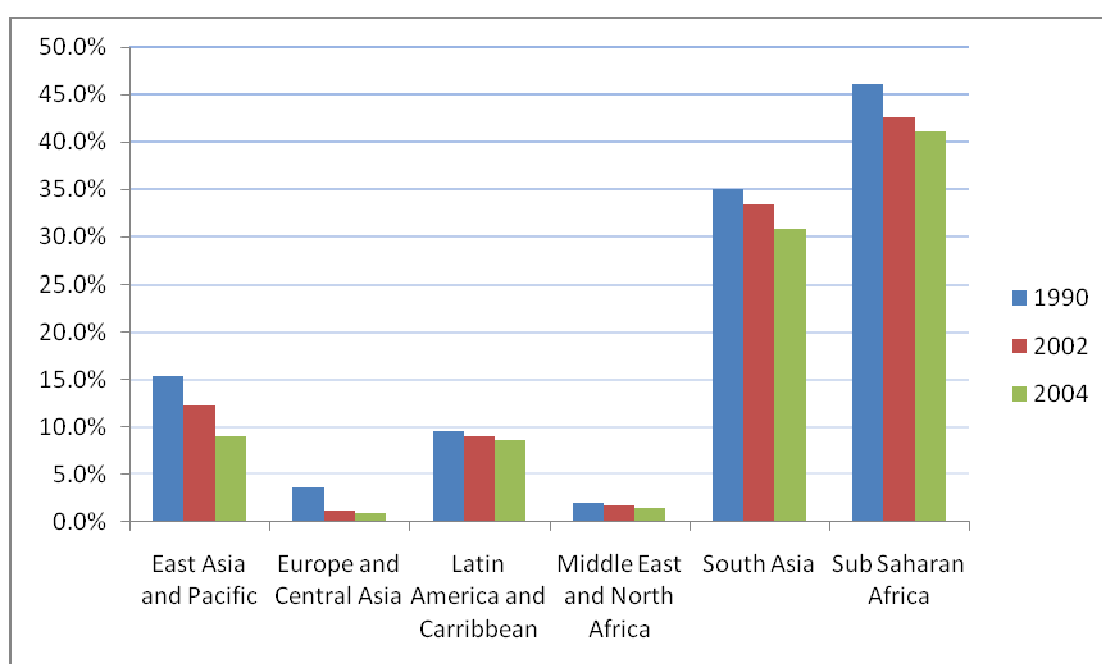


Figure 2.1: World Bank regional poverty levels

In the MENA region, data from the World Bank shows that about one in every five persons in the region could be considered poor at the \$2 PPP line. This proportion was constant for most of the 1990s, fluctuating between 20 and 25 per cent of the population. This stasis in poverty rates mirrors the stagnation in regional economies over this period and highlights the importance of growth promoting policies for the region (Nabli and Iqbal 2006).

Based on the Human Poverty Index (HPI) for developing countries in the Human Development Report 2007/08 (see Appendix: Table.12), Qatar was ranked 13th with a HPI value of 7.8 per cent, while Iran ranked 30th. Amongst oil producing countries in

Africa, Gabon, Equatorial Guinea, Nigeria and Angola ranked 49th, 66th, 80th, and 89th respectively. This result shows a difference in ranking between MENA, Latin-America and Sub-Saharan African regions. While MENA has been able to achieve sustainable development through favorable policies and long-term strategic planning, sub-Saharan African oil regions are just awakening from eras of military dictatorship, tyranny and civil war ignited by the struggle for control of scarce finite resources. As stated by Mbeki (2005), the history of Africa since the 1960s (when early African States gained independence) is thus the history of groups of elites seeking political power with the primary purpose of enriching themselves. Built into that quest for wealth was the exclusion of outsiders, including both the masses and the weaker parts of the political elite (Mbeki 2005). Competition for economic resources exacerbated the ethnic and religious tensions that were already present. That explains in part why there have been so many intrastate conflicts in Africa. In many countries, internal conflicts have weakened the State to the point where African governments can no longer perform essential services (Mbeki 2005).

The level of employment in a country is a very important indicator of social and economic empowerment and crucial in determining human development. It also reflects the state of a country's economy. Employment leads to attainment of one's day to day subsistence. But this would depend on the type and quality of employment attained, in particular how well paid the work is. Results from The Millennium Development Goals Report 2008 indicate that low paying jobs leave one in five developing countries' workers mired in poverty. It further indicates that 51.4 % and 5.4 % of the employed people in sub-Saharan Africa and Western Asia respectively lived below \$1 (PPP) a day in 2007. This significant difference can be said to be associated with the difference in productivity in the regions (United Nations, 2008:9). For millions in the world today, jobs provide little relief from poverty because their pay is so low. Employed persons living in a household where each member earns less than \$1 a day are considered the 'working poor'. In sub-Saharan Africa, over half the workers fall into this category (United Nations 2008:9).

Unemployment is one of the most critical development challenges affecting virtually every economy, especially when there is no social welfare system. Unemployment is a state of not having meaningful work that generates a regular flow of income, thereby excluding unemployed people from active economic growth. An unemployed person is

more likely to be impoverished than an employed, though this argument may not follow in a rich country where an unemployed person may depend on employed family members or can adequately rely on the social welfare system. On the other hand, unemployment undermines a country's capacity to maximize its human resources towards successful economic advancement. It could also lead to proliferation of social vices such as crime and violence, especially amongst the youthful and able population. In South Africa for example, the high level of crime is mostly attributed to the unemployment level amongst the majority black population. Also, the unrest by the youths in the NDR of Nigeria can be to a large extent, associated with high level of unemployment in the region. The lack of work, as a good direct measurement of unemployment, has been most markedly pronounced in Delta, Rivers and Bayelsa States, which also have the highest incidence of youth restiveness and conflicts (UNDP Nigeria 2006:130).

Most Gulf nations have shown remarkable success in curbing their rates of unemployment compared to Southern American and sub-Saharan African oil regions. From 1996–2005, unemployed people in Qatar and Kuwait numbered 13, 000 and 15, 000 respectively as compared to Venezuela at 1.8 million. Some MENA countries have been able to achieve this by opening their markets to foreign investors through market liberalization policies. Countries such as Nigeria and most developing countries have a monopolistic market whereby the State owns, regulates and operates the major players in the economy such as energy, oil and gas sectors, though in recent times, there has been a conscious attempt by these countries to draft and implement free market policies. Market-place diversity has higher chances of turning around the unemployment problem and capacity to create more employment.

As a result of the economic growth of 5.6 % a year experienced in MENA over 2003 and 2004 (the strongest growth in a decade) due to increase in world demand for petroleum resources, unemployment has declined with the rise in oil prices over 2000–2004 (Economic Developments and Prospects 2005) although this is not experienced in all countries. Furthermore, based on the World Bank's analysis of the employment situation in the MENA region in 2003, the number of new jobs that need to be created was put at about 100 million over the next 20 years to keep pace with labor force entrants and absorb the current unemployed. This implies real economic growth rates averaging 6 to 7% a year for a sustained period of time. In the last year alone, growth has

moderated to 5.2%, suggesting that the fundamental problem facing the region in terms of job creation remains unchanged with the recent surge in growth (Economic Developments and Prospects 2005).

However, the challenges facing job creation in most oil regions is in the nature of the industry itself; where there is no direct link between employment creation in the non-oil sector and the oil sector. Sayegh (1968:82) states that:

Mining and exploitation of oil are not particularly effective in transmitting knowledge to other sectors or in training (many) workers who acquire skills which serve them well when they enter upon other kinds of work. The technique of production in mining and oil tend to be specific and do not lend themselves to useful application in other sectors. Accordingly, as far as the needs of other industries are concerned, few workers are trained in mining and oil from which others can recruit their skilled labour force.

Therefore, as a need to meet pressing development challenges of these regions, higher growth which depends on implementing broad-based structural reforms to generate sustainable growth opportunities outside of oil should be encouraged.

Harry (2007) argues that the most crucial human resource issues within the states of the Gulf Cooperation Council (GCC)⁵ region are those of employment creation for citizens and localization (replacing expatriates with host country nationals). He states that the GCC governments regularly undertake programmes to reduce dependence on foreign workers but the creation of a productive indigenous workforce and worthwhile jobs for their citizens are neglected. Furthermore, it is not the number of foreign workers but the lack of needed skills and work attitudes among GCC citizens along with a lack of sufficient numbers of productive jobs for those citizens, which is the threat to the region (Harry 2007). Most youths find work as supermarket checkout staff in Saudi Arabia; in Bahrain as motor mechanics, and in Oman as farmers. Wealth distribution is skewed and a high level of underemployment is recorded. Foreign workers account for between 55 % and 90 % of the GCC states' total workforce as shown in Table 2.3 below. Kapiszewski (2001 cited in Harry 2007), Fasano and Goyal (2004 cited in Harry 2007) have shown that even if all these foreigners could be replaced and the underemployment of host country nationals ignored, the region would still face tremendous challenges in creating

⁵ GCC comprises of Bahrain, Kuwait, Oman, Saudi Arabia, Qatar, and the United Arab Emirates.

sufficient employment for its citizens. This would also apply across borders in other oil developing countries.

Table 2.3: Statistics on GCC population (*Source:* Harry 2007)

<i>Head counts Country</i>	<i>Total 2002* population '000</i>	<i>Population growth rate 1960–2000, %pa</i>	<i>Population under 15 years % of total[†]</i>	<i>Non-citizens % of total[†]</i>	<i>Expats as % of work- force[‡]</i>
Bahrain	650	3.6	28.8	40	64
Kuwait	2,300	4.9	33.5	64	81
Oman	2,400	3.9	44.5	26	55 [‡]
Qatar	720	6.5	26.8	80	90 [‡]
Saudi Arabia	23,000	4.1	43.4	27	55 [‡]
UAE	3,300	8.8	26.7	82	90 [‡]

Source: Economist (2002) using data from Dubai Inc.; Gulf Investment Corporation; US State Dept; UNDP.

Notes:

* Forecast.

[†] Latest.

[‡] Estimate.

Also synonymous with some oil producing countries is the issue of a growing population. Shelley (2005: 30) writes that oil income stimulates natural population growth, though Shelly did not give any strong evidence to back up this point. It is difficult to prove and contradictory, but growth patterns have been observed in some countries that parallel the influx of immigrants. Such growth can also be directly related to a phenomenon that when a relatively poor country experiences economic growth, it is accompanied by a natural population increase as households feel that they are able to support a larger family. For the OPEC member countries, the population rose from 296 million in 1977 to 532 million in 2002. In the 1970s and 1980s the annual population growth rates for oil-producing countries in the Middle East and North Africa exceeded those of non-oil producing countries in the region by 2.5 percentage points⁶. Nigeria is the largest producer of oil in Africa and the most populous African country although its population growth cannot be attributed to inflow of immigrants. Notwithstanding, with the oscillating price of crude oil, one-sided monopolistic economies, and stagnant economic growth of most developing countries, increase in population places stress on the already existing dilapidated infrastructure which in the long run does not render optimum service to the people. It is the service from infrastructure that determines development thereby reducing poverty (World Bank, 1994).

⁶ *Financial Times*, 11 September 2003

Most oil-regions are prone to political and ethnic conflicts resulting from the struggle for control of scarce resources giving incitement to violence within producer states and cross-border tension between States. These resource rich areas become hot-spots which impedes development growth as seen in Iraq, Angola, and the Niger Delta region of Nigeria. In Nigeria, the militia group known as the Movement for the Emancipation of the Niger Delta (MEND) has disrupted oil operations in the region by sabotaging oil pipelines, operational facilities and kidnapping foreign expatriates. This has affected the total return on oil and hindered foreign investment in the region.

After 27 years of civil war, Angola is trying to get on its feet. Access to oil rent has underlain two conflicts since Portugal pulled out in the mid 1970s. The primary struggle was for control of the central government, in which combatant forces were whittled down to the ruling Movement for the Liberation of Angola (MPLA) and National Unity for the Total Independence of Angola (UNITA) rebel forces, and a lower key secessionist struggle in the oil-producing enclave of Cabinda (Shelly 2005: 61).

Most oil producing countries, throughout a substantial period since their independence have been ruled by autocratic and monarchic system of government ranging from Muammar al-Gandfi of Libya, El Hadj Omar Bongo Ondima of Gabon to Brigadier General Nguema Mbasogo of Equatorial Guinea all of whom have held on to their so called “*exalted seat of leadership*” for decades. In Africa, the scenario has been one of dictatorship and oppression by political elites. As Mbeki (2005: 6) puts it:

African oil industry provides the most graphic illustration of the role played by predatory political elites in African underdevelopment. Oil revenues make it possible for the political elite to become detached from the local population and economy. When that occurs, there is no need for the political elite and the state it controls to invest in public goods enjoyed by the population at large. Worse, oil revenue provides the political elite with the funds to repress the local population which is a normal trend in most oil producing African countries.

The Economist⁷ further describes the situation in Equatorial Guinea, which is typical of most African countries as follows:

⁷ The Economist, “What oil can do to tiny States”, January 2003

Equatorial Guinea now pumps more oil per person than Saudi Arabia. Its economy, once negligible, has grown at an incredible 40 percent annually since 1996, when the oil boom began. Equatorial Guinea was never well governed: Obiang Nguema, the president, seized power by executing his uncle in 1979. But oil has made his regime increasingly paranoid. Several members of the ruling family are thought to want a bigger slurp at the oil barrel..... Mr.Obiang scoffs at western notions of transparency, insisting that how much money his government earns from oil is nobody's business.

Also in Nigeria, according to Balouga(2009:8), many of Nigeria's problems can be traced to the advent of oil production half a century ago. The prize of capturing the flood of dollars accruing to the state turned politics into a no-holds-barred contest that fostered coups and a secessionist civil war in the 1960s. Oil encouraged a culture where political connections rather than business acumen were the key to overnight riches.

Good governance, transparency, accountability and openness are very important elements for modern development in which has posed the greatest challenge for African countries. It is through this that development projects can be properly conceived and serve their purpose with sincerity. These elements of governance have been recognized by international development organizations as it is one of the parameters used by the World Bank in measuring development.

2.6.2 Oil Boom

In the early 1970s the economic situation changed dramatically resulting from the vast increase in revenue accrued to OPEC producers. Oil export expanded substantially; royalty payments and taxes on foreign oil companies increased sharply; and oil exporting governments began setting and raising oil exports. Oil producing countries grew, in real per capita terms, at about twice the rate of non-oil producing countries in the region (Shelly 2005). This ushered in lop-sided economies with shifted focus to the oil subsector; as the earnings were very impressive and lucrative. As in the case of Saudi Arabia where revenue per barrel of oil (averaged from total production and oil revenues) quadrupled from \$0.22 in 1948 to \$0.89 in 1970. By 1973, the price had reached \$1.56 and soared to \$10 and higher in 1974 following the Arab oil embargo introduced to pressure Western supporters of Israel during the October 1973 war (Askari, 2006). In 1982, the average export prices per barrel of oil reached well above \$30. Between 1973

and 1980, government oil revenues jumped from \$4.3 billion to \$101.8 billion (Askari, 2006).

In the past 40 years, two major decades have experienced oil boom, the 1970s and 2000s, with varying impact on economic development and growth. Most of the wealth accumulated in 1970s was not properly utilized and managed by most of these countries in comparison to the oil boom in 2000s. Mintz (2006) assessed the oil boom with special focus on the global economy. He stated that during the early oil shock, most OPEC nations were extremely underdeveloped and could not use all the money that was flowing into their coffers so they invested it abroad in Eurodollar deposits at international banks and in special US treasury securities. These funds were eventually lent out – some in the form of big bank loans to Latin America – but the primary effect of the oil boom was to take spending money away from the global consumers (Mintz 2006). The 1970s oil boom therefore drove other national economies into a worldwide recession. The current oil-boom experienced in the 2000s was properly and carefully managed; lessons were learnt from past experiences and hence the development of more advanced financial mechanisms and structures. According to Mintz (2006), the difference between the oil booms of the 1970s and 2000s could mainly be linked to the removal of petrodollars from global consumption and put into savings that depressed global demand in the 1970s. But in the early 2000s, more of the petrodollars were spent keeping worldwide economic growth buoyant. This time, most oil exporting countries had far more advanced financial systems, bigger populations, and a wide array of unmet needs and ambitions (Mintz 2006).

Despite the oil boom, countries like Nigeria recorded stagnant growth. According to Shelley (2005: 38), in 1965, when oil revenues per capita were about \$33, per capita GDP was \$254. In 2000, when oil revenues were \$325 per capita, per capita GDP remained at the 1965 level. This was an indication of low manifestation in the improvement of standard of living. Mbeki (2005) states that the number of Nigerians living below the poverty line increased from 19 million in 1970 to 90 million in 2000. That was accompanied by a massive increase in inequality.

2.6.3 “Dutch Disease”

Hallwood and Sinclair (1981) state that many oil-exporting countries are operating a narrow oil-based economy, with limited success in diversifying their exports away from

oil. This has been described with different phrases such as the '*Dutch disease*', '*Commodity curse*' and even, '*Devil's excrement*'. According to Shelley (2005), the Dutch Disease theory postulates that large windfalls in one sector tend to drive up the exchange rate, making exports of other sectors more expensive and imports cheaper. In the process, capital resources are drained from agriculture and manufacturing and sucked into services, transportation, construction and other non-tradable parts of the economy (Shelly 2005).

During the early to mid-1970s in Nigeria, the oil boom led to neglect of peasant commodity production and a massive exodus of rural dwellers to urban centers. Essentially, the sudden loss of rural labour caused severe disorientation of the peasant productive effort. The value of agricultural exports as a percentage of total exports in Nigeria declined precipitously (Craswell 2002).

Most societies that experience an oil boom are infected with the 'Dutch disease' as defined earlier. The 'Dutch disease' erodes core societal values required for nation building. A psychology of totalitarianism which is accompanied by disregard for law and order, with disrespect for human values and norms, is developed by the leaders; where they feel they are not accountable for their actions and disregard the guiding laws which to discharge their duties. Such attitude is seen to trickle down from the highest ranked civil servant to the man on the street. Over time, it becomes the status quo for engaging in business in these countries. It should be noted that most corrupted nations in the world are nations which in one way or the other, have gone through this form of leadership.

On addressing the depletion of societal values and morals in the MENA, the Arab Human Development Report 2003 stressed that:

The oil boom has played its role in eroding a number of values and societal incentives that would have been helpful in enhancing creativity and acquisition and diffusion of knowledge. With the spread of negative values during that period, creative abilities were neglected, and knowledge lost its significance for human development. The social standing of scientists, educated people and intellectuals fell. Social value was measured by the criteria of money and fortune, regardless of how these fortunes were gained. Proprietorship and possession replaced knowledge and intellectualism. Perhaps worst of all, the values of independence, freedom and the importance

of a critical mind were also buried (Arab Fund for Economic and social development 2003: 142).

In addition, Stewart (1977:111) states that poor countries have tended to perpetuate the use of advanced-technology instead of encouraging appropriate technology. To develop an alternative system requires control over scientific and technical resources which, for the most part, the underdeveloped countries lack (Stewart 1977:111).

2.6.4 Wasted Windfalls

Oil and natural gas are valuable commodities in high demand but the income derived from exportation has not manifested itself in development outcomes. Gelb's (1998) study of the impact of the use of the windfall of 1973 and 1979 by six oil-producing countries details their failure to achieve economic transformation. The six countries in this study are Algeria, Ecuador, Indonesia, Nigeria, Trinidad and Tobago, and Venezuela which collectively reaped a windfall of \$22.5 billion in 1974, averaging a massive 22.7 per cent of GDP. Only Indonesia, the least oil-dependent of the six, and possibly Ecuador achieved a strengthening of non-oil sectors in the period of the two price booms. Only those two saw agricultural and food production rise between 1974 and 1983, and the overall non-oil economies of the six countries fell well below the norm for development (Gelb 1998).

Shelley (2005) stated that the windfall nature of the oil earnings of the 1970s created problems of its own. The additional revenues were massive, immediate and of indeterminate duration. The economies into which the revenues came faced difficulties absorbing them, which encouraged profligate and inflationary spending. Projects were poorly conceived and assessed which led to poor performance and worsening of investment. In Nigeria, capacity utilization in manufacturing, much of it government-owned, averaged 77 % in 1975, slid to 50 % in 1983 and has since fallen to 35-40 %, suggesting some two-thirds of investment has been wasted (Shelley 2005). This syndrome was observed in most oil-producing developing states apart from Indonesia which managed its oil windfall revenues by improving strong growth in its agricultural and manufacturing sector thus avoiding the 'Dutch disease'.

The 'Dutch disease' led to poorly identified and designed projects that did not meet the countries' long-term expectations and needs. Most of these projects were over-large or white elephants which the countries did not have the capacity to sustain. In Nigeria, the

white elephant of the Ajakouta Steel Mills has haunted Nigeria for decades, epitomizing time and budget overruns and redundancy (Okonta & Douglas 2003).

2.7 Infrastructure Development

Infrastructure includes telecommunication, power, piped water supply, sanitation and sewage, roads, dams, ports and urban transport, which shapes the life and determines the standard of living of a people. It is recognized as a key facilitator of economic development. It is said to nurture economic growth, poverty alleviation, and environmental sustainability. It is to this that developing countries invest \$ 200 billion a year in new infrastructure: the result has been a dramatic increase in infrastructure services for transport, power, water and sanitation (World Bank Report, 2004).

The World Bank Report of 1994 has established that adequacy of infrastructure helps determine one country's success and another's failure – in diversifying production, expanding trade, coping with population growth, reducing poverty, or improving environmental conditions. For example, Aschauer (1989) finds very large returns on public capital using U.S. data, while Canning et al (1992) use Barro (1991)-style regressions to estimate large growth effects of physical infrastructure. Lee and Anas (1992) find lack of infrastructure, particularly of consistent electricity supply to be a major constraint on the growth of Nigerian firms. Good infrastructure raises productivity and lowers production cost, but it has to expand fast enough to accommodate growth. Figure 2.2 shows the relationship between infrastructure stock per capita to GDP per capita with a 1 per cent increase in one being associated with 1 per cent in the other - though is not always true for all countries.

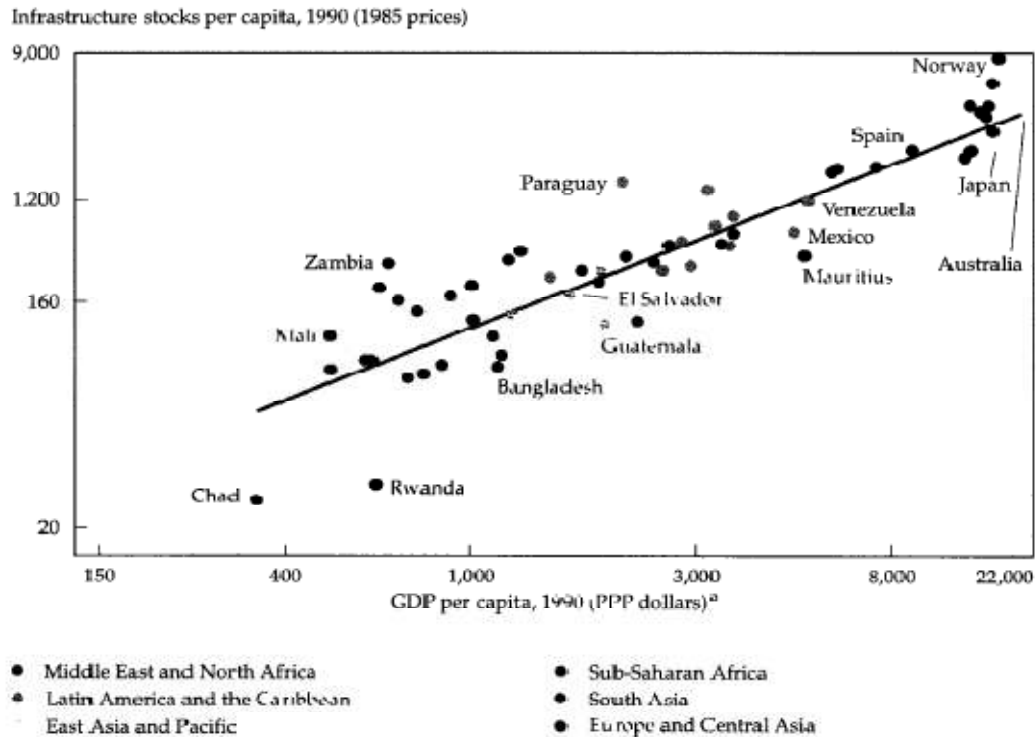


Figure 2.2: Diagram showing relationship between GDP per capita and infrastructure stocks per capita.

(Source: World Bank Development Report 1994)

2.7.1 Infrastructure and Service Delivery

The rapid rise in oil revenues in the oil States produced an era of unprecedented infrastructural development. Investment in improved physical infrastructure was welcomed in the Arab oil States since it improved the quality of life of their population, but the extent to which it served to add to these countries' long-term development prospects was variable (Findlay 1994). Unnecessary investment in duplicate facilities and in communication networks for which there was no long-term demand occurred in the late 1970s, and at best reflected a confusion in development planning in physical infrastructure as a means to achieving development objectives (Findlay 1994).

Infrastructure development in this case cannot therefore be interpreted as laying a solid foundation for future economic and social progress. During the oil boom of the 1970s, developing oil producing countries were enticed by the abundance to embark on modern infrastructure which was appropriate to more advanced developed countries. Contrary to Figure 3.3 below which relates a country's infrastructure services with its level of

income, low income countries tend to embark on large capital projects meant for more advanced societies i.e high-income earners, without taking into cognisance their capacity to maintain and sustain these products which in the long-term do not maximize the benefit delivered to the people. The level of sophistication of infrastructure in a country should be on a par with the level of technological and scientific advancement abound in such society. In the same context, it can be seen that advanced technology from developed countries is viewed with suspicion largely because of its failure to provide sufficient jobs (Stewart 1977:32).

Infrastructure, according to the World Development Report 1994, can deliver major benefits in economic growth, poverty alleviation, and environmental sustainability. For this reason, investment in infrastructure is seen as a means for developing nations to be uplifted from their precarious economic condition. This has caused developing countries to invest \$200 billion a year in new infrastructure – 4 per cent of their national output and a fifth of their total investment (World Bank, 1994).

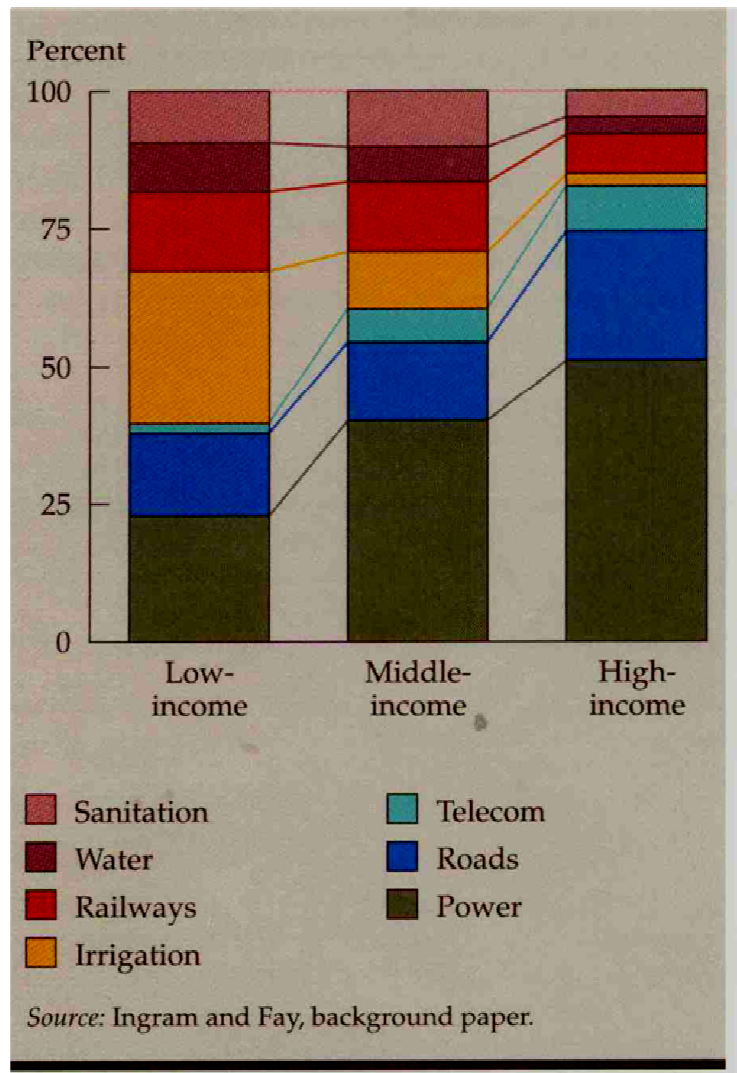


Figure 2.3: The composition of infrastructure changes with country income level
(Source: World Development Report 1994)

For infrastructure to be effective, it must provide services that respond to demand efficiently as development in infrastructure is measured through service (World Bank 1994:2). There has been enormous investment in infrastructure stocks in developing countries but far too many projects have failed in generating the quantity or the quality of service demanded. Poor infrastructure is perhaps the most binding constraint to growth throughout developing world. Infrastructure is poor in the sense that it does not respond adequately to the needs of the people.

2.7.2 Employment Creation through Provision of Infrastructure

Poverty is a scourge that has eaten deep into the fabric of every society, preventing mankind from fulfilling its full potential. The World Development Report 2001/2002

records that of the world's six billion people, nearly half live on less than US \$2 per day and over one billion on less than US \$1 per day, though these figures are decreasing rapidly each year due to the intervention of MDG programmes in parts of Asia – India and China in particular. Most countries in the world experience economic growth, improvement in real capital but characterized by “jobless growth”. Nations have been able to buffer their economy through market liberalization policies, favorable for attracting foreign investors but are still finding difficulty in creating sustainable jobs for their citizens. Many proposals for poverty alleviation through so-called employment generation schemes, which are simply minor expenditures with a marginal effect, have been proposed based on the philosophy of employment-intensive construction initiated in the 1970s (McCutcheon and Taylor Parkins, 2003).

Provision and maintenance of infrastructure can be seen as a means of creating sustainable employment through employment-intensive methods which is discussed below. Such method absorbs local capacity and brings about a platform for local participation and involvement. In developing countries, there is heavy investment in infrastructure service delivery in order to alleviate poverty. As cited by Edmonds (1979) in McCutcheon and Parkins (2003), internationally, expenditure on infrastructure by developing countries accounts for 3-5% of GDP and 40-60% of gross domestic fixed investment. This indicates the job creating potential of infrastructure service delivery if direct labour is utilized.

Too much recognition has been given to industrialization of the developing world as a means of reviving ailing economies without paying special attention to the skills and education which fits into the local systems. As McCutcheon and Taylor Parkins (2003) state:

...one source that has not received as much attention as it should is the nature of industrialization which has led to decreasing opportunities in the formal sector of the major economy for those who have little or no education and skills. The decline has been accomplished by an ideology which only sees employment being generated through further industrialization accompanied by economic growth.

For development to be worthwhile and have the scale of impact recommended, it should be all-embracing. Another aspect of development that should be encouraged is the

enhancement of indigenous knowledge in service delivery. Though outside the scope of this research, the encouragement of communal know-how in the development process would go a long way in encouraging rural participation where the people apply their local methods in service delivery with the aim of empowering themselves and also being responsible for their own development. Modernization has taken away these initiatives while placing the locals as observers of their own development. Stewart (1977) argues that the technology adopted in developing countries is distorting the pattern of development, favoring a particular lop-sided pattern of growth, creating employment problems and skewed income distribution, and failing to make use of poor countries' natural and human resources. More so, techniques developed in advanced countries have characteristics largely conditioned by the economic environment in the advanced countries. The inappropriate nature of advanced country techniques for underdeveloped countries arises from differences in the economic and institutional environment between advanced and third world countries; their economies are distorted in the effort to reproduce the sort of conditions for which the techniques were created (Stewart, 1977:60).

In the Pre- colonization era, African societies had their own traditional institutions and methods of achieving societal functions. Locally sourced materials and labour were used for building dwellings, based on indigenous knowledge. In providing shelter, an influence of their know-how was expressed through their unique architecture. Though these methods may have been crude, it claimed ownership, originality, sense of satisfaction and met their needs as of that time.

President Kwame Nkrumah⁸ of Ghana wrote:

At the time when Europe passed into its industrial revolution, there was a considerably narrow gap in development between the continents. But with every step in the evolution of productive methods and the increased profits drawn from the more and shrewd investment in manufacturing equipment and base metal production, the gap widened by leaps and bounds.

This suggests that their indigenous knowledge was capable of sustaining the development of African societies. The first Europeans to reach West and East Africa in

⁸ New African October 2005.

the 15th Century were amazed at the development in Benin, Nigeria, comparing it to what they knew back at their homes. Western methods and approaches can be said to have weakened these institutions and organization and have made the people less confidence in their own creativity. Stewart (1977:114) in a much broader sense stated that the developing nations have adopted a dependency theory which pervades political institutions and political decision making as well. As a result many countries are incapable of following alternative path, not only because the world economic facts of life make it impossible, but because the cultural, psychological and economic pressure of the dependent relationship have conditioned decision makers in developing nations so that they do not wish to follow an alternative strategy (Stewart1977:114).

Today, there is labour-intensive construction which cannot be compared to indigenous knowledge because the technology and high level of managerial expertise is not still original to the people but rather imported and tailored to fit the situation.

2.7.3 Employment-Intensive Construction

Though not widely accepted in most developing countries due to misconstrual of its concepts and principles, employment intensive methods are capable of generating significant increase in employment opportunities per unit expenditure as compared to conventional capital-intensive methods. McCutcheon and Taylor Parkins (2003) suggest at least 300-400 % increase in employment generated per unit of expenditure.

Employment-intensive construction according to McCutcheon and Taylor Parkins (2003) can be defined as:

The economically efficient employment of as great a proportion of labour as is technically feasible – ideally throughout the construction process, including the production of materials – to produce as high a standard of construction as demanded by the specification and allowed by the funding available; employment-intensive construction results in the generation of a significant increase in employment opportunities per unit of expenditure by comparison with conventionally capital-intensive methods.

One approach is that of “reverse substitution” where pre-industrial methods are applied with a view of creating tangible employment⁹ rather than patronizing machine-intensive methods. Also, this method looks at utilizing locally sourced and developed available materials in construction whilst building institutional and management capacity to sustain and maintain the output of such processes.

Kenya has received its fair share of benefits from employment-intensive methods. In 1974, the government of Kenya initiated a Rural Access Road Programme (RARP) as part of its policy on rural development. The outcome produced over 70, 000 years of casual employment and 6,000 years of employment (McCutcheon, 1993). Following the success of the programme, it was institutionalized by the Kenyan Government in the Ministry of Works.

The challenges with employment-intensive methods lie in producing a deliverable which would compete favorably with that done through capital- intensive means. Though from the definition of employment -intensive construction it should always be the case, it is at times difficult to prove to policy-makers and politicians that this could be achieved. More still, the process requires initial research in pilot studies which requires additional resources and consumes time. If the outcomes are poorly evaluated, it may lead to woeful failure of the development process.

South Africa has taken a bold step in adopting labour-intensive construction and has been trying to institutionalize its concept through the Expanded Public Works Programme (EPWP). The EPWP is one of government’s initiatives to bridge the gap between the growing economy and the large number of unskilled and unemployed people who have yet to fully enjoy the benefits of economic development.

The success in the above mention countries can also be extended to the Niger Delta as the region has an abundance of human resources that is left fallow, shortage of work

⁹ The President of the United States of America, Mr. Barrack Obama in support of employment-intensive methods in the wake of the global economic recession of 2008 was quoted saying: *“We would call for the most massive spending on public works since the creation of interstate highway systems during the 1930s depression and my administration’s first priority would be shovel-ready projects that could create jobs immediately”*. (The Times, Monday 8th December 2008).

opportunities, lack of social infrastructure and abject poverty, all of which can be addressed by employment-intensive construction.

Looking at the oil and gas industry, it is highly specialized and requires advanced technological and scientific methods; so therefore may not be appropriate for employment-intensive construction, but its output is dependent on numerous supporting activities that can be provided through other sectors using employment-intensive methods. Better still, it has the capacity to generate the required income to finance these infrastructure projects. The Nigerian Government should look into means of diverting the petrodollars to service delivery through employment-intensive construction in such regions, taking into consideration the difficult terrain in the delta which is characterized by high water table level and low soil bearing capacity.

Expenditure on the construction of infrastructure generates employment mainly through civil construction which embodies characteristics amenable to reverse substitution such as earthwork operations (McCutcheon and Taylor Parkins 2003).

2.7.4 Involvement of Local Content in Infrastructure Procurement

A World Bank Analysis of funded projects in 1998 and 1999 showed that foreign construction firms dominate in developing country markets – to which the Nigeria is not an exception (Wells & Hawkins, 2008). In such situations, the technical services, methodologies and most often materials are borrowed leaving no place for participation of the local economy.

In recent times, numerous studies have been undertaken on the benefit of encouraging local content in the project supply chain. The benefit goes way beyond reducing project social risk and improving the local people. As Wells & Hawkins (2008) put it, “Increasing local content in the construction and maintenance of infrastructure would generate income and employment locally and contribute to economic growth and poverty reduction”. Such involvement should be identified in each phase of the project cycle depending on the specifics.

However, the ability of some of the poorest countries to use procurement to support development is in practice constrained by conflicting interests amongst donor and beneficiary governments, the failure of international agencies to balance objectives and lack of knowledge among procurement officials (Wells & Hawkins, 2008).

2.8 Nigeria's Oil and Development Dilemma

Nigeria is located in Western Africa with its southern coastline on the Gulf of Guinea, the north, east, and west share land borders with Niger, Chad, Cameroon and Benin Republic respectively. Nigeria gained independence in 1960 from the British and has been a Federal Republic since then. She is made up of 36 States and a Federal Capital Territory. The States are grouped into six geopolitical zones namely, North Central, North West, North East, South West, South East and South South. The South South zone is known as "Niger Delta" as its States fall in the delta region of the River Niger (these States are located on the Atlantic coast of Nigeria where the Niger River divides into numerous tributaries as shown in Figure 2.4).

During the colonial period, agriculture was the mainstay of the Nigerian economy and the State was the largest exporter of cocoa in the world in 1960. According to Darah (2001:20) before the Niger Delta became known for its subterranean oil, it had attained international recognition for its palm oil. It engaged in trade with European nations and after the suppression of the trans-Atlantic slave trade, palm produce and timber sustained the economic relations between Western Europe and the Guinea Coast territory. The trade transformed the European cities to industrial centers but left the West African ones as mere trading posts because of the unequal exchange relations that structured the phase of capitalist globalization (Darah 2001:21). In the latter decades of the 20th century, there has been a significant decline in the annual production of both cash and food crops. Cocoa production dropped by 43%, rubber by 29%, cotton by 65% and groundnut by 64%.

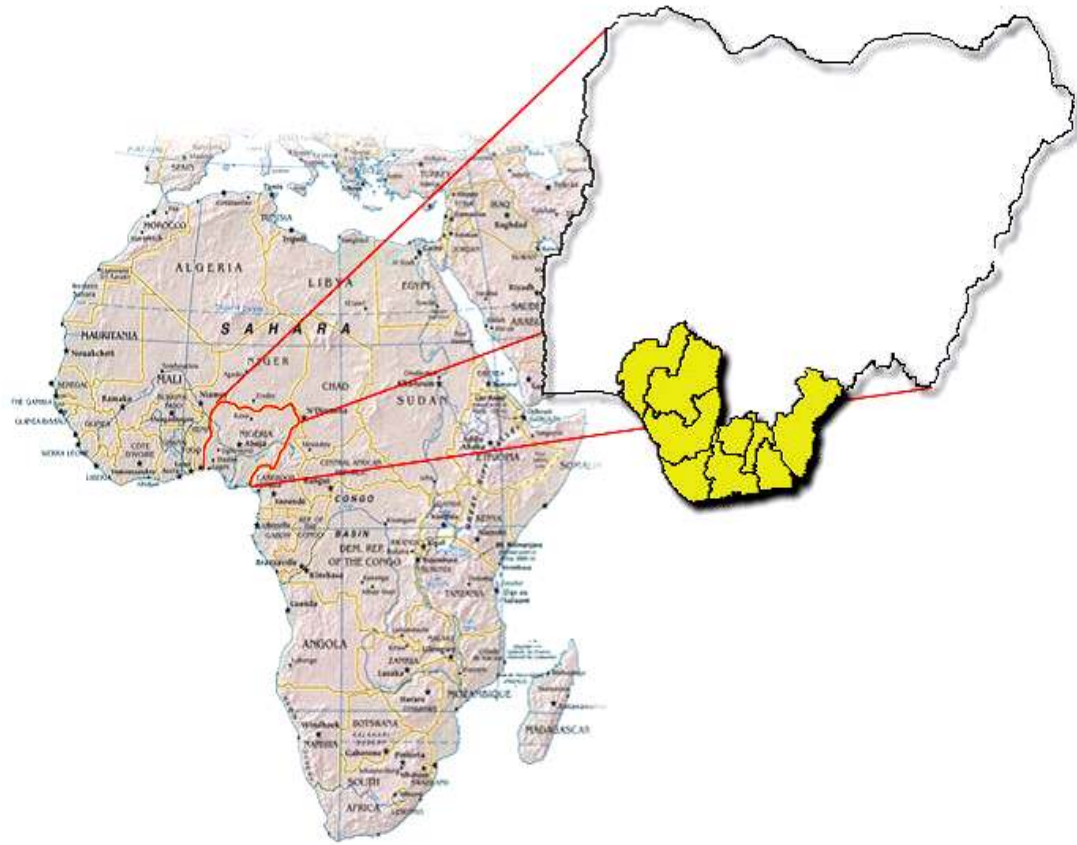


Figure 2.4: Map of Africa showing Niger Delta Region in Nigeria

Source: www.rrh.org.au

Oil was discovered in the small village of Oloibiri in Bayelsa State in 1956. Further exploration was intensified with discovery of more oil wells in the region with revenue from oil later accounting for 80 % of the states' foreign exchange earnings from an insignificant source of national revenue of 0.0% in 1957/58 as shown in Table 2.4. At present, Nigeria is ranked as number one producer of crude oil in Africa and number twelve in the world with a capacity to produce about 2.5 million barrels per day (bpd) (EIA 2006).

Table 2.4 :Contribution of Oil to Government Revenue (1957-1992) (*Source* : Ikporukpo 1996).

Year	Oil Revenue (%)	Year	Oil Revenue (%)	Year	Oil Revenue (%)
1963/64	0.0	1969/70	17.2	1981	75.1
1958/59	0.1	1970/71	26.0	1982	71.8
1959/60	1.0	1971/72	52.5	1983	69.1
1960/61	1.1	1972/73	41.5	1984	77.2
1961/62	7.4	1973/74	71.4	1985	77.8
1962/63	7.3	1974/75	80.8	1986	65.8
1963/64	4.0	1975/76	87.0	1987	76.0
1964/65	5.3	1976/77	84.0	1988	78.2
1965/66	9.1	1977/78	84.1	1989	82.3
1966/67	13.3	1978/79	80.0	1990	79.8
1967/68	14.0	1979/80	83.6	1991	78.1
1968/69	9.9	1980	83.8	1992	82.0

Fifty three years after the first oil well was struck in Oloibiri village, Nigeria stills battles with poverty and providing its populace with basic infrastructure. Even at the door step of these supposed “affluent communities” there is no electricity, pipe-borne water, good roads, hospitals nor any form of modern social infrastructure. As rightfully put by Professor Kimse Okoko (a professor of Political Science and President of the Ijaw National Congress (INC)), these communities have been worse-off after the discovery of oil which led to the destruction of the local economies through environmental

degradation¹⁰. The environmental pollution has left previously agriculturally intensive areas inactive resulting in hunger, rural and urban poverty emanating from food shortages and insecurity (Osuntokun 2000). These problems have led to an exodus of young and able youths to the urban centers in search of livelihoods and have left the local economies less active.

These events triggered an outcry for reasonable compensation from the oil companies. As stated by Okonta and Douglas (2003:198), Shell in collaboration with the Nigerian Government have taken several billions of dollars worth of oil out of Ogoni land without giving the owners of the land adequate recompense. In response, Shell claims that 90 % of the net revenue from each barrel of oil goes to the Nigerian junta, and Shell with the other joint venture partners share ‘only’ \$1 per barrel. From its profits the company claims to spend \$20 million annually on community development projects in the Niger Delta. These issues, inter alia, are the major cause of unrest in the Niger Delta. Three critical issues have been raised: first, that the oil companies should give more back to the communities; secondly, that there is actually investment in community development infrastructure to address the communities’ needs by the oil companies; and thirdly, government has the financial resources to embark on positive development. All of these will be addressed in the course of this research.

2.8.1 The Land Use Decree and Government Legislation

The political economy of oil since the civil war years introduced a new element into the Niger Delta situation – the evolution of legal instruments of repression as strategies of systematic domination and deprivation (PEFS, 2004). The root cause of the problem in the Niger Delta is embedded in legislation promulgated during the military rule which was enacted without the participation and mandate of the people during that era. The Land Use Decree of 1978 was introduced by the military government of General Olusegun Obasanjo. This decree remains the most controversial and ambiguous piece of legislation ever made in Nigeria (DonPedro 2006:220). It stipulates that ownership of all land in the country is vested in the governor of the State who would hold such land in trust for the people (which is applicable in other countries). But it denies the communities the right to claim royalties from oil sourced from their own land and only gave compensation for loss of surface rights.

¹⁰ National Standard April 2006

By contrast, the new Iraqi constitution which addresses this topic stipulates that oil and gas are the property of the Iraqi people in all regions and provinces, and that the Federal Government, with the regions and the provinces, will manage present fields provided that the revenue is distributed fairly and proportionately with the country's population distribution (al-Mehaidi, 2005). Moreover, these articles indicate that the new fields will be under the jurisdiction of the regions and provinces, and that all parties take part in drawing the strategic policies necessary for the development of oil and gas wealth so as to achieve maximum benefit to the Iraqi people (al-Mehaidi, 2005).

In Nigeria, the Federal Government has total control and dictates the oil share of oil producing states. Article 40(3) of the 1979 constitution and Article 42 (3) of the 1999 Nigerian constitution provide that “ the entire property in and control of all mineral oil and natural gas in, under or upon any land in Nigeria shall rest in the Government of the Federation and shall be managed in such a manner as may be prescribed by the National Assembly”.

Relating to land ownership, Section 28 of the decree provides for the revocation of the right of occupancy. Section 29 provides for compensation payable on revocation of right of occupancy. The condition under which such right may be revoked, are stated, as those of overriding public interest defined in Section 28 of the decree include, “The requirement of the land for minning proposes or oil pipelines or for any purpose connected therewith” (DonPedro 2006:222). The legislations further disinherited the oil producing communitites from their land and water. As stated by Deputy Director of Environmental Rights Action ERA, Oronto Douglas: “ No single piece of legislation in the country has robbed in a more vicious manner, the people of the oil-bearing Niger Delta communities of their humanity than the Land Use Act of 1978” (DonPedro 2006:220).

The Land Use Decree has prompted the people to seek repeal of the decree and has also given rise to agitation for resource control. The various legislations and decrees are the legal instruments that have led to the dispossession of the land and resources of the Niger Delta from the people – the evidence and logic, however points to internal colonization (PEFS 2004:32).

2.8.2 Oil Companies and Community Development

Resulting from these laws, the oil companies are not under any strict contractual obligation to develop communities. Nigeria lacks legislation compelling oil companies to contribute to the development of their host communities but rather they do so in the spirit of good neighbourliness. As stated by DonPedro (2006), the oil firms continue to insist that total blame for the underdevelopment of the troubled area cannot be put on them. They point out that as responsible corporate organizations, they pay tax to the Federal Government from which provision of basic infrastructure in these communities is expected to be funded. Any form of community development programme initiated by the oil companies is done out of goodwill.

This raises another debate, “With whom does the responsibility solely lie for community development?” Obviously, the State owes its citizens the responsibility of managing and holding in good faith its natural resources and utilizing the outcomes in providing and maintaining meaningful amenities. But more often than not, this is not the case, leaving such burdens to the oil companies whose facilities and personnel are easily vulnerable to the communities in times of demonstrations or protest. And if infrastructure services are provided by them, the extent to which it addresses the needs of the communities is usually questionable because they do not have the required expertise. Despite this, oil companies with global operations are forming more effective partnerships with communities, regions, host governments and international organizations to address these needs such as building capacity, infrastructure development, training, job creation, health education, sanitation and water supply.

2.8.3 Derivation Formula

During the 1958 Nigerian constitutional conference, the British government proposed that the Niger Delta be declared a special federal territory. But because of political ill-will with the Nigerian political leadership, it was called a special development area. The principle of ‘derivation’ was introduced as a basis for sharing of revenue accrued from oil production to oil producing states. The first post-independence revenue allocation review commission, appointed in 1963, adopted the derivation principle for allocating revenue from the proceeds of mining, rents, royalties and custom duties as provided for in the 1963 constitution formula was 50% of proceeds (as shown in Table 2.5) from minerals including oil to the regions from which they were extracted, 30% paid into the

distributable pool for all the regions, and 20% for the Federal Government (PEFS 2004: 32).

The principle of derivation which was the hope of the area has been consciously, systematically and unjustly manipulated by successive leadership of the federal government (Fubara 2002:24).

Table 2.5: Allocation of Revenues Based on the Derivation Principle (*Source:*Fubara 1999)

Year	Derivation in percentage (%)
1953	100
1960	50
1970	30
1977	25
1981	5
1984	1.5
1992-99	3
1999-to date	13

In 1975, the derivation principle was abandoned, as the oil boom of the 1970s intensified the struggle for access to power and resources. With the introduction of the 1979 constitution which empowered the Federal Government to control resources under or upon any land in Nigeria, the derivation principle was made less effective (PEFS 2004:32). The promulgation of the new revenue allocation system has been under increasing attack because it over-centralized the federal system of government, and weakened further the control of the State's power by the dominant ethnic groups under military dictatorships (PEFS 2004:31).

2.8.4 Militancy and Unrest in the Niger Delta

The degree of backwardness in the region over time and insensitive attitude of the Nigerian government coupled with directing of oil funds to the development of other non-oil producing areas in the country incited anger amongst the youths resulting in an uprising. The Niger Delta experienced the emergence of several action groups fighting for their rights and justice. The region is now home to all forms of criminality ranging from kidnapping of oil expatriates to vandalism and destruction of oil facilities. The situation has deteriorated to the extent that some unknown groups engage in hostage-taking as a form of business. There is confusion in the region and difficulty in distinguishing between criminals and those who are seeking the interest of the growth of the region (DonPedro 2006: 43).

As stated in the Nigerian Tribune Newspaper (2nd May 2005):

The developmental efforts of these Federal Government interventions have not really succeeded in changing the lifestyles of the so-called “restive youths” who have been evidently more persuaded by the wealth coming from gun running, gangsterism and illegal bunkering and hostage-taking. The militants feel that the ransom they receive often from their criminality would be better than the government’s intervention which would yield fruits only in the future”

On account of the increasing criminality in the region, many companies are winding up their operations. In 2008, Shell moved its operational office from Nigeria to Angola. Nigeria, which was ranked Africa’s number one oil producer, has lost the position to Angola. This is affecting the projected revenue of the government and the progress of affected communities.

Yet still, with the rising tension in the delta, development process is impeded with the communities losing out. The chaotic situation makes it difficult for consultants and contractors to mobilize on site because of fear of being kidnapped or sequestration of their equipment by the militants. That aside, government needs to approach the situation in a more participatory manner where various stakeholders are given the forum to state their grievances and readdressing the various legislatures. In essence, what these communities need is a commitment of oil revenues from the government and the improvement of the quality of life, compensation for destruction of their land and physical environment by the oil companies.

2.8.5 Government's Development Efforts in the Niger Delta Region

Over the years government has initiated different development agencies to address the various socio-economical and political issues of the region and improve the standard of living of its people. But most of these operations have fallen short of expectations and have been truncated due to corruption, poor performance and irregular funding by government. It would be unfair to castigate the development agencies while ignoring the weak institutional structure, government bureaucracy and heavily centralized system which abounds in Nigeria's public sector that hinders timely cash flows required to facilitate execution of works. This on its own has contributed significantly to the failure of these agencies coupled with many other factors associated with infrastructure projects in developing area. But in order to focus on the research question, emphasis is not on those primary factors. Although some of these agencies have delivered infrastructure, the cost-benefit ratio is questionable, and more often than not, completed projects exceed planned budgets and completion dates.

The performance of these agencies clearly shows that it is not really the broad details of what is contained in the enabling legislation that matters, but rather the political will to carry out to the letter the mandate of the agency and the proper management of its human and material resources (Udo 2002). These agencies have lost the goodwill and confidence of the people due to their pedigree. As stated by Emakpor Ajise of the Isoko Ethnic Minority Rights and Environmental Protection Council:

To us, the people of the Niger Delta, we see all these as mere cosmetics which have not solved the problems of poverty, underdevelopment, neglect, alienation and most especially, environmental pollution and degradation. We want our autonomy to enable us shape a suitable destiny for ourselves and our children yet unborn (PEFS 2004: 39).

To investigate and address the research question, government's development approach over the years has to be assessed.

2.9 Project Management Best Practice

It is an established fact that projects in developing countries consume more resources than similar projects in the developed world. This is attributed to many factors but most importantly the social, political and economical environment that pushes cost on an upward trend. According to Van Zyl (nd:5), cost overruns for third world development

projects are often as high as 500% more expensive when compared to similar projects in America. He further states that these cost overruns are attributed to the uncertainty and complexity of the various environments which bears higher project risk. Picciotto and Weaving(1994), have also identified that, based on the World Banks Operations Evaluation Department, about a third of the Bank-supported operations completed recently have not reached their major goals, or do not have a satisfactory development impact. They confirm that there is a need to align best practice into development service delivery.

Project management best practice can be seen as the use of modern project management tools and techniques in ensuring that the intended product meets the requirement of the end-user and does that within expected and defined timeframe, budget and quality. To ensure such, the Project Management Institute (PMI) have produced the Project Management Body of Knowledge (PMBOK) which serves as a guideline document in achieving a quality product that is satisfactory to all parties.

These PMBOK principles alone may not guarantee project success in developing countries because of the social dynamics that are in play in such environments. There is a need to properly identify and involve such variables in the project plan to achieve success. Properly identified project objectives, goals and performance indicators are integral for such process. The Logical Framework Approach (LFA) is a development project conceptualisation and design tool which carefully seeks to address and highlight all developmental needs associated with a project. Frimpong (2000:26) defines the LFA as an analytical tool for objectives-oriented project planning and management. The LFA constitutes of a matrix with different elements which focuses on the functionality of the project at all aspects.

Included as best practice is a monitoring and evaluation process. Project monitoring is an on-going process which ensures that the project goes as planned, and if not, corrective actions are taken to put it back on track. Evaluation is an infrequent activity which is designed to measure the success or failure of the development objectives of the project. This information later serves as a decision-making tool for the project manager. As simple as these tools may sound, they are usually not actively practicalized in projects but are rather given lip-service. A proper monitoring and evaluation process is one of the greatest challenge facing development projects in Africa.

Though there are numerous factors that determines a project's welfare, the project management principles as stated in the PMBOK alongside with the identification of the social dimensions of development projects go a long way to guarantee project success and healthy returns on investment.

Oil wealth has transformed the economies of countries from peasant to advanced modern societies whilst for some, has plummeted the entire system to a state of economic retrogression and paralysis. Unfortunately, for the past three decades, sub-Saharan African Countries endowed with this rare finite gift of resource have been unable to maximize the benefit for their entire economic wellbeing resulting from lack of foresight, corruption, weak government institutions and poorly implemented development programmes and policies. In this regard, Middle East Oil economies have scored much better and their strategy a model for other underperforming countries.

Therefore, a need to analyze and study the development programmes of the NDDC (in the above context) to understand its short falls, challenges, and reasons for alleged poor performance is crucial

CHAPTER THREE

RESEARCH METHODOLOGY

This research report mainly seeks to measure the achievements of the development programmes initiated by the NDDC from inception, how these have impacted on the quality of life of the people in the region, particularly through infrastructure delivery.

An evaluation research method is adopted in order to assess these outcomes and also answer the research questions. This method involves the systematic acquisition and assessment of information by bringing together different sources of knowledge around the subject, reviewing of facts and then drawing conclusions. Four stages of this method are used in order to answer the research question namely:

3.1 Need Assessment

Chapter Two of this research report focuses intensively on the need assessment. It provides data and information on who needs the programme, how great the need is, different countries' approach to meet the need and what might work to meet the need.

Section 2.4 of Chapter 2 extensively highlights the influence of oil wealth in the development of more successful oil producing nations. Their approach towards sustainable nation building and strategic planning is highlighted. A cue from this literature is used as a basis to measure the direction taken by the NDDC in fashioning its own development taking into consideration its own peculiarities.

3.2 Process Evaluation

Chapter Four puts in context background information on the defunct development agencies in the region over the years (from 1960 to 2000). This provides an understanding of the different approaches and characteristics in the form of political, social, ethnical, legislative, bureaucratic and environmental constraints that come into play in the decision making process and implementation of service delivery in the region.

Case studies and procedures obtained from NDDC's report are presented looking at what has been achieved so far both in response to infrastructure delivery and human development programmes which would then be evaluated against procedures and methods adopted by other international agencies such as the UNDP within the same boundaries.

The rationale behind the NDDC human development programmes and Niger Delta Regional Master Plan are evaluated to establish the extent to which they align with “best practice” i.e. project management principles and worldwide accepted development norms.

3.3 Outcome Evaluation

Chapter Five provides data on the extent to which the programmes met their intended objectives, enumerates challenges and constraints juxtaposed against the outcomes of similar UNDP initiatives. From the facts provided, findings are debated and conclusions drawn.

3.4 Context Evaluation

Provides information about the factors behind the programme, including who has a stake in it, and what the constraints on it are. Context evaluation is necessary for fully understanding other aspects of the programme evaluation.

CHAPTER FOUR

CASE STUDY DATA

In order to understand the problem to address the research questions, a list of development attempts implemented through government constituted agencies handed with the mandate of addressing the infrastructure backlog in the area are presented in this chapter. It should be noted that the available literature on programme expenditure is thin and vague.

4.1 Niger Delta Development Board (NDDDB) (Ekpo, 2004)

Date of Establishment: 1960

4.1.1 Objectives:

To bring about rapid development, manage and address the developmental needs and challenges of the Niger Delta region by treating the region as a special area.

4.1.2 Aims:

- To survey Niger Delta in order to ascertain the measures needed to boost its physical development.
- Prepare and cost programmes to boost the physical development of the region.
- Present reports to the Federal Government and governments of Western and Eastern Nigeria explaining the survey of the region and measures desired to boost physical development.

4.1.3 Time Frame

The agency was established as an ongoing organization with the intention of institutionalizing its functions. But as a result of the outbreak of the Nigerian civil war, it only lasted for seven years.

4.1.4 Budget

Not much is known about the total amount allocated to the board, its overall expenditure and how it went about financing its projects. But during the Nigerian civil war, the board was deprived funding as 50 % of its available budget allocation was slashed to 20 % by the Federal Government as a way of conserving money for funding of the war and other essential programmes (Ekpo 2004:66). Government later discontinued funding and left the NDDDB at the mercy of foreign donors countries such as Britain.

4.1.5 Programme Background

The colonial government created the board for the purpose of achieving specific development needs. In its seven years of existence, NDDB achieved little before it faded away following the military coup in 1966 and the outbreak of civil war in 1967 (Niger Delta Development Commission 2006) . After the civil war, the NDDB was not revived and the government showed no interest in addressing the developmental needs of the region. Rather, revenue accrued was used to fund massive rehabilitation and reconstruction programmes in various parts of the country. Even with the quadrupling of oil prices in 1973 and the subsequent oil windfall, there was no deliberate attempt to use part of the oil wealth to address the issue of poverty and the developmental needs of the region (Niger Delta Development Commission 2006).

4.1.6 Challenges and constraints

Generally speaking, there is little or missing information on the operational strategy and implementation plan of this agency. But from literature, it could be gathered that the NDDB came at a time when Nigeria gained independence from her colonial master and had not properly identified and prioritized the core needs of the people at that time. Furthermore, the country was undergoing restructuring and consolidation at that period with little focus on the problems in the Niger Delta. The agency was later converted to an advisory board which clipped its power and funds to effect any development.

4.2 Presidential Task Force (PTF) (Niger Delta Development Commission, 2006)

Date of establishment: 1980

4.2.1 Budget

One-half per cent of derivation fund.

4.2.2 Programme Background

Following growing agitation for a renewed focus on the development of the region, the military administration of 1979/83 set up a Presidential Task Force (PTF) in 1980 and 1.5 per cent of the Federation account was allocated to the committee to tackle the developmental problems of the region (Niger Delta Development Commission 2006). Although the committees existed until early years of the 1985/93 regime, the programme was largely ineffective. There were only a few projects to show for the funding received

from the Federation account and very little visible beneficial impacts on the welfare of the people in the oil producing region (Niger Delta Development Commission 2006).

4.2.3 Challenges and Constraints

Not much has been documented on the programmes of the task force as it is difficult to acquire information on its achievements; however it appears that not much was accomplished. The committee suffered major setback due to reasons of inadequate funding and logistics. Also, most of the development programmes were neither carefully planned nor centered on the social dynamics; so could not deliver the necessary outcomes. Projects were exclusive of community involvement and participation with the committee operating far away from its area of responsibility losing touch of the realities in the Niger Delta. This kind of approach to development was very common during the military era where infrastructure types were forced on the people without their opinion in directing the affairs of their own development.

4.3 Oil Mineral Producing Areas Development Commission (OMPADEC) (Ekpo 2004)

Date of establishment: 1992

4.3.1 Objective

To develop communities in the oil bearing region funded from collection of revenue from the federation account in line with the oil production capacity of each state.

4.3.2 Aims and Responsibilities

- Determine oil-producing states and embark on development of projects after the approval of the communities.
- Consult with oil firms, federal and state-related institutions on how best to manage oil pollution and spillages.
- Obtain actual production figures of each state, local government area and community while ensuring that projects, services and employment were in accordance with the contribution of each locality.
- Consult with the Federal Government through the presidency, the states, local governments and oil producing areas as regards projects, services and other issues concerning the special fund.

- Present annual returns to the President and copy the states and local governments on matters concerning the fund.
- Advise the federal, state, local government on all matters regarding the fund.
- Liaise with oil producing firms regarding the number, location and other relevant data on oil producing areas.
- Execute other works and perform activities, which it deemed relevant for the development of the oil mineral producing areas.
- Compensate materially, communities, local government areas and states which have suffered or are suffering damage (ecological, environmental etc) or deprivation as a result of mineral prospecting in their areas and effectively link them socially and economically with other parts of the nation through establishment of adequate physical and infrastructural facilities.

4.3.3 Budget

Three percent of Federal oil revenue was allocated to the commission

4.3.4 Programme Background

Discontent and restiveness in the oil producing areas caused the administration of General Babangida to set up the Oil Mineral Producing Areas Commission (OMPADEC) in 1992. This followed the PTF which had become moribund and performed below expectation. Three percent of Federal oil revenue was allocated to the commission to address the developmental needs of the areas (Niger Delta Development Commission 2006) but most of these funds were not released by government to the commission. As stated by Fuburu (2002:26), out of the N64 billion that OMPADEC should have received from 1992 to 1998, only N23 billion was paid while N41 billion is still outstanding. Although OMPADEC initially raised the spirits and hopes of the people, inefficiency and corruption in the organization resulted in yet more disappointment.

4.3.5 Challenges and Constraints

The commission inherited about 2000 projects from its predecessor and initiated about 200 new schemes worth \$500 million. Between 1992 and 1999 when it was wound up, OMPADEC had completed several projects but bequeathed numerous abandoned or

unfinished projects and huge debts. OMPADEC suffered from lack of focus, inadequate and irregular funding, corruption, excessive political interference and high overhead expenditure (Niger Delta Development Commission 2006). Most of its projects had to do with road construction, provision of water and electricity, as well as land reclamation but little to do with poverty reduction.

A World Bank team that studied the workings of the agency in 1995 discovered the following:

1. There were no emphases on environmentally sustainable development.
2. The commission did not have the requisite personnel to enable it to meet its ecological mandate.
3. There was an absence of long-term planning;
4. There was little or no project assessment, and where projects were initiated, maintenance requirements were not built into them.
5. There was no integrated approach to development planning, which should have involved the local communities and other government agencies in the area.

4.4 Niger Delta Development Commission

Date of Establishment: 2000

4.4.1 Vision

To offer a lasting solution to the socio-economic difficulties of the Niger Delta Region and a mission to facilitate the rapid, even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful.

The commission has the specific mandate to:

- Formulate policies and guidelines for the development of the area.
- Conceive, plan and implement, in accordance with set rules and regulations, projects and programmes for sustainable development in the areas of transportation, education, employment, industrialization, agriculture, housing, urban development, water supply, electricity and telecommunications.
- Cause the Niger Delta to be surveyed in order to ascertain measures needed to promote physical development through a well-formulated master plan.

- Implement all measures approved for the development of the Niger Delta by the Federal Government and the member states of the commission.
- Identify factors inhibiting the development of the area and assist the member states in the formulation and implementation of policies to ensure sound and efficient management of the resources of the Niger Delta.
- Assess and report on any project being funded or carried out in the area by the oil and gas producing companies, and any other company including non-governmental organizations and ensure that funds released for such projects are properly utilized.
- Tackle ecological and environmental problems that arise from the exploration of oil mineral in the Niger Delta and advise the federal government and member states on the prevention and control of oil spillages, gas flaring and environmental pollution.
- Liaise with the various oil mineral and gas prospecting and producing companies on all matters of pollution prevention and control.
- Execute such other works and perform such other functions, which in the opinion of the commission are required for the sustainable development of the Niger Delta and its people.

4.4.2 Budget

The NDDC Act provided for generous funding sources, including:

- Contribution from the federal government, which must be the equivalent of 15 per cent of the total monthly statutory allocation due to member States of the commission from the federation account.
- Three percent of the annual budget of all oil companies operating in the Niger Delta – onshore and offshore – including gas processing companies.
- Fifty percent of monies from the ecological fund allocations, which are due to the member States of the commission.
- Monies that may, from time to time be lent to, granted or deposited with the commission by the federal or state governments or other bodies or institutions within and outside Nigeria.

- Monies raised for the commission from gifts, loans, grants, testamentary disposition or otherwise.
- Proceeds, which may accrue to the commission from other assets from time to time.

4.4.3 Programme Background

The NDDC was officially inaugurated on December 21, 2000 by President Olusegun Obasanjo as offering a solution to the conundrum in the Niger Delta. Considering the failure of similar past agencies, the NDDC adopted a two-pronged approach in driving its policies and strategies. The first was in formulating a Niger Delta Regional Development Master Plan to serve as a long-term pathway and harmonization framework for different intervening agencies and tiers of government (as would be discussed shortly); and secondly, an Interim Action Plan pending the completion of the Master Plan.

The Interim Action Plan was designed to achieve the following objectives:

- Completion and commissioning of uncompleted OMPADEC projects.
- Other critical infrastructural provisions to mitigate the severe deprivations of the past and douse the crises across the region especially those that would readily fit into the Master Plan.
- Other human development programmes to alleviate the widespread poverty across the region.

The commission also recognized the importance of partnering with many stakeholders such as government agencies, development institutions, oil and gas firms, local and foreign donors, oil bearing communities and NGOs which attracted the support and goodwill of the public (Udeme 2004).

The commission's service delivery was provided through infrastructure development; capacity building and empowerment; and free medical services.

4.4.5 Physical Infrastructure Development

According to the Niger Delta Development Commission (2006), during the first three years of existence of the commission (January 2001 to January 2003), the NDDC:

- received N47 billion from its funding source.
- awarded about 700 contracts of which 358 had been completed by June 2003.

- undertook the construction of 40 road projects, 90 water projects, 129 electrification projects, 47 shore protection / jetty projects , 50 health centers, 205 new blocks of six classrooms each.

The commission since inception has initiated 2, 035 physical development projects across the nine states of the Niger Delta. The basic projects embarked upon by the NDDC in the nine different states include the following:

Building projects - construction and rehabilitation of classrooms blocks, hostels, library blocks, hospitals, staff quarters and assembly halls.

Electrification - Low / high tension distribution, low / high tension line, transformer substation, low / high stringing.

Roads - road rehabilitation, drainage and bridges.

Water - Water distribution and supply schemes.

Jetties, canalization and shore protection

Table 4.1 below shows the types and volume of infrastructure stocks provided by the NDDC in the different states of the region from 2000 – 2005. Although most of the projects have been completed, some are still on-going, whilst some have been abandoned.

Table 4.1: Physical infrastructure projects embarked upon by the NDDC.

State	Building projects	Electrification	Roads	Water Supply	Jetties	Shore Protection /canalization
Akwa Ibom	190	94	19	31	-	-
Abia	79	50	12	19	-	-
Bayelsa	147	10	15	41	22	7
Cross River	39	6	6	9	3	-
Delta	128	42	41	59	19	12
Imo	133	25	6	30	-	-
Ondo	179	27	2	35	19	-
Rivers	85	12	37	32	6	-

Source: NDDC 2005

Table 4.2: Total number of projects implemented by the NDDC from 2001 - 2005

Infrastructure type	Total no. provided	Completed
Roads	156 (3,000Km)	780 Km
Bridges	47	-
Water supply	283	78
Electrification	316	137

Source: NDDC 2005

4.4.6 Capacity Building and Empowerment

Niger Delta Development Commission invested in human development programmes aimed at creating jobs with the aim of empowering youths and women to become self-reliant. The six basic programmes adopted by the commission are listed as follows:

1. Computer literacy programme
2. NDDC-assisted mass transit scheme
3. Skills acquisition programme
4. Solid waste disposal scheme
5. NDDC self-employment business scheme
6. Agriculture support programme

Computer literacy programme

Computer training was offered to youths who had to go through three modules of training. The NDDC computer Training Programme commenced in May 2003 with an initial intake of 5,000 participants and is running concurrently across the region in 62 centres in five streams namely – Office management, Auto cad, PC support Engineering Internet Website Design, Corel Draw and Graphics. Some of the training programmes such as MCSE, Oracle and Cisco lead to international certification. So far a reasonable number of youths have benefited from the programme. A good number of trainees who qualified for starter packs were supported to start their own business centres (NDDC, 2009).

NNDC-assisted mass transit scheme

Buses were allocated to youths on hire purchase basis and without the provision of any collateral, through cooperative societies that have an average of ten members each. At

present a total of Eight Hundred (800) Buses have been distributed to 800 co-operatives in the Region. Analysis of the distribution of the mass transit buses in the nine States is as shown in Table 8 below. Each of the co-operative societies had a minimum of ten (10) members, which translates to ten families. It is germane to assert that the standard of living of about Eight Thousand (8,000) families had been enhanced through participation in the scheme (NDDC, 2009).

Skills acquisition programme

Vocational skills training is offered to youths and women in various trades such as fitting, welding, automobile and river craft repairs, electrical/ electronic and Health and Safety Business Skills so as to create more jobs and make them self-reliant.

Solid waste disposal scheme

Disposal trucks and bins were allocated to youths through cooperative societies to make them gainfully employed.

NDDC self-employment business scheme

Telephone handsets with SIM cards were given free of charge to youths and women for the operation of mobile phone call / business centers. The programme commenced in May 2005. Under the scheme NDDC procured 4,000 lines/handsets and accessories including tables, 8,000 chairs, 4,000 caps and 4,000 parasols, which were distributed to youths and women free of charge (NDDC, 2009).

Agriculture support programme

This scheme was designed to provide youths with agricultural skills and financing on very liberal terms.

Table 4.3 below shows the number of beneficiaries of these schemes across the nine states of the region.

Table 4.3: Total number of State beneficiaries from NDDC's Human Development Scheme

State Scheme	Abia	Akwa Ibom	Bayelsa	Cross River	Delta	Ondo	Rivers	Imo
Computer literacy programme	800	1450	1450	800	1450	1000	1450	800
Mass transit scheme	810	980	1000	500	1340	500	1430	700
Skills acquisition programme	486	930	725	458	1006	601	1026	474
Self-employment business scheme	270	357	450	233	336	260	447	253

Source: NDDC 2005

4.5 Niger Delta Regional Master Plan (NDRMP)

As part of an intervention to the colossal problems in the Niger Delta, a Regional Development Master Plan has been drafted and approved to be implemented over a 15 years period. Its aim is to:

Raise the standards of living well above the poverty line and set the region on the course of good governance, technological competence, rural productivity, industrialization and sustainable development, and ultimately becoming a prosperous region (Niger Delta Development Commission, 2006).

The NDRMP is designed such that it is consistent with the Millennium Development Goals (MDGs) and also incorporates the goals of other international national development programmes e.g. at continental level, it identifies with the goals of New Partnership for Africa's Development (NEPAD).

The Master Plan when faithfully implemented will fundamentally address the daunting development challenges of rural poverty, falling education standards, inadequate infrastructural development and inadequate power supply among other things in the

Niger Delta. The strategy seeks to diversify the economy of the region by creating an enabling environment for increased agricultural production and industry using local sourced materials (Niger Delta Development Commission 2006).

The key programmes and areas of focus are listed below:

- i. Physical Infrastructure
- ii. Human and Institutional resources
- iii. Human and Community needs
- iv. Natural Environment
- v. Economic Development

Each of these programmes has been divided into three phases and allocated milestone dates as are shown in Appendix: Table 7.6.

To further analyze and understand the development challenges in the region, we will look at the development approach adopted by an international development agency i.e. the United Nations Development Programme as a basis of comparison on its strategy and implementation plan.

4.6 United Nations Development Programme (UNDP)

The United Nations Development Programme has had a long presence in the Niger Delta region with involvement in a number of projects both solely and in partnership with government, oil companies, local communities and other international donors.

The United Nations Development Programme initiated The Fourth Country Programme which was a precursor to the UNDP-Assisted Programme Implementation in the country. Under the Fourth Country Programme, two years were devoted to needs assessment and signing a memorandum of understanding with the Federal and State governments. The three main areas of the programme concentrated on human and participatory development; private sector development and socio-economic management; and sustainable development. Information in this research is only limited to one state i.e. Akwa Ibom State. It should also be noted that the projects embarked upon by the UNDP's 4th Country Programme contain herein are focused on human and institutional

development as against infrastructure which is the main thrust of this research but both are synergetic in the overall development process.

Based on the UNDP-Assisted Programmes Terminal Report of Akwa Ibom State, UNDP recognized the need for community development associations, cooperative societies and community participation in achieving its goals. Communities were involved in shaping their future through rural participation approaches where they people stated their hopes, desires and challenges in achieving them. From the process, they stated that the major development problems in their communities include:

- i. unemployment
- ii. poverty; and
- iii. high cost of living

Nevertheless, the people showed a general vision of a better society in the near future, if the current problems were solved.

The communities further stated they would like to see a society in which:

- i. all those able and willing to work are gainfully employed;
- ii. everybody has enough food to eat so that there is no hunger;
- iii. there is adequate housing; and
- iv. security of life and property.

From the interaction with the local people, an agreement of the urgent needs of the communities were identified though a slight difference between the urban and the rural communities. For the urban areas, the needs in order of priority include:

- i. employment opportunities;
- ii. reliable electricity and clean water;
- iii. good roads and improved transport network;
- iv. improved and affordable health services, and skills training centers.

The rural areas prioritized theirs as:

- i. good roads and improved transport;
- ii. electricity and clean water;
- iii. functional health facilities
- iv. small-scale processing mills; and
- v. credit facilities / grants for self-help

According to respondents, the way to alleviate poverty is to embark on projects that will create gainful employment opportunities, generate adequate incomes for the people and reduce the cost of living (UNDP Assisted Programmes Terminal Report 1998). A need

to identify with local institutions such as development associations and cooperative societies established by the communities was seen as being critical in concretizing development projects.

The UNDP-Assisted Programme implemented its programme in the following areas/sectors:

- Agriculture and rural development
- Women in development
- Mass literacy
- Small and medium enterprises
- National statistical and information system
- Environmental and natural resources management
- Aid management

Only the first four sectors are discussed in this research report as they are closely related to the areas of study.

At the annual review on UNDP programmes, it was gathered that programme activities had started on all programmes even though many of the planned outputs were not completed on schedule (UNDP Assisted Programmes Terminal Report 1998). Delivery rates varied from programme to programme with mass literacy achieving more than 50 % delivery. Training programmes were conducted for staff responsible for programme implementation and baseline surveys carried out in benefiting communities for monitoring and evaluation purposes (UNDP Assisted Programmes Terminal Report 1998).

In order to understand the outcomes of their approach, we need to look into the development programmes in more detail.

Agriculture and Rural Development

Objectives

To embrace rural employment and income generation to reduce rural migration, poverty alleviation and increased household food security among the poorest segments of the rural population through strengthening of national capacities and grassroots groups participation.

Pre-implementation Activities

The Agriculture and Rural Development Programmes was derived from a number of pre-implementation activities that started in 1991. They include:

- i. Multi-sectoral needs assessment,
- ii. Programme preparation design from general baseline studies,
- iii. Drawing up of donor support programmes
- iv. Preparatory assistance document; and
- v. Donor support documents for the sector.

Identification of Participants

Pre-implementation activities and visits were carried out by both the UNDP representatives and UNDP technical team to collect information on the situation of the target groups in Akwa Ibom State. Thus they identified the rural groups and the overall quality of life within the targeted communities. The criteria for selecting the participating communities were based on poverty profile in which the least developed communities were given priority.

The approach

Activities as scheduled in the work plan were focused on addressing the needs of the target beneficiaries. This consisted of the grassroots groups mobilization and sensitization, identification and training of group leaders, master blacksmiths, welders, craftsmen / women in a whole range of new techniques relevant to solving their expressed needs, including the organization and management of agro-based small and medium enterprise.

Outcomes

The implementation strategies adopted during the period under review were tailored directly to the target beneficiaries at the State, Local Government Area and community levels. These consisted firstly of institutional and capacity building of the identified groups. This was followed by individual or group mobilization and / or strengthening of the grassroots associations. Training was implemented through demonstration and participatory approach to upgrade the skills of the identified and committed groups with adequate support to enhance their productivity and income base for improved livelihood. The sequel to this was the reported activities that were culled from the field record as shown in Table 4.4 below.

Table 4.4: Total number of beneficiaries of the Agriculture and Rural Development Scheme

s/no.	No. of trainees	Courses
1	50 40 – local government area women 10- state officers	Women’s role in agriculture and rural development and extension
2	50 40-women 10-men	Management of small scale agro-enterprises
3	40	Improved agro-processing technologies
4	50 30-men 20-men	Trained in different trades in each of the 25 participating communities
5	10 agricultural extension staff 7-men 3-women	Storage extension technology
6	30 20-men 10-men	Agricultural mechanization at the state level.
7	50 master blacksmiths and welders and 250 apprentices	-

Also, twenty multi-purpose training centers were upgraded and the construction of 10 units off-farm storage structures in 10 locations.

Women in Development Programme

Objective

To enhance the status of women and their participation in the national development process.

The Approach

United Nation Development Programme support focused on supporting income generating activities of poor urban and rural women and strengthening the women’s political action framework.

These it achieved through the following:

- i. Training and mobilization of women groups for income generating activities.
- ii. Conducting of workshops for 500 women on political awareness / development.

- iii. Conducting of workshops on gender planning, design management, monitoring and evaluation.
- iv. Purchasing and distribution of equipments ranging from palm oil processing to sewing machines to 11 women groups.
- v. Conducting of workshops on modalities for loan payment, financial management and record keeping.
- vi. Assistance in preparation and submission of proposals for micro credit scheme for 125 women groups.
- vii. Identifying child dropouts and training them in vocational trades like sewing , baking and hairdressing.

Mass Literacy Programme

The programme focused on:

- i. Conducting widespread training of adult illiterates,
- ii. Strengthening the institutional capacity of the state,
- iii. Training of instructors,
- iv. Training of adult illiterates in functional literacy programme.

The UNDP assistance was in the form of equipment to boost the functional literacy programme, and teaching and learning material to boost the basic literacy programme. With a target of training 72 instructors and staff of state, made up of 48 instructors and 24 master trainers. Ninety thousand adult illiterates were earmarked for enrolment and training. While the target for instructor training was met, only one-third of expected 90,000 adult illiterates were trained in that same year.

Small and Medium Scale Enterprises Programme

Objective

To promote the development of small and medium scale enterprises at the grassroots by the supporting activities that improve the quality of life of the people, expand their services, improve the job creation capacity of the enterprises and increase opportunities for income generation thereby bring about sustainable livelihood.

The Approach

The UNDP rendered support through capacity building for programme officers, enterprenuer, artisans and NGOs; equipment distribution to communities at the grassroots;and training of community mobilizers.

Outputs realized, impact achieved and capacity built

The following impacts were achieved in capacity building

- Sensitization workshop at State and zonal levels for 2, 130 participants;
- Training of six (6) programme staff on computer appreciation;
- Training workshop for 730 enterprenuer including 60 members drawn from 16 trade groups all over the State;
- Training workshop for 731 artisans for various local governemnt areas;
- Organization of various trade groups;
- Training of 8 staff of the Ministry on project formulation, feasibility and appraisal.

As a result of the above outcomes as recorded in the Terminal Report, enterprenuers had been able to maintain good records and accounting procedures and were able to manage their business better; and artisans had been able to set up their own business while members had also improved their own.

4.7 Other International Donors

A number of international development agencies have presence in the Niger Delta and have contributed significantly to the development of the region. Table 4.5 below shows a summary of such programmes, their objectives and allocated cost. Most of the programmes were focused on building human capacity.

Table 4.5: Support Programmes of International Development Agencies

Sponsor Organization	Programme	Aim/Objective	Estimated cost	Date of commencement
World Bank	Community-Based Natural Resource Management Programme	To improve the standard of living and quality of life of the rural poor with emphasis on women and youth.	US\$ 82.2 M	2005
	Community-Based Poverty Reduction Project	Improve access by the poor to social and economic infrastructure and increase the availability and management of development resources at the community level.	US\$ 60 M	-
	Local Empowerment and Environmental Management Programme Areas	Addressing the direct and indirect cause of degradation of protected areas.	US \$70 M	2004
European Commission	EU Social Development Programme	Targeted at grassroots and focus on rural road and water transport, health, education and income generation	Euro 63M	-
USAID	Cassava Enterprise Development	To help develop local capacity in agriculture, health and business enterprise over the next five years.	US \$20 M	2004
	The Roots and Tuber Expansion Project.	To enhance national food self-sufficiency and improve rural food security and the incomes of poor farmers through increased production	US \$23.1 M	-

CHAPTER FIVE

DISCUSSION OF RESULTS

The various development approaches attempted by different government and international agencies as documented in the previous chapter need to be analyzed and compared.

From the previous chapter, the following issues were observed and highlighted herein for further discussion.

5.1 Long-term Institutional Planning

Looking at how countries such as United Arab Emirates, Saudi Arabia and Kuwait evolved to their present status of high-income economies with high level of development indicators, it can be agreed that this they achieved through years of continuous and periodic development planning. Saudi Arabia adopted a five year development plan which has been on-going for over 40 years; Iraq and Iran did the same with a five year periodic plan. This system of planning reinforced and institutionalized the development process in these countries. As stated earlier, the development of the Niger Delta has experienced series of hiccups in its planning process mainly associated with one change of government to another leading to different preferences towards directing the development of the region. That aside, most of the agencies adopted short-term approaches and tried to fast track the entire process by embracing rapid relief development which offers non-sustainable outcomes. Building lasting capacity has been one of the greatest development challenges of these agencies in the Niger Delta.

Another merit that aided the development of the Middle Eastern oil countries was the institutionalization of development planning in government or state parastatals i.e. such processes were a core function of the government which had been assented by their National Legislative unlike the Niger Delta where such functions were the responsibility of defunct development agencies which were at the mercy of the then military government. This governmental long-term planning enhanced and supported the involvement of private sector investment in public infrastructure service delivery through entrenchment of vibrant macro- economic policies.

Realizing past mistakes, the Niger Delta Development Commission NDDC has implemented a 15 year development plan in the Niger Delta Regional Master Plan

NDRMP with set milestones to measure achievements. The key programmes and areas of focus of the NDRMP are physical infrastructure, human and institutional resources, human and community needs, natural environment and economic development. The programme is divided into three different phases with milestone dates namely: Foundation (2006-2010), expansion (2011–2015) and Consolidation (2016 – 2020) as shown in Appendix: Table 7.6. Although this could be seen as a step in the right direction, the identified milestone targets are rather broad and are not measurable i.e. the required deliverables are not quantified and therefore not verifiable. It would have been appropriate to engage more objective-oriented techniques which clearly states the anticipated outcomes at the target dates e.g. the LFA.

5.2 Programme / Project Implementation Planning

It was observed that most of the projects executed under the development agencies did not really emphasize the project conceptualization stage. Feasibility studies were not carried out to determine the viability of projects with focus on the economic, technical and social aspects. This early stage of the project cycle is usually ignored by development planners as it is presumed to consume time and resources and does not have any tangible outcome but rather an implementation plan. More so, most of the projects executed by the NDDC rarely go through the rigorous process of needs analysis, stakeholder analysis, community participation in project design and prioritization. On the contrary, United Nations Development Programme (UNDP) as highlighted in the previous chapter devoted two years for needs assessment and also highly solicited community's opinion. This had a positive impact on the overall project outcome.

The neglect of fundamental planning can also be attributed to the political environment which puts pressure on the provision of physical infrastructure thereby trying to please the electorate in order to seek re-election. In this regard, infrastructure delivery is done as rapidly as possible without special considerations to sustainability, maintenance and the long-term impact on poverty alleviation.

5.3 Community Empowerment

From the research data collected, a total of 2,035 physical projects i.e. building projects, electrification, roads, water distribution and supply schemes, jetties, canalization and shore protection have been initiated by the NDDC in the nine states from 2000 – 2005 with a lesser figure for completed projects . Although these figures may seem high it

should also be noted that the population of the Niger Delta in 2005 was put at 28.9 million.

The Niger Delta Human Development Report 2006 still ranks the region very low at 0.541 compared to its UAE, Kuwait and Indonesian counterpart ranked 0.849, 0.844 and 0.697 respectively. Obviously, this indicates that the supposed benefits of these infrastructure projects have not trickled down to uplift and alleviate the sufferings of the people. The infrastructure has not responded to the social needs and optimum service that it ought to provide to the people. This can be attributed to the planning and implementation methods which are not truly open to rural participation which are prerequisite for empowerment. For infrastructure to take its rightful place as a tool for alleviating poverty and empowerment as documented by the World Bank, the entire delivery process should as much as possible involve community knowledge and input be it labour, institutional or otherwise at every stage of the project life-cycle. As seen in most NDDC projects, even when community involvement is identified at the design stage, it is usually ignored at the execution stage.

Although the Niger Delta HDI rank is low compared to other oil-producing nations, it soars above the national HDI of 0.453. Locally, the NDDC projects could be said to have made some impact.

5.4 Monitoring and Evaluation

Project monitoring and evaluation is an on-going process in every project that ensures that the project goes as planned. In obtaining the required information from the NDDC, difficulties were observed in determining the actual expenditures and performances of projects. Obviously, this indicates weak monitoring and evaluation incentives by project implementers. Most of the projects were far above budget and took longer time to complete. This is poor project management practice as project monitoring and evaluation forms an integral part of “*best practice*”.

The LFA as earlier stated is an appropriate tool for project monitoring and evaluation must especially for development projects. Verifiable indicators are agreed upon in the process and are bases for monitoring and evaluation of performance.

Even most of the projects are not properly closed-out. There are usually no documented measured outcomes in terms of what the project delivery process has achieved i.e. the

number of local labour employed and other social factors. So it is difficult to learn from the challenges or failure and also difficult to evaluate the performance of projects since required information is not available thereby making the learning curve very difficult. As such, in carrying out this research, there was very thin information as regards how projects fended during their life- cycle.

5.5 Relief Development Approach

It could be observed that UNDP programmes are mainly centered on building capacity through skills and knowledge development. Only when development is people centered can it have the required impact, as development itself (to a large extent) is measured through human capacity. As seen from the NDDC report, the human development programme was divided into six different schemes namely:

1. Computer literacy programme
2. NDDC-assisted mass transit scheme
3. Skills acquisition programme
4. Solid waste disposal scheme
5. NDDC self-employment business scheme
6. Agriculture support programme

Firstly, there are no reports or information on what criteria were adopted in selecting the beneficiaries of such schemes and whether the poorest of the poor or the most vulnerable groups in society (e.g. women) benefitted. Secondly, the NDDC self-employment business scheme can be seen as a form of relief development approach. The commission focused on distribution of telephone handsets with SIM cards given free of charge to youths and women for the operation of mobile phone call / business centers. Such approaches do not produce sustainable outcomes and are seen as mere hand-outs. People are given business incentives with no form of business acumen whatsoever and therefore don't have required knowledge and ability to expand and sustain the scale of their business. When hand-outs are given freely to the people there is no sense of accountability and ownership since after all they did not labour for it or are not required to pay back. This also applies to the NDDC Mass Transit Scheme. If hand-outs needed to be distributed, it would have been more effective after a skills acquisition programme where such items are given to beneficiaries to manage and start their own businesses. More so, the NDDC did not have in place any structured system to monitor, assess and evaluate the success and performance of the beneficiaries over time.

5.6 Excessive Government Interference

From the NDDC report on the nine States, it could be established that the entire report serves as government propaganda with superficial project information to promote their achievement. The entire report is decorated with pictures of completed and on-going projects but lacking key measurable indicators e.g number of labourers, local contractors and suppliers employed which are critical in analyzing the outcome of any development project.

There is heavy interference by the government in the running of the commission starting from the appointment of the Chairman to the Managing Director, through to the awarding of contracts. This system affects the choice, prioritisation and location of projects which are influenced to suit political stalwarts.

Government involvement in affairs of the commission has hindered its performance as a free, transparent, equitable, accountable and autonomous body thereby affecting the decision-making process and various independent functionality. This was the case with OMPADEC and other defunct agencies that led to their failure.

5.7 Transparency and Accountability

The NDDC reports did not capture financial details such as the budgeted and actual expenditure for each project and also relevant time frames. Key performance indicator were also lacking so it is really difficult to ascertain the overall performance of these projects as regards the project three dimensions i.e. quality, time and cost. Also this raises issues regarding the credibility of the NDDC development programmes on accountability and transparency. Till date, there is no information on the actual financials spent on projects in the region over the past nine years of existence of the commission and the total investment still remains unknown.

The weak and poorly implemented fiscal monitoring system in Nigeria generally, in the form of yearly financial audits of government bodies has led to poor financial control and lack of responsibility. To date, such audits in the NDDC are still pending. Lack of such practice has led to situations where government officials are not held accountable for misappropriations of public funds.

5.8 Niger Delta Regional Master Plan

The Niger Delta Regional Master Plan (NDRMP) is a comprehensive document designed to conform with other world and regional development plans such as the Millennium Development Goals and NEPAD. It inherits most of their planning structure,

framework, concepts and principles. The applicability of these plans in the NDR is otherwise contentious owing to the complexity, peculiarity and sensitivity of the problem. These plans were initially designed for a more stable social environment. That aside, it should be noteworthy that there have been arguments dissenting how the MDG were drawn up and its achievement has been seen as placing a burden on developing countries.

The programme deliverable at the end of each milestone phase as shown in appendix: Table 7.6 can be said to be unmeasurable as there are no specific performance indicators. It rather reveals what is expected at the close out of each phase but does not indicate how it would achieve the goals and assess them with quantifiable or qualitative measures. This makes it impossible to evaluate the performance of the plan at due dates. As stated earlier, a good objectively verifiable indicator must include quantity, quality and time aspects at each specific target.

The success of the NDRMP in a broader sense lies in the level of development planning attainable in Nigeria. If the countries planning effort is overwhelmed by lack of capacity, poor implementation of planning policies and other social vices, then the NDRMP would definitely not flourish as it can not be diassociated from the mother system.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

A wide range of topics has been covered in this research report in order to answer the research question. In chapter 2, section 2.1 discussed “oil and world economies” stating the wealth potential and relevance of oil exporting countries in the global market but not necessarily meaning a more advanced society. Indications were given to prove that oil producing nations have not consistently been capable of translating oil wealth to meaningful development. Non petroleum exporting countries have shown better development indicators as a result of visionary development programmes which have flourished over the years.

A background study was carried out on the oil concessions of the mid twentieth century, looking at the role of the concession on the development of affected countries. The early concession restricted host countries from being at the forefront in oil exploitation operations. This hindered building of related technical and managerial capacity in the oil sector making these countries dependent on foreign expertise. The modern oil concession was introduced to reverse all the ills of the former. Despite the introduction of the modern oil concession, the Niger Deltans have not been rightfully empowered in the oil sector either in the upstream or downstream sectors. There is still a wide vacuum dominated by western know-how. Development programmes in the region should at least seek to build participatory local capacity in the sector through formal education programmes with a focus on training and building technical capacity.

Middle East and North African countries have shown better development indicators. Countries such as the UAE and Kuwait achieved tremendous success through long-term infrastructure planning, liberal fiscal policies and economic diversification. Although this was accompanied by wider GINI coefficient in these countries, it has still offered its people free social services and improved quality of life. Development programmes embarked upon by the NDDC should have a key focus in sustainability and consistency of its outcomes. Development should be understood to be a slow and gradual process which needs to be consciously nurtured over a period of time to yield positive reward. Such programmes should be executed in phases with the achievement of each phase measured against a measurable milestone.

The MDGs and NEPAD programmes were also looked at with the view of understanding their different implementation focuses. It was seen that these programmes have become a basis for design of other local programmes and realignment of national development policies. NDDC programmes should also be harmonized with these programmes in order to meet the overall development objectives of the world at large. China has achieved commendable success in meeting the MDGs through entrenchment of local ownership, commitment, key policy reform, local implementation and better governance in its way of carrying out business. No matter how well designed and structured a development programme is, if it does not have these basic tenets it is not likely to yield a reasonable result.

“Dutch disease” and “wasted windfalls” are common syndromes affecting oil producing countries. They have significantly contributed in weakening the institutional culture and values of these countries, the results manifest in the state of infrastructure and services attainable from these countries. It is of paramount importance to understand these syndromes in designing of development programmes in order to mitigate their effect on the programme and / or to create awareness.

The role of infrastructure as a means of alleviating poverty was also looked at. Responsive infrastructure tends to reduce cost of production whilst improving service delivery. Any good development programme should capitalize on infrastructure delivery methods capable of creating employment per unit of expenditure.

Generally speaking, years of government’s insensitivity and unresponsiveness to the plight of the people of the Niger Delta has led to a state of anarchy whereby youth militancy is now the order of the day as a means of stating their grievances over the development neglect in the region.

Government’s introduction of development agencies as a form of intervention to quell the violence and restore hope to the people in the region has done little amidst the escalated unrest in the region. The NDDC has embarked on series of development projects both physical and human related but both have failed to attract community ownership. Presently, the people have lost confidence in the government of the day and its various strategies to arrest the problems.

It should be understood that the problem in the Niger Delta is very complex and infrastructure delivery is just one face of the problem. Amongst many others, there is displeasure by the people in the political structure of the nation in which they feel marginalized from national politics. This is despite their enormous contribution to the wealth of the nation wherein they do not have a voice in advocating for policies in their own favor. It has mainly been believed that providing infrastructure would ease and appease the lives of the people of the Niger Delta but this has been proven to be not wholly true. From this research it has been shown that infrastructure is actually provided by the NDDC but the effect is yet to be felt. This can be attributed to how the infrastructure delivery process is initiated. Another issue of contention is the isolation, and alienation which have made communities' observers of their own development. They have not been actively involved, consulted and given the due recognition.

Development programmes of the UNDP and other international organizations in the Niger Delta were seen to focus mainly on building human capacity and were more productive i.e. directed towards vocational skills development and self – reliance compared to similar objectives adopted by the NDDC.

6.2 Recommendations

This research report cannot provide the solution to the problems in the Niger Delta as the many issues cut across different areas of knowledge which is beyond the scope of the present research. However, provision of basic infrastructure can go a long way in alleviating the sufferings of the people and giving them a sense of hope through the following recommendations.

6.2.1 Community Participation

Community participation has continuously been recognized as an important feature in community development. This concept has widely been adopted by international agencies as a core component of their development initiative. Though there have been numerous models of community participation, they all address the direct involvement of the beneficiaries in the welfare schemes.

The World Bank in recent years has reviewed the way it executes its development functions with the adoption of the New Project Cycle which places emphasis on stakeholders involvement at early stage of the project so as to align project outcomes with community's need (Picciotto & Weaving, 1994).

The embracing of community participation into project design by the NDDC and also implementation of these plans to the letter would enforce the following components: empowerment, building beneficiary capacity, increasing project effectiveness, improving project efficiency and project cost sharing. All of these lead to sustainability of project outcomes and sense of ownership.

Also partnership with other community service-providers e.g. Shell Petroleum Development Company of Nigeria Ltd (SPDC) and Exxon Mobil should be encouraged. Shell has recognized the importance of community participation in community development and has mainstreamed it as part of its community delivery operations.

6.2.2 Employment - Intensive Construction

As earlier defined, employment – intensive construction should be explored and taken advantage of. It is very important for government agencies responsible for the region to adopt programmes that address the challenges by utilizing the wealth from oil to provide public infrastructure through means which have the capacity to generate employment per unit of expenditure as done in Kenya, South Africa and Lesotho. Employment-intensive methods can be applied on construction projects which include rural gravel roads; low level bridges; small dams; residential township roads (surfaced and gravel); water and sewerage reticulation for townships; bituminous surfacing of roads; low voltage electrical reticulations; stormwater drainage systems; and on-site sanitation. Road maintenance projects have included regravelling, and routine road maintenance. The Niger-Delta would benefit immensely from this initiative as it has an abundance of human resources lying fallow.

6.2.3 Societal Reorientation

Many writers have poured out a series of blames on government's disposition and development approach but not much has been said on the decline in moral and social values in almost every facet of these societies which mitigate against the government's development initiatives. There is no doubt that government has had a part to play in this as stated earlier, but government is a composition of the people. Though this issue is usually avoided by most writers, there is a need to address it because for there to be any form of development and / or sustainability, there must be commitment towards an end which requires sincerity, willingness, dedication, and sense of empathy. This explains why development projects in such environments are usually not fruitful. When some of

these development programmes are further examined, even when they are properly planned and framed to suite international requirements, they usually yield below expectation when implemented because they do not have the required support to push them through.

To this effect, government and NGO's should embark on massive public enlightenment programmes and exemplary leadership to reorientate the populace.

6.2.4 Promoting Peace and the Rule of Law

For development to thrive in any society there should be peace, stability and orderliness. As circumstances are in the Niger Delta, it is difficult for development to take place in such a violent environment where there is total disregard and breakdown of the rule of law. Government should enter a peace resolution and Memorandum of Understanding with the militants and other aggrieved parties to bring to a cease fire all forms of violence in the region.

6.2.5 Introduction of Project Management Best Practice

For there to be effectiveness and efficiency in delivering required assistance for optimizing project outcomes, there is a need for entrenchment of project management techniques and principles as a core driver for identified deliverables. This need has been recognized all over the world and is now a way of conducting business and providing day to day infrastructure products. The NDDC is not an exception to this best practice. Internal Project Managers within the commission should be aware of this knowledge area and apply its principles to their own advantage. From inspecting the NDDC report it is obvious that this expertise is lacking and if there is, not at par with recognized standard.

6.2.6 Increasing of local content in the Procurement of Infrastructure projects

As discussed in this report, admittance of local content in service delivery of infrastructure projects would contribute significantly in alleviating the situation in the Niger Delta most especially through procurement. Development programmes should encourage the openness of projects to the involvement of local people through supporting the enacting of favorable procurement policies. Such policies should provide a platform for local enterprises to compete favorably with more established companies by easing their financial and unattainable requirements. This would go a long way in

improving project ownership and in the long term better sustainability of the infrastructure.

6.3 Recommendations for Future Research

The following works are recommended for future study

1. The role of oil producing companies in community development in the Niger Delta Region – There have been series of engagement on operating oil companies' role in community development. But the area of contention is that these companies are compelled to do so still after paying tax to the State which is meant for development purpose. More so, these companies are business oriented and do not have the expertise to direct such programmes.
2. The effect of government bureaucracy in African countries on infrastructure delivery – A lot of factors have been responsible for infrastructure delivery failure in Africa; but not much has been studied on the government operational system in most African countries which are not responsive, effective and efficient in doing business. These systems are complicated with bureaucracy, bottlenecks, nepotism and over centralization of authority which frustrates the ease of doing business in the construction sector hence delayed and over expenditure on projects.

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APPENDIX

Table 7.1: World's Top Oil Producers, 2006

Rank	Country	Oil production (millions barrels / day)
1	Saudi Arabia	10.72
2	Russia	9.67
3	United States	8.37
4	Iran	4.15
5	China	3.84
6	Mexico	3.71
7	Canada	3.29
8	United Arab Emirates	2.94
9	Venezuela	2.80
10	Norway	2.79
11	Kuwait	2.67
12	Nigeria	2.44

Source: US Energy Information Administration

Table 7.2: World's Top Oil Consumers, 2006

Rank	Country	Consumption (millions of barrels per day)
1	United States of America	20.59
2	China	7.27
3	Japan	5.22
4	Russia	3.10
5	Germany	2.63
6	India	2.54
7	Canada	2.22
8	Brazil	2.18
9	South Korea	2.16
10	Saudi Arabia	2.07

Source: US Energy Information Administration

Table 7.3: World's Top Oil Exporters, 2006

Rank	Country	Exports (millions barrel per day)
1	Saudi Arabia	8.65
2	Russia	6.57
3	Norway	2.54
4	Iran	2.519
5	United Arab Emirates	2.515
6	Venezuela	2.20
7	Kuwait	2.150
8	Nigeria	2.146
9	Algeria	1.85
10	Mexico	1.68
11	Libya	1.53
12	Iraq	1.44
13	Angola	1.36
14	Kazakhstan	1.11
15	Canada	1.07

Source: US Energy Information Administration

Table 7.4: Human Poverty Index (HDI 2007/08)

HDI rank	Human poverty Index (HPI-1)		Probability at birth of not surviving to age 40 ^{a,†}	Adult illiteracy rate ^{b,†}	Population not using an improved water source [†]	MDG Children under weight for age [†]	NDG Population below income poverty line (%)			HPI-1 rank minus income poverty rank ^c
	Rank	Value (%)	2000–05	(% aged 15 and older) 1995–2005	(%) 2004	(% under age 5) 1996–2005 ^d	\$1 a day 1990–2005 ^e	\$2 a day 1990–2005 ^d	National poverty line 1990–2004 ^d	
HIGH HUMAN DEVELOPMENT										
21 Hong Kong, China (SAR)	..	..	1.5 [•]	..	..	..	..	..	..	..
25 Singapore	7	5.2	1.8	7.5	0	3	..	..	..	..
26 Korea (Republic of)	..	..	2.5	1.0	8	..	<2	<2	..	..
28 Cyprus	..	..	2.4	3.2	0	..	..	..	..	..
30 Brunei Darussalam	..	..	3.0	7.3	..	..	..	..	..	..
31 Barbados	1	3.0	3.7	.. ^f	0	6 ^{ag}	..	..	..	..
33 Kuwait	..	..	2.7	6.7	..	10	..	..	..	..
35 Qatar	13	7.8	3.7	11.0	0	6 [•]	..	..	..	..
38 Argentina	4	4.1	4.9	2.8	4	4	6.6	17.4	..	-14
39 United Arab Emirates	17	8.4	2.1	11.3 ^b	0	14 [•]	..	..	..	..
40 Chile	3	3.7	3.5	4.3	5	1	<2	5.6	17.0	1
41 Bahrain	..	..	3.4	13.5	..	9 [•]	..	..	..	..
46 Uruguay	2	3.5	4.3	3.2	0	5 [•]	<2	5.7	..	0
48 Costa Rica	5	4.4	3.7	5.1	3	5	3.3	9.8	22.0	-10
49 Bahamas	..	..	10.6	..	3	..	..	..	..	..
50 Seychelles	..	..	..	8.2	12	6 ^{ag}	..	..	..	..
51 Cuba	6	4.7	3.1	.. ^f	9	4	..	..	..	..
52 Mexico	10	6.8	5.8	8.4	3	8	3.0	11.6	17.6	-7
54 Saint Kitts and Nevis	..	..	..	2.2 ^f	0	..	..	..	..	..
55 Tonga	..	..	5.0	1.1	0	..	..	..	..	..
56 Libyan Arab Jamahiriya	..	..	4.6	15.8 ^b	..	5 [•]	..	..	..	..
57 Antigua and Barbuda	..	..	..	14.2 ^b	9	10 ^{ag}	..	..	..	..
58 Oman	..	..	3.7	18.6	..	18	..	..	..	..
59 Trinidad and Tobago	12	7.3	9.1	1.6 ^b	9	6	12.4	39.0	21.0	-19
61 Saudi Arabia	..	..	5.7	17.1	..	14	..	..	..	..
62 Panama	15	8.0	6.5	8.1	10	8	7.4	18.0	37.3	-10
63 Malaysia	16	8.3	4.4	11.3	1	11	<2	9.3	15.5 [•]	9
65 Mauritius	27	11.4	5.1 [•]	15.7	0	15 [•]	..	..	..	..
70 Brazil	23	9.7	9.2	11.4	10	6	7.5	21.2	21.5	-6
MEDIUM HUMAN DEVELOPMENT										
71 Dominica	..	..	..	12.0 ^b	3	5 ^{ag}	..	..	..	..
72 Saint Lucia	8	6.5	5.6	5.2 ^b	2	14 ^{ag}	..	..	..	..
74 Venezuela (Bolivarian Republic of)	21	8.8	7.3	7.0	17	5	18.5	40.1	31.3 [•]	-24
75 Colombia	14	7.9	9.2	7.2	7	7	7.0	17.8	64.0	-10
77 Samoa	..	..	6.6	1.4 ^b	12	..	..	..	..	..
78 Thailand	24	10.0	12.1	7.4	1	10 [•]	<2	25.2	19.0	15
79 Dominican Republic	26	10.5	10.5	13.0	5	5	2.8	16.2	42.2	6
80 Belize	43	17.5	5.4	24.9 ^b	9	6 ^{ag}	..	..	..	..
81 China	29	11.7	6.8 [•]	9.1	23	8	1.9	34.9	4.6	-3
82 Grenada	..	..	9.7	4.0 ^b	5	..	..	..	..	..
84 Turkey	22	9.2	6.5	12.6	4	4	1.4	18.7	27.0	-1
85 Suriname	25	10.2	9.8	10.4	8	13	..	..	..	..
86 Jordan	11	6.9	6.4	8.9	3	4	<2	7.0	14.2	5
87 Peru	28	11.6	9.7	12.1	17	8	11.5	30.6	53.1	-5
88 Lebanon	18	8.5	6.3	.. ^f	0	4	..	..	..	..
89 Ecuador	19	8.7	8.1	9.0	6	12	17.7	40.8	46.0	-25
90 Philippines	27	15.3	7.0	7.4	15	28	14.8	43.0	36.8	-6
91 Tunisia	45	17.9	4.6	25.7	7	4	<2	6.6	7.6	27
92 Fiji	50	21.2	6.9	.. ^f	53	8 ^{ag}	..	..	..	..
93 Saint Vincent and the Grenadines	..	..	6.7	11.9 ^b	..	..	..	..	..	..
94 Iran (Islamic Republic of)	30	12.9	7.8	17.6	6	11	<2	7.3	..	19
95 Paraguay	20	8.8	9.7	6.6 ^b	14	5	11.6	29.8	21.6	-16
97 Guyana	33	14.0	16.6	.. ^f	17	14	..	..	..	..

Table 7.4 Contd: Human Poverty Index (HDR 2007/08)

HDI rank	Human poverty Index (HPI-1)		Probability at birth of not surviving to age 40 ^{a,†}	Adult illiteracy rate ^{b,†}	Population not using an improved water source [†]	MDG Children under weight for age [†]	MDG Population below income poverty line (%)			HPI-1 rank minus income poverty rank [*]
	Rank	Value (%)	(% of cohort) 2000-05	(% aged 15 and older) 1995-2005	(%) 2004	(% under age 5) 1990-2005 ^d	\$1 a day 1990-2005 ^d	\$2 a day 1990-2005 ^d	National poverty line 1990-2004 ^d	
99 Sri Lanka	44	17.8	7.2	9.3 ^a	21	29	5.6	41.6	25.0	11
100 Maldives	42	17.0	12.1	3.7	17	30	..	..	..	..
101 Jamaica	34	14.3	8.3	201	7	4	<2	14.4	18.7	21
102 Cape Verde	38	15.8	7.5	18.8 ^b	20	14 ^{a,†}	..	..	..	..
103 El Salvador	35	15.1	9.6	194 ^b	16	10	19.0	40.6	37.2	-15
104 Algeria	51	21.5	7.7	301	15	10	<2	15.1	22.6	21
105 Viet Nam	36	15.2	6.7	97	15	27	..	..	25.9	..
106 Occupied Palestinian Territories	9	6.6	5.2	7.6	8	5	..	..	..	..
107 Indonesia	47	18.2	8.7	96	23	28	7.5	52.4	27.1	10
108 Syrian Arab Republic	31	12.6	4.6	192	7	7	..	..	..	..
110 Nicaragua	46	17.9	9.5	23.3	21	10	45.1	79.9	47.9	-28
112 Egypt	48	20.0	7.5	28.6	2	6	3.1	43.9	16.7	18
114 Mongolia	40	16.3	11.6	2.2	38	7	10.8	44.6	36.1	0
115 Honduras	41	16.5	12.9	20.0	13	17	14.9	35.7	50.7	-5
117 Bolivia	32	13.6	15.5	13.3	15	8	23.2	42.2	62.7	-21
118 Guatemala	54	22.5	12.5	30.9	5	23	13.5	31.9	58.2	6
119 Gabon	49	20.4	27.1	16.0 ^b	12	12	..	..	..	..
120 Vanuatu	56	24.6	8.8	26.0	40	20 ^{a,†}	..	..	..	..
121 South Africa	55	22.5	21.7	178	12	12	10.7	24.1	..	10
123 Sao Tome and Principe	39	15.8	15.1	151	21	13	..	..	..	..
124 Botswana	63	31.4	44.0	18.8	5	13	28.0	55.5	..	-9
125 Namibia	58	26.5	35.9	15.0	13	24	34.9	55.8	..	-16
126 Morocco	68	33.4	8.2	477	19	10	<2	14.3	19.0	41
127 Equatorial Guinea	66	32.4	35.6	13.0	57	19	..	..	..	..
128 India	62	31.3	16.8	39.0 ^a	14	47	34.3	80.4	25.6	-13
129 Solomon Islands	53	22.4	16.1	234 ^d	30	21 ^{a,†}	..	..	..	..
130 Lao People's Democratic Republic	70	34.5	16.6	31.3	49	40	27.0	74.1	36.6	-2
131 Cambodia	85	38.6	24.1	264	59	45	34.1	77.7	35.0	6
132 Myanmar	52	21.5	21.0	101	22	32	..	..	..	..
133 Bhutan	86	38.9	16.8	53.0 ^d	38	19	..	..	..	..
134 Comoros	61	31.3	15.3 ^a	.. [†]	14	25	..	..	..	..
135 China	65	32.0	29.8	421	25	22	44.8	78.5	30.5	16
136 Pakistan	77	36.2	15.4	501	9	38	17.0	73.6	32.6	15
137 Mauritania	87	39.2	14.6	48.8	47	32	25.9	63.1	45.3	12
138 Lesotho	71	34.5	47.8	178	21	20	36.4	56.1	..	-10
139 Congo	57	26.2	30.1	15.3 ^b	42	15	..	..	..	..
140 Bangladesh	93	40.5	16.4	52.5	26	48	41.3	84.0	49.8	4
141 Swaziland	73	35.4	48.0	204	38	10	47.7	77.8	..	-13
142 Nepal	84	38.1	17.4	514	10	48	24.1	68.5	30.9	11
143 Madagascar	75	35.8	24.4	29.3	50	42	61.0	85.1	71.3	-20
144 Cameroon	64	31.8	35.7	321	34	18	17.1	50.6	43.2	4
145 Papua New Guinea	90	40.3	20.7	427	61	35 ^{a,†}	..	..	37.5	..
146 Haiti	74	35.4	21.4	.. [†]	46	17	53.9	78.0	65.0 ^a	-13
147 Sudan	89	34.4	26.1	391 ^a	30	41	..	..	..	..
148 Kenya	60	30.0	35.1	264	39	20	22.0	50.9	62.0	-4
149 Djibouti	59	28.5	28.6	.. [†]	27	27	..	..	..	..
150 Timor-Leste	95	41.8	21.2	49.9 ^a	42	46	..	..	..	..
151 Zimbabwe	91	40.3	57.4	10.6 ^b	19	17	56.1	83.0	34.9	-4
152 Togo	83	38.1	24.1	46.8	48	25	..	..	32.3 ^a	..
153 Yemen	82	38.0	18.6	45.9 ^b	23	46	15.7	45.2	41.8	21
154 Uganda	72	34.7	35.5	33.2	40	23	..	..	37.7	..
155 Gambia	94	40.9	20.9	.. [†]	18	17	58.3	82.9	57.6	-4

Table 7.4 Contd: Human Poverty Index (HDR 2007/08)

HDI rank	Human poverty Index (HPI-1)		Probability at birth of not surviving to age 40 ^{a,†}	Adult illiteracy rate ^{b,†}	Population not using an improved water source ^{c,†}	MDG Children under weight for age ^f	MDG Population below income poverty line (%)			HPI-1 rank minus income poverty rank ^e
	Rank	Value (%)	2000–05	(% aged 15 and older)	2004	(% under age 5)	\$1 a day 1990–2005 ^d	\$2 a day 1990–2005 ^d	National poverty line 1990–2004 ^d	
LOW HUMAN DEVELOPMENT										
156 Senegal	97	42.9	17.1	60.7	24	17	17.0	56.2	23.4	28
157 Eritrea	76	36.0	24.1	.. ^f	40	40	..	..	53.0	..
158 Nigeria	80	37.3	29.0	30.9 ^h	52	29	70.8	92.4	34.1	-19
159 Tanzania (United Republic of)	67	32.5	36.2	30.6	38	22	57.8	89.9	35.7	-22
160 Guinea	103	52.3	28.6	70.5	50	26	..	..	40.0	..
161 Rwanda	78	36.5	44.6	35.1	26	23	60.3	87.8	60.3	-16
162 Angola	89	40.3	46.7	32.6	47	31	..	..	..	..
163 Benin	100	47.6	27.9	65.3	33	23	30.9	73.7	29.0	16
164 Malawi	79	36.7	44.4	35.9	27	22	20.8	62.9	65.3	11
165 Zambia	96	41.8	53.9	32.0	42	20	63.8	87.2	68.0	-7
166 Côte d'Ivoire	92	40.3	38.6	51.3	16	17	14.8	48.8	..	29
167 Burundi	81	37.6	38.2	40.7	21	45	54.6	87.6	36.4	-8
168 Congo (Democratic Republic of the)	88	39.3	41.1	32.8	54	31	..	..	..	..
169 Ethiopia	105	54.9	39.3	64.1	78	38	23.0	77.8	44.2	27
170 Chad	108	56.9	32.9	74.3	58	37	..	..	64.0	..
171 Central African Republic	98	43.6	46.2	51.4	25	24	66.6	84.0	..	-6
172 Mozambique	101	50.6	45.0	61.3	57	24	36.2	74.1	69.4	12
173 Mali	107	56.4	30.4	76.0	50	33	36.1	72.1	63.8	18
174 Niger	104	54.7	28.7	71.3	54	40	60.6	85.8	63.0 [*]	1
175 Guinea-Bissau	99	44.8	40.5	.. ^f	41	25	..	..	..	..
176 Burkina Faso	106	55.8	26.5	76.4	39	38	27.2	71.8	46.4	23
177 Sierra Leone	102	51.7	45.6	65.2	43	27	57.0 [*]	74.5 [*]	70.2	4

Table 7.5: Human Development Index (2007/08)

HDI rank ^a	Human development index (HDI) value 2005	Life expectancy at birth (years) 2005	Adult literacy rate (% aged 15 and above) 1995-2005 ^b	Combined gross enrolment ratio for primary, secondary and tertiary education (%) 2005	GDP per capita (PPP US\$) 2005	Life expectancy index	Education index	GDP index	GDP per capita (PPP US\$) rank minus HDI rank ^a
HIGH HUMAN DEVELOPMENT									
1 Iceland	0.968	81.5	.. ^d	95.4 ^a	36,510	0.941	0.978	0.985	4
2 Norway	0.968	79.8	.. ^d	99.2	41,420 ^f	0.913	0.991	1.000	1
3 Australia	0.962	80.9	.. ^d	113.0 ^g	31,794	0.931	0.993	0.962	13
4 Canada	0.961	80.3	.. ^d	99.2 ^{ah}	33,375	0.921	0.991	0.970	6
5 Ireland	0.959	78.4	.. ^d	99.9	36,505	0.890	0.993	0.994	-1
6 Sweden	0.956	80.5	.. ^d	95.3	32,525	0.925	0.978	0.965	7
7 Switzerland	0.955	81.3	.. ^d	85.7	35,633	0.938	0.946	0.981	-1
8 Japan	0.953	82.3	.. ^d	85.9	31,267	0.954	0.946	0.959	9
9 Netherlands	0.953	79.2	.. ^d	98.4	32,684	0.904	0.988	0.966	3
10 France	0.952	80.2	.. ^d	96.5	30,386	0.919	0.982	0.954	8
11 Finland	0.952	78.9	.. ^d	101.0 ^g	32,153	0.898	0.993	0.964	3
12 United States	0.951	77.9	.. ^d	93.3	41,890 ^f	0.881	0.971	1.000	-10
13 Spain	0.949	80.5	.. ^d	98.0	27,169	0.925	0.987	0.935	11
14 Denmark	0.949	77.9	.. ^d	102.7 ^g	33,973	0.881	0.993	0.973	-6
15 Austria	0.948	79.4	.. ^d	91.9	33,700	0.907	0.966	0.971	-6
16 United Kingdom	0.946	79.0	.. ^d	93.0 ^e	33,238	0.900	0.970	0.969	-5
17 Belgium	0.946	78.8	.. ^d	95.1	32,119	0.897	0.977	0.963	-2
18 Luxembourg	0.944	78.4	.. ^d	84.7 ⁱ	60,228 ^f	0.891	0.942	1.000	-17
19 New Zealand	0.943	79.8	.. ^d	108.4 ^g	24,996	0.913	0.993	0.922	9
20 Italy	0.941	80.3	98.4	90.6	28,529	0.922	0.958	0.944	1
21 Hong Kong, China (SAR)	0.937	81.9	.. ^j	76.3	34,833	0.949	0.885	0.977	-14
22 Germany	0.935	79.1	.. ^d	88.0 ^a	29,461	0.902	0.953	0.949	-2
23 Israel	0.932	80.3	97.1 ^k	89.6	25,864	0.921	0.946	0.927	3
24 Greece	0.926	78.9	96.0	99.0	23,381	0.898	0.970	0.910	5
25 Singapore	0.922	79.4	92.5	87.3 ^{h,k}	29,683	0.907	0.908	0.950	-6
26 Korea (Republic of)	0.921	77.9	.. ^d	96.0	22,029	0.882	0.980	0.900	6
27 Slovenia	0.917	77.4	99.7 ^{d,j}	94.3	22,273	0.874	0.974	0.902	4
28 Cyprus	0.903	79.0	96.8	77.6 ^v	22,699 ^h	0.900	0.904	0.905	2
29 Portugal	0.897	77.7	93.8 ⁱ	89.8	20,410	0.879	0.925	0.888	6
30 Brunei Darussalam	0.894	76.7	92.7	77.7	28,161 ^{h,m}	0.862	0.877	0.941	-8
31 Barbados	0.892	76.6	.. ^{d,j}	88.9 ^h	17,297 ^{h,m}	0.861	0.956	0.860	8
32 Czech Republic	0.891	75.9	.. ^d	82.9	20,538	0.849	0.936	0.889	2
33 Kuwait	0.891	77.3	93.3	74.9	26,321 ⁿ	0.871	0.871	0.930	-8
34 Malta	0.878	79.1	87.9	80.9	19,189	0.901	0.856	0.877	2
35 Qatar	0.875	75.0	89.0	77.7	27,664 ^{h,m}	0.834	0.852	0.938	-12
36 Hungary	0.874	72.9	.. ^{d,j}	89.3	17,887	0.799	0.958	0.866	2
37 Poland	0.870	75.2	.. ^{d,j}	87.2	13,847	0.836	0.951	0.823	11
38 Argentina	0.869	74.8	97.2	89.7 ^h	14,280	0.831	0.947	0.828	9
39 United Arab Emirates	0.868	78.3	88.7 ⁱ	59.9 ^{ah}	25,514 ⁿ	0.889	0.791	0.925	-12
40 Chile	0.867	78.3	95.7	82.9	12,027	0.869	0.914	0.799	15
41 Bahrain	0.866	75.2	86.5	86.1	21,482	0.837	0.864	0.896	-8
42 Slovakia	0.863	74.2	.. ^d	78.3	15,871	0.821	0.921	0.846	-1
43 Lithuania	0.862	72.5	99.6 ^d	91.4	14,494	0.792	0.965	0.831	3
44 Estonia	0.860	71.2	99.8 ^d	92.4	15,478	0.770	0.968	0.842	0
45 Latvia	0.855	72.0	99.7 ^d	90.2	13,646	0.784	0.961	0.821	4
46 Uruguay	0.852	75.9	96.8	88.9 ^{ah}	9,962	0.848	0.942	0.768	16
47 Croatia	0.850	75.3	98.1	73.5 ^h	13,042	0.839	0.899	0.813	4
48 Costa Rica	0.846	78.5	94.9	73.0 ^e	10,180 ⁿ	0.891	0.876	0.772	13
49 Bahamas	0.845	72.3	.. ^j	70.8	18,380 ^h	0.789	0.875	0.670	-12
50 Seychelles	0.843	72.7 ^{h,k}	91.8	82.2 ^a	16,106	0.795	0.886	0.848	-10
51 Cuba	0.838	77.7	99.8 ^d	87.6	6,000 ^o	0.879	0.952	0.683	43
52 Mexico	0.829	75.6	91.6	75.6	10,751	0.843	0.863	0.781	7
53 Bulgaria	0.824	72.7	98.2	81.5	9,032	0.795	0.926	0.752	11

Table 7.5 Contd.: Human Development Index (2007/08)

HDI rank ^a	Human development index (HDI) value 2005	Life expectancy at birth (years) 2005	Adult literacy rate (% aged 15 and above) 1995-2005 ^b	Combined gross enrolment ratio for primary, secondary and tertiary education (%)	GDP per capita (PPP US\$) 2005	Life expectancy index	Education index	GDP index	GDP per capita (PPP US\$) rank minus HDI rank ^c
				2005					
54 Saint Kitts and Nevis	0.821	70.0 ^{b,p}	97.8 ^k	73.1 ^o	13,307 ^h	0.750	0.896	0.816	-4
55 Tonga	0.819	72.8	98.9	80.1 ^o	8,177 ⁿ	0.797	0.926	0.735	15
56 Libyan Arab Jamahiriya	0.818	73.4	84.2 ^l	94.1 ^{a,h}	10,335 ^{h,u}	0.806	0.875	0.774	4
57 Antigua and Barbuda	0.815	73.9 ^{b,p}	85.8 ^q	.. ^r	12,500 ^h	0.815	0.824	0.806	-4
58 Oman	0.814	75.0	81.4	67.1	15,602 ^h	0.833	0.766	0.843	-15
59 Trinidad and Tobago	0.814	69.2	98.4 ^l	64.9 ^o	14,603	0.737	0.872	0.832	-14
60 Romania	0.813	71.9	97.3	76.8	9,060	0.782	0.905	0.752	3
61 Saudi Arabia	0.812	72.2	82.9	76.0	15,711 ⁿ	0.787	0.806	0.844	-19
62 Panama	0.812	75.1	91.9	79.5	7,605	0.836	0.878	0.723	15
63 Malaysia	0.811	73.7	88.7	74.3 ^h	10,882	0.811	0.839	0.783	-6
64 Belarus	0.804	68.7	99.6 ^d	88.7	7,918	0.728	0.956	0.730	8
65 Mauritius	0.804	72.4	84.3	75.3 ^o	12,715	0.790	0.813	0.809	-13
66 Bosnia and Herzegovina	0.803	74.5	96.7	69.0 ^{a,p}	7,032 ^{h,l}	0.825	0.874	0.710	17
67 Russian Federation	0.802	65.0	99.4 ^d	88.9 ^o	10,845	0.667	0.956	0.782	-9
68 Albania	0.801	76.2	98.7	68.6 ^h	5,316	0.853	0.867	0.663	30
69 Macedonia (FYR)	0.801	73.8	96.1	70.1	7,200	0.814	0.875	0.714	11
70 Brazil	0.800	71.7	88.6	87.5 ^h	8,402	0.779	0.883	0.740	-3
MEDIUM HUMAN DEVELOPMENT									
71 Dominica	0.798	75.6 ^{b,t}	88.0 ^q	81.0 ^o	6,393 ^h	0.844	0.857	0.694	19
72 Saint Lucia	0.795	73.1	94.8 ^q	74.8	6,707 ^h	0.802	0.861	0.702	15
73 Kazakhstan	0.794	65.9	99.5 ^d	93.8	7,857	0.682	0.973	0.728	1
74 Venezuela (Bolivarian Republic of)	0.792	73.2	93.0	75.5 ^{a,h}	6,632	0.804	0.872	0.700	14
75 Colombia	0.791	72.3	92.8	75.1	7,304 ⁿ	0.788	0.869	0.716	4
76 Ukraine	0.788	67.7	99.4 ^d	86.5	6,848	0.711	0.948	0.705	9
77 Samoa	0.785	70.8	98.6 ^l	73.7 ^o	6,170	0.763	0.903	0.688	14
78 Thailand	0.781	69.6	92.6	71.2 ^o	8,677	0.743	0.855	0.745	-13
79 Dominican Republic	0.779	71.5	87.0	74.1 ^{a,h}	8,217 ⁿ	0.776	0.827	0.736	-10
80 Belize	0.778	75.9	75.1 ^q	81.8 ^o	7,109	0.849	0.773	0.712	1
81 China	0.777	72.5	90.9	69.1 ^o	6,757 ^u	0.792	0.837	0.703	5
82 Grenada	0.777	68.2	96.0 ^q	73.1 ^o	7,843 ^h	0.720	0.884	0.728	-7
83 Armenia	0.775	71.7	99.4 ^d	70.8	4,945	0.779	0.896	0.651	20
84 Turkey	0.775	71.4	87.4	68.7 ^o	8,407	0.773	0.812	0.740	-18
85 Suriname	0.774	69.6	89.6	77.1 ^o	7,722	0.743	0.854	0.725	-9
86 Jordan	0.773	71.9	91.1	78.1	5,530	0.782	0.868	0.670	11
87 Peru	0.773	70.7	87.9	85.8 ^o	6,039	0.761	0.872	0.684	6
88 Lebanon	0.772	71.5	.. ^l	84.6	5,584	0.775	0.871	0.671	8
89 Ecuador	0.772	74.7	91.0	.. ^r	4,341	0.828	0.858	0.629	21
90 Philippines	0.771	71.0	92.6	81.1	5,137	0.767	0.888	0.657	11
91 Tunisia	0.766	73.5	74.3	76.3	8,371	0.808	0.750	0.739	-23
92 Fiji	0.762	68.3	.. ^l	74.8 ^o	6,049	0.722	0.879	0.685	0
93 Saint Vincent and the Grenadines	0.761	71.1	88.1 ^q	69.9	6,568	0.768	0.817	0.698	-4
94 Iran (Islamic Republic of)	0.759	70.2	82.4	72.8 ^o	7,968	0.754	0.792	0.731	-23
95 Paraguay	0.755	71.3	93.5 ^l	69.1 ^{a,h}	4,642 ⁿ	0.771	0.853	0.641	10
96 Georgia	0.754	70.7	100.0 ^{d,u}	76.3	3,365	0.761	0.914	0.587	24
97 Guyana	0.750	65.2	.. ^l	85.0	4,508 ⁿ	0.670	0.943	0.636	12
98 Azerbaijan	0.746	67.1	98.8	67.1	5,016	0.702	0.882	0.653	4
99 Sri Lanka	0.743	71.6	90.7 ^w	62.7 ^{a,h}	4,595	0.776	0.814	0.639	7
100 Maldives	0.741	67.0	96.3	65.8 ^o	5,261 ^{h,u}	0.701	0.862	0.661	-1
101 Jamaica	0.736	72.2	79.9	77.9 ^o	4,291	0.787	0.792	0.627	11
102 Cape Verde	0.736	71.0	81.2 ^l	66.4	5,803 ⁿ	0.766	0.763	0.678	-7
103 El Salvador	0.735	71.3	80.6 ^l	70.4	5,255 ⁿ	0.772	0.772	0.661	-3
104 Algeria	0.733	71.7	69.9	73.7 ^o	7,062 ⁿ	0.778	0.711	0.711	-22
105 Viet Nam	0.733	73.7	90.3	63.9	3,071	0.812	0.815	0.572	18
106 Occupied Palestinian Territories	0.731	72.9	92.4	82.4 ^o	.. ^x	0.799	0.891	0.505	33

Table 7.6: Niger Delta Regional Master Plan showing milestone dates

Economic Development

Foundation Phase (2006 – 2010)	Expansion Phase (2011 – 2015)	Consolidation Phase (2016 – 2020)
Reduce poverty by pursuing improvement of productivity among the vast rural agricultural / fishing populace; combating waste of primary products by promoting processing and storage; pursuing rural micro-enterprise and SMEs in the urban and peri-urban areas; promoting ICT services; promoting human and environmental endowment-based economic activities.	Encouraging larger-scale activities in the agricultural sector for increased and competitive production of food and raw materials; encouraging advancement of the frontiers of manufacturing / industrial activity for import substitution, improved local content in oil and gas, solid minerals beneficiation.	Building on the gains of earlier phases and enhanced domestic capability to attain food security for vital agric products; further import substitution and export growth; and enhance depth and breadth of both industrial and service sectors.

Physical Infrastructure

Foundation Phase (2006 – 2010)	Expansion Phase (2011 – 2015)	Consolidation Phase (2016 – 2020)
Creating an enabling environment for enterprise, improved access to raw materials and product markets; enhancing competitiveness of local producers by reducing stand-alone infrastructural burdens; designating and equipping growth centers and growth poles across the region for decentralized and accelerated development	Improving on stability, reliability and availability of power, water and other human and industrial requirements; enhancing accessibility and multimodal transportation options for both domestic and international movement of persons and goods; enhancing the designated growth centers and poles.	Standardizing and maintaining infrastructure; providing additional enhancements as evolving activities necessitate.

Human and Institutional Resources

Foundation Phase (2006 – 2010)	Expansion Phase (2011 – 2015)	Consolidation Phase (2016 – 2020)
Upgrading the quality of education across all tiers for enhanced contribution and productivity; fortifying governance for effective planning, plan implementation and optimal deployment of resources for development; conflict management and prevention.	Furthering the development of quality manpower to undertake the unfolding socio-economic challenges and growth requirements; entrenching best practice and effectiveness in governance; entrenching peace and tranquility / eliminating restiveness; uplifting values and culture	Pursuing global competitiveness of human resources and educational institutions; establishing and diffusing transparency and good practice in governance, consolidating institutional capacity and effectiveness.

Human and Community needs

Foundation Phase (2006 – 2010)	Expansion Phase (2011 – 2015)	Consolidation Phase (2016 – 2020)
Address huge deficiencies in healthcare facilities, water and other amenities in the rural areas to slash infant and maternal mortality, morbidity rates from preventable and curable diseases like malaria; arrest the spread of HIV/AIDS; improve urban housing to cater for growing population and reduce slum growth; improve availability of cost-effective and environmental-friendly mass transit options.	Furthering the reduction of infant and maternal mortality and morbidity from communicable / preventable diseases; improving rural access to healthcare facilities; improving the capacity of domestic healthcare institutions to deal with more complex health conditions and reducing need for emergency medical evacuation; further improving the quantity and quality of housing; standardizing the quality of neighborhoods and streets.	Building on the gains of earlier phases to improve the overall Human Development Indices in the region beyond the MDG benchmarks towards the highest global standards; reducing the AIDS scourage to well beneath epidemic proportions.

Natural Environment

Foundation Phase (2006 – 2010)	Expansion Phase (2011 – 2015)	Consolidation Phase (2016 – 2020)
To take full stock of the adverse impact of past oil and gas, industrial and individual impacts on the environment, pursue remediation and prevention / control of further degradation; and to promote sustainable exploitation of natural resources including non-timber forest products; clearance of invasive species.	To advance the control, protection and conservation of the natural environment for sustainable development, including control of air quality hazards from urban traffic; to balance growth considerations with environmental conservation; to undertake integrated coastal zone management and protection / monitoring of precarious coastal belts and erosion sites.	Continued entrenchment of sustainable development practices, including discouragement of use of logs for domestic energy; enforcement of protected areas plus national and international standards and protocols.

Source: Niger Delta Regional Development Master Plan 2006