

## **CRISIS OF DEVELOPMENT IN BAYELSA STATE, 1996-2015: A DISCOURSE**

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### **ABSTRACT**

*This study examines the crises of development facing Bayelsa state. The state has one of the least populations in the Federation; 1.70 million (2006 census) and richly endowed with huge oil and gas resources but has one of the worst socio-economic indicators. The study made use of qualitative research design and uses content and thematic approach in analyzing the data. The study reveals that between 2001-2015 the state earned N950.6 billion as federal transfers excluding internally generated revenue, yet this oil windfall has not translated to a better standard of living for the ordinary people. The oil wealth has rather created a dysfunctional system, characterized by collapsed public infrastructures, underdeveloped agriculture, tourism and manufacturing sector, impoverished masses, corrupts elites, fiscal indiscipline etc. Statistically, 26.29% of the population live below \$1 dollar a day, only 27.2% of the population have access to improved water sources, while 41.7% of the youth population remained unemployed. The study further reveals that though the topography of the state is difficult, in terms of cost in project execution but not beyond the capacity of man to develop, as demonstrated in the swampy Delta regions of the Netherlands, United States and other developed countries. The study therefore, concludes and recommends that the crises of development facing Bayelsa state is self-inflicted and a function of failed and corrupt leadership and that given the huge potential abounds, a purposive and visionary driven leadership is capable of leading the state out of its development crises.*



**Key words:** Discourse, Crisis, Poverty, Corruption, Underdevelopment, Bayelsa State

## **INTRODUCTION**

### **Historical Profile of Bayelsa State**

Bayelsa State was created out of the old Rivers state by the military government of Gen. Sani Abacha on October 1, 1996. The state is bordered in the East by Rivers state, in the West and South by the Atlantic Ocean and in the North-West by Delta state. The name Bayelsa was derived from an acronym of the three (3) old Local Government Council of the then old River's state namely; BALGA for Brass Local Government Area; YELGA for Yenagoa Local Government Area and SALGA for Sagbama Local Government Area. The name BAYELSA comprises of the first two letters of BALGA; the first three letters of YELGA and the first two letters of SALGA. It should be noted that these three local government councils were constituted in to a "Senatorial district" for the purposes of election into the Upper Houses of the National Assembly the "Senate" during the Second Republican general election in 1979 (BSGN, 2006, p. 11).





**FIGURE 1:**  
**MAP OF BAYELSA STATE**

Source: [www.bayelsastate.gov.ng](http://www.bayelsastate.gov.ng)

Geographically, Bayelsa state is located at the heart of the West African rain forest in the Niger Delta region, Southern part of Nigeria. According to the 2006 census, Bayelsa state has a population size of 1,704,515 and a land size/area 9,059 (Sq. Kilometers). The state is located within latitude 0445' North and longitude 0645' East. Bayelsa state is one of the World richest wetlands where crude oil and natural gas is in huge deposit; as the state alone produces 23.4% of national oil output (BSGN, 2010, p. 32). Most of the state land mass is wetland with myriad of creeks and rivers as more than three quarters of its area is covered by water mostly below the sea level. The networks of creeks and rivers allow flows into the Atlantic Ocean to form the Delta. The state is also proud to have the longest coastline in Nigeria, measuring 185Km, though not developed to harness the economic benefit. The vegetation of Bayelsa state is characterized by mangrove forest in the South and arable land for cultivation of



various food and cash crops in the North such as cassava, cocoyam, rice, plantain, palm trees, cocoa, rubber, pepper etc. The state is also blessed with abundant supply of wild life and aquaculture (BIPA, 2014, p. 3; BSGN, 2006, p. 11; NSEA, 2011, p. 33).

The state has one of the highest rainfalls in Nigeria with an annual rainfall of approximately 140cm and up to 400cm in some areas and a short dry season stretching from November to March. Bayelsa is equally blessed with over 180km of sandy beaches along the Atlantic Ocean to the South. Average temperature in the state ranges between 32° C and 33° centigrade. Some of the networks of rivers and creeks in the state that flow in to the Atlantic Ocean includes: San Bartholomew, Brass, Nun, and Ramos (BIPA, 2014, p. 3)

Bayelsa state is a homogenous Ijaw state with Yenagoa as the state Capital. The state has four major cultural groups among which are the Ijaw, Nembe, Epie/Atissa and the Ogbia. Other cultural groups in the state include: Engenene, Isoko, and Biseni. The major occupations of the people are: fishing, farming, hunting, and canoe carving. Politically the state has one of the smallest numbers of local governments in the Federation; eight (8) namely: Brass, Ekeremo, Kolokumo/Opokumo, Nembe, Ogbia, Sagbama, Southern-Ijaw, and Yenagoa. Significantly, from October 1, 1996 when the state was created to May 29th, 1999 which marked the dawn of the country's democratic journey as the fourth Republic, the state was ruled by successive three military administrators among whom are: Navy captain Oladipo Philip Ayeni (6th October, 1996- 24th June 1997), Navy Captain Omoniyi Caleb Olubolade (24th June, 1997- 6th August, 1998), and Colonel Paul Edor Obi (6th August 1998-29th May, 1999). While from May, 1999 the fourth Republic to date the state has been ruled by four successive civilian democratically elected governors, they are: Chief Diepreye Solomon Peter Alamiesigha as the first civilian Executive Governor of the state (1999-2005), Dr. Goodluck Ebele Jonathan (2005-2007), Chief Timipre Sylva (2007-2012), and



Hon. Henry Siarike Dickson (2012-2017) (BSGN, 2006, p. 14; BIPA, 2014, p. 4).

The state has one of the most difficult terrains in the Niger delta which constitutes huge challenges to economic development in terms of cost in project execution and delays as a result of the perennial rain falls. According to the first democratically elected Governor of the state, Chief Diepreye Solomon Peter Alamiesigha:

*“The topography of Bayelsa state is difficult, but not beyond the capacity of man to develop. And this has been clearly demonstrated in the swampy Delta regions of the Netherlands, the United States and other countries of the developed world”* (Nengi, 2001, p. 22).

This position was further strengthened by the Chief Press Secretary to the Executive Governor of Bayelsa Daniel Iworiso-Markson when he noted that:

*The state topography constitutes a huge challenge especially to road constructions and bridges. Bayelsa state is largely swampy with attendant high cost of construction. For instance, it takes N2billion to construct one kilometer of road in Bayelsa state unlike other states with kinder and mild terrain. But the challenge has to be met and confronted* (Markson-Iworiso, 2014, p. 6).

As at 2008, the state Gross Domestic Product (GDP) was estimated at N2.17 trillion, which makes the Bayelsa state the fourth largest economy among the states of the federation in Nigeria. The state produces 514,000 barrels of crude oil per day of the total national production. In essence, the state produces 23.4% of the total oil production capacity of Nigeria (BSGN, 2010, p. 32).

Among the objectives this study seeks to achieve are; to assess the level of development in the state from 1996, when the state was created, to 2015. The study will also examine the revenue and expenditure profile of the state and then make comparative



analysis of her development status to other states that were created at the same time. The study will further examine the oil dependent nature of the state economy and the performance of various political leadership in the state from 1996 to 2015.

## **METHODS AND DATA ANALYSIS**

The study made use of qualitative research design in data collection and analysis. Thus, in data collection, the study made use of both primary and secondary sources. The primary data method used include: Key Informant Interviews (KIGs) and Focus Group Discussions (FGDs) involving the indigenes of the state, staff of Ministries budget and economic planning, Agriculture, Industry, and civil society groups. The study also made use of Personal Observation method since; the researcher is also an indigene of the state. The secondary sources used include: data from the National Bureau of Statistics (NBS), Nigerian Socio-Economic Assessment (NSEA) report, Ministry of Finance& Budget, Agriculture, Tourism, BudgiT state of state debt profile report, Annual budget report, UNDP report, UBEC report, Publications from the Bayelsa state government, World Bank report, Academic journals on Bayelsa state, published reports, verifiable online sources. The primary data collected through Key Informant Interview (KII) and Focus Group Discussion (FGD) was transcribed thematically coded and analyzed using thematic analysis technic. The data from the secondary sources were analyzed using discourse and content analytical method. For clarity of purpose, quantitative comparison of income and expenditure receipt, statutory allocation, debt profile, education expenditure outcome were analyzed and presented using tables and charts. To enhance validity and acceptability of results, data collected through primary sources were subjected to triangulation.

## **Crises of Development and Incidence of Poverty in Bayelsa State**

Bayelsa state is facing crises of development as the state has one of the worst socio-economic indicators in the country. The state can



best be described as the proverbial fisherman who uses saliva to wash his hands while in the middle of the Ocean. A state created 22 years ago (1996-2018) but has nothing tangible to show for it in terms of socioeconomic development; this is in spite of her economic potentials. Sadly, the economic potentials are yet to be transformed into economic reality where agriculture, manufacturing, tourism, play dominant role in terms of GDP contribution. But the oil wealth has rather created a dysfunctional system, characterized by collapsed public infrastructure, underdeveloped agriculture and manufacturing sector, impoverished masses, official corruption, corrupt elites, rising unemployment, spiral inflation, uneven income distribution, fiscal indiscipline and macroeconomic instability etc. As noted earlier while x-raying the historical profile of the state, Bayelsa state has been governed by three military administrators (1996-1999) and successive four civilian or democratically elected governments from 1999 to 2015 as the scope of this study. Ironically till date no meaningful impact has been made in terms of standard of living, poverty reduction, and infrastructural development (BSGN, 2010, p. 32).

The state is in dire need of good governance and visionary leadership that would transform the huge economic potentials leading to economic development. As noted earlier, Chief D.S.P Alamiesigha had noted that though the topography of Bayelsa state is difficult but it is not beyond the capacity of man to develop. He further asserted that the swampy Delta region of the Netherlands, the US and other developed countries has proved that no terrain or topography is too difficult for man to develop, as these regions have been transformed into economic hubs and investment destinations. The researcher from personal experience and observation as a son of the soil hereby asserts that the challenges facing Bayelsa states is that of poor and inept leadership clothed with self-centeredness, greed, and corruption in all sectors of the state economy. As public funds meant for economic development through the budget are rather diverted



into private pockets, consequently, the budget becomes an annual ritual for fiscal malfeasance.

It is painful to note that the state was created 22 years ago but yet, it cannot boast of any strategic infrastructure that can spur economic development, such as stable power supply, airport, seaport, good road networks, public water system, recreation centers etc. The state has one of the largest coastlines in the Niger Delta, yet it has not taken advantage of this natural habitat to develop the maritime sector, by building seaport where cargos and manufactures can be imported and exported. This can make Bayelsa state, a viable economic hub like Lagos, whose internally generated revenues and VAT proceeds comes majorly from the Apapa and Tin Can Ports. The agricultural sector remained underdeveloped as rural communities where agricultural produce comes are yet to be integrated to the major cities.

Consequently, the agricultural sector that is supposed to feed the manufacturing industries is grossly underdeveloped and not organically linked, making the state a mono-product economy whose 97% of its revenues come from the oil sector alone (BSGN, 2014, p. 13). Bayelsa state can best be described as a rentier state, a buying and selling economy, an unproductive economy, where the real sector, “agriculture and manufacturing” the spring board of every economy has remained underdeveloped. The only sector that contributes minimally to the state VAT pool account is the service sector (1%) which includes the commercial banks and hotels (BSGN, 2014). Public water system is unavailable as rural communities still drink from polluted creeks and rivers while budgetary provision for the development of functional public water is been earmarked on the yearly budget. The state capital, Yenagoa still has no access to public water system as citizens still drink from private borehole supplied by local water dealers as people pay as much as N100 to buy 20 liters of water. In a study conducted by the Harmonized Nigeria Living Standard Survey (HNLSS, 2009 as cited in Nigeria Socio Economic Assessment, 2011, p. 33) only 27.2% of the population has access to improved





sources of drinking water while only 6.4% of the populace has access to improved sanitation (NSEA, 2011, p. 33).

Bayelsa state has one of the least populations in the Federation (1,704, 515) (2006 census as cited in NSEA, 2011, p. 33) and richly endowed with huge oil and gas deposit but ironically has one of the worst socioeconomic indicators. Thus, for example, from 2001-2015 the state earned N950.6 billion naira as federal transfer or statutory allocations while she earned an annual average of N3.52 billion naira as Internally Generated Revenue (IGR). Yet these massive oil windfalls have not translated into a better standard of living for the average citizen in Bayelsa state (NSEA, 2011). In 2008, the state Gross Domestic Product (GDP) was estimated at N2.17 trillion naira which made Bayelsa state, the largest economy in the country as 23.4% of the 2.2 million daily per barrel production (514,800) of oil comes from the state. The question is, has this astronomical economic growth translated into economic development? Did it reduce poverty, unemployment and bridge the gap of inequality? Has the oil wealth translated into power (electricity), bridges, good road networks, provision of potable water, access to primary health care, job creation etc.? The answer is “No.” The oil growth is one sided, it contributes very little to the state GDP, as only very few Bayelsans work in the oil industry, therefore income distribution is not evenly spread. The state economy is oil dependent, therefore a fall in the prices of oil or glut in the international market, affects the state treasury and payment of salaries, making the state vulnerable to the whims and caprices of international oil cartel.

### **Comparative Analysis of Revenue and Expenditure Profile of Bayelsa State**

Successive governments from Chief DSP Alamiesigha to the Hon. Sierake Dickson era have continued to pay lip services to the economic diversification of the state. Economic activity is dominated by the oil and gas industry which accounts for 97% of the state revenue making her one of the most oil dependent states in Nigeria (BSGN, 2014, p. 14). This equally accounts for her poor



VAT proceeds and IGR base compared to states like Lagos and Rivers state that earns an annual average income of ₦32.3 billion and ₦12.7 billion naira between 2001 and 2008 (NSEA, 2011, p. 28).

**Table 1: Comparison of Bayelsa State Internally Generated Revenue to other states (₦ bn)**

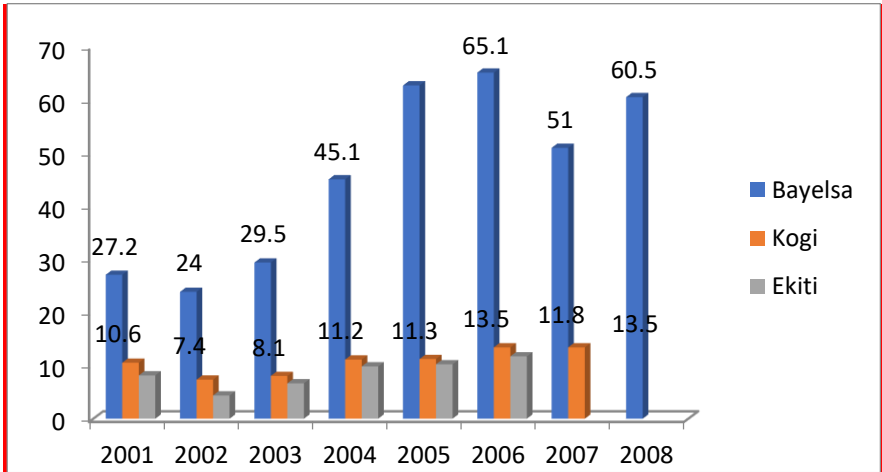
	2002	2003	2004	2005	2006	2007	2008	2011	2012	2015
<b>Bayelsa</b>	0.4	0.5	0.7	1.2	2.2	1.4	2.0	3.6	4.9	8.7
<b>Lagos</b>		21.3	22.8	24.0	31.5	40.9	53.6	202.7	219.2	6.2
<b>Kogi</b>	0.7	0.6	0.6	0.9	1.6	1.4		2.8	3.1	6.7
<b>Rivers</b>				11.4	12.0	14.0	13.7	52.7	66.2	82.1
<b>Ekiti</b>	0.7	0.8	0.9	0.8	0.4			2.4	3.7	3.2

Source: NSEA, 2011

As shown above, Lagos state earned the highest in terms of IGR in the Federation; this is as a result of the increased economic activities being the economic nerve center of Nigeria and second largest in population. Though, over the years the Lagos state government has embarked on several economic reforms in order to improve her revenue collection drive. Ironically Bayelsa and Rivers state earned an average of ₦45.6 billion and ₦97.2 billion as Federal transfer while Lagos and Ekiti state earned an average of ₦60.6 billion and ₦9.3 billion between 2001 to 2006 (NSEA, 2011, p. 28).



**Figure 2: Comparison of Statutory Allocation for Bayelsa, Kogi & Ekiti, 2001-2008 (Nbn)**



Source: NSEA, 2011

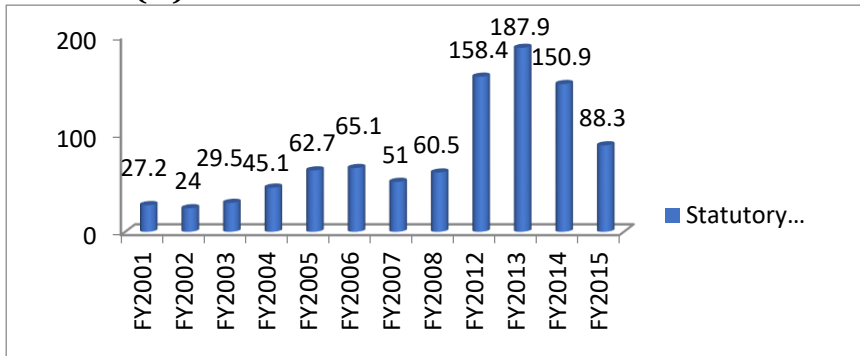
The undiversified nature of the state economy has made Bayelsa state a civil service state. The only viable industry in the state is politics; almost everyone in the state is a politician, the youths are majorly the victim of this unproductive venture. Politics should be a tool for social transformation but rather it has become a tool for primitive accumulation of the commonwealth. It is unfortunate that People seek political power in this part of the world in order to have unfettered access to economic power. This has created an unhealthy political space, such that those who gains access to state power also has access to public wealth. Consequently, the state budget; a fiscal instrument, a planning tool that is supposed to be an agent of social transformation has rather become an annual ritual where monies allocated for capital and recurrent expenditures ends up in the hands of politicians as largess.

The economy is entirely buying and selling; there is no manufacturing and production; there is no value addition in the various value chains identified, in spite of the fact that the state is blessed with both solid minerals and raw material such as clay,



sand, gravels, plantain, cassava, rice, mangoes etc. These resources if properly harnessed is a sure catalyst for industrial sector growth but had over the years remained underdeveloped due to lack of political will on the part of the political elites. This position was further strengthened by Nnengi, (2001) when he opined that in addition to the huge oil and gas deposit in the state, Bayelsa is also bless with huge reserves of sand, gravel, and clay which are vital to the industrial sector. There are also varieties of food crop and large forest reserves, beautiful sand beaches for holiday resorts and great historical artifacts such as the Oloibiri oil museum, Isaac Boro Monument in Kaiama, the white grave yard at Twon Brass etc. which are capable of turning the economy around if properly harnessed (Nengi, 2001, p. 14).

**Figure 3: Federal Transfer to Bayelsa state, 2001-2015 in Billions (N)**



Source: BudgIT, States of states, 2017

Yet in spite of all these economic potentials, 22 years after its creation Bayelsa state has nothing to show for it in terms of economic diversification and infrastructural development. Bayelsa state is a typical example of Karl Terry Lynn Paradox of Plenty: Oil Boom and Petro dollars (1997) where in the midst of plenty the people wallow in abject poverty, lacking basic necessities of life and basic amenities. What a resource curse thesis? As the oil wealth has failed woefully to provide sustainable bases for



economic development and poverty reduction for the average Bayelsa citizen, since the economy remain undiversified and unproductive.

The non-oil sector; agriculture, manufacturing, industry, services; tourism etc. contribute insignificantly to the state Gross Domestic Product due to the dominance of the oil sector. The growth and wealth from the oil sector has been poorly used to develop the state, the people, and the various sectors of the economy. The oil sector has not created any value nor made any value addition in terms of poverty reduction, job creation, fiscal discipline, economic diversification etc. but has rather contributed negatively towards poverty increase, massive unemployment among the youths, income inequality, official corruption, and political instability, lack of accountability, transparency, and poor governance.

Statistically, 26.29% of the population lives on less than one dollar a day while only 27.2% of the population have access to improved water sources as Bayelsans both in the urban and rural communities still drink water from private boreholes and polluted rivers and creeks compared to Ekiti and Edo state where 61.3% and 59.3% of the population have access to safe and improved water sources (NDHS, 2008 as cited in NSEA, 2011, p. 33). In 2008, youth unemployment in Bayelsa state was put at 41.7% compared to Ekiti (19%), Kogi (26.5%), and Kaduna (17.6%). Ironically these states earned less in terms of federal transfer when compared to Bayelsa state. For example, between 2012 to 2015, Bayelsa state earned a whopping sum of N585.5 billion naira as statutory allocation while Edo and Ekiti state only earned N321 billion and 171 billion naira respectively but yet the standard of living in these states are better than that of Bayelsa state (BudgiT, 2017, p. 14).

### **Comparative Analysis of Education Expenditure and Debt Profile of Bayelsa State**

Though, during the period under review, Bayelsa state also made significant milestone in terms of Human Development



Expenditure when compared to other states in the Federation. The state also made significant impacts in the area of Education and Health expenditure. It is important to note that in 1991 the United Nations Development Report recommended that for governments at all level to make significant impact in human development they must allocate 5% of their annual budget on Human Expenditure Development Ratio. The Human Expenditure Ratio is that percentage or fraction of the national income that is allocated to human priority attention such as health and education. Consequently, in 2007, Bayelsa state expenditure ratio was put at 7.1% when compared to other states like Rivers (0.8%), Lagos (1.1%), Ekiti (3.5%) and Kogi state having the highest; 12.6% (NSEA, 2011, p. 29).

In 2002, the World Bank and other development partners launched the Education for All-Fast Track Initiative in other to the help low-income countries like Nigeria and other Sub-Saharan African countries meet the Education MDGs and the EFA target. Thus, the EFA-FTI recommends that both national and subnational governments spent or allocate 20% of their national budget on education in order to boost human capital development. Consequently, on the average between 2001-2007, the Bayelsa state government spent or allocated 12.3% of her state budget to education. Though, states like Ekiti and Kogi state that receives less in terms of federal transfer spent more in education than Bayelsa state. Thus, from 2001 to 2007 Ekiti and Kogi state spent an average of 28% and 24% of their total budget on education making them one of the highest in the federation. However, Bayelsa, state was ahead of other states like Lagos (11.3%), Rivers (11.7%), and Kaduna state (10.8%) the lowest (NSEA, 2011, p. 30).



**Table 2: Education Expenditures of States in Percentage of Total Budget in Billion (₦)**

	2001	2002	2003	2004	2005	2006	2007	2008
<b>Bayelsa</b>	15.8	16.5	16.4	10.9	10.3	9.4	10.1	8.6
<b>Edo</b>				16.8	8.5	12	14.1	11
<b>Ekiti</b>	33.3	24.5	35.7	25.5	25.3	26.4		
<b>Kogi</b>	24.9	27.2	25.8	26.4	23.1	17.1	22.8	
<b>Lagos</b>					15.3	8.8	9.8	9.1

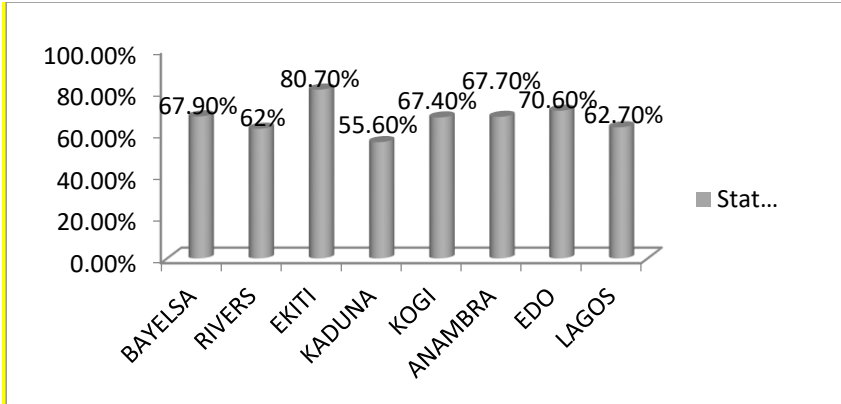
Source: NSEA, 2011

Also, significant, is that Bayelsa state also recorded the highest in terms of per capita-education expenditure between 2001-2008 with ₦8,926 when compared to other states like Rivers (₦1,881), Kaduna (₦379) and Bauchi states having the lowest in per-capita education expenditures.

It is on record that the 65271 high expenditure ratio profile of 12.3% of total budget and scoring the highest in per-capita education expenditure between 2001-2009 had positive impacts on the educational fortune of the state. Significantly, in 2009 net primary school enrolment increased to 67.4%, adult literacy moved to 62.2%, net secondary school enrolment increased to 58.1% while youth literacy rate was put at 73.8%). This is compared to states like Bauchi (43.6%), and Kaduna (55.6%) scoring low in terms of primary school enrolment while states like Edo (70.6. %) and Ekiti (80.7%) made impressive performances (NLSS, 2009 as cited in NSEA, 2011, p. 33).



**Figure 4: Net Primary School Enrolment for Selected States as at 2009**



Source: NSEA, 2011

The 2001 summit of the African Union, known as the Abuja declaration recommended African governments to commit at least 15% of their national budget on health care delivery system in order to make significant impact on the MDGs target of reducing by half, infant and child mortality rate by 2015. However, on the average between 2001 to 2009 the Bayelsa state government spent only 4.9% of its annual budget on the health sector when compared to states like Bauchi (9.1%), Kogi (7.9%), and Ekiti (6%) that are non-producing oil states and receives less Federal transfer but spent a proportionate size of their total budget on health care delivery. However, in terms of per-capita health expenditure Bayelsa state had the highest with an average of N3, 719 while Kaduna state had one of the lowest per capita expenditure N105 naira. Ironically, the poor or low expenditure ratio of 4.9% had a negative multiplier effect on both primary and secondary health care delivery system in the state. Consequently, infant mortality rate was pegged at 56.2%, infant morbidity rate was pegged at 85% while total fertility rate was put at 4.5% percent. In 2010 the state had a HIV prevalence rate of 9.1%, and

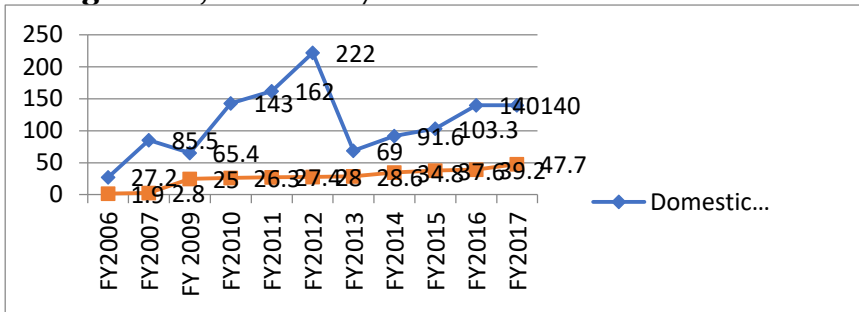




crude death rate of 2.5%. Significantly, as at 2011 successive governments in the state had built 232 health-care facilities spread across the state (NSEA, 2011, p. 33).

As at 31st December 2017, Bayelsa state Domestic debt stood at N140, 177,083,911.42 billion naira while her External debt stood \$47, 756,175.63 which are 4.67% of state GDP. The state 2016 total debt stood at N172.1 (4.74%) billion while 2015 total was put at N110.8 billion naira (NBS, 2017; Budget, 2017, pp. 14-15) The state external debts are majorly from her international development partners such as the World Bank, African Development Bank and other multilateral institutions, while her domestic debts come majorly from commercial banks such as First bank, Intercontinental bank, UBA, Bank PHB etc. Other Debt instruments used by the Bayelsa state government in raising money for capital projects is the capital market through the use of Treasury bill, and state bond (BSGN, 2010, p. 4).

**Figure 5: Comparison of Bayelsa state Domestic Debt to Foreign Debt, 2006-2017**



Source: NBS, 2017

As stated, earlier Bayelsa state accounts for one fifth of the nation’s oil production, therefore on the bases of Gross Domestic Product (GDP) the state is the fourth largest economy among the 36 states of the Federation (BSGN, 2010, p. 32). However, in terms of budget implementation 97% percent of revenues come from the state share of her statutory allocation, Value Added Tax



(VAT) accounts and the Excess Crude Account (ECA). Consequently, Internally Generated Revenue only account for 3% percent of budget implementation. For example, in 2012 total IGR used in budget implementation only accounts for 3.1% of total budget receipts. States like Ogun and Imo states IGR accounts for total revenue receipts of 24% and 17% percent which has remain consistent over the years (BSGN, 2014, p. 28).

In terms of budget implementation through, public expenditures and revenue receipt in the state, fiscal discipline and macroeconomic stability remained poor. The over-reliance on statutory allocations for its revenue *vis-à-vis* budget implementation has exposed the state economy to the vagaries of international oil price shocks and volatility. This has made budget projections in terms of revenue receipts and expenditures on capital projects unrealistic. The Bayelsa state 2014-2016 Medium Term Expenditure Frame Work; a Fiscal strategy document pointed out the futility of an oil dependent economy which had hampered budget implementation in the state over the years (BSGN, 2014, p. 16).

Thus, for example during the 2012 fiscal year, Governor Dickson through the state House of Assembly appropriated the sum of N255 billion naira for the 2012 Budget. Out of which N156.3 (61.3%) was appropriated for Capital Expenditure but surprisingly only 41% of the budget was implemented. The implication is that only N64 billion was released or spent for capital projects. The reason for this lack of implementation could be as a result of shortfall in revenue from the federation account due to oil price shocks or militant activities in the Niger Delta.

Another reason for this lack of implementation could be as a result of public corruption through diversion of fund meant for projects by politician. For Recurrent Expenditure, the sum of N98 billion was appropriated but ironically N89 billion was released or spent. The implication is that the recurrent expenditure of the budget got 90.5% implementation far above the capital expenditure implementation of 41% (BSGN, 2014, p. 15). Again, from the breakdown of the Recurrent Expenditures, N36 billion



was actually appropriated for Personnel cost but in terms of implementation, N50 billion was spent or released, that is 140.1% implementation. The implication is that the Executive spent above what was appropriated by the state House of Assembly. What a fiscal indiscipline? Again, the sum of N34.4 billion was appropriated for overhead expenditure; however, in terms of implementation N20.9 billion was released translating to 60.8% implementation (BSGN, 2014, p. 16).

The implication from the above scenario is that budget appropriation and passage is more of an annual ritual where figures are merely allocated to the various sectors of the economy but the actual implementation becomes a tall dream. The budget is a planning tool and a fiscal instrument for governments. The capital expenditure of every budget is geared towards economic growth and development by bridging income inequality through income distribution, job creation, and poverty reduction if fully implemented. It is however, ironical that budget implementation in Bayelsa state and many others are always below average; but recurrent expenditure is always above 100% implementation. It is the height of fiscal indiscipline on the part of governments. However, it is this study's opinion that the government should not take the blame alone, but the citizens and civil society groups who are the direct beneficiaries of the projects, should also be held responsible for not being involved in the budget monitoring and implementation process.

## **CONCLUSION AND RECOMMENDATIONS**

In a nutshell, the crisis of development facing Bayelsa state is self-inflicted and a function of failed and corrupt leadership from the creation of the state in 1996 to 2015; the period under study. Though, the state has huge potentials for economic growth and development considering her huge oil and gas deposit which translate to an average earning of ₦12 billion as statutory allocation on monthly basis but her corrupt and inept leadership with no investment mindset has continued to milk the state dry, engaging in a competitive drive for primitive accumulation of



wealth at the expense of the poor masses. The only industry that thrives in the state is “crude Politics” as defined by David Easton, who gets what? How and when? The politicians who are the movers and checkers of the industry call Bayelsa are only committed to destroying and looting the state as development is not in their gene. As such agriculture, tourism and the manufacturing sector has been seriously undermined therefore, contributing nothing to the state Gross Domestic Product (GDP).

Therefore, based on the outcome of this study, for the state to make meaningful development in all sectors of the economy the following steps and recommendations must be taken.

- i. The study therefore, recommend that given the huge potentials, a purposive and visionary driven leadership is capable of leading the state out of this development crises.
- ii. That for Bayelsa state to develop, the citizens and civil society groups must show qualitative followership by holding the government accountable in terms of public expenditures, budget implementation and project execution.
- iii. That the state government appropriate not less than 50 percent of the state annual budget to Industry, Tourism and Agricultural sector (Ministries) in order to boost food security and enhance the industrialization drive of the state.
- iv. That the state government exempt Small and Medium Enterprises (SMEs) from tax obligation, to encourage more young men and women into business, so as to grow the economy.
- v. That the Bayelsa state government harmonize the tax regime, and digitalize the tax payment system in order to curb leakages and corrupt practices in the system as this will boost the Internally Generated Revenue (IGR) of the state.
- vi. The study advocates that the state government identify areas of comparative advantage in terms of raw material



- production in each of the eight LGAs and set up an industry in order to create jobs for the teeming youths as well as boosting the diversification drive of the state from an oil dependent economy.
- vii. The study recommends that the state government invest on Human Capital Development, for its populace to key in to the global skills driven economy, in order to boost the industrialization drive of the state, and set her on the path of sustainable development.
  - viii. The study advice that appointment in to sensitive position should not be based on party patronage but rather on merit and competence in order to boost efficiency and productivity.



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