

REVENUE ALLOCATION AND RESOURCE CONTROL CONFLICTS IN OIL PRODUCING STATES IN NIGERIA

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Abstract

Several studies on resource control conflicts in oil producing states in Nigeria have identified the amount of financial resources available to oil producing states because of the revenue allocation strategies adopted by the federal government as the key driver of conflicts. Some of these studies postulate that the failure of the federal government to adequately apply derivation principle is a major contributor to resource control conflicts. This paper takes a different dimension. It argues that even though the extent to which derivation principle is applied may contribute to resource control conflicts, the manner in which available revenue is utilized is also a major factor that should not be neglected. The paper demonstrates that increase in revenue accruing to state governments based on derivation does not basically result in development and prevention of conflicts in oil producing communities. The paper therefore recommends effective and judicious use of available revenue as a strategy for managing resource control conflicts and not just revenue allocation principle.

Keywords: Revenue allocation, resource control, conflict, federalism, Nigeria