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ETHNICITY AND DYNAMICS OF NATURAL RESOURCES CONFLICT IN THE NIGER DELTA OF NIGERIA

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Cover Pages

**ETHNICITY AND DYNAMICS OF NATURAL RESOURCES
CONFLICT IN THE NIGER DELTA OF NIGERIA**

Ethnicity and Dynamics of Natural Resources Conflict
In Niger Delta of Nigeria

Submitted in Completion of:

PhD War Studies

Department of War Studies

King's College, University of London

Submitted by:

Moses E. Ekpologo

I confirm that the following thesis does not exceed the word limit prescribed in the Regulations.

I further confirm that the work presented in the thesis is my own and all references are cited accordingly.

Moses Ekpologo

January, 2015

Abstract

The Niger Delta region is, indeed, not a stranger to attention and controversies. For more than a decade, it presented Africa's most populous country with its most profound security challenge, a situation that was only recently changed with the emergence of the Boko Haram Islamic insurgents. It also threatened to undermine the flow of oil in Africa's most important oil-producing country, a country which produces more than 2.5 million barrels of crude oil daily, with attendant implications for global energy supply. While different aspects of the Niger Delta controversy have been addressed by particular scholars, there remains an aspect that seems to have attracted only superficial attention. This is a detailed analysis of the role of ethnicity in the array of complications that have unfolded in the region. Indeed, beyond the platitudinous mention of the plight of the minority in the country's zero-sum politics, not much attention has been given to the complex impact of ethnicity on the politics and intrigues' of the Niger Delta.

The purpose of this thesis is to interrogate the ethnic dimension of the perspectives of key groups in Nigeria on what their rights are in sharing natural resources wealth and the consequences of a natural resources conflict driven by these agitation for a fair share among different ethnic groups in the Nigeria Federation. This thesis investigates one of the most pressing, yet neglected issue in the Niger Delta conflict: ethnicity and who has right in the sharing and ownership of natural resource wealth in the Niger Delta.

However, in light of the commonly stated thesis that corruption and miss-management of oil revenues is frequently said to be the causes of armed conflict in the Niger Delta, this study challenges the accepted premises and enter unfamiliar territory, and stimulate new ideas by arguing that corruption, lack of security, and miss-management of oil revenue is only a causal factor. Therefore, the role of ethnicity is the key factor regarding who will hold political power and thus control natural resource wealth—a factor hitherto underplayed in the Niger Delta case.

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LIST OF ACRONYMS

NNPC—Nigerian National Petroleum Corporation

OPEC-- Organization of Petroleum Exporting Countries

MEND—Movement for the Emancipation of Niger Delta

WTO—World Trade Organization

E&P—Exploration and Production

PSA—Production Joint Venture

JV—Joint Venture

UN—United Nations

NGOs—Non Governmental Organizations

JTF—Joint Task Force

MNDA—Ministry of Niger Delta Affairs

SPDCN—Shell Petroleum Development Corporation of Nigeria

NDVF—Niger Delta Volunteer Force

MOSOP—Movement for the Survival of Ogoni People

NDPVF—Niger Delta People’s Volunteer Force

COMA—Coalition for Militant Action

JRC—Joint Revolutionary Council

OMPADEC—Oil Minerals Producing Areas Development Commission

NDDC—Niger Delta Development Commission

IOCS—International Oil Companies

CSR—Corporate Social Responsibility

MASSOB—Movement for the Actualization of Sovereign State of Biafra

LNG—Liquefied Natural Gas

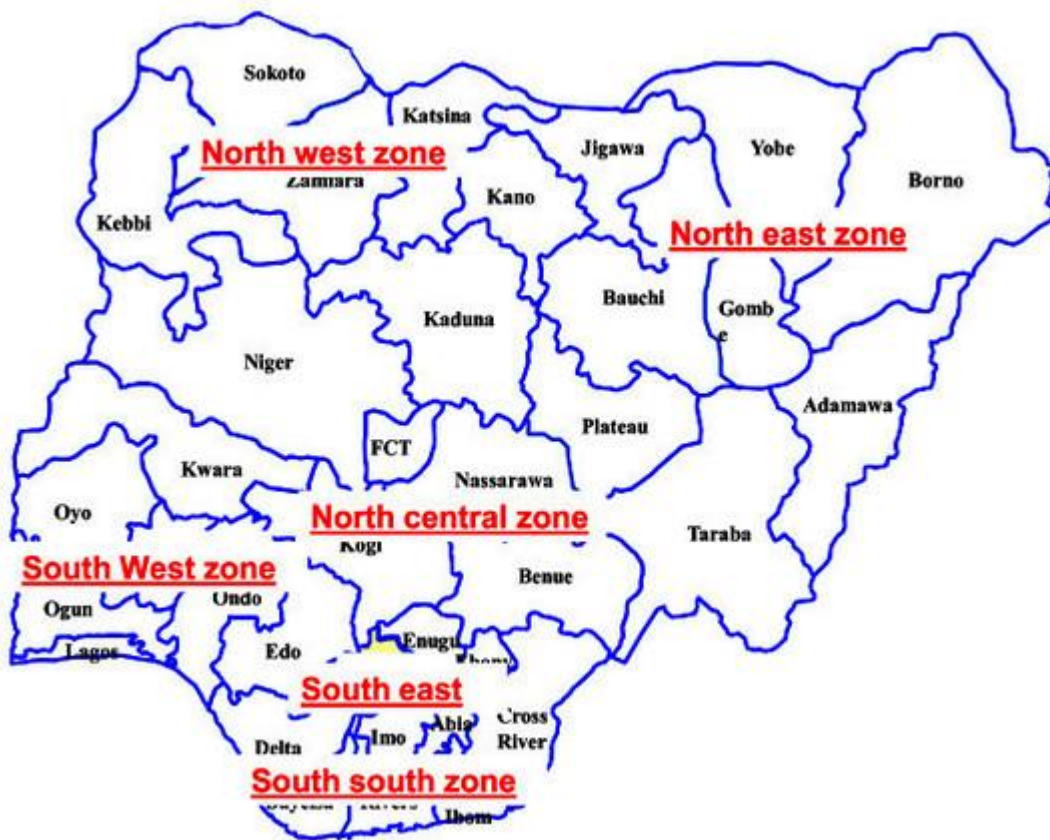
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Map of the Federal Republic of Nigeria Geo-Political Zones



South-South Niger Delta Map



Source: www.springimages.com

CHAPTER ONE

INTRODUCTION

The aim of this chapter is to introduce the research project and to outline the research themes guiding this thesis.

The issues surrounding the ownership, management and control of natural resources have dominated discussions in many developing countries. This has been particularly profound in cases involving mineral resources. The high profitability of the resources, the monetary opportunities they offered to elites, the complication of extraction, the controversies involved in, and the effects to the external involvement in their extraction are just some of the profound issues often generated in the politics of corruption and miss-management. The Nigerian Niger Delta region presents all the above and even more. Different catch-phrases that have been used to describe the controversies associated with natural resources miss-management, such as

“Resource Curse”¹, “Tragedy of Endowment”², “Dutch Disease”³ are indeed, all applicable to the situation in the Niger Delta. However, although, the region has historically been affected by conflict for several decades, the emergence of organized armed militant pressure groups in the 1990s has added a new dimension to the crisis.

Broadly speaking, the resurgence in the 1990s manifested in two forms: (1) militants struggle for a greater control of oil and gas revenue; and (2) the fight by indigenous local Niger Delta communities for compensation from multinational oil companies (mainly due to environmental hazards imposed on their communities resulting from pollution from oil exploration and the destruction of the eco-system). In a way, the multi-dimensional nature of the conflict in the region can be described as the clash between “local claims”, (by militant group, youth movement, and local communities) and the “national interest” of the Federal Government—the latter as defined by the political elites of the Nigerian State.⁴

In fact since the 1960s, oil and gas exports have brought in revenue of enormous proportion to the Nigerian state. This resulted to the formation of a new State National Oil Company in 1977, the Nigerian National Petroleum Corporation (NNPC) to take over foreign owned assets and to serve as the major vehicle for dealing with foreign companies and investors. The result was variations in export earnings which, combined with strong political pressure to spend available revenues in funding of low return capital project during the boom years, and the consequent neglect of high yielding projects in the lean years when no resources had been saved. As a consequence of this miss-management there is lack of public infrastructure in the

¹ Collier and Hoeffler (2003)

² Alao (2007)

³ Ross (2004)

⁴ Alao, A. (2007) Natural Resources Conflict in Africa: The Tragedy of Endowment, where he argues that local claims, national interest, and international involvement in oil politics creates division between locals versus global interest, p.193-98.

Niger Delta: roads, electricity, schools, public transport, piping water and health care despite the fact that the region produces 2.5 million barrel of oil daily.⁵

But Niger Delta's instability is hardly altogether an isolated phenomenon. Indeed, a cursory glance show that many natural resource-endowed countries are vulnerable to political instability, evidenced by the modern histories of Iraq, Iran, Angola, Libya, South-Sudan and Algeria. This has considerable implications, not the least for global oil-supply. Therefore, this study tries to investigate the social-economic and security nexus in one of the most important countries in Africa and one of the fastest-growing resource dependent economies: Nigeria. Nigeria has been struck since the 1990s by increasing violence and unrest, especially in the most productive oil region—the Niger Delta—which affected oil production and the sector's growth. The fundamental question being ask here is: What exactly do we know about the struggle for access to control natural resources wealth and the rights of key actors? This study will contend that the driver of natural resources conflict is also inextricably intertwined with the nature of the state in question, the complexities of its composition, especially the variation of its ethnic groups, the ownership of land, and the fear of ethnic domination in employment in the extractive industry. Given the importance of this issue to security studies, economic intelligence and development literature, it is not surprising that the subject has received overwhelming attention from experts, and leading to a plethora of studies on this phenomenon.⁶ But the

⁵ Obi, C. (2003) *The Oil Paradox: Reflections on the Violent Dynamics of Petro-Politics and Miss-governance in Nigeria's Niger Delta* which focuses on corruption and revenue allocations; Also Obi (2010): *Oil as the causes of conflict in Africa: peering through the smoke and mirrors* where he argued that the resource curse thesis feeds certain perspectives on the nature of the Africa oil-rich states built upon an internal resource conflict nexus that is subversive of development, democratic governance, national, regional and global security. He strongly believed that such perspectives need to be critically interrogated, *A Review of Africa Political Economy*, 37:126, 483-495, Routledge. But beyond such an interrogation, we need to get to the core of what is really an ideological notion of natural resource-determinism that obscures, rather than promotes an accurate understanding of the roots and wider ramifications of violent conflict in Africa countries.

⁶ Among these studies are: Omeje, K. (2010) *The state, conflict & evolving politics in the Niger Delta of Nigeria*; Edozie, R.K. (2012) *Socially Constructing Democracy and Peace: Nigeria's National Dialogue on the Niger Delta Conflict*; Luqman, S. (2011) *Managing Nigeria's Niger Delta Crisis under democratic rule*; Ukeje, C. (2008) *Oiling Regional Insecurity? The Implications of the Niger Delta Crisis for Security and Stability in the Gulf of Guinea*

central argument and focus of this thesis is to interrogate the nature of instability in the Niger Delta and question some of the existing data that have been advanced. Valid though as they might be, looking at the ethnic diversity of the Nigerian Federation with multiple ethnic groups that share these resources, the evidence suggest that the accepted truth has now changed.

However, a brief discussion of Nigeria and the Niger Delta may be appropriate at this juncture. The country is one of Africa's largest producer of oil and gas with a population of about 170 million people, divided into 36 states federation and with more than 250 ethnic groups. The vast swampy terrain of the Niger Delta region support almost 30 million people, many of whom live in isolated communities only accessible by boat. The region serves as the economic nerve centre of the Nigeria Federation with its vast oil and gas deposits. Presently, crude oil and gas accounts for about 85% of the nation's revenues and Niger Delta accounts for about 20% of oil supply to the US.⁷ Although, the technological innovation of shale oil and gas revolution is changing that now. Therefore, the area has become increasingly important from a strategic perspective, as an alternative source to the Middle East, especially as political instability continues to plague that region and as sanctions on Iran, civil war in Syria and Iraq may threaten oil supply from the Persian Gulf in the future.⁸

However, despite this enormous endowment, Nigeria has not been able to use these resources to its own advantage due to conflict of interests among key actors of ethnic groups within the Nigeria Federation. Therefore, the objective of this thesis is to seek to harmonize the imperatives of natural resources exploitation in Nigeria based on ethnicity and ethnic relations as a problem in sharing oil revenue. This will suggest a departure from the status quo which

and West Africa; and Sampson, I.T. (2010) Niger Delta militancy and the Challenge of Criminalising Terrorism in Nigeria. None of these studies addresses the issue of ethnicity as a major factor of instability in the Niger Delta.

⁷ World Bank Report: "Nigeria Natural Resources Export", 2010.

⁸ Stokes, D. and Raphael, S. (2010) Global Energy Security and American Hegemony, where they argued that the 2008 American National Security Strategy made clear that US interest in the Niger Delta Region was "unhindered access" to oil and other vital natural resources in the region, p.145-46.

seek to explain the problems of lack of transparency and bad resource governance in resource utilization for a more equitable sharing of natural resources wealth.

With this in mind, and by way of investigation, this chapter sets out to undertake a number of tasks. First, the limitations in existing literature is explored, and the thesis' contribution to knowledge is given by analysing this new domain of scholarship, identifying the gaps, which are considered in tandem, in order to understand what drives the struggle for access to control of natural resource wealth in Niger Delta of Nigeria. Second, the scope of the study and research questions is presented. Third, the research design and methodology that will enable us to answer the research questions to achieve the aim and objectives is given.

Statement of the Problem, Thesis Focus and Argument

Since independent in 1960 Nigeria has continued on a path of instability with ethnic violence among rivalries scrambling for a share of limited natural resources rather than unifying on a common goal for broad economic development. A number of factors make violent conflict in multi-ethnic societies particularly complex, which Ilorah summarizes as follows:

- Ethnic bias and favouritism whereby, the behaviour of the leadership towards others varies depending on whether those others are from the same ethnic group, with whom affinities are shared and who therefore should be treated fairly; or outsiders, including people from other ethnic groups, who must be politically and economically marginalised.
- When leadership backed by members of the same ethnic group, uses their political power to obstruct all political and economic reforms that could interfere with its control over the country's natural resources.

- The ethnic group that dominate the leadership uses their political or military power to effectively promote wider division within diverse ethnic groups, especially if members of the leaders' own ethnic group are themselves threatened with competition from other ethnic groups.⁹

Out of the above mentioned reasons, this thesis argues that instability and the dynamics of natural resources conflict in Niger Delta of Nigeria is not only due to corruption and a lack of basic structures and institutions found in a developing state. But the root causes is the division among various ethnic groups that make up the Nigeria federation. This has caused resentment among marginalised ethnic groups, fuelled natural resources conflicts and sometimes wars, and discouraged investment, retarding growth and development prospects. This has also led to lack of united agenda for common aims and objective. This situation puts each ethnic group at risk when it is out of power and, what is worse, makes it difficult to agree on good policies that foster economic development.¹⁰

However, since the Nigeria leadership depend on the state oil revenue to maintain their power base, they resist any restructuring away from this extraction and divide-and-rule policy. The leadership see economic reforms as barriers to important sources of self-enrichment and they waste oil revenue on patronage and on corrupt and rent-seeking activities in order to hold on to power with their ethnic associates.¹¹ Therefore, this thesis argue that ethnic divisions within the Nigerian federation has worked to systematically divert natural resource control through the allocation of oil blocks for investment to people in power and a few cronies from the same

⁹ Ilorah, R. (2009) Ethnic bias, favouritism and development in Africa, *Development Southern Africa*, 26:5, 695-707, DOI: 10.1080/03768350903303209 where he argues that the 'Minority at Risk' includes those marginalised groups who provoked by political and economic discrimination, often resort to political action in pursuance of collective interests. The fairly well-treated group usually comprises those to whom the leadership owes its power or on whom its continued power depends. Also, see Todaro, 1994, p.591

¹⁰ Easterly, W. and Levine, R. (1997) *Africa's growth Tragedy: Policies and Ethnic Division*, *Quarterly Journal of Economics*, 112: 1203-50.

¹¹ Ilorah, R. 2009, p. 697; and also Brass, P. 1991, p. 45

ethnic group, thereby shifting the distribution of oil revenue in their favour and at the expense of other ethnic groups. . It is the view of the thesis that the state of affairs with corruption, lack of security and mismanagement of natural resources revenue has overshadowed and hindered the development of a healthy and productive debate of ethnic cohesion in a secular society as the central problem of instability in the Nigeria federation. As Kumuyi (2007) points out the political leadership has remained a business of narrow ethnic and group interests, serving only special interests without public infrastructure development like: electricity, portable water, healthcare, free education and a guarantee of security for ordinary citizens.¹² It has thus far failed to address the legacies of the colonial administration of divide and rule, with the resulting fact that harmonious ethnic co-existence remains elusive in the Nigeria federation.

Therefore, this study represents an effort to explain why the power of certain ethnic groups has been perpetuated, and why these groups consider it a worthwhile national ideal to monopolise a disproportionate share of state natural resources and which has resulted in conflict. It also shows that the instability in Niger Delta is due to a lack of a unifying force and deep resentment among minority groups agitating against special political favours to any group on the basis of ethnicity.

Limitations of Existing Literature, and Thesis Contribution to Knowledge

To define the potential literature pool more exactly, two approaches were taken into consideration. I was first involved in searching for text that specifically addressed the issue of natural resources conflict that included academic journals such as: African Security, Third World Quarterly, Journal of Contemporary African Studies and Conflict, Security and Development. These texts were then used to identify additional sources that may be applicable to instability and conflict. Second, to understand the topic in the context of the wider literature

¹² Kumuyi, W.F. (2007), the case for servant leadership. *New Africa*, 467: 19-20

available on natural resources conflict, I also explored published primary source materials by group of scholars and practitioners of national security studies.

For a start, three particular mechanisms through which the resource curse is supposedly working are often distinguished: (1) the ‘Dutch Disease’ mechanism; (2) the expansive spending mechanism; and (3) the ‘renter state’ mechanism. The first mechanism (Dutch Disease) refers to the massive inflow of resource-based state income driving the real exchange rate and wage levels up. Other productive and trading sectors, especially manufacturing and agriculture thus become less competitive on the world market. Through this mechanism resource-rich countries’ economic structure is fundamentally transformed from manufacture or agriculture-led to a resource extraction-led economy. This leaves the country less productive, more exposed to sudden commodity price changes and with a significantly lower number of jobs for its people, something which may lead to conflict. The second mechanism refers to expansive spending often accompanied by excessive borrowing against expected future oil income. With oil rents suddenly flooding in like manna from heaven, the political elites of resource-rich states often go on a spending spree (the Dubai Syndrome)¹³. Whether the money is invested in infrastructure or public service or wasted on luxurious prestige projects does not really matter, but money is being spent on a large scale where this has not been the case before. This sudden increase in spending may increase inflation and have an impact on the exchange rate. It may also lead to a massive accumulation of debts as soon as the terms for the repayment of the loans becomes less favourable.¹⁴

These are the two classical economic mechanisms through which the resource curse theory works. Natural resources conflict have been studied extensively and approaches have been

¹³ The term ‘The Dubai Syndrome’, is the categorization of excessive funds investment and banking loans in the United Arab Emirate (UAE) in white elephant projects based on future oil price.

¹⁴ Michael Roll (2011) (ed) Resource Governance, Development and Democracy in the Gulf of Guinea, FES Berlin, p 8-9

developed to deal with them effectively, but with little success. The third mechanism which this thesis dwells on extensively is the ‘renter state’ mechanism, is of a different nature. It is not economic but political and refers to the effects of the income from natural resources on the politics, security, social cohesion, and public structures/institutions of the state. That is why this thesis focuses on these political and security challenges, rather than on the macroeconomic side. The ‘renter state’ approach claims that countries which derive a high proportion of their revenue from rents, that is unearned income, differ from those who have to earn their revenue through other means, such as taxation. The massive inflow of unearned income has several effects. First of all, Ross 2012 argues that it makes the governing elite more autonomous from their citizens. It also allows them to strengthen the state security apparatus and their grip on power, which may result in a more authoritarian political and security system.¹⁵ Perhaps most importantly, it turns the state apparatus, including both politics and the bureaucracy into a rent-distributing network. Therefore, the focus of the state action shifts from service delivery to allocation of rents. This can lead to corruption, lack of transparency and other symptoms of bad governance which often thrive in such an environment and which may degenerate into instability.

But despite the publication of several studies between 1980s and 2013 which have commented on the extent to which mainstream resource conflict studies presents a selective and biased reading of the subject, this conclusion has thus far only been based upon a cursory survey of the literature. With the partial exception of Jeff D. Colgan’s (2013) work, there is a distant absence of any systematic survey of the research output, based upon a clear conception of the picture of natural resources conflict. In this light, several work make no reference at all to any particular issues of the ownership of land and ethnic composition in the Niger Delta region as a major problem or area requiring consideration. Other studies simply underplay the pull and

¹⁵ Ross (2012) *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations*, p.63-66

push effect of these two factors (ownership of land and ethnicity) and provide vague evidence for claims that remain unsubstantiated. Still others engaged with particular works in greater depth, but fail to provide wide-ranging support for the claims made regarding miss-management of oil revenues and corruption.

This gap has been filled, to a certain extent, by the work of Michael Ross. More than any other critical scholar in the field of the oil curse syndrome, Ross embarked upon a research effort to demonstrate a theory that the causes of instability and conflict in oil producing states is the secrecy of oil revenue that can be easily hidden and commonly squandered. However, valuable though much of his work is, there exist several methodological difficulties which characterize his research, and which significantly limit the general applicability of his conclusions. In his context, while Ross does engage with the dependency theory of oil producing states, he fails to provide a general concept of how to diversify resource dependence economies. As such, the conclusions reached may have some validity on their own terms, but have limited applicability toward the Nigerian case as a whole. Therefore, this thesis' aim and objective is to give the important details; these include the particular types of natural resource the country possesses, the costs of extraction and the country's degree of resource dependence. The aim is to then tackle some of the most crucial context conditions that include the quality of institutions in Nigeria before oil wealth arrived. But also the involvement and responses of international actors, the degree of social fragmentation along ethnic, religious, cultural and other lines, vulnerable or rather consolidated position of ruling elites, and the socioeconomic conditions more generally.

However, no scholar has yet explored the underlying motivating factors and influences that incentivize what drives the struggle for access to control natural resources wealth in the Niger Delta. In answering this question, this thesis aims to fill a significant gap in the existing exploration of instability in natural resource exporting countries. It seek to initiate a transition

of this body of research from a position of assessment of the dynamics and identifying the factors, to one where academics may engage in a more challenging task of critical exploration geared toward finding a solution. This thesis aims to bring empirical analysis to bear on this topic of research for the first time.

Therefore, without some understanding of the ethnic diversity, culture and customs of the people in Niger Delta, and an explicit method for selecting the figures which derives logically from this understanding of natural resources conflict, it becomes difficult to sustain an argument that the analysis is based on general assumptions. By focusing on the causes and factors of instability and natural resources conflict, rather than the mismanagement of natural resources, environmental degradation, and corruption, we can begin to see the dynamics of violence conflict. While the role of Multinational oil companies in Joint Venture Contracts (JVC) is significant, the main causes of conflict and struggle for access to control natural resource wealth in Niger Delta has become a difficult topic despite exploring all available settlements. The works of Michael Ross (2012) Cyril Obi (2003), Alao Abiodun. (2007) and others have explained many of the problems that natural resources conflict poses when it occurs among multi-ethnic groups in a specific region. However, their approaches have stopped short of looking at how the wider composition of the Niger Delta Region has influenced instability. Although it may seem that I am undertaking a study that looks solely at security and the factors responsible, I do take into account natural resources nationalism into consideration. However, I consider these dynamics in a different way. My basic contention with respect to them is that these dynamics mean something different in terms of cultural heritages of the ownership of land and hereditary norms and customs and how such meanings construct an understanding mind-set among the people in the Niger Delta. Though instability and its dynamics effect on natural resource conflict with its different layers of violence, its major

significance in this case is aimed at exploring the question of: what drives the struggle for access to control natural resource wealth in the Niger Delta of Nigeria?

This study is a part of the growing body of literature on natural resources conflict, and of the scholarship on the “Dutch Diseases” and “Resource Curse”, theory in general. But it goes beyond the ‘resource curse’, something which is important in understanding country specific dynamics. Indeed empirical evidence supports the links between resource wealth and relatively slower economic growth that can lead to conflict (Sachs and Warner 2001), civil war (Collier and Hoeffler 2004) and authoritarian rule (Roll 2011; Jensen and Wantchekon 2004)¹⁶.

Another important connection that will not be dealt with further in this thesis but is essential enough to be mentioned here is the one between oil export-based growth and the persistence of patriarchal norms and greater gender inequality in the Middle East and Africa resource dependence economies (Ross 2008 & 2012). A key point of departure for this project has been the recognition of the political and economic nature of oil wealth as posited by a group of scholars and practitioners of national security studies that looked critically at primary commodity dependence and mismanagement of natural resources revenues in the first decade of the twenty-first century. Such key scholars include: Paul Collier & Anke Hoeffler (2003), Philippe Le Billion (2005), Humphrey Michael (2005) and Ian Bannon (2003). There is a related and much broader scholarship on the security nature of natural resources conflict and the perils associated with the activity of militant groups that stretches beyond the Niger Delta case. This scholarship has a starting point of the argument made by Fearon that, ‘it is not yet clear what is the most important mechanism that causes natural resources conflict’, whether ‘Primary commodity export really causes armed/violence conflict is not yet known’.¹⁷ Such

¹⁶ Michael Roll (2011) (Ed) *Fuelling the World-Failing the Region? Oil Governance and Development in Africa’s Gulf of Guinea*: Friedrich Ebert Stiftung Foundation (FES), Berlin, p. 8-26

¹⁷ See Fearon (2005), where he argued that, “Oil exporters do seem to have been more disposed of conflict from onset, but it is not yet clear what is the most important mechanism are”, whether ‘Primary Commodity export really causes armed conflict’, p.500-503

criticisms have helped bring about the realization of the deeply security nature essence of natural resources conflict. For example, Charles Ukeje's "Oiling Regional Insecurity?" (2008) explains the implications of the Niger Delta crisis for security and stability and how armed group diverted stolen oil and used the revenues for the purpose of protecting illegal crude export networks. Recognising that natural resources conflict in Niger Delta is fundamentally an economic and political act, rather than a neutral one as it has mainly been purported, this research therefore assesses the perspectives of key groups in Niger Delta on what their rights are in terms of natural resource wealth sharing. This approach fits with the work of the Ministry of Niger Delta Affairs that has been working to develop public infrastructure and investing in local communities to create jobs to avoid insecurity resulting from militant groups' use of violence to secure their stake in oil revenue. It is also related to the work being conducted by various governments and NGOs, such as Friends of the Earth, to devise a means to use oil revenue to bring about certain political and economic outcomes in conflict situations such as that in the Niger Delta. The research is also linked to the work of scholars who are interested in the political economy of violent conflict and who have attempted to move beyond the 'Dutch Disease and Resource Curse Theory'. These scholars convey a negative impact of resource dependent economy in developing countries in term of economic development and growth.¹⁸ Their work has gone a long way in building a more nuanced understanding of how political and economic factors interact in conflicts. However, some of these scholarship has not given consideration to an understanding of ethnic diversity, ownership of land, access and control of resource wealth and its effects on natural resources conflict. While politics also plays a part in their analyses, it does so generally with respect to how economic agendas frame the politics of conflict. To add to this understanding of the causes of instability and natural resource conflicts,

¹⁸ Auty Richard (1993), *Sustaining Development in Natural Resources Economies: The Resource Curse Theory*, P.56; also Ross (1999), "The Political Economy of Resource Curse", *World Politics*, p.301-319; Ross (2012) *The Oil Curse-How Petroleum Wealth Shapes the Development of Nations*, P.4-8; but also generally the survey of arguments of scholar like Paul Steven (2003), *Resource Impact—Curse or Blessing?* p.45-8

this analysis also focuses on the fear of ethnic domination and ownership of land that has been underplayed as a cause associated with violence as part of the larger dynamics of conflict and instability. My research, however, is not another study of ethnic politics or the economic role of natural resources wealth. Instead, it offers a focused look at the relations between the struggle for access and control by militant groups and the Federal Government, in order to understand how, through this relationship, oil revenue affected the evolution of groups like: Movement for the emancipation of the Niger Delta (MEND) and thus the outcome of the instability in Niger Delta. In this way, we can understand the dynamic and the different layers of conflict, but it is also a consideration of the evolution of a militant group that is so strongly linked to the political structure of key oil producing states in the Niger Delta. By illustrating the evolution of the Militant groups like MEND and its ideology through a large amount of primary materials, this research adds value to the body of scholarship attempting to explain the factors responsible for instability. These modifications to the original resource curse thesis will enhanced our understanding of the impact of resource wealth, because, at least implicitly, many of them tend to be somewhat deterministic and retain a path dependency or lock-in notion as the only causes of conflict. That is- this thesis hopes to convince-not the case! This research is also part of the scholarship which focuses on the Gulf of Guinea energy resources and insurgency, particularly the work on multinational oil companies itself; this should be seen as part of connected to any discussion relating to ‘Niger Delta Oil Paradox’, as outlined by scholars such as Cyril Obi, Elias Courson, Uwafiokun Idemudia, Graham Brown, Wilson Akpan, Mark Davidheiser, Michael Watts, JNC Hill and among others. This is part of wider work on instability and natural resources conflict. Moreover, this research is also connected to the tradition of scholarship which focuses on the evolution of non-state actors and pressure groups more generally. Ian Bannon and Paul Collier study *“Natural Resource Conflict: What We Can do”* has informed

this work greatly.¹⁹ However, my work aims to show how ethnic diversity, culture, tradition and customs influence and affect a change in the understanding of instability and the dynamics of natural resources conflict, and, therefore, to investigate the causes and factors that contribute to the general study of the level and layers of resource conflict. From a theoretical perspective my work should be seen as situated as a part of the Dutch Disease and Resource Curse theory. It draws directly on the work of Ross, Collier, Obi, and dependent model of Philippe Le Billion, to explain the process of greed and grievance in natural resource control and conflict. Moreover, this study is linked to wider research, such as that of Pierre Englebort and James Ron, and their ideas in Primary Commodity and war. This is discussed in greater detail when I discuss the key actors and dynamics of the conflict.

Importance of this Study and Research Questions

As the purpose of this study is to know what factors are responsible for instability and violent conflict in the Niger Delta of Nigeria? First, this study differs from previous research in the sense that it not only the resource curse theory alone can fully explain conflict in African countries. Apart from such thesis of the 'Dutch Disease', this study get to the core of what is really internal natural resource nationalism that obscures, rather than promotes an accurate understanding of the roots and wider consequences of violent conflict. This is done by addressing the issues of ethnicity, cultural diversity and ownership of land in resource mining space. The findings of this research will go beyond the issues of corruption and mismanagement of resource wealth. It will probe into the social and cultural diversity that form the fabric of the Nigerian state. Second, this study aims to take a critical look at the Niger Delta resource exploitation paradigms with a view of analysing the security impacts on local

¹⁹ Ian Bannon and Paul Collier, "Natural Resources Conflict: What we can do", in *Natural Resources and Violent Conflict: Options and Actions* (ed) Washington D.C.; World Bank, 2003, 1-16

communities in the region. Third, I attempt to effectively reconcile the overarching issues involved. It needs to be borne in mind that natural resource country like Nigeria may inevitably be faced with seemingly conflicting and sometimes irreconcilable interests and other social issues such as: ethnicity, ownership of land and cultural diversity.

Moreover, while the centrality of natural resource wealth like oil and gas is important to social and economic development, the production and export of crude oil can also bring significant insecurity and environmental liabilities to a state. For the Niger Delta region, the net impacts and consequences of oil thus necessitates a comparison of economic gains and incidental social, economic, security and environmental costs. The comparison becomes more meaningful and appropriate at the local community level where the paradoxes of poverty, unemployment, lack of public infrastructure and misery fuel insurgency in the midst of massive wealth.²⁰ Beyond offering what I hope is a helpful dispute resolution contributions, my aim is to join political and realism theory in a way that promotes a moral research question. To that effect, the research questions this study investigates are:

1. What drives the struggle for access to control natural resource wealth in Niger Delta?
2. What are the perspectives of key actors in Nigeria on what their rights are in sharing natural resource wealth?
3. Has the fear of ethnic domination and ownership of land been underplayed in analysis of instability and violence conflict in Niger Delta?
4. Does the struggle for access to control natural resource in the Niger Delta increases the likelihood of armed conflict when the revenue derived from them is not distributed fairly?

²⁰ Cyril Obi (2003) *The Oil Paradox: Reflection on the Violent Dynamics of Petro-Politics and Miss-governance in Nigeria's Niger Delta* which focuses on corruption and revenue allocations; also Charles Ukeje (2008) *Oiling Regional Insecurity? The Implications of the Niger Delta Crisis for Security and Stability in the Gulf of Guinea*, p1-8

Justification for this Study

Political and security risk is one of the main variables that influence the future prospects of the Nigeria state. Striving for political power is inextricably linked to accessing oil revenue; it therefore becomes clear that access to power is one of the main subjects of research in political science. For example, according to Max Weber instability and violent conflict in any given society can be best explained using existing political science models and theories.²¹ This can be used to explain the internal conflict of interest regarding how the distribution of natural resource wealth should be shared between regional states, otherwise known as the derivative principle.²² First, the case of oil and gas export in Niger Delta of Nigeria, from the point of view of security and economic experts reveals a number of contradictions and inconsistencies which this study intends to highlight. Second, this study will contribute to knowledge by exploring the thinking of people in an ethnically diverse society by interviewing grass-roots inhabitants of Niger Delta, thereby activating the thinking of minority groups deviating from the elites' model of primary sources. Third, this study will make an important contribution to the debate about what drives the struggle for access to control natural resources. Furthermore, international comparison can be made and lessons can be learned from this specific case. Therefore, in carrying out effective and efficient research of the causes and factors responsible for natural resources conflict in Niger Delta, the following four factors were considered:

²¹ In Max Weber (*Economy and Society*) deals with the distribution of power within a community where he argues that the structure of every political order directly influences the distribution of power, economic or otherwise, within its respective community. Therefore, the emergence of economic power by some ethnic groups in Nigeria may be the consequences of power existing on other grounds in sharing of natural resources wealth; this is true of all political orders and not only that of the state. See H.H. Gerth and C. Wright Mills, *From Max Weber (Economy & State) vol.2* Routledge: London 1991, p.180-90, 194-5

²² The Nigerian Derivative Principle in sharing of oil and gas revenue stated that, funds should be distributed based on Oil and Gas production and value/importance of oil/gas assets in regional States' territories.

1. As mentioned in the introduction, one of the causes of instability and violent conflict in Niger Delta is the issue of poor governance, whereby, there are inadequate institutions in place or institutions that exist without structure to tackle, for example, the issues of environment pollution, land disputes and protection of citizen rights.
2. The issue of corruption and miss-management of oil and gas revenue: whereby ninety-two per cent of the Nigeria's foreign exchange earnings come from oil and gas. The country earns about \$340 billion dollars per annum from oil export—Ninety per cent of this comes from the Niger Delta²³ But the living standards of the people in the Delta is nothing to write home about, however, as 70 per cent of the population live on less than two dollar a day. Since 1960, Nigeria has earned about \$1.5 trillion dollars from oil export, though only half of this money is unaccounted for due to corruption and nepotism.²⁴
3. Lack of transparency and accountability: The source of this revenue also matters. The scale of oil revenues can be massive. Since oil-funded governments are not financed by taxes on their citizens and instead on the sale of state-owned assets. There is also secrecy surrounding petroleum revenues; whereby governments often collude with international oil companies to conceal transactions, and used their own national oil company to hide both revenues and expenditure.²⁵

²³ Omoyefa, Paul (2010) 'The Niger Delta Conflict: Trends and Prospect', *African Security Review*, 19:2, 70-81; also G. Wurthman, *Ways of using the African Oil Boom for Sustainable Development*, Tunis: African Development Bank, Economic Research Working Paper series No. 86, 2006.

²⁴ World Bank Report: 'Nigeria Natural Resources Exports', 2010.

²⁵ Ross (2012) 'The oil Curse'—How Petroleum Wealth Shapes the Development of Nations, where he argued that secrecy is a key reason why oil revenues are so commonly squandered. Therefore, oil fuelled dictatorship and leaders can remain in power, since they can conceal evidence of their greed and incompetence, p.4-8.

4. The demand of indigenous people in the Niger Delta for access to control oil revenue for infrastructural development projects such as: roads, electricity supply, schools, health care, piping water, as well as employment in the oil and gas industry.

Research Design and Methodology

The nature of the research seems to have dictated its own methodology. First, the thesis consulted a broad range of published materials on the subject. As noted earlier, the Niger Delta region has had its own fair share of academic attention. Here, there has been an extensive consultation of book and journals. While the list of books and journals are included in the bibliography, the ones I used focused mainly on the various aspects of the conflict in the Niger Delta.

Most importantly, however, extensive interviews were conducted in the Niger Delta after the receipt of Ethnical Approval permission from King's College London. Those interviewees were selected based on an ethical criteria standard and conducted using semi-structured interview techniques and mainly open-ended questions which were judged to be the best means of gathering data.

However, use of semi-structured interview approach was adopted, with open-ended questions does place greater pressure on the skills of the interviewer. As King, Keohane and Verba describe it as 'selection bias' can creep in and therefore "interviewers must develop rapport rapidly and then follow the participant's arguments closely by a decision as to which question to select that is crucial for the outcome of the research and the degree to which it can produce determinate and reliable results".²⁶ They must carefully direct the conversation: sensing when and how to ask the more difficult questions, to interrupt repetitive answers, to probe for greater

²⁶ Gary King, Robert O. Keohane, and Sidney Verba (1994) *Designing Social Inquiry: Scientific Inference in Qualitative Research*, p.128-9

depth, and to circle back to themes passed too quickly. They must also sense when it is best to say nothing at all and let the interviewee fill the silence. All this must be done against the clock, focusing the discussion towards the most useful themes as time runs out.

Semi-structured interviews and open-ended questions can also present problems in analysis. Since the exact same questions are not asked of each interviewee, it is more difficult to compare data across all participants. As Burnham et al suggests, a semi-structured interview method is very useful: ‘almost guarantees that the interview will not be very consistent source of reliable data that can be compared across interviews.’²⁷ However, there are two major concerns with interviewing: first, there is the issue of interview effects, and second, the issue of interviewer fraud. Interviewer effects arise when respondents give different responses to interviewers because they are perceived to be more or less empathetic to the respondent. This may be because of gender, ethnicity, accent, demeanour, dress or similar attributes. It is widely assumed that interviewers will be more successful in gaining full and honest answers when they have an understanding of and sympathy for the situation of the informants and their point of view. Interviewer fraud is another concern. The fear is that interviewers may run out of time and make up some of the interview reports or else, if they do conduct them, ask only a few of the questions and make up the rest.²⁸ But this is only common with unstructured interviews. In fact, unstructured interviews are best used as a source of insight, not for hypothesis testing. This is an important constraint on the findings of this thesis: while insight are provided on how relationships work between interviewer and respondent and the fundamental questions they aim to answer, the methodology precludes the testing of hypotheses or statement of intent and inference before firm conclusions are made.

²⁷ Burnham et al 2004, p. 95

²⁸ Peter Burnham, Karin Gilland, Wyn Grant and Zig Layton-Henry (2004) *Research Methods in Politics: Questionnaire design and Interviewing*, p.95-102

As a result of these difficulties in securing interviews, a significant number of participants were accessed through referrals from other interviewees: the so-called ‘snowballing’ technique.

Others were through distributing letters by local government councillors on my behalf and inviting people to be interviewed. The advantage of personal referrals and use of personal contacts is that access can be gained to participants who would not otherwise be identified. For example, local traditional chiefs did provide referrals to questions they were unable to answer.

Furthermore, referrals undoubtedly allowed a means of ‘getting in the door’ to secure interviews with participants who perhaps would not necessarily have agreed to participate if approached without the recommendation of a former participant.

Therefore, data collection would have been significantly impeded if such referrals had not been used. However, use of the snowballing method does have some disadvantages. A snowball metaphor is an appropriate one, since a small core of initial interviewees can be used to gain access to many others. Used correctly, it can create a representative sample of a size that would otherwise be unachievable. However, the method relies on that initial core accurately reflecting the wider sample frame, otherwise, minor biases in the sample at an early stage are amplified if interviewees made recommendations on the basis of shared background or viewpoint. For example, the initial sample of NNPC administrative managers does not reflect government policy, and those interviewed early in the fieldwork phase only refers to NNPC as oil companies; but not a government institution, and in turn their referrals are to other NNPC managers individual point of view which can make the imbalance of the sample progressively worsens. To guard against such methodological problems, care was taken to ensure that the emerging sample, created in part by the snowball method, reflected the wider sample frames. Where potential holes in coverage were identified, efforts were made to make new contacts. Furthermore, to ensure that recommendations were not simply made on the basis of shared

outlooks, participants were questioned carefully as to why they had made the particular referrals.

Most participants were invited to participate in the study by letter printed and distributed on my behalf by local government councillors. In some cases participants were approached via email or a telephone call, particularly those identified using a snowball method and where the initial contact recommended that as the best form of communication. The initial email or letter doubled as an information sheet: explaining the purpose of the study, why the addressee was being approached, the objective and themes the intended interview would cover, and how information gathered from the meeting would be used. All interviewees were given the choice to be cited by name, job title and organizational affiliation; to be cited anonymously; or for their comments to be used only as background information and not cited in the thesis. The majority of participants were happy for their reflections to be directly attributable. However, nearly all serving civil servants and government officials preferred to speak anonymously, with comments attributed to their portfolio only. Participants were also told that they could signal during the interview that certain information was 'off the record', and many interviewees allowed the conversation to flow between comments that could be attributed and those that could not. Very few interviewees spoke 'off the record' to make substantive point that might have negative consequences if they were attributed to the individual or their organization. Often they were constrained by organizational policies relating to speaking to researchers or they wished to illustrate points with confidential information.

Those interviewed during the early stages of the study were offered a transcript of the interview, which they could edit and approve. However, in response to the views of early participants, this method was substituted by an offer for the pages of the final draft in which an interviewee was cited to be sent to them for approval. Just over a third of participants choose to edit their

remarks at this stage. The edits of only one participant were perceived to substantively weaken their initial argument. One interviewee also choose to withdraw at this stage.

A list of potential questions was also enclosed in invitations to early participants. However, feedback suggest that list was intimidating, suggesting that participation required significantly more time than was requested, and that it was unsuited to the semi-structured nature of the interview. Participants were advised that the interview would be recorded digitally, unless they preferred that notes were taken instead, and that they had the right to withdraw from the study any time. They were also given the contact detail of the thesis supervisor should they have any questions or concerns. Use of a consent form was considered an ethical requirement and appropriate for the nature of the interviewees. Consent was acquired in written form.

Interviews were normally conducted in the offices of the participant or the researcher's office. In a few cases where scheduling was difficult, interviews took place in private houses or community centres. Each interview began with a five minutes summary of the research, the purpose of the interview and the intended of the resulting data. Most participants had prepared some thoughts about the subject in advance. However, a few had little understanding of the purpose of the interview beforehand, having had the meeting scheduled well in advance by the local constituency councillor. All were given the chance to ask questions about the research project, before being asked if they were happy to continue and permission gained for taking notes. In many cases, participants invited colleagues to take part, or in a separate meetings immediately following their own. Special care was then taken to ensure such participants were fully informed before continuing. They were normally handed a stock information sheet carried for the purpose, and sent a follow up letter afterward, again explaining the project.

Interviews ranged from thirty minutes to over two hours, with the average lasting slightly over an hour from being greeted to being escorted out. In some cases, the researcher was invited to a

drink before or after the interview, or to shadow the interviewee for a few hours. Such segments of the meetings were 'off the record' unless the interviewee indicated that he or she was happy to be cited. During early interviews, participants were asked for an hour of their time. However, feedback suggested that this was too long a period to request at the outset, and most interviewees were initially asked for a meeting of 30 minutes. Although interviewees were warned at 25 minutes that they were nearing the end of the scheduled time, the majority seemed happy to speak for longer without request.

Moreover, semi-structured interviews challenged the researcher to direct discussion far more than with other interview techniques: monitoring coverage of themes and developing probing questions that follow up on the participant's remarks. Since digital recording was quite intimidating, detailed notes were taken by hand. This also allowed a more accurate record of what was said and allowed the researcher to remember the exact nuance of conversations at a later date. In fact, extensive notes were taken during interviews for the purpose of recording accurate data. These notes allowed the researcher to visualise and analyse the participant's arguments in real time so that key themes could be identified and followed up during the interview. Note-taking also seemed to have the additional advantage of reassuring participants that what they were saying was interesting and relevant, particularly as there is a danger that participants will feel inhibited by digital recording devices.

As a researcher, I was supposedly constrained by the principle of anonymity and impartiality and therefore, interviews were conducted only through sources that were genuine with people that live in the Niger Delta region, who witness the violence and can give an accurate account of what really happened in the peak period between 2008 and 2010. Due to the ongoing nature of the conflict, the researcher was unable to interview military personnel, and militant commanders (except one in Bayelsa state), even some of the traditional chiefs were excluded due to being actively involved in the violence. As such, one of the aims of this research is to

employ a methodology that brings the belligerents of different ethnic groups into the body of empirical material covering the instability in the Niger Delta region. Also, it aims to show that such research is not as complicated, either practically or ethically, as many might believe.

Decisions between cases or events, as well as the mode of analysis, are as much based on what occurred on the ground as on the aim of the project. The following, therefore, tries to explain the choices made and why they are best suited for this study.

For the purposes of part of this research, I juxtaposed various source material types to corroborate information about events. I also juxtaposed narratives taken from interviews to derive a narrative of the conflict. By examining the internal policies of the Oil Mineral Producing and Developing Area Commission (OMPDAC) and communication, official government documentation relating to the implementation of policy, and other primary sources, I constructed an overall narrative. Then, I used the extensive secondary literature that covers militant activities in Niger Delta to corroborate and challenge narratives interpreted from the primary material. As one of the major criticisms of a qualitative approach, especially when examining the result, is the bias inherent in a narrow data pool, I therefore used triangulation of data type and of source origins to limit biases. However, as discussed below in the 'Ethical Consideration' section, biases often allowed me to gain an understanding of certain aspects of how the Niger Delta Oil communities perceived the Nigeria government and oil companies; an attempt to avoid bias altogether would have precluded such an understanding. In many respects the ethos of this methodology is to embrace the sympathies developed during field research in the hope of discovering understandings that could illuminate the current body of scholarship. This project also embraces a field-intensive research methodology, drawing strongly on ethnic diversity historical approaches.

For the purpose of understanding the place of instability in natural resources conflict in political decision making the revealed grievance of the Niger Delta communities were most valuable.

These individual opinions of where local inhabitants themselves positioned lack oil revenue considerations were used to construct the different layers of conflict in decision making analysis described in detail below. This tool helped determine roughly the general themes in the share of oil revenue that is related considerations such as the World Trade Organization (WTO) law on The Economic Rights and Duties of States in the ownership of natural resources as a policy framework for importing states and multinationals in the extractive industries.²⁹ This was then used as the basis of the importance of local community stake in oil revenue. The interpretation drawn from these materials were used to construct narratives that provides analysis of the relationship between access and control of resource wealth.

Data Collection

The qualitative method and research design has been built in at the beginning with the initial goal of investigating of what drives the struggle for access to control natural resource wealth in the Niger Delta of Nigeria. The data available were adjusted according to concerns regarding source material and analysis as the project progressed. In this sense, the study has very much been a case of conflicting events. Semi-structured interviews were used, something which ensured key themes were covered in every interview, but also that the course of the interview was shaped to a great extent by the response of the participants. New and interesting perspectives could be probed, urged by pre-prepared follow up questions or occasionally by abandoning the question scheme entirely.

The conversational style allowed the generation of nuanced data shaped by the local participant's own framework of understanding. To some extent, the use of open questions was necessitated by the relatively understudied nature of the subject matter. However, open-ended questions also allowed participants to reflect on and explore the themes on their own terms.

²⁹ See Leif Wenar (2012) Clean Trade in Natural Resources, p.7

The collection of data began with the chance to meet a key source like: oil company representatives, local community leaders, government officials, traditional rulers and NGOs operating in the area of interest. I was also privileged to meet a high-level militant commander who participated in the amnesty programme in 2008. My relationship with him and the initial contacts he facilitated have largely set in motion the snowballing of primary account and material for the study.

I also made an important connection with the official of the newly created Ministry of Niger Delta Affairs (MNDA) which now designs the policy and strategies for dialogue and the amnesty programme. This has been an essential contact, assisting me in gaining access to the development programme for public infrastructure development, along with statistics and progress made and actors involved-that I might otherwise have overlooked³⁰

Since information from the government ministry forms a significant starting point of interviews and long-running inquiries, any data from them is referenced in notes as in the interview with MNDA. While the starting point of my research was the work of the more prominent scholars studying countries with resource wealth dependence, many of the less conventional sources, which become central to this study, were not apparent to me until the Niger Delta Ministry gave a sense of direction to certain events and actors who then provided a keen insight that the typical field worker sources could not. The Ministry granted me permission to access the office of National Planning and Statistics and were very happy to see an independent external researcher confronting these issues and probe the factors and causes of violent conflict in Niger Delta.

Different actors in conflicts consider government information to be misleading or providing only a skewed picture from what is happening on the ground; therefore, this is deeply

³⁰ The Ministry of Niger Delta Affairs, Information & development programme centre for public infrastructure provision to local communities 2008-2012

considered here too in my analysis. However, government sources afforded me a level of access that made a primary data-focused design feasible. Such design would have been impractical without the extensive network of contacts and the almost free access I have had to Local communities, youth movements and environmental activists in the region. Such access is essential to a study that relies on interviews and primary material, and is particularly important for the return interviews with key contacts that are part of my approach.

A multitude of other individuals provided me private access to documents and helped me establish contacts with local government councillors, community chiefs and oil company operatives in the areas that eventually made possible a comfortable exchange with MEND officers. Other individual involved with the Evangelical Churches in Niger Delta, NGOs employees and members of local community organizations such as women's micro-finance schemes all provided essential connections too. Those individuals who have been involved in Niger Delta conflict resolution for a long time had friends in political parties and oil company workers' unions; such connections were crucial for mobility and thus covering the five oil producing states in the region. Access to local government councillors was essential to conduct this research and they too considered this research of great importance to them. In this case the assistance of security officials of the Joint Task Force (JTF) for oil and gas infrastructure protection as well as the office of international NGOs were very helpful. On a more general note, the openness of the JTF at the time was impressive in protecting foreign nationals and domestic workers.

I began with highly structured interviews but soon changed to ones that were openly structured. As more and more interviews were conducted, it become almost instinctual to fellow up on certain issues relating to oil revenue allocation for infrastructure development in local communities in the Niger Delta. The interviews became much more fluid and the informants more open and candid. Realizing this, I returned to many of the sources I interviewed in the

first years of my research to analyse whether there was a change in events. For example, my interview with the officials in the Ministry of Niger Delta, were initially quite rigid and confidential and did not reveal much about reasons for actions, the most important data for my analysis. Over the past two years, being able to ask the Ministry and State Revenue Allocation Department further questions on several occasions has resulted in deeper understanding. Also, this approach has allowed me cumulatively lengthy interaction with people who are exceptionally busy.

Answers in interviews often took on a character that might be described as greed and grievance clashes between different actors. Very little misunderstanding was required once I had put forward my basic areas of questions to be asked. For, example, to my recollections, when I asked about security dynamics of militant groups kidnapping oil workers for ransom payment, the respondents typically entered into a long description of their memories of a curfew being imposed in communities by government JTF when such event occurred. Because of this, the risk of inadvertently guiding and leading response was, for the most part, effectively avoided. If I felt the respondent had not already covered them, I did present key themes after the 2008 military conflict between Militant group and Government JTF was recounted. Sometimes this was done through second and third interviews or by asking follow-up questions via phone or email. Issues of interest included experience dealing with the likelihood of armed conflict if oil revenue stopped coming in to local communities; or what their rights are in sharing natural wealth.

Interviews were also often framed by general questions about key periods and events discerned from my initial comparative chronological analysis. Of special interest during the interviews were the events of 2007: the ethnic conflict between the Istekiri and Uhrobo in the oil city of Warri over ownership of land; the battles for the payment of royalty to oil block communities;

the fighting and blowing-up of export pipelines in Escravos terminal; the work of Evangelical Churches as part of peace negotiations between communities in the Niger Delta.

None of the interviews were recorded on tape. However, it quickly became clear that respondents were significantly more comfortable with me taking notes rather than video recording. It was made clear in the consent form by the selected interviewees that they were particularly worried and sometimes even intimidated by vigilante groups. As such, I began to take only notes of the interviews. Recaps of the interviews were immediately composed after the interviews were conducted. In these reviews I injected personal impressions and emphasized parts of the interview that seemed most pertinent.

I conducted an initial running analysis to inform future interviews. This running analysis focused on the nature of the responses to the various thematic areas in general, and aimed at either discarding certain thematic focuses or adding those that were being ignored. When new issues arose they were immediately injected into the study.

As introduced above, an important part of this study's method was the re-interviewing of many of the interviewees. Some key sources were contacted on a regular basis right up to the completion of the thesis, and some were presented with the thesis for their thoughts. In the secondary, sometimes tertiary or further interviews, many of the assertions put forward by the interviewee in the initial interview were posed again in a manner that assisted in the construction of a situation that juxtaposed sources to try to understand events. As in differences between statements of participants' source which I used to build an interpretation that best fit the events under study allowed me to challenge some of the responses of interviewees after time had passed, so that the interviewee did not feel he/she was being interrogated. The span of time between initial interview and secondary interview also afforded me the opportunity to see if people maintained consistent stories. This is particularly important because the method of

analysis here look carefully at the language used: if the rhetoric used by respondents was not consistent between the initial and second interviews, major questions arose that required further consideration and investigation. These conversations have added much of the substance to and illustration for the study, and have been essential in checking details and across referencing information.

Choices of interviewees were largely made using a random selection process. I made every attempt to guard against key sources directing me to those who would reinforce their stories; effort was also made to have as many opposing views as possible. As such, I approached all types of personalities. Generally, the apparently relaxed nature of the oil company officials with respect to visitors enabled me to approach many significant figures that might otherwise be inaccessible to those not familiar with the Niger Delta. That said, because of the huge influx of UN Environmental Agencies, NGOs and other internationals, and because the militant groups are more or less part of state governments, it has become much more difficult to walk into the offices of key states officials.

The social network approach also afforded me a better understanding of the social organization and hierarchies that exist within MEND. Furthermore, this approach helped me to derive a better understanding of the power relations between MEND and state officials. Essentially, it was valuable to reflect on who connected me with whom and how these people were linked within MEND, thus allowing a view of MEND social networks. Moreover, this reinforces the idea that MEND is a 'grand alliance' and that during the research it was continually important to consider the major role of prominent individuals. Also, it revealed significant social networks between NGOs and MEND. This was particularly important in understanding the flow of ideas and their significance inside MEND's militant organization.

Given the important of interviews and the time spent in the Niger Delta region conducting research into security issues, discussing these trips in more details is thus worthwhile. What follows is a description of various trips to the field, the number of interviews as well as other types of research conducted on these trips.

The initial trip into the Niger Delta was conducted in April of 2012. During this trip time was spent in Port Harcourt, the largest oil and gas city in the region, where interviews with a significant number of local government officials (both former and serving) were conducted. I established contacts thanks to assistance from some local government councillors, who were also working at the time on negotiating peace among different militant groups and oil companies in River State.

These initial contacts in Port Harcourt were essential to developing further contacts in other states in the region. Interviews in Port Harcourt focused on the security concern for oil companies' expatriates that are based in towns around creeks and pipelines flowing stations. Within the Niger Delta region, interviews focused on local people who had been involved in the protesting against multinational oil companies and environmental pollution they were seen to have caused. They also demanded compensation for land and agricultural damages incurred. Local chiefs and NGOs working in the area were also interviewed. Also interviewed are people who lived in the areas of violence during the 2008 conflict between militant groups and JTF help to corroborate the stories relating to local actors and government strategy to achieve peace.

By late August 2013, however, the amount of research inside the Delta region continued to be limited to oil company officials and the number of key interviews was around 30. Through this interaction, I had learned a lot about the dynamics, profile and security strategy put in place to protect oil installations in the region, but access to the core of MEND remained difficult. It was

not until September 2013 before the situation began to change significantly, and I was allowed access to interview some youth members of militant groups who participated in the amnesty in 2009 that produced sources more comprehensively reliable with much more extensive details.

Two major events were key to opening up extensive access. First was taking part in a Community Forum that was distributing oil revenue to the Sagbama Local Government Area in September. The number of NGOs present that are undertaking development project in the region and their connections with important locals proved a major opportunity and provided increased access. Also, many people taking part in the management of oil funds, government monitoring agencies, and the UN also proved exceptionally valuable for interviewing contacts and logistic assistance during all future field research conducted. Most importantly, strong friendships were fostered which have proven critical in completing this project.

The second trip in October 2013 opened major access to some government officials in the Ministry of Niger Delta Affairs and connected me to the highest level in the NNPC and thus allowed interviews about government policy in revenue sharing. Introductions from the ministry officials proved critical in gaining the trust of many sources, and allowed me to build an extensive network of contacts and interviewees in Delta state. Of immense importance too was my connection with the Women's Micro Finance Association (WMFA) in Bayelsa State was particularly helpful in providing assistance to how oil trust funds are being managed in establishing small scale businesses among women in the region. I conducted confidential interviews with 15 key women's group members on their behalf. Without this assistance I would not have been able to collect the views of some these individuals due to logistical, language and other constraints. The bibliography features a summary of the analysis of number of interviews conducted, along with the details and reports of those, as well as a short summary of the findings from this group of interviews referred to as confidential.

Of special note was a trip along the river noun rescue barge, which afforded me the opportunity to travel along the creek and to visit communities, particularly Bonny Island--a key location of oil and gas exploration and thus important in its own right with relation to the dynamics of the conflict. Also, the time on the barge allowed for discussion with crew members who had played a significant role in both humanitarian and public social service; this was hugely informative regarding fighting between militant groups and government forces at the peak of instability and threats to oil installations in the region.

My primary concern in analysing interviews and text sources was to search for the reasons behind the struggle for access to control of oil wealth in the Niger Delta, as well as to discover the perspectives of key groups in the Niger Delta regarding what their rights are in sharing natural resources wealth.

These two key elements provided a frame for my analysis: the presence of oil and gas as the major earner for the Nigeria economy, and changes in the sharing of oil revenue. Once these features were identified, I assessed their significance compared to other influence like the ownership of land where the resource wealth is found and the fear of ethnic domination. I also examined the narratives provided by the federal revenue sharing formulae of the derivative principles to determine the source of instability and conflict. This analysis is elaborated in chapter two and three. Through this ethnic discourse, I was able to determine how the belligerents actors interpret and conceive their rights and influence that increases the likelihood of armed conflict when the revenue derived from oil and gas are not distributed fairly.

Official reports from the Niger Delta Commission were also used as a starting point to establish data and policy prescriptions for the Federal Government. Key focal points were established, and an initial interpretation of the link between oil revenue and the outbreak of conflict in the

region was constructed. This interpretation guided the primary research for documents and interviews from the key figures in the NNPC and MNDAs portfolios that were concerned.

The parallel statistical data and chronological approach was not meant to provide proof for a hypothesis, but as a method of critical analysis that would facilitate an awareness of how the conflict started, which was superimposed from the past and is recollected and joined with the present to interpret the present dynamics. I was then able to interpret the forces and actors that were involved to build a view of the dynamics and reasoning of the processes and corresponding consequences of the conflict. Several interpretations had been piloted before that did not reflect from the synthesis of the data collected through primary sources. This series of contending interpretations was turned into a multiple explanatory narrative.

Since the contending responses were quite different from the initial assumptions of resource conflict in Nigeria by many of the actors in the events under consideration; it was thus useful to return to these local communities and put to them alternative questions to explore different discourse. The responses can be seen as part of an argumentative discourse between the interviewee, who represents some of the assumptions and interpretations and the interviewer (researcher) who presents some other form of outstanding that is underplayed but discerned from other sources. The resulting interviews, therefore, turned to addressing complex issues that also turned into a meaningful idea. By putting interview material through such a process, this results in a more reliable understanding of acceptable norms that form the basis of the final analysis and report used in this thesis. Determining the effect of such practical activity upon other practical activity requires a critical questioning often consisting of several layers of the conflict that involved different actors. The method that follows is essential to the analysis describe above because it is through this approach that several opposing interpretations of the nature of instability has had upon the oil industry in Niger Delta.

A significant part of the research has been focused on developing an approach through which we can build an understanding of contested space, such as who should control natural resource wealth. Several other interpretations are retrieved from the source materials; the most plausible interpretation focused on the judicial argument between the Federal Government and the oil producing states in the ownership of resource wealth in the continental shelf of the Niger Delta offshore space. Making such judgements, whether in a court or in this research, is a process that relies upon first-hand judgement passed by the Supreme Court of Nigeria within a particular series of events which resulted to unresolved dispute that led to inaccurate or contradictory accounts by different parties.

In the interviews, informants were asked questions such as: What do you think drives the struggle for access to control oil wealth in Niger Delta? This was often done by presenting the scenario to the interviewees regarding competition for oil revenue. As an open ended question and by putting to the interviewee versions of events from previous analysis and discourse, the interviewee was able to give his/her opinion with regards to the disagreement between the government and people in resource mining space. After the interviews were analysed, a process of synthesis uncovered internal contradictions, factual errors, inconsistencies, or fallacies. Each key respondent's answers and explanations were cross-examined and a final analysis is built. A similar process was followed for the statistical data for primary sources material, such as government development projects for oil producing areas, NGOs, community organizations, oil companies and states finances for local authorities. Analysis produced from these processes are cross-examined and considered in the context of reviews of scholarly secondary and tertiary material. These were like the various versions of events and dynamics, analysed as a part of the argument. I have produced an explanation of how instability has affected the production of oil for the periods identified in my initial analysis of parallel conflict events and the action the government took to regain control of natural resource space. Once these interpretations were

constructed, they were aligned with dynamics and used to develop an understanding of how they link together and influence the flow of oil.

All of the typical ethical concerns for conducting social research are amplified in a conflict setting such as that in the Niger Delta. As a result, I took significant care to protect sources as well as myself as a researcher. However, I encountered an even greater burden once friends had been made and sympathies developed—an obligation to communicate a version of the experience of the people that does justice to their condition and struggle. This thesis is only a part of the attempt to repay the people of the Niger Delta for what they have afforded me and for the knowledge I have gained from them.

Ethical issues that surround conducting research in conflict settings and sensitive political environments are numerous. In *Doing Research in the Real World*, David E. Gray attempt to address the deep and complicated issues of personal safety, and the obligation to vulnerable populations, among other issues, for research amid conflict situation. Although I did not engage in the local politics and in such a comprehensive consideration of the myriad ethical issues dealt with in *Doing Research in the Real World*, I do reflect upon the issues that presented themselves most starkly to me while conducting research in the Niger Delta on various trips between 2011 and 2013. The most challenging one was the security issues and arms proliferation in the Niger Delta that endangered the lives and property of 30 million inhabitants. To quote David Gray: *‘The fieldworker must have a good knowledge of the working environment both in terms of the research venue and the geographical area in which it is situated’*.³¹ Safety issues apply just as much to researchers as they do to respondents.

However, understanding the instability and dynamics of natural resources conflict in the Niger Delta has affected my research in two ways. First, it allowed me access to features of the social

³¹ David E. Gray, *Doing Research in the Real World*, Safety Issues for Researchers, Sage Publication, 2014, p.92

and security setting of the instability in the region. These may not have been apparent if I had attempted to retain the distance that so many people purported to have taken. This could also be called bias, because it is an enabler for future research. Sometimes the appearance of bias toward a particular group's ideological inclination can grant a researcher access to certain localities, individuals, and other source material that might have otherwise been blocked to the researcher. Allowing oneself to develop sympathies and build friendships, even empathizing with certain individuals and groups, is potentially a powerful asset to the researcher. In fact, through this, one can begin to gain a deeper, or 'thicker' understanding of the social environment, and the meanings and reasons for action held by people-something, which is critical for conducting an interpretative project such as this one. As David Gray put it, "*One way of avoiding, or at least minimizing this bias is for the researcher's method and approach to be reliable and consistently with what it set out to measure*".³²

I have found such qualification is best gained by spending time with the various actors in the Niger Delta, so understanding and empathy were developed for the various parties to the conflict and precluded biases from distorting research and analysis from the goal of a sincere and balanced account. By developing sympathies towards Niger Delta indigenous populations, individuals and groups, as well as toward various multinational oil companies in the region, I was better able to gain an understanding of how militant groups became the bona-fide representative of the people by channelling their grievances to the Federal Government and how they came to accept many of these norms.

This is not to suggest that what respondents said was always taken at face value or considered without serious critique or even suspicion. It simply contends that a sense of why individuals did what they did, and an understanding that there was some virtue in their positions, allowed

³² Ibid, p.389

both access to deeper source material and the production of a more illustrative scenarios. It also seems important for security reasons for the perspective adopted by local communities in a conflict environment such as the Niger Delta to observe researcher in their communities for some time, and make sure that he/she is not as an informant of JTF before opening up to inquiries. This experience raises the interesting question of the degree to which research of the kind I conducted takes on a clandestine or secretive model. Much of the source material for this research has been acquired by committing to discretion with respondents or those who have provided access to documents; details have been kept from respondents and their alternative views assessed in opposition to one another.

This, however, does not make the activity clandestine in any way. The fact that the aims of the research, my affiliated institution, and any intended possibilities for dissemination were disclosed to sources before engaging in interviews or other source collection limited most of the suspicion that typically surrounds anyone asking questions about security issues in a conflict zone. Also, due to the good information that were provided by key members of the Ministry of Niger Delta Affairs, this suggest that they were generally comfortable with my presence. Also, the more time I spent and the more interviews I conducted, it become clear to many that my presence in the local communities was not associated with a government or with any organization other than King's College London. In a way, I think people became accustomed to my presence.

Interestingly, due to a deep reverence for academic and educational pursuits throughout the Niger Delta, people were willing to accept the conducting of social and security research as important and they typically understood, and as such respected, why I would want to research the situation in the Niger Delta. Adding to this was the fact that the Department of War Studies at King's College was known by at the state government level, and was also well respected. Thus

my association with the department granted a level of credibility that proved essential in gaining trust and limiting the fear of being a spy that engaged in some sort of clandestine activity.

As a result of the features described above, some of the ethical issues that are core to the open versus closed research debate were resolved. Since the objectives of the study were primarily to know the causes of conflict in the Niger Delta, members of the state governments had knowledge of and respected academic research in military and security affairs. This seemed to alleviate the suspicion of many critics of social research ethics. Also, because I was interested in the hidden facts of a reasonably recent conflict between communities and oil companies, there was not a concern that I might be providing information that could be used by 'the enemy' in the JFT and the economic struggle that continued, despite the amnesty to militant groups.

Issues regarding disclosure did occasionally arise, however, I have no concern that top-level multinational oil companies executive were more than competent to make decision about talking to me or not, disclosure concerns did surround many of the lower-ranking oil workers. First, it must be understood that one cannot present a disclosure form to such individuals and expect anything resembling a positive response; the sort of disclosure form advocated by medical research or others in social science research is not applicable in an environment rife with suspicion, where signing documents is not culturally understood in the same way as it is in Europe.

Another complication I did not anticipate was that, having gained permission from local community leaders to conduct interviews, many residents took this permission as something like an order and responded in a very different fashion than I had anticipated; they were often clearly going out of their way to give me information that would please me rather to reflect on their own opinion and experiences as they saw them. While this was also a problem in the general population, it was more so in the context of most communities with militant groups.

In fact, I was confronted several times with the dilemma of reporting one sided events that might have had a very negative impact upon certain individuals. In all of these cases I decided that specifics of particular orders, and narratives or event would be subject to rigour in the final presentation of this thesis, though they significantly informed my personal understanding of the situation. A similar dilemma arose with respect to many of the local government councillors, and environmental activists; the activities of NGOs in the region can become the source of environmental scandals that is based in a one sided narratives of pollution. Although, absolute care was taken to highlight the positive work that these agencies are doing not to hamper the progress already made.

Since I was not engaged in investigative journalism and I gained much of this insight with the confidence garnered from presenting myself as a 'PhD student' doing academic research, which I exercise throughout the interviewed process. While I was careful to make certain that I continued to take a critical perspective of different actors, by focusing on the parameters of the study I worked to limit the risk of engaging in the presentation of a sensational characterizations of different organizations. While in descriptions and analysis I clearly indicate that I see the role of militant groups as critical both in the security and peaceful settlement of the Niger Delta question, I do not engage in value judgments or considerations of the appropriateness of such significance; the readers of this thesis must decide for themselves.

Even for those who clearly provided informed consent, the sensitivity of many of the issues and events discussed must be protected through a strict adherence to confidentiality. Citations, when appropriate, are given in terms of the general role of the source only: the month and general location in which the confidential interview was conducted are given; names are withheld. The original material, including notes and interviews are kept in secure safe and will be destroyed within a reasonable time after the final submission of the thesis.

Major Findings

As a result of the systematic analysis of the above data, the thesis reaches the following conclusion: overall; and notwithstanding occasional exceptions and nuances within security studies that, when assessing natural resources conflict in an ethnic diverse society, consideration should be given to a research output which is based upon issues of political and economic management of resource wealth in a highly selective treatment of the subject, with this selectivity both systematic and based upon a clear political bias. As such the thesis finds that the core expertise exploring conflict has, throughout the 2000s, served the economic model of the redistribution of resource wealth from the government to the poor, instead of addressing the ownership of land where the endowment is found. Ensuring that appropriate measures are put in place to compensate them in case of indemnity and usage of fixed asset (land).

In addition, the thesis finds that this selective focus of previous researchers is sustained largely as a result of research practices which suffer from two major problematic features. First, natural resources security research output has often (although by no means always) rested upon a remarkably narrow base of independently-sourced empirical data. Some of the key claims made by the core experts throughout the literature have been largely upon unsubstantiated assertion and circumstantial evidence, whilst others have been reliant upon the uncritical incorporation of 'officially sourced' information. In this regard, there has often been a heavy reliance upon military intelligence and other government sources from states directly involved in combating the primary threat of armed insurgents to natural resource mining space. This narrow base of (independent) empirical evidence does not always probe to the bottom of the social and ethnic dimension and thus often leads to false premises.

The second major problematic feature of the core research output of natural resources conflict has been the widespread references to law and order doctrine in relation to much of the

relevant statistical data in regards to criminal gangs under the cover of resource nationalism. Specifically, there has been a distant lack of engagement by the federal government of Nigeria with militant groups in the Niger Delta. Whether such forces are criminal gangs or insurgents forces working to destabilise the country or whether they have separatist agendas to overthrow the government. The core literature has tended to display a distant lack of engagement with the relevant groups. In this way, the core experts have examined in detail only a sample of violent conflicts which may reasonably be said to meet the criteria of having a separatist agenda, and have therefore seen military force applied to them in order bring peace to conflict areas in the Niger Delta.

Third, research also revealed that the debate over ownership of resource wealth has shifted from revenue distribution to resource control among indigenous oil operators. Non-Delta region shareholders/directors owned 83% of oil blocks in the country and the Niger Delta indigenous militants movement has called on the government to revoke or re-allocate the controversial oil blocks or an equivalent number to be given to the people from the Niger Delta region whose lives are being degraded by oil exploration. Overall, these are three major problematic features of the core research output—the problem of one sided government sovereignty right and ownership of natural resources mining space and the problem of using military force to silence minority rights. Although, it is important to note that these findings do not mean that there is a total absence of research which challenges the premises and practices of the Nigerian government in reaching an agreeable settlement to the Niger Delta question. It is agreed here that as set out in the earlier literature review, there is a rich tradition of research - and a concomitant extensive literature--which engage in sustained critique of issues pertaining to resolving natural resources conflict. Scholars such as Humphrey Michael, Philippe Le Billion, Michael Klare and Pierre Englebert, have all authored detailed empirical research which focus on the use of military force in engaging separatist movement tied to natural resources

nationalism. But the issue of ethnicity is always missing. In this light, the insulating function of the core literature examined here is not finite, and there remains sites in the academy of significant resistance to the dominant narratives and of alternative interpretations and research agendas against the dominant focus of resource curse. However, the core research question is detailed in some depth in chapter four.

Definitions of Key Concepts

Ethnicity: Ethnicity is one of the most intensely discussed concepts in social science and there is no general consensus on the exact meaning of the term. This thesis starts with Wolfgang Gabbert's definition of ethnicity "as a specific form of social differentiation whereby actors use cultural or phenotypic markers to distinguish themselves from others".³³ While other theorist like Bruce Berman see it as a product of a "continuing historical process, always simultaneously old and new, grounded in the past and perpetually in creation".³⁴ But in my view, ethnicity is understood in this thesis 'as a group of people with similar or multiple culture and customs, as well as divergent interests and conflicts among generation, clan, faction, tradition and culture all seeking recognition of their identities in the political and economic process relating to the sharing of natural resources. But in the Nigerian context, ethnicity also represent so much large and more sharply defined and differentiated groups and it continue to be internally differentiated into geo-political zones, regional or cultural sub-groups and identities which are engaged in vigorous internal rivalries to safeguard their group interest. In my view, the state of affairs of corruption, lack of security and mismanagement of natural resources revenue has overshadowed and hindered the development of a healthy and productive debate of ethnic cohesion in secular society as the central problem of instability in the Nigeria federation. A

³³ Gabbert (2006) Concepts of Ethnicity, Latin American and Caribbean Ethnic Studies, 1:1, 85-103

³⁴ Berman (1998) Ethnicity, Patronage and the Africa State: The Politics of Uncivil Nationalism, Africa Affairs 97, 305-341

similar view was represented by the modernization theory that dominated the debates on development up to the 1960s, the idea that ‘tribal’ loyalties in developing countries were a hindrance to societal integration and nation building.³⁵ But as a response to the mounting critique of the nineteenth-century evolutionary concepts, the term tribe has largely fallen into disuse in political science and been replaced by ethnic group. Nonetheless, tribe is still used in political anthropology as a category for a particular form of pre-state social organization.

Derivative Principle: The term is defined here as the percentage of oil revenue littoral states in the Niger Delta retain from tax on oil exploration and production.³⁶ In the case of the Niger Delta, the five littoral states consists of: Bayelsa, Delta, Akwa-Ibom, Cross River and Rivers state and the derivation fund currently stands at 13% since 2001 meaning that it should be distributed according to that figure based on oil and gas production (current and historical); and value/importance of oil/gas assets in their territories. These allocations are retained by oil producing states before federal allocations based on five criteria: equality (equal shares per state), population, social development, landmass, and revenue generation.

Access and Control: These are the two ways to understand the causes of instability in the Niger Delta of Nigeria. “Access” is defined and applied here as “local involvement”, giving opportunities to local inhabitants in the Niger Delta region in the oil industry, while “Control”, is used here as “local ownership”, whereby local citizens are stake-holders as managers in the sense of directing ownership of assets and resources of oil and gas for productive purposes. In applying these meanings to resource conflict, access and control can be through concession between countries, state and multinational companies, or between regions and companies. But most academics argued that the word concession is, and has been for some years now, politically incorrect because it transfer the rights of resource endowed countries to foreign

³⁵ Gabbert, 2006, p.87

³⁶ The 1999 Nigeria Constitution, Chapter 3, section 14, paragraph 5.

government and companies, under some kind of duress. In fact, most legal experts believe that concession stems from a time when now independent states were mere colonies or protectorates. Therefore, in the twenty-first century, the term has been replaced by the more acceptable one of exploration and production (E&P) agreement which embraces the sovereignty of states in various countries, and other terminology, such as production-sharing agreement (PSA), joint venture (JV) and risk contracts.

From the expert point of view³⁷, concludes Francisco Parra (2010), concessions and production agreements of oil and gas resources in developing countries vary vastly and significantly in content, but all have similar features in common:

- The government grants the company or country an exclusive right to carry out exploration, development and hydrocarbon production operations in a defined area for a limited period of time;
- The company acquires titles to the hydrocarbons and is almost always free to dispose of them without further restriction;
- The company bears the financial and commercial risks associated with the undertaking;
- The company or party involved agrees to make certain payments to the government in return; and
- The concessions are contracts with the state, though this does not itself imply insulation from state's general power to pass legislation overriding the terms of the contract.

Therefore, in looking at the issue of resource conflict, access and control is important due to the fact that, those who have access and control oil and gas wealth get the larger share of resource revenue through the distribution of natural resources wealth. But in most countries

³⁷ Where he argued that, the term concession has been replaced by the more neutral one of exploration and production agreement, but however much of their legal framework may differ in term of structure, companies obligations and tax system, Parra (2010) p.8-10

where there is inequality in term of allocation of resource revenue, dependence on natural resources commodities like oil and gas export may substantially increases the risk of conflict that could lead to state instability

Instability: Instability is derives from the Latin word “unsteadiness”, meaning lack of balance or state of disequilibrium. In terms of a state in a conflict situation, it refers to the level of being unsteady varying from uncertainty, insecurity, imbalance, unpredictability to a high level of vulnerability in a position of collapse. The result may be state failure or an ungovernable entity and functionalities within the state system. Michael L. Ross (2012) defined instability in energy resource countries as the volatility of world oil prices, and the rise and fall of a country’s reserves that can produce large fluctuations in a government’s finances. He argues that this volatility is produced by a combination of three factors: changes in oil prices, changes in production rates, and the contract between governments and oil companies, which can either smooth or heighten fluctuations.³⁸ But “instability” is applied here as the lack of security for oil companies personnel’s, gas infrastructure and violence in local communities in oil and gas producing areas due to lack of access to oil revenue. In exploring the issues of instability, a landmark United Nations World Development Report followed up by a report from Commission on Conflict, Security, and Development shifted the focus of security to instability from nation states to individuals, groups and organization of ordinary people struggling with everyday challenges like access to resources, poverty, unemployment, crime, political repression, environmental degradation and marginalization.³⁹

³⁸ See Michael L. Ross (2012) The Oil curse – How Petroleum Wealth Shapes the Development of Nations. Ross strongly believe that energy exporting Governments are saddled with tasks that they are seldom able to manage their capital expenditure because of this financial instability, which can help explain why they frequently squander their resources wealth. If energy producing communities expectations are high, revenue instability will aggravates regional conflicts, making it harder for governments and rebels to settle their differences, p.6

³⁹ United Nations World Development Report, World Bank, Overview on Conflict, Security and Development 2011

In looking at the issue of instability, one of the prominent fear is the sense of insecurity and that can shape what happens in economic, political, and other domains in a state. In the case of natural resources, the fear of conflict, war, or natural disaster that may disrupt their supply shape the insecurity of consumer nations. Moreover, instability in any given society can endangers violence and insecurity, as state-making strategies to control citizens through the legitimate use of force in dispute between different groups may clash with the interests of particular segments of the population that perceive the extension of the state authority as posing a direct danger to their social, economic, or political interests. But the fundamental question is how to explain the link that transcend from the struggle for access to the control of natural resources to state instability and the likelihood of armed conflict. This is what this research design will address.

Natural Resources: Instability and the dynamics of natural resources conflict arise when people compete for limited material resources, such as non-renewable natural resources, and often develop into violent conflicts. This is the simple understanding of one set of theories, sometimes referred to as realistic or materialist conflict theories.⁴⁰ Oil and gas as a natural resource in the Niger Delta comprises a large fraction of fossil fuels which are non-renewable of natural compounds consisting mainly of hydrocarbons formed in the Earth's crust. Steven Gorelick argues that oil is not the same thing as petroleum. Petroleum includes natural gas as well as crude oil and processed fuel products, whereas oil is the liquid that is refined to yield products such as gasoline, jet and diesel fuel, and lubricants.⁴¹

Therefore, there are some definitions related to oil and gas availability that are central to the discussion of natural resources; this thesis also uses the term natural resources, which is defined

⁴⁰ Moghaddam, F. M (2010) *The New Global Insecurity—How Terrorism, Environmental Collapse, Economic Inequalities, and Resource Shortages Are Changing our World*, p.80

⁴¹ Steven M. Gorelick, *Oil Panic and the Global Crisis, Predictions and Myths*, Wiley-Blackwell, 2010, p.17

here as “a concentration of naturally occurring solid, liquid, or gaseous material in or on the Earth’s crust in such form and amount that economic extraction of a commodity from the concentration is currently or potentially feasible”.⁴² A more specific definition for petroleum resource is, “Concentrations in the earth’s crust of naturally occurring liquid or gaseous hydrocarbons that can conceivably be discovered and recovered”.⁴³ The Niger Delta Oil Endowment includes the estimated oil and gas resource plus all of the oil that has been pumped from the ground. This can be classified as a subset of resources reserves. A reserve is defined here as the portion of the resource that can “be economically extracted or produced at the time of determination.”⁴⁴ But a more targeted definition of petroleum reserves is, “The quantities of hydrocarbon resources anticipated to be recovered from known accumulations from a given date forward”⁴⁵ The key distinction between the two quantities is that an oil resource are the presumed volume of all plausibly recoverable oil, while a reserve is the portion known to exist that can be profitably recovered with existing technology.

A Plan of the Thesis and Research Approach

The thesis is organized into six chapters followed by a conclusion. The introduction in chapter 1 presents some background information considered essential for understanding the research questions and analysis that follows.

⁴² Ibid, p17; also US Geological Survey (2009), Mineral Commodity Summaries, p.45 Washington DC

⁴³ US Minerals Management Service, “Assessment of Undiscovered Technically Recoverable Oil and Gas Resources of the Nations Outer Continental Shelf, 2006.

⁴⁴ US Geological Survey, 2009

⁴⁵ US Geological Survey, Washington DC:2009

Chapter 2 focused on the historical evolution of the Niger Delta, earliest documentation of the people, native tribes and inhabitants, colonialism and trade between middlemen and missionaries.

Chapter 3 outlined and analyses the different key actors, profile and dynamics of the conflict by examining the role of civil militias as a security threat to the oil industry.

Chapter 4 presents and then analyses land and ethnicity in the politics of instability in the Niger Delta by looking at the issue of land as a social and economic construct for natural resource control; it also examines the conflict between the Federal Government of Nigeria and local groups vying for ownership of land.

Chapter 5 investigate the politics of resource control in the Nigerian Federation. It's also examines revenue allocation politics among the six geo-political zones, and the scramble for oil and gas revenue along ethnic lines.

Chapter 6 examine the external dimensions of resource control in the Niger Delta and the grievances it generates as a result of a lack of locals participation in the oil industry.

Chapter 7 highlight what we learn by looking at these different actors and draw a conclusion with some policy prescriptions and recommendations.

Chapter Two

Historical Evolution of the Niger Delta

In its history and development, Nigeria's Niger Delta region is quite different from that of most other regions in the country, and the nature and consequences of this are to reverberate continuously in the nature of the controversies involving the region. But writing on the historical evolution of the Niger Delta is fraught with considerable difficulties. While the proliferation of literature on the subject has reduced the burden on this chapter, extracting what is relevant in logical sequence has brought its own burdens.

Bearing this difficulty in mind, the main focus of this chapter is to give a historical background of the Niger Delta region. First, it starts with the earliest documentation of the people in Niger Delta—the native tribes, ethnic composition and their cultural heritage. Second, this chapter analyses the politics and intergroup relations before British intervention by outlining what constitutes the Niger Delta and the types of governments that existed before colonialization. Third, it assesses the Monarchical system of Kingship and the importance of the palm oil trade between middlemen and missionaries. It concluded that oil has been, and remains an importance factor in strategic interests between the native ruling elites and European traders. History of this particular region is important because, it is through the understanding of the historical background of the Niger Delta people that none-indigenes of all works of life will be able to know the ethnic diversity and composition of the region. History also teaches us that ethnic conflict is based on differences that originated from cultural tradition among people based on custom, religion, tribe, language or kingship associated with human settlement.

However, of all of Nigeria's regions, the Niger Delta is perhaps the most controversial in terms of historical data regarding the region. Although many people have tried to record the history of the region, scholars from this part of Nigeria have also written about their own

history. While some of these have been somewhat nationalistic and designed to whip up sentiment through the documentation of a glorious past that can sustain present struggles, they have also brought out unique aspects of the region's history that can assist in how the past is determining the present development in the region.⁴⁶

It is only since the civil war in 1966 that the Federal Government of Nigeria begun to realise the importance of the Niger Delta region. The importance of natural resources like: oil and gas among other resources such as coaster waterways and forestry have now been recognised. But the fact that the history of the Niger Delta is quite different from other parts of the Nigerian Federation in terms of its history of colonialism, culture and ethnicity is regularly reported in domestic politics while the national press invariably reports oil revenue and the state of the economy, the condition of minorities and so on—all within the context of a federal system with which such wealth is shared.

In fact, from the point of view of this thesis, the difficulty faced is that, it is more complicated to tell the story of the Niger Delta than other parts of the country. For example, it is easier to omit complete manifestations, many of which add comparatively little to our knowledge, or simply to repeat information already contained in a previous research for the benefit of another contributor. This does at least make somewhat easier the task of reducing the amount of available material to a usable length.

This now brings us to the most difficult set of considerations: of the available sources, which ones would be most appropriate to use? Such a question should be answered while bearing

⁴⁶ Among these scholars in the early 60s are: Dike, *Trade and Politics in the Niger Delta 1830-1883*, 1960, p.20-28; J.C. Anene, *Southern Nigeria in Transition 1885-1906* where he argues the difficulty faced by native Kings in the Oil Rivers Protectorate under Colonial rule, 1966, p.50; and Obaro Ikime (1960) *Niger Delta Rivalry*, where he outlined the divide and rule tactics employed by the Colonial masters in the competition for the palm oil trade, p.57.

in mind the amount of material already published, either at the time of this thesis or more recently.

But looking back in the history of what constitutes the present day Nigeria today, the infamous Berlin Conference in 1884 put a formal seal on British domination of the area, later known as the Oil Rivers Protectorate, is only one manifestation of interest in the Niger Delta region that long preceded this formal annexation.⁴⁷ Indeed, before the conference, intense rivalry had existed among Europeans for control over this rich region. Perhaps all that the Berlin Conference did was to regulate Europe's scramble for the regions.

Moreover, Britain's involvement here went back further than was the case with its interest in East Africa. The region is a centre of trade, in terms of both raw materials and humans in the so-called Oil Rivers, in what later became the centre of the British colony of Nigeria. From there, beginning in the early 1880s, grew the scramble for West African territory, and reaching a climax with the conference held in Berlin at the end of 1884.⁴⁸ Once credited with starting the scramble for Africa, the Berlin West Africa Conference is now perhaps better seen in the Niger Delta as an attempt to regulating increasing European competition for influence and territory in the interior of Africa. It certainly marked a high point in the two-decade-long scramble for West African territory, and therefore figures prominently in the opening of the Niger Delta to a large volume of trade.

Later, the strategy the British used in annexing the Niger Delta was the same as that adopted in many other parts of southern Nigeria. This often involved two stages. The first

⁴⁷ Partridge, M. and Gillard, D (FOC) Series G Part 1, Vol.21, p.71-80

⁴⁸ Partridge, M. and Gillard, D. British Documents on Foreign Affairs: Reports and Papers from the Foreign Office Confidential, Series G Part 1; Africa from the Mid-Nineteenth to the First World War, Vol. 21: The Niger and Oil Rivers, 1860-1898, UPA.

was the signing of a “treaty” with the local ruler, purportedly committing him to open his territory to the British market and/or to accept Christianity in exchange for guns and ammunitions. These treaties were often written in the English language, which the local rulers did not understand. This meant that he had to make provisions with often distorted translations to local dialect which were is not available at that time. When he discovered the inequality embedded within the treaty and attempted to repudiate it, the second state was triggered usually a full-scale war euphemistically termed an “expedition”.⁴⁹

The Earliest Documentation of the People in Niger Delta

A general classification and analysis of existing data shows that going from east to west, and beginning with the Old Calabar district, there are the Efiks who claim their descent from Ibibio; to the south are the Ibani, Bonny, and Opobo people who, although they trace origin to an Ibo and can speak that tongue, also claim connection with Brass island. It had been hypothesized by P.A. Talbot in the early 1930s that the New Calabar natives appears to have been a combination of Efik from Creek Towns and of the Ijaws on the coast, who divided into three section in early 12th century—one remaining as the New Calabar, the other two separating in the direction of Brass and Bonny. But the Brass men, Uhrobos, Isokos Ukwiani while tracing their origin to the Bini Kingdom, the `Itsekiris trace their origin to the Yoruba kingdom and it has been acknowledged that the same time an influx of Ijaws to New Calabar was underway. For all the data available nothing is known about the Ijaws, except the question of their Bini descent, which, however, rests on customs, traditions and mode of kingship similar to the Bini kingdom as evidence of decent. Most critics and historians argue

⁴⁹ W.P. Livingstone (1942) 10th edition, Mary Siessor of Calabar-Pioneer Missionary, the Conquest of Okoyoung People-Editor of the record of the United Free Church of Scotland, p.57-61

that the Bini origin of the Ijaws is similar to that of the Delta Ibo though they no longer exist. Yet, meagre and disconnected as these data are, they are not however, entirely valueless.

The language of the Efik, Kwa or Akwa, and Ibibio is practically identical. The Bonny and Opobo, while able to speak Igbo, have a distinct dialect of their own, which is unknown to the Ibo. Quite unlike and different from the Ibibio group, which includes Andonis, it is the same as Okrika, and different only in dialect from New Calabar. While it has many words in common and a distinct dialectic affinity with Brass more particularly, and with Ijaws in general, early documentation also shows us that the Ijaw language in comparison was made between the Ibani, Okrika, New Calabar, and Brass dialects and thus reveals the fact that all four of them (including Oru), are dialects of the Ijo.

Andoni, on the other hand, is connected with and of the same derivation as the Ibibio or Akwa language. Yet right in the midst of the Andoni clan is a town called N'Koro, the inhabitants of which, who are said to have deserted from Okrika and speak a dialect that is not understood by their present countrymen. The Ogoni, again, speak a distinct dialect of their own, which, so far as I could discover, is quite different from Igbo or Ijo, and about which I was unfortunately unable to get any reliable information regarding its origin. The Jekri (Itsekiris) are undoubtedly of Bini origin, in spite of their language's affiliation with Yoruba. According archives in the Niger Delta Heritage in Warri, from what is known so far about the Ijaws, Jekri and Bini languages, the former is said to have but a slight resemblance to the latter, and this again to the Jekri, which resembles more, or rather is cognate with the Yoruba. This curious circumstances is all the more significant and worthy of remark when other facts are taken into consideration. The Ijaws and Jekri (Itsekiri) are direct descendants of the Bini, and in spite of their separation, presumably for the last few

centuries at least, they have all the same been more or less in touch with one another. Yet an examination of existing data showed that of the six or more dialects of the Ijaws and the five of Bini, of which Sobo and Igabo are practically one, they are dissimilar not only to each other, but to the other neighbouring dialects too.⁵⁰ Therefore, this makes the differences in ethnic groups more complex that creates division that the colonial masters were able to take advantage of in terms of patronage and sharing of natural resources during the palm oil trade.

Under the conditions which have always existed among these Delta tribes—condition of war, of pillage, of drastic measures and enforced methods of slavery—it is an impossibility for the Niger Delta to have a single identical ethnic group. Though, personal cultural heritage such as language do exist, it is too low to encourage an idea of ethnic unity. So, to my understanding, the dialect of the weaker tribe becomes merged or absorbed into that of the stronger, or, as frequently occurs, ceases to exist after the birth of an entirely new generation. In this way we have seen, in more than one instance which has come within my own personal experience, that whole communities of people have, under new or altered conditions, abandoned their mother dialect and adopted the language of the country which either forces or which circumstances to become inhabitants of a new state. For example, commencing with Bonny and its people, if they are of Igbo origin (as all the evidence obtainable appears to prove), it is also arguable that, their coming into Ijaws country provided females of their own race, and as they intermarried with the Ibo at that time, their own original dialect was abandoned, or, to be more correct, gradually assimilated and lost in the speech of the people around them. And when we take into consideration the fact that a

⁵⁰ Niger Delta Heritage Foundation Warri, 1900

similar process was evolving in their immediate vicinity with the Okrika—also of the Ibo origin—and a little farther off, among the New Calabar people (an Efik offshoot), both of which they were in touch (and as a rule on good terms with), it is not in the least surprising that, different although the Ibani and New Calabar were to each other because of varying origins and local conditions, they evolved for themselves separate yet affiliated dialects out of the common Ijaw tongue.

In exactly the same way the Ibani, Okrika, and New Calabar people assumed the language of their adopted country and discarded their own native tongues; the Brass men changed their pure Bini into an Ijaw dialect, which in more remote days had at one time itself evolved from the self-integration of Bini into Ijaws ethnic group. With regards to the Ibani, however, one fact is deserving of notice, and that is, that more recently (within the last eighty to a hundred years or so), trading as they have done in Ibo markets, has seen them practically become half Ibo, and they have once more resumed their ancient dialect, but only in addition to their own.

Without making any further illustration to the cases of other ethnic groups that reside in N'koro and Ogbayan, it is also said in the history of the Jekri that there was another unmistakable illustration of the certainty of the lingual link among the tribes when applied to the people such as these Delta natives are. That they were of pure Bini origin there is not the slightest doubt, and what is equally certain is that, settling as they did at a comparatively modern date among the Aku tribe of the Yoruba, their dialect became so strongly influenced that it is no classed as cognate with the Yoruba language, which, like the Igara, belongs to the great North African family. In the broader and deeper sense of the word, not a single tribe in the Niger Delta—not even the Ibo, in spite of their numerical

strength and greater unity of language (in contrast with the greater differences which exist among the other tribes and clans), can be called a nation. Yet from a sociological standpoint there is a marked unity with but trifling exceptions, in their general characteristics, their customs, laws, and religion, that also in a wider sense is distinctly national: the variations being nothing more nor less than petty or significant differences in formulas or habits that have arisen partly as the outcome of varying conditions. But in a modern perspective of cultural heritage, there is a greater measure of customs among the Niger Delta inhabitants out of the self-imposed idiosyncrasies or individualities of autocratic patriarchs that exist to the present day.

Politics and Intergroup Relations before British Intervention in the Niger Delta

Before the British intervention and throughout medieval Niger Delta, the Kingdom of Benin was the dominant power in southern Nigeria and extended its conquests from Lagos in the West, to Bonny River in the east, and northwards to Idah. It was the only state recognized by the Portuguese, during their early visits to the Niger Delta and with whom it maintained diplomatic relations.⁵¹ The persistence and universality of the claims to Benin origin in Delta traditions is evidence, at the least, of the powerful influence which this Kingdom exerted over the imagination of her neighbours, particularly in south-eastern Igbo country, where her military power under King Egwuare the Great in about 440 A.D. was felt by Ibos and the Kalabari speaking peoples east of the Niger delta.⁵² He was reported to be so powerful and

⁵¹ K. O. Dike (1956) *Trade and Politics in the Niger Delta 1830-1885-An Introduction to the Economic and Political History of Nigeria*, Oxford, p. 19-46

⁵² J.U. Egharevba (1934) *A Short History of Benin*, where he argued that the King had become absolute and oppressive at the time of the first migration of Ijaws from the Benin kingdom to the coastal rivers areas, p.12

courageous that he fought against the eastern Yoruba and captured 201 towns and villages in Ekiti, Ikare, Kukuruku, Eka and the Ibo country on east side of the river Niger. He took their petty rulers captive and caused the people to pay tribute (taxes) to him.⁵³

Moreover, within the Benin Kingdom the political organization of the coast communities was easily well established and appreciated. The system of law and authority among the Niger Delta ethnic groups was closely interwoven with social and political fabric that still exists up until today. But to avoid confusion, it is proposed in this thesis to confine the present analysis of indigenous political structure to the Niger Delta communities. The analysis here would indeed find it almost impossible to give an accurate account without first analysing the smallest unit and ending with the highest, and this data was not derived from a single ethnic group, locality, but from a diversity of cultures and customs. Before British intervention in Niger Delta, within this formation, we have: the village-group or small clan, large clan, the sub-tribe and the town group and Kingship.

- (1) The Village-Group or Small Clan: In all the Niger Delta communities the basic social unit is the group of patrilineal relatives who live together in close association and constitute what is known as *Uluwoh* (Kindred) or *umunna* in Igbo language. For example, the children of a common forefather may coincide with a single extended-family. The group composed of a man and his wife and small children, his grown-up sons and their wives and children, and his brother or cousins and their wives and children. The kindred occupies an area which, if the kindred is small, may be described as a hamlet, or if it is large, as a village. A number of contiguous villages,

⁵³ Ibid, p.13

which believed themselves to be related in the Niger Delta form a village-group.⁵⁴

The Niger Delta village-group constitutes a single political unit usually the highest political figure found in these communities is the most elderly person. Rules is based on a sense of common ancestry, the possession of land territory and home, common customs and a belief of earth-deity. Therefore, the village-group that existed before the British intervention may be regarded territorially as a commune, and socially as a clan, though it is seldom an exogamous unit.

(2) The large Clan: It has been said by historians and anthropologist that the single independent village-group or commune is usually the highest form of political unity found in the Niger Delta. But there exists the large clan with a sense of territorial and social solidarity that cover a wider group, even though the ties binding the group together are less than that which binds the village-group. In the large clan, social and political structures seldom meet together for any common purpose, and each manages its own affairs. But in abnormal circumstances, such as threats to the security of their land, or if mercenaries were threatening an invasion, all would assemble and a general meeting would be held, and the head of the senior family of the clan would lay his juju or sacred object on the ground, pour a libation of palm-wine or native gin over it, and deposit on it the seeds of a Kola-nut with the saying, "I ask you the ancestry gods for protection of our lives, even as you protected the lives of our forefathers". The main issues would then be discussed and arrangements made that all should go to the assistance of the clan which had been attacked. A

⁵⁴ But the term "village" does not necessarily imply a collection of houses closely adjoining on another as in England. The 'village' may include groups of houses or hamlets or even small village scattered over a wide area, and it is sometimes difficult to judge by the eye where one 'village' ends and another begins. Also see Meek, C.K. (1937) *Law and Authority in a Nigerian Tribe*, Oxford, p.87

general meeting might also be held to settle a dispute between two villages over the ownership of land or lakes.

- (3) The sub-tribe: There are other sub-group which may fall under the clan system but sub-tribes are special bonds of relationship between the constitute elements that are so feeble that it is safer to describe the group as a sub-tribe or sub-ethnic than a clan. These constitute village-groups that exist in the Niger Delta are each wholly independent, they never meet together for any common purpose, and they do not even claim to be related. And yet there is some sense of kingship based on a certain community of customs. They maintain common institutions like local markets, trade and management of communal land and, palm/raphe palm tree plantations through leasehold and rent seeking. These institutions are the principal means of maintaining law and order and served as a unifying force between the various village-groups, thus giving a greater measure of solidarity than they would otherwise have enjoyed.
- (4) The town-group and Kingship: This group consists of different kindred or extended families. All these families, with the exception of certain migrants or strangers such as foreign traders are believed to be related to one another by direct descent but can marry each other from the fourth generation. They also have a local king or senior chief who is the head of the community. As in other households each married man must provide for himself and his wife, children, and other young dependent relatives. There is no community of stocks, but there is a good deal of co-operation. The king's power includes: the control of land, settle disputes, palm oil exports, rent/duties on alcohol (local gin), and marriages registration on behalf of the whole community.

It is clear, therefore, that even in the larger territorial groupings there is some consciousness of unity and kingship between the constituent elements of government structures based on the similarity of cultural patterns. It is likely that this was utilized for the purpose of building up federal native administration during the time of King Jaja and Chief Nana. On the other hand, the political organization of the coastal communities was easily appreciated, though with considerable misgivings by the British who intruded into coastal affairs during the early nineteenth century. For example, the manner in which the large Ibo and Ibibio groups in the hinterland organised their political structure baffle the British agents, as argued Professor Anene (1966). In the end, to my understanding, it seemed more convenient for the British to assume that anarchy prevailed or, at best, that the people were leaderless.⁵⁵ But the Igbo do have a village structure similar to the Niger Delta clans and this facile assumption was destined to lead to tragic blunders and ruining of the traditional life of the Ibo and the Ibibio communities. Thus at every river mouth on the Niger Delta there was a centre of trade, a city-state developed with its own mechanisms for self-rule, for the maintenance of law and order, and for export commercial activities such as those—with the Portuguese before the coming of British rule.⁵⁶

⁵⁵ J.C. Anene(1966) Southern Nigeria in Transition 1885-1906-Theory and Practice in a Colonial Protectorate, p.9

⁵⁶ Ibid, p.11

What Constitutes the Niger Delta?

In discussing what constitutes the Niger Delta, there seems to be an intermixing of geography and ethno-linguistics. The Niger Delta occupies an enormous area crisscrossed by rivers, tributaries, swamps, and lagoons—indeed, water has always been in the terrain as the geographical element of Niger Delta Land by nature. The actual Delta comprises an area defined by the Forcados River to the West and the Imo River to the east. Often, however, neighbouring rivers and coastal areas like the Benue in the mid-west and Calabar in Cross River border with Cameroon are included in discussions of the region. The Niger Delta's coastal boundaries are thus often considered to coincide roughly with the furthest limits of the Ijaw settlement, reaching from Opobo in the east and nearly Lagos in the west. The northern boundary falls above Aboh, an Igbo town on the Niger River at the head of the Delta. To the Niger Delta inhabitants, water is synonymous with life itself, with spiritual sustenance, with wealth and prosperity, and especially with communication and identity. For centuries, the waterways of the Niger Delta have connected and divided people, serving as conduits and obstacles, repositories of riches and realms of danger. The ambivalence associated with these contrasting potentials is made manifest through the arts, cultures, and ethos of the many people inhabiting the Niger Delta region. In the *Ways of the Rivers* (2002) Anderson and Peek argues that people in the Niger Delta experience a dynamics confluence and a dramatic divergence of ideas, memories, histories and culture.⁵⁷

However, the general assumption of most studies on Africa is that the diversity of the Niger Delta suggests that to understand the geography of any African region is to explore the

⁵⁷ Martha G. Anderson and Philip M. Peek (editors) (2002) p.64 *Ways of the Rivers: Arts and Environment of the Niger Delta*, UCLA

formation and expression of an entire region as opposed to a single ethnic group. It has long been acknowledged that ethnic entities in the Niger Delta are arbitrary categories and that lived experience constantly defies such invented boundaries and demarcations created by colonial rule.⁵⁸ In fact, whether through trade, intermarriage, ancient warfare, migration, or political consolidation, ethnic groups in the Niger Delta constantly interact with one another even though identities shift according to historical circumstances and social transformations. Therefore, the Niger Delta offers a rare glimpse into the complexities on intercultural dynamics, while presenting some of Nigeria's most remarkable visual and ethnic diversity within their broader contexts. This imagery could, of course, have been applied to the human occupation of the Delta long before the economic and political development of oil exploration that gave rise to the ethnic categories recognised in Nigeria today. The geographical dimensions of the Niger Delta, however, are far more than metaphoric in their ability to shape the social and cultural development of the people living there. The area is made up of a seemingly endless number of islands that change in size and type of resources available from the small sandy stretches of beach where the Delta meets the sea, to the islands in the mangrove swamps that are inhabitable only prior to the flooding during the rainy season, to the large island of Bonny in the southeast that form the headlands. This island environment provided the kind of isolation that led to adaptive variation within historically related peoples, and the waterways were also the pathways for trade and social interaction that produced cultural convergences among peoples of different provenience.⁵⁹ The intricate maze of islands and waterways that run through the Delta initially baffled European historians who researched the areas in the early seventeenth

⁵⁸ Among these studies is Peter P. Ekeh (2008) T.E.A Salubi: Witness to British Colonial Rule in Nigeria, p239-279

⁵⁹ Anderson & Peek 2002, p.16-17

century. It took several centuries to discover that the rivers they had been trading from formed the end of the mighty Niger. As only a handful of these Europeans ever ventured more than a few miles from the major rivers and creeks, they knew remarkably little about the Delta's people.⁶⁰ Thus, although the Portuguese arrived in the Niger Delta as early as the fifteenth century, Europeans did not reside in the Isoko countryside until the 1920s, and only a handful of them ever lived in the villages near the Delta's centre.⁶¹ This was due to widespread fears of inland waterways travels and even many Nigerians including government officials continue to avoid the area today.

Who are the inhabitants of the Niger Delta?

As previously stated, the Niger Delta includes a plethora of ethnic groups, including Ijaws, Isokos, Urhobo, Ogoni, Kalabari, Obolo, Ukwani and Itsekiri peoples.⁶² Nigerian census data are notoriously inaccurate. In an attempt to gain accurate figures and a politically accepted count, while avoiding the strife that resulted from earlier efforts, the census of 2005 excluded questions revealing ethnic, linguistic, or religious affiliation. Some of the people in the Niger Delta, defined by the primary language spoken, were roughly estimated in the census to be: Ijaws 10,779,000; Isoko/Urhobo 4,546,000; Itsekiri 510,000; Ogoni 500,000; Ukwani 1,550,000; Kalabari 2,456,000; Obolos 956,877,000; Ibibio 3,566,000 and Igbo 3,577,000.⁶³ Ijaws speakers occupy the major portion of the Delta, flanked on the far West

⁶⁰ Mary H. Kingsley (1897) where she believed that the great swamp region of the Bight of Benin is the greatest in the world, and that in its immensity and gloom it has grandeur equal to that of the Himalayas, published in 1965, p.95. See Kingsley, Mary 1897 [1965] *Travels in West Africa: Congo Francais, Corisco, and Cameroon*, 3rd edition London: Frank Cass and Co. Ltd.

⁶¹ *ibid*

⁶² Major Leonard, A.G (1906) *The Lower Niger and its Tribes* argued that these ethnic groups co-exist with one another and were connected with similar languages but yet distinct with different traditions and customs that was interwoven and accepted among themselves, p.45

⁶³ National Public Record Office, National Census 2005 Abuja

by Itsekiri; on the Western and North-western borders of the Delta, by the Isoko, and Urhobo; on the north and northeast by the Ukawni and Igbo, and on the East by the Ogoni and Ibibio. The Itsekiri speak a Yoruba language but appear to be culturally closer to Benin; the Urhobo, and Isoko speak dialects of Edo, yet are culturally distinct from the Itsekiri, and to some extent from each other; and Ijaws speakers have a language dissimilar to the others, yet share cultural and social features with Itsekiri, Urhobo, Isoko, Igbo, Ogoni, and their other neighbours. Although Ijaws speakers predominate, the region is ethnically diverse; its inhabitants represent a number of different language groups, and each of these groups, in turn, contains several distinct languages, most of which are not mutually intelligible. In fact, many languages are further subdivided into dialects. Because of this exceptional diversity, many Delta inhabitants will speak two or three Nigerian languages in addition to English or Pidgin English.

As much as identity shifts with context, the similarities and differences within and among these various populations depend on the degree of focus. When investigated, individuals see themselves as being quite different from others living in the region. For example, Ijaws living in central Delta villages interviewed have said they can hear the nuances of speech among people in their own clan who came from neighbouring communities. Dialects spoken by the Ijaws in the east and west are mutually incomprehensible. Ijaws in the southern part of the Delta stress the mother's descent group; while those in the northern part, that of the father's. But when the focus is broadened, it is difficult to delineate one linguistic group from another on the basis of social and cultural features.⁶⁴ Nonetheless, Ijaws living near the mainland tend to share more cultural features with their neighbours, such as the symbolic

⁶⁴ Interviews conducted in Nembe Waterside market on the 21st April 2013

importance given to the “right hand” among the western Ijaws, Itsekiri, Urhobo, and Isoko, rather than with the central Ijaws. For centuries, people with diverse cultural traditions have lived in the Delta side-by-side, sharing an environment dominated by water and subject to floods, tides, and tropical rain forest. But because resources vary from one part of the region to another, people have long used the rivers as avenues of commerce; and some later served as middlemen in the overseas palm oil trade. Most groups maintained their own languages, but the cultural exchanges that accompanied economic transactions often generated comparable customs and ethics. To my understanding, and congruent with the way other people who are not from the region see it, the Delta seems not to have divide people, but rather, the waterways have helped to create cultural confluences among them.

Taking a wider perspective, the differences in ethnic groups in the Niger Delta becomes more a variation of languages, but has been used as the basis for drawing sharp boundaries of states around ethnically integrated populations (settlement). In many ways the physical qualities of the Delta seem to be a figurative reflection of the difficulties confronted in identifying the people living there. The boundaries between mainland Edo State and Delta State have shifted over time due to the creation of more state in the Nigeria Federation, and the rivers and streams leading from the Niger to the sea are intermeshed, as are the mangroves whose branches and roots are so intertwined as to become indistinguishable from each other. However, Nzewunwa (1980) argues that whatever analytical problems that arise in an attempt to bring conceptual order to a region where every island in the Niger Delta was an opportunity for establishing new “frontiers”.⁶⁵ This can be put simply as a frontier of opportunity for colonial masters to divide and rule. According to documents

⁶⁵ Nzewunwa, Nwanna (1980) *The Niger Delta: Prehistoric Economy and culture*, Cambridge Monographs in Africa Archaeology 1, International series 75. Oxford: B.A.R

found in the Niger Delta cultural heritage centre Warri, it must be understood that the peoples of the Delta did not need European explorers, colonial administrators, or scholars to tell them who they were. The Itsekiri, for example, as Ayomike points out, did not have 'to await the Portuguese or the British to give them the acceptable variant of the name of their homeland'.⁶⁶ The Ijaws say they called themselves "Izon" meaning (Truth) before their name was mispronounced by early European traders. Without a doubt however, who the Niger Delta peoples eventually became, is a matter of identity formation of divide and rule strategies employed by the colonialist administrative power(s).

Inter-group Relations among the Groups in the Niger before Colonialism

Ancient documents in the Niger Delta heritage foundation revealed that the People of the Niger Delta were analogous to the habitat they occupied, were diverse and many of them were connected parts that constitute the whole.⁶⁷ There are various theories proposed to explain the purpose of settlement in the Niger Delta with such a tough and unfriendly environment with difficult terrains—all of which tacitly assume that no one would normally seek to live in such an environment—which constitute another area of debate. The "refuge area" thesis, for example, asserts that people would only migrate into the Delta to avoid greater harm threatened or experienced elsewhere. Traditions concerning the irrational demands made by the Oba of Benin (the most powerful ruler in the Benin Kingdom), or the fear of an avenging army is one example cited as the cause for peoples fleeing into the Delta. But Alagoa argues that, given the warrior ethos cultivated by some people within the

⁶⁶ Ayomike, J O.S. (1992) *Nanna: British Imperialism at Work*, Mayomi Publisher, p.19

⁶⁷ Niger Delta Heritage Foundation Archives Warri, 1800-1850, p.455-461

Delta, it is not improbable that a group may have provoked its own expulsion.⁶⁸ A further issue for consideration is the cohesion of multi-ethnic communities, significant because the Delta peoples seem to demonstrate a variable patterns not applicable to any other multi-ethnic groups in different countries. The Urhobo, Isoko and Ijaws as long-term occupants of the region illustrate that there was a dual cultural processes of divergence and convergence. Their linguistic affinities reveal that the Ijaws, the Itsekiri, among other groups had separate root origins. The differences within each resulted from a long period of separation due to migration, contact with other population, and adaptation to the historic and environmental conditions of the Delta. The process of migration also brought different populations closer together through trade, markets, intermarriage, and transmission of belief and objects.

The earliest accounts indicate that European used names and stereotypes to identify a population. The ways in which the populations themselves came to use these ethnic identifications were not unique to the Delta. What may be unique was the use of figures, masks, and other objects in formulating the process of cultural change within a context of descent among groups integrated through multiple forms of marriage. Historian like: Philip Leis who studied the region believe that new settlements in the Niger gained and retained their history by referencing the spirit object, such as Egbesu in the central Delta, carried as a symbol founder of a community.⁶⁹ A community's morals authority rested in the belief that the object had historical significance; it legitimated a descent group's claim to the land, rivers, and lakes. In this, the scope of authority extended to the level of clan organization. Moreover, the unique identity of each object acted as a reference point to provide the

⁶⁸ Alagoa, E. J., N. Anozie, and N Nzewunwa, (edition) (1988) *The Early History of the Niger Delta*, Hamburg: Helmut Buske Verlag. These are prominent Nigerian historians who stands among those opposed to such migration theories, p. 45-8

⁶⁹ Philip E. Leis (2002) *Cultural Identity in the Niger Multicultural Niger Delta*, p.20-21 UCLA Press

historical grounding and everyday rationale for dealing with individual and communal conflict. For example, every ethnic group category has a part of stereotyping that apparently began in dispute around land, natural resources that gave rise to migration into the Niger Delta that continue to the present day.

However, the importance of the individual belonging to an ethnic group reflects the relationship between ethnic identity and the identification of spirit objects with ethnic groups. The spirit objects referenced an ethnic category as part of stereotyping that apparently began in disputes around land natural resources that gave rise to migrations into the Delta that continue to the present day. You cannot separate these ancestor objects and the spirit that occupied it. Each ethnic group is unique, yet the process of intercultural transmission diminished differences between people of similar or different origins. Similarly, each tradition and custom was unique, identified with a name and with powers and tastes unique to it. For example, the native gin from the raffia palm serves as divine drink to worship the ancestors to protect the living. One was known for the ability to heal or to help a woman overcome her barrenness; another, for killing thieves. Yet the style of objects and the commonality in the rituals performed, including songs and dance rhythms, resulted in a dynamic fusion of cultural representation that all the ethnic groups in the Delta identified with and which crossed ethnic lines.

Another key issue here is trading relations between the ethnic groups, Urhobo traditions state that the Urhobo bought salt from the Itsekiri long before the sale of salt became a popular item of trade to the outside world. The Itsekiri thus had salt and pots of various

types and sizes to trade with their Urhobo neighbours.⁷⁰ In addition to these two commodities there were the products from the fishing industry, in which the bulk of the Itsekiri indulged in. In exchange, the Urhobo bartered agricultural products—pepper, yam, plantain, corn and later the various products of the cassava plant, as well as some ivory and palm oil. The latter in particular grew in importance as demand for it grew with its exportation into Europe.⁷¹ While the people of the Delta have managed to maintain peaceful, cohesive communities for long periods of time, they have also waged savage wars against each other as well. Contemporary events provide dramatic proof of such pendulum swings. On one hand, terrible interethnic violence has occurred in the city of Warri in 1998, 2000 and 2005, while on the other, enthusiastic conventions of Delta peoples continue to strive for a stronger, unified political voice like the Movement for the Emancipation of the Niger Delta people (MEND)

Land and Political Evolution of the Niger Delta

The only thing that is common to all the peoples who inhabit the Niger Delta is the communal ownership of land, and the absence of any conception of individual possession. The use by the inhabitants throughout history was by custom, transferred and inherited and the actual difference between tenure lay in the power to revoke the original feudal system, and the evidence was overwhelming that this power always remained in the hand of the paramount chief. The chiefs are considered as the trustees of the people, who are as a body the owners of the land. The individual is entitled to the use of a portion of his family's estate; the principal, however, is identical: the family being merely the tribe on a smaller

⁷⁰ Obaro Ikime (1969) Niger Delta 'Rivalry—Early European Activities and Itsekiri-Urhobo Relations, 1485-1885, p.48-50

⁷¹ Ibid, p.57

scale, and the family itself having the use of the land by permission of the state, to whom the land would revert to in the event of the extinction or outlawry of the family. The native conception and political evolution in the Niger Delta appears to be that each head of a family is entitled to the enjoyment of sufficient land within the limits of the village or other community to which he belongs to for the support of his household. If the land he has occupied is exhausted, he is entitled to permission to occupy fresh land. If he has no land, for example, when he grows up and has a family of his own, he is entitled by permission to cultivate a new piece of land.

The use of this land was granted by the chiefs or elders of the family as long as the grantee behaved well, and could at any time be taken away from him if he failed in his duty to the state.⁷² So long as these obligations were met there is little danger of being dispossessed, because public opinion is too strong to be overridden by any chief. Even the use for farming often descends from father to son through many generations without in any way impairing the title of the family to the land or placing the later users in any stronger position as regards ownership of the farm than that of their ancestor who was first granted the use of it. The user is not permitted, in any circumstances, to sell the land, or even transfer it to another user without the sanction of the tribal trustees-the chiefs. In fact according to the native customary laws in the Niger Delta, land is inalienable, and the sale of land is a crime against the Gods. Indeed, all those acts of native chiefs which, by means of treaties made with strangers (Europeans) alienated the tribal lands were done according to the native law and custom which made them *ultra vires*⁷³.

⁷² As the principal duty was that of fighting for the defence of acquisition from a tribe, there is no difference between this system and the feudal system which formerly existed in England.

⁷³ *Ultra vires* means nil and void, not recognized in property laws and custom in the Niger Delta.

With these linkages of land with the Gods, when the European arrived, it was the aim of the British Oil River Protectorate to support the African idea of land tenure and preserve it for future generations the unlimited ownership of the land by the natives (they were against any form of freehold). But the opening up of the palm oil trade and the influx of European merchants, money and ideas would, without Government control, undoubtedly have resulted in the rapid acquisition by middlemen and Europeans speculators of the people's land. Europeans traders began to purchase from some of the chiefs the land they held in trust for their people and future generations (their people's children). Public opinion could not restrain them, as the tribe would probably be ignorant of the meanings of the sale, or possibly unaware of the sale itself, till long after the transaction was complete, while the proceeds of the sale would become the property of the chiefs and not of the people—the real owner of the land.⁷⁴ Although, owing to the climatic conditions in the Niger Delta before colonialism, the oil river did not attract to it European settlers because of mosquitoes, and as a result of this the region has escaped the serious problems of land tenure which have arisen in East Africa. But as of today, there have, however, been demands from commercial oil and gas companies for freehold sites for drilling purposes and, in at least case, for pipelines flow stations; these demands were invariably rejected. Moreover, in the political sphere a historical anthology showed that along the Bights of Benin and Biafra, the migrant communities from outside the Niger Delta were widely separated from each other. Most of them were islands like Bonny, dominating the mouth of a river that linked the hinterland to the sea. Within this period each developed the independence and individualism typical of insular inhabitants. Every river mouth, trading

⁷⁴ Confidential interview conducted with 85 years old local Urhobo chief in Effurun, Warri, 10th April 2013

centres, and towns developed its own overlord. Archaeological findings reveal that each city-state developed government apparatuses that helped to maintain law and order.

Necessary instruments were instituted for peaceful trade for about four centuries. All these systems were properly established and institutionalized before the advent of the Europeans in the area.⁷⁵

The two properly developed types of government in the area were monarchical and republican systems. The significant monarchies were Bonny (Ibani), New Calabar (Kalabari), Warri, and other micro ones like Bell Town, Aqua in the Cameroons, and Qua Ibom. The republics were single trading units with divided political authority as in Old Calabar, Brass, and the Cameroons. These two types of political groupings were exemplified by Bonny and Old Calabar. Bonny was the economic and political centre of the Niger Delta during the greater part of the nineteenth century, and even its successor from the 1870s, Opobo was an offshoot of the older kingdom.⁷⁶ The former had always been a monarchy as far as can be ascertained.

Dike who studied the area in 1949 produced archaeological evidence that shows several well-preserved documents of the dynasty of the Pepples of Bonny; he also discovered that the monarchy was founded around the mid-fifteenth century, hence in 1830 their institution was about four hundred years old. The king in that year was Opubu (of the House of

⁷⁵ Kalu E. Ume (1980), *The Rise of British Colonialism in Southern Nigeria 1700-1900*, p14-46; where he argued that the term City-State was generally applied to the immediate coaster communities, embraced both the settlement and their inland extension to the interior. This effective coordination was maintained by way of trading posts bound by strong economic and ethnic ties. But the City-State could in no way be designated as tribal-state, since the period of migrations disorganized the tribal entities and the slave trade further accentuated the mingling of peoples. As a result in the nineteenth century, the states were grouped by contiguity instead of Kingship; citizenship was demanded not on descent but on residence. (Exposition Press, Library of Congress, Smithtown, New York)

⁷⁶ *ibid*

Pepple). The first king of the house was Perekule; Opubu was the third of the Pepple, but he was the fourteenth king (Amanyabo) in an unbroken line of succession. It could thus be said that monarchy was a deep-rooted institution at Bonny.⁷⁷

The Royal House of Pepple which ruled from the eighteenth to the nineteenth centuries produced remarkable men argues Ume (1980). The Pepple dynasty founded Bonny, New Calabar as a trading centre for unity and strength among the delta communities. The Pepple wielded power by alliance and conquest to gain supremacy in the delta and the adjoining interior markets. The only strong opponent was the Kingdom of Kalabari (New Calabar), which refused to fall a minion to Bonny. In the course of conflicts that raged for a long time, Kalabari was defeated. In 1790, it was reported that the king of Bonny had destroyed New Calabar and compelled the merchants to pay tribute to Bonny.⁷⁸

The European traders who were well acquainted with Bonny, recognized him as a monarch with constituted power. The Pepple ruled in consultation with the aristocrats, who were members of the royal courts, later known as the "Palaver House". The King presided, but the deliberations were more or less democratic. The King's power was indeed felt in the council, but limited in all other spheres. In spite of some of these political lapses, Bonny had a properly developed system of government that provided an effective safety valve for integration among the Delta communities. Although the monarchy was of a primary consideration (in the Delta city-states), wealth was a principal determining factor. The respect and status of a monarch depended largely on riches-hence the system was

⁷⁷ K.O. Dike, *Trade and Politics in the Niger Delta* (Oxford: Oxford University Press, 1956), p.26-29

⁷⁸ Ume, *The rise of British Colonialism in Southern Nigeria 1700-1900*, p.28

somehow plutocratic. To my knowledge, this political organization provided a basic structure for other Delta principalities.

Moreover, the Efik community on the mouth of the cross river was noted for internal sharing of power with the recognized King. In the eighteenth century, there were four trading towns or republics in the Old Calabar, namely, Creek Town, Henshaw Town, Buke Town, and Obutong. Each of these towns had an independent ruler who cared for their peculiar affairs. The common interest was handled by a congress of kings united by the “Egbo” Fraternity. The Egbo society was a sort of freemasonry and secret cult, uniting the aristocratic classes in all four towns. Membership was open to freemen only. This “confraternity” was initiated by the nobles as a bound of union.⁷⁹ It functioned as a supreme authority for enforcing law and order among equals and rivals. It intended to safeguard the interest of the aristocratic group and to some extent regulated trade with the Europeans. As an instrument of social organization, its agents acted as an arm of the law, as asserted by Hope Waddell.⁸⁰ Its order was in many respects a supreme political power in all of Old Calabar. It exercised executive, legislative, and judicial functions. It acted as the highest court of the land, and its president was regarded as the first citizen of the community. This structure shows that, above all things, that Egbo society was very symbolic in regulating the affairs of Old Calabar. The British who had dealings with the Chiefs recognized the importance of the society, hence their contact with the towns of Old Calabar was within the framework of Egbo laws, thus restricting European activities to conform to indigenous laws.

⁷⁹ Ume, *People and Institutions* (1980), p.28

⁸⁰ *ibid*

The pivot of delta social organization was the “House System”⁸¹ or House Rule. This peculiar constitution was common in all trading states and could be regarded as a direct result of the trade with the Europeans, which was developed to handle the growing capacity of Afro-European trade. The new social organization was based purely an African precedent and experience with certain elements derived from European contact. The “House” developed into a cooperation trading unit and a local government institution. As a rule, every trader of any importance owned many slaves bought from various tribes argued by Dike. These slaves and other members of the trader’s family constituted a “House”. As a result, many of the slaves were retained for all economic welfare of the “House”.⁸²

However, it should not be misleading to indicate that the “House System” developed not only as a result of the experience from Europeans contact; this was basically indigenous with coastal flavour. For all practical purposes, the House was primarily a local government unit. It was responsible for laws and order in its respective section. It follows, then, that in a place like Bonny, the king, who was the leading merchant, had no direct control over the House of Chiefs. He could intervene to resolve a conflict between two Houses and confirm the election of a new House head. He also determined the status of chieftaincy in the state. He was in direct control of foreign relations, war, peace and also initiation of commercial policies, but his power was derived from the council.⁸³

Most socio-political units among Delta peoples are small in size and diverse in origin. Large-scale ethnic identification is very recent, and Delta communities still function primarily at a village-group, or “Clan”, level. While the term clan might not be correct technically today, it

⁸¹ The House System is a Co-operation Society based on the leverage of each area of control through the access to goods and labour.

⁸² Dike, Trade and Politics in the Niger Delta(1956), p.31

⁸³ *ibid*

continues to be used by the people living in the region. Most Delta communities owe their origins to a procession of many different groups arriving over long periods of settlement; yet these same communities ascribe themselves to common historical traditions that serve to unify them and accept titled leaders who trace descent from different ancestors. Therefore, while Delta peoples are extraordinarily autonomous, they also demonstrate an exceptional capacity for incorporating and fusing social units before and after independence in 1960 from British colonial rule.

Colonialism and the Niger Delta

In April 1840 Captain Beecroft, in the “Ethiope”, arrived by the Benin river and the Warri branch to the Niger and then went up that river to Lever (near Eyakede), where he reached on the 11th September 1840. He returned again by the Warri river branch and the Benin river to the sea. In 1841 the British Government sent out another expedition to the Niger under the command of Captain H. D. Trotter, Commander William Allen and Commander Bird Allen (Who died at Fernando Po on the 25th October, 1841); Parliament voted £60,000 for this purpose. This is known as “The Great Niger Expenditure”. Captain Trotter and Allen were accompanied by Mr William Cook, Her Majesty’s Commissioner, Rev. J. S. Schon, C.M.S; Dr. F.R. Vogel, Botanist (who died at Fernando Po on the 17th December, 1841) Dr Stanger, geologist; Mr Roscher, Mineralogist, along with Mr Frazer, Zoologist and Mr John Ansell, plant collector. The last five were sent out by the Africa Civilization Society.⁸⁴

⁸⁴ The Memorandum of Sir Edward Hertslet 10 Nov.1884 of the Niger Delta expedition and Mr. Bolton’s notes, November 16, 1884; British National Archive No. 494 vol. xxvi, p.617.

The expedition left Devonport on the 12 May, 1841. The “Albert” and “Soudan” entered the Niger on the 13th, and the “Wilberforce” on 15 August. The “Wilberforce” left Lokoja to return down river on 21 September, and reached the mouth by the 25 September. The “Albert” anchored above Egga from 28 September to 5 October 1841.⁸⁵

Captain Beecroft, in the “Ethiopia”, ascended the river to Stirling Island where he met the “Albert”. On 13 October he escorted her to the mouth of the river Nun, which was reached on 15 October, 1841. After bringing the “Albert” to Fernando Po, Mr Beecroft ascended the old Calabar River, visited Ommanu, and then returned to Calabar old town.⁸⁶ From then on the British Government acquired a naval base under the command of Admiral Richards and Admiral Salmon-the Commander-in-Chief who visited King Jaja of Opobo on 11 July 1843 for permission to speak to the natives. Jaja background was originally a slave of the People House of Chiefs, but his ability and industrial insight saw him rise to wealth and freedom. After he was removed from Bonny for his loyalty, he enfranchised himself and set up at Opobo, acquiring a commanding position. He had a fleet of 50 canoes armed with breech-loading cannon and rifles. Jaja couldn’t speak English well, and according to documents found in the Public Office Records of Consul Johnston’s description, he exercised a generous hospitality to naval officers and traders, his demeanour was marked by quiet dignity, and his appearance and conversation were impressive. His constant communication with the Secretary of State through and the Consul displays admirable diplomatic ability as he argued for the independent sovereignty of Andony country.⁸⁷ But after Admiral Salmon paid a short visit to the two rivers (New Calabar and Bonny), on his way to Opobo, and asked him to call

⁸⁵ ibid

⁸⁶ ibid

⁸⁷ Public Record Office Copy (Pursuant to Statute 6&7 Elizabeth II, c.51 FO 84/2020, British Protectorate of the Oil Rivers, September 1, 1843

at these, or at all events at Bonny for further understanding of the region. Bonny was the oldest of the trading rivers, and Opobo the newest. The Bonny Chiefs had been more loyal to rule of King Jaja with whom for rejecting the total control by British explorers of Qua Ibo affairs and therefore, Admiral could not visit both rivers, that why Admiral Salmon preferred going to Bonny.⁸⁸

It is not a matter of surprise that the Admiral had no complaint to Bonny or Old Calabar about King Jaja's treatment of the Qua Ibos people as claimed by the consul, or that the Senior Officer in the Navy should not have referred to the matter in welcoming Admiral Salmon. The King's and Chiefs in both these rivers recognized the Consul; and not the Admiral or any other naval officer, as the regularly appointed person to whom to make their complaints.⁸⁹ As the Qua Ibo and King Jaja's resistance to total control of the river was under the consideration of Earl Granville, a despatch from the colonial office in London 24 April 1883, the use of military force was seen as the most effectual way of putting an end to the actions. This action would have put Qua Ibom on the same footing as the other Oil Rivers, that is, it would be opened to European traders, while the Opobo people prohibited from going there, and measures would be taken to prevent Jaja intrigue to bring about disturbances in the river.⁹⁰ Jaja had been told that Her Majesty's Government would hold him responsible for any disturbances that may have originated from him or his people in the Qua Ibom country. Whether he tried to accomplish by "juju", or fetish, what he would

⁸⁸ Consul Hewett to Earl Granville: Observations on the Correspondence respecting King Jaja of Opobo on the Qua Iboes request for total control, Doc. 35 February 14, 1884.

⁸⁹ *ibid*

⁹⁰ *ibid*

otherwise have attempted by force, for example, to stop the Qua Ibo trading with a European and so acquire the river for himself.⁹¹

Treaty Negotiations with King Jaja of Opobo and Chiefs of the Benin River

On 24 August, 1884 Lieutenant and Commander Moor, of the "Goshawk", paid a visit to the River Forcados to prevent a German Commissioner from planting the German flag there, as he had done at Bay Beach and Cameroon. His mission was to go and look after that River and he deemed it prudent to take measures also to prevent the Old Calabar and the Rivers generally of the Niger Delta being made subject to Germany.⁹² On 26 September 1884 Commander Moore arrived at Bonny Bay with Captain Brooke when he concluded a preliminary Treaty with the Bonny people, and to obtain the services of Captain Bell, an agent for steam-ship companies and a pilot for the Forcados, who, nonetheless, had stipulated that before he could take in one of Her Majesty's ships, the crew should make sure that the channel is wide enough to accommodate a branch steam-boat.⁹³ The result of this visit was the signing of Treaties by which Bonny and Brass accepted British protection for six months.⁹⁴ On 29 September 1884, Commander Moore, however, and two of his lieutenants with Captain Bell met Nana and King Jaja of Opobo, and a few other native Chiefs had also signed a Treaty whereby, among other things, they had agreed to accept the protection of the Queen of England, and should any white men now appear in their river they were to send word to him, and if these men were other than British they were to have

⁹¹ Juju mystical powers derives from natives gods and spirit

⁹² J.A. Crowe, Memorandum 5033/26, 7 November 1884, British Documents on Foreign Affairs, Vol. 19 West Africa: Diplomacy of Imperialism, 1868-1895

⁹³ *ibid*

⁹⁴ Consul Hewett to Earl Granville reported in the consular despatch No. 15, Africa September 29 1884

no communication with them. These were his instructions, and they must be complied with, or else the British would come and punish them.⁹⁵

Having promised that they would obey his orders, some gifts were presented to the Kings that were brought from the Queen as a diplomatic exchange of friendship. From now on the British traders could proceed to the Forcados, Brass, Escarvos and the Calabar Rivers, in which they could anchor off a large towns on the south bank. These included towns like: Abohhorotu who was also inhabited by people of the Ijaws tribe. It was also acknowledged that they were subject to King Jaja of Opobo and Chief Nana, both told local people about the Treaty, and gave their orders, as had been done to others.⁹⁶ These Treaties were designed in such a way that that in the event of death, the succeeding King could not repudiate the Treaty obligations they had entered into were not binding on the King only. The Treaty was explained to them, but they did not understand the language. The majority of the minor Chiefs were unwilling to sign it lest, as it appeared to me, they should be considered presumptuous. Whether the majority signed it or not, it was binding on them. At the end some gifts were then distributed to them, and also a Union Jack, which was immediately hoisted in their towns and cities.

However, on 5 June 1885, the British Protectorate of the Oil Rivers was created which comprises on the line of coast of the Delta with reference to the encouragement that it is desired to give to free trade, and to take the initiative in disturbing the present system of trading in the Oil Rivers of the Niger Delta. For Example, extract from the *“London Gazette on June 5, 1885 on the Oil Rivers reads:*

⁹⁵ ibid

⁹⁶ ibid

The “middlemen”, as you term the Chiefs, with whom, for the most, we have Treaties, have a clear and decided use, inasmuch as they are now responsible For the protection of the European traders in their districts, and for the Security of their factories and goods.

Deprive them of that responsibility, and of their means of living, and who can Be so held responsible? The so-called monopolies I took upon as being dues Fairly liveable for the security of the traders. Tear up the treaties and proclaim Free trade, and you will have the natives cutting each other’s throats, European Will be safe everywhere, and the squadron on the station will be under endless Requisition for operations in out-of-the-way places for punishment of isolated Outrages. Time will tend to develop free trade, but it cannot in my judgment be Done with a rush, without the first result being anarchy.⁹⁷

Moreover, Her Majesty’s Government had given full weight to the representation that reached her from various quarters as to the development of British trade in that region, and as to the importance of proper protection being afforded to the traders and their agents by establishing the Royal Niger Company. The Niger Company took upon themselves a very large responsibility, and duty to be allowed as far as practicable to discharge their trading pattern in their own way. If their methods did not stand the test of practice, the Secretary of State has such ample powers of control and veto vested in him by the terms of the Charter (especially by sections 5 and 13) that it is scarcely necessary for him, in the initial stage, to exercise a very stringent supervision.⁹⁸ While, on the other hand, they have felt it imperative to pause before sanctioning increased Consular expenditure, they have, on the other hand, recognized that it is unquestionable that British trade is largely on the increase, that the absence of a civilized rule makes it essential that the lives and property of the

⁹⁷ Admiral Sir F. Richards to Mr. Lister, Doc 51-(received December 13 1885)

⁹⁸ Charter of “The Royal Niger Company” Trade Regulations March 1887, p.45-54

traders should be protected by British officials. Therefore, effective steps was taken to guard against the danger to commercial enterprise resulting from the ignorance, greed, and weakness of many of the native Chiefs.

The Oil Rivers were not included in the Niger territories which the British Protectorate of the Niger Districts under the Royal Niger Company were administered under the Charter; but being on the seaboard, and thus accessible to gun-boats at all times of the years, they are under the care of a British Consul, who settles any disputes with the natives. Seven of these coastal Settlement—Brass, Benin, New Calabar, Bonny, Quaebo, Opobo, and Old Calabar—have no intercourse with the chartered territories, except in one district, to which New Calabar canoes have the right to penetrated occasionally. But in the case of the nearest “Oil rivers”—Brass complaints have been made by the native canoe men of being obliged, on their trading visits to the main Niger, to pay the customs duties authorized by the British Government, and levied by the Company for meeting the expenses of administration.⁹⁹

By the Treaty of 4 January 1873, Jaja was recognized as King of Opobo by Her Majesty’s Government. The markets to which the Europeans sought access were not in Opobo territory, but Jaja’s influence there was paramount because hitherto the natives there had to rely on him and his Chiefs for the goods with which they traded with the natives beyond them. This treaty guaranteed the payment of comey—a sort of custom’s duty to Opobo at the same rate as was payable in Bonny. The recognition of Jaja as King and by implication, Opobo as a sovereign state, as well as the mode of settling disputes in an acceptable form increased the power of Jaja. For example, an offending ship or streamer was to be seized

⁹⁹ *ibid*

and detained by Jaja until a fine of 100 puncheons was paid by the owners to Jaja.¹⁰⁰ This treaty was the corner-stone of the new Anglo-Opobo cooperation agreement under King Jaja. In a letter sent by the Queen through Lord Roseberry dated 16 June 1873 with the assumption that the protectorate will enable the territories in the Gulf of Guinea prosper. In the view of Her Majesty, will be a principal centre for the promotion of the welfare of the natives of all the territories taken as a whole by insuring the peaceful development of trade, and by facilitating their interaction with Europeans.¹⁰¹ King Jaja of Opobo opposed carrying out these objectives. In the same letter he was told, "It is not to be permitted that any Chief who may happen to occupy a territory on the coast should obstruct this policy in order to benefit himself".¹⁰² This was a clear warning against the use of any restrictive measures, such as those he was reported to have taken to prevent Europeans trading at the markets. This warning was totally disregarded, however. Therefore, Jaja was charged with barring access to Europeans to markets outside his territories.¹⁰³ It was feared that if he was left unpunished, other Chiefs would soon imitate him in other Rivers, and trade amounting to over one million pounds per annum would be wrested from Europeans traders, and left as a monopoly in the hands of the natives.¹⁰⁴

In fact, during the time of colonial Niger Delta, no native Chief in the district had so much power in his own territory, or wielded so much influence among other tribes, as Jaja did. He was a middleman and like all the Oil Rivers trading chiefs, sought to establish a monopoly over as wide an area possible. His boys (for example, slaves, but domestic slaves and well

¹⁰⁰ S.O Jaja (1991) *Opobo Since 1870—A Documentary Records with and Introduction*, Ibadan, p.2-3

¹⁰¹ Memorandum by Consul Hewett respecting Jaja's action in opening the access of European to Natives Markets; London, August 27, 1887.

¹⁰² *Ibid*, August 27, 1887

¹⁰³ *ibid*

¹⁰⁴ *ibid*

treated) went up the river and bought oil from the actual producers. The actual producers were not allowed to meet the Europeans buyers, and the Europeans were not allowed to go up-country to deal directly with oil producers. It is the view here that the issue of ownership of oil and control of natural resources in the Niger Delta did not begin with discovery of petroleum and natural gas in the early 1950s. In fact, it actually begun in the seventeen century as palm oil was traded with Europeans. The system of exclusive and compulsory brokerage may be a bad system, but it was the course of trade which had existed ever since the abolition of the slave trade and the legitimate commerce in palm oil began. It existed throughout all the rivers, and in particular at Bonny, before Jaja left Bonny. Jaja was brought up in this system of trade, and carried it on like other trading chiefs, but with greater tact and success. He had forces at his command needed to support his monopoly and to suppress any interference. If European firms attempted to go up the rivers and trade directly, he could put pressure on the oil producers, and this was invariably successful in the long run in stopping free trade. Against the natives he would, use force of arms against those who attempted to trade with European agents.

This was the custom of the trade, and this custom was, as regards Jaja, to some extent legally recognised by the British Government. In fact, in the Treaty of 1873 Bonny people were given exclusive right to six markets, and Jaja had the exclusive right to the Opobo River, according to Consul Livingstone's letter of 15 July 1873.¹⁰⁵ Jaja demanded monopoly over his river, and to this the British Government, according to the above-cited document, agreed. However, February 1885 the General Act of the Conference of Berlin (to which Great Britain and all the other Great powers were parties), according to Articles 26-33

¹⁰⁵ S.O Jaja (1991) *Opobo Since 1870—A Documentary Record with An Introduction*, An Africa Merchant Prince, p.76-94 Ibadan

declared the total freedom of navigation in the Niger Delta with no exclusive privileges of navigation were to be granted to companies or private persons.¹⁰⁶ This freedom of navigation was excellent in principle, but inconsistent with Jaja's treaty rights. Therefore, to the Europeans trade was increase if he was deported, but the Chiefs in the other rivers would be much more easily managed, as they would be deprived of his bad advice, and Her Majesty's Government would certainly be saved a great deal of trouble. On 12 December 1887, King Jaja of Opobo was removed, and a decision was pending as to whether it was expedient that Jaja to be allowed to return. The charges brought against him were proved, and the following sentence was inflicted on him:

1. King Jaja is deposed, and is no longer King of Opobo.
2. He is to leave the West Coast of Africa, and take up his residence in one of the four undermentioned places: the Cape Colony, West Indies, St. Helena, and Ascension.
3. He is to receive an annual pension, independent of his personal property of £800 a year.
4. No person will succeed Jaja as King of Opobo: the country will, for the future, be ruled by the Governing Council under the supervision of Her Majesty's Consul.

The sentence also read: 'it has not been without considerable reluctance that Her Majesty's have called upon to pass this severe sentence on King Jaja, exiling him from his country and deposing him from his kingship; but the step was rendered imperative by Jaja's repeated breaches of Treaty obligations, and his resolute disregard of advice from Her Majesty's Consul, and from the various naval officers who were deputed by the Opobo administration.

¹⁰⁶ Treaty of the Berlin conference, Article 26-33 The General Act, February 1885

“Let what has befallen Jaja, therefore, be a lesson to the Chiefs of the Oil Rivers’ Protectorate”.¹⁰⁷ After the removal of Jaja, the market throughout the British Protectorate was thrown open without any reservation whatsoever, for all to trade in alike. That is to say that Bonny’s men could trade at the Opobo market, Opobo men could trade in Bonny’s markets, new Calabar could trade at Endelli, and Bonny at Obiatubo. All could now trade wherever they willed in the Protectorate without let or hindrance. King Jaja of Opobo was deported to St Vincent Island in the West Indies. But tension soon rose in Opobo after the commotion during Jaja’s last days in exile. Jaja was already suffering from chronic bronchitis and in February 1891 he was transferred from St Vincent to Barbados. Every chief in Opobo expected that King Jaja would shortly return, but on 7 July 1891 Jaja died on his way after being pardoned at Santa Cruz, in the Spanish island of Tenerife.¹⁰⁸

To my understanding, as long the Opobo Chiefs acted loyally towards the British authorities, they would continue to receive support and assistance due to the gracious protection of Her Majesty’s government. It was clear that Her Majesty’s Government would resolutely punished any further attempt on the part of the Chiefs or natives of the Oil Rivers to attempt any further opposition to the Consular authorities or interference with free trade. It had been a possibility that the traders settled in the Oil Rivers district would come to terms with the Niger Company, and thus pave the way for bringing the whole Protectorate under the Charter granted to the company. But because King Jaja revolted, however, this arrangement did not appear practicable; the oil rivers traders were not disposed to negotiate with the company, which was not ready to increase its jurisdiction on the coast in

¹⁰⁷ Memorandum of Admiral Sir Walter Hunt-Grubble Address to the Chiefs of the Oil Rivers Protectorate, assembled in Bonny, December 12 1887.

¹⁰⁸ J.C. Anene (1966) p. 140-41

face of their hesitation or opposition.¹⁰⁹ But there was plan B on the agenda. The Consul introduced a series of Governing Councils in the more important rivers. Those on Old Calabar, Opobo, and Brass were established. Bonny and New Calabar were also added to the list. These Councils were composed of natives Chiefs and European residents in equal proportions. It was trusted, proved, at any rate, and heralded—the the beginning of a stable system of local government. The Niger Company's hold on the coast was at the Nun-the main mouth of the Niger. But the British Protectorate extended over all the remaining mouths of the Niger and over those of the Old Calabar or Cross River. In the interior the Protectorate was at less prominent depth except as regards to the territory administered by the Niger Company. With regards to the natives of the Protectorate trading directly with Europeans, they were informed that they were at perfect liberty to do so; but all persons, Kings, Chiefs, natives, or foreigners, exporting oil and kernels from the Protectorate would have to pay "comey" alike; that is to say, If King George of Bonny or Chief Ogolo of Opobo send oil exports to England, they must pay the same "comey" on it per ton as would any European agent in the rivers.¹¹⁰ [See Appendix Doc 68 on the Regulations for the Constitution of a Governing Council to manage the local Affairs of Brass,-Oil Rivers Protectorate February 1888]

The minutes of a meeting recorded on July 4, 1888 explain how Great Britain secured the Protectorate of the Oil Rivers, by means of a series of Treaties with the Maritime tribes, extending from Benin to Old Calabar. These tribes, in the past, owed their wealth and power to the slave trade, of which in that part of the world they had a monopoly as middlemen-

¹⁰⁹ A letter sent by Sir Villiers Lister from Colonial office to Foreign Office in London (Confidential) Doc. 65, November 2, 1887, British Public Record Office.

¹¹⁰ "Comey" means Customs Excise Duty to the Consul or Chiefs of the Protectorate.

due to their position on the seaboard. On the abolition of the slave trade, British merchants alone began to create what is known as legitimate commerce in the Niger Delta, and gradually established numerous factories in to promote palm oil trade in the Oil Rivers. Though the objects of trade had changed, the position of the maritime tribes, as powerful middlemen, remained unaltered. They alone were able to penetrate into the markets of the interior where the principal article of export, palm oil, was produced. On their co-operation was imperative for the existence of commerce in the Niger Delta region, and their good-will had to be purchased by annual and other subsidies made to them by the British merchants, unaided particularly by Great Britain. Still the Consuls-backed by gun-boats were occasionally used to act as arbiters in settling the disputes that arose between two tribes or between some tribe and the Europeans trading agents, these also acted as a military deterrent over the actions of the latter.¹¹¹

The Niger Company was also allowed to charge interest on amount over £250,000, on account of expenses connected with the acquisition of the Protectorate. The Liverpool traders were ready to amalgamate, if they could charge the interest on £500,000. To my understanding, their argument was that they had for many years subsidized the Chiefs to be loyal, by payment of “handshakes” (bribes), the natives would never have accepted the Protectorate. Therefore, these subsidies, or “handshakes”,¹¹² otherwise-the natives would never have accepted the protectorate. Therefore, these subsidies, or handshakes were expenses connected with the acquisition of the protectorate, and therefore, the amount should be restored to them. With these incentives, the Royal Niger Company made Treaties with natives Chiefs, bought out foreign companies, and directly paved the way for the

¹¹¹ African Association to the Marquis of Salisbury, Doc 97, 19 Castle Street, Liverpool, July 4, 1888

¹¹² Bribe ring and corruption to gain advantage over the Portuguese traders

Protectorate. The traders established themselves on the coast for their own purposes; the Chiefs, who were the coast middlemen, would not let them trade unless they were paid “handshakes”, and they accepted the terms.

But the British dilemma was for the Protectorate to improve their position by breaking down the middlemen and abolishing the “handshakes”. Their contention was, therefore, that in taking over the Protectorate the expenses incurred by the merchants under these and similar heads should be recognized as money not only laid out for the benefit of the Protectorate natives. But essential for it being taken over, and should form a claim on its administrative resources.¹¹³ In letter sent to the Lords by the Chairman of the Africa Association reads:

“We would therefore ask your Lordship that, in the event of a fusion
Of the interest of the Oil Rivers and of that Company, and in the event
Of the extension of the Charter of that Company over the Oil River,
Permission may be given by Her Majesty’s Government for the levying in
Protectorate of a special revenue, in excess of that raised for current
Administrative purposes, to the amount of £25,000 per annum, being
5 per cent on the above minimum expenditure of £500,000.”

On behalf of the African Association, I am, & c. (Signed) T. STANLEY ROGERSON, Chairman.

I am of the opinion that the bribery and corruption today in the oil and gas industry in the Niger Delta was first introduced by Europeans traders during colonialism. It is absolutely clear from the claim put forward by the African Association—that the British merchants who traded on the Oil Rivers should be repaid out of the revenues of the Protectorate the sums expended by them in establishing their trade by way of “handshakes” (which appears to be

¹¹³ Minutes by Sir P. Anderson and Sir J. Pauncefote for the meeting held by Europeans Traders in Oil Rivers Protectorate, Doc 98, and July 5, 1888.

the Anglo-African for “pot de vin”) or in buying out foreign competitors. That money was used for their own purposes, and no doubt brought in splendid returns, when palm-oil (in both senses) was so remunerative. The Delta production, which averaged 15,000 to 20,000 tons was worth approximately £500,000 and in peak years like 1845 was nearly £750,000 at £34 a ton.¹¹⁴ Palm oil was not the sole commodity of trade, but it was by far the most important at the time. For example, in 1842 the ivory produced in the Delta was worth about £17,000 per annum; Camwood and other dye-woods were worth between £10,000 and £15,000 per annum.¹¹⁵ The timber trade, although at that time increasing, was unimportant. [See Treaties Agreed upon in 1851 & 1854 in Appendix E]

English manufactured goods were exchanged for Delta oil through a system of barter trade known locally as “trust”, a peculiar form of credit. Goods were trusted to the Delta middlemen by the British merchants for periods of between six months to a year- or, in some rare cases, up to two years during which time the African recipients were required to trade them for interior produce and pay back their European customers the equivalent in oil, ivory, timber or spices. This system was not new to the Niger Delta traders for it was certainly prevalent during the slave trade. Therefore, it is clear that the new premises established in this thesis and inferences drawn from analysing the evolution of trade in the Niger Delta, that it was not the laws passed in the United States or the William Wilberforce motion in the UK Parliament that stopped the slave trade. It was the discovery of alternative products—particularly—the palm oil that was more profitable than human trafficking.

¹¹⁴ K. Onwyka, Dike (1956) *Trade and Politics in the Niger Delta 1830-1885* where he argued that the development of the oil trade as a legitimate economy compare to the slave trade explained in part by the comparative peace in the city-states from 1849, and in part by the growth of the trade in the Bight of Benin, p.100-102, Oxford

¹¹⁵ *ibid*

The Work of the Royal Niger Company and Its Objectives

Towards the close of 1885 Her Majesty's Government had assented in principle to the granting of a Charter to the National African Company (then the Royal Niger Company). Still, a question arose as to the method by which the company should be enabled to repay itself considering the political outlay incurred in the acquisition and maintenance of about 237 Treaties signed with native Kings and Chiefs which secured for Great Britain trade in the Niger Delta. With all the relevant document available and to my understanding, in meeting these obligations the main aim and objectives of the Royal Niger Company was threefold:

1. In establishing, prior to 1883, political influence over the native Kings and Chiefs, and the people of the Niger Delta.
2. In preventing, during 1883-84, such influence being usurped by another power through those foreign associations, which were fortunately absorbed into the Company just before the West African Conference at Berlin of November 1884.
3. In maintaining British influence against the efforts of German adventurers during the difficult period of interregnum (1885-86) between the Berlin conference and the granting of the Charter.¹¹⁶

It should be noted that, during this period and until the issue of the Charter gave an international sanction to the sovereignty Treaties of the company, Lord Salisbury argued in the House of Lords that, "Franco-African and German explorers and the French press were vehemently urging on the French Government that, the British Protectorate Treaties only extended over scattered districts, and that the Company's Treaties were (from the

¹¹⁶ G.D. Taubman, Foreign Office Letter 5610/146 Doc. 181

standpoint of international law) invalid, and that France had more districts possessed in 1884 establishments in the Lower Niger basin numerous than those of the Company".¹¹⁷

Another issue that arose was the repayment of the company's political outlay by means of certain small privileges, something which was questioned by Lord Salisbury and was considered by the Lordship to be inconsistent with the engagements toward Germany of May 1885. The Company then suggested that the amount expended for political aims should be considered as a State debt of the Niger Territories, and that the draft Charter, previously approved by the Lordship should be amended so as to permit this to be done and of the Company raising revenue to pay itself the annual interest on this debt.¹¹⁸ Great Britain and Her Majesty's Government having accepted this view, the requisite change was made by an addition to clause 14 of the Charter.

For technical reasons the Charter as issued dealt only with those scattered portions of the Territories referred to in the petition against the company of February 1885, and it was only then, (since under the House of Lords has under clause 12 of the Charter extended the effect of that instrument to all the company's territories), that the Council of Territories were in a position to ask for a settlement of the amount expended in respect of the whole of those territories.¹¹⁹

On the other hand, the company was prepared as stated in the status book to adhere to what it understood to be the arrangement at the time, and also to accept the comparatively small sum of £250,000 without further discussion.¹²⁰ But in the event of failure in the

¹¹⁷ Royal Niger Company to the Marquis of Salisbury, Doc. 182 October 25 1887

¹¹⁸ G.D. Taubman, Foreign Office 5610/146 Doc. 181 24 Oct. 1887

¹¹⁹ Foreign Office, December 28, 1887 Doc. No.280 Africa

¹²⁰ Confidential Memorandum of the 24th October, 1887, accompanying a Letter to the Marquis of Salisbury, Doc. 186

struggle to solidify British rule in the region, no British Government was obliged to repay the company's debts, or the company to ask for either assistance or guarantee from Great Britain. Therefore, year by year the company opened up new factories, and new products like liquor (alcohol), gunpowder, silver, rubber, ivory, shear butter, adansonia fibre, potash, hides, tin, gum, oil seeds and cowries which were traded in exchange for palm oil. Trade by this time, by force of circumstances, confined to the neighbourhood of the waterways, but as time went on other small outlets, (doubtless owned by companies and other private traders'), and factories were established inland. These took place of the travelling Hausa merchants coming from the North.¹²¹

In exchange for these articles, native tribes were given all sorts of European commodities like good from Manchester, Birmingham wares, tobacco, salt, and an infinity of odds and ends, while in the Delta regions spirits, gunpowder, and "Long Dane" and other trade muskets were still admitted.¹²² Regarding the sale of these latter articles, some explanation is necessary. The extent to which the whole of the Niger Delta was flooded with spirits (alcohol) ever since trade was established with Europeans is well known to everyone, and it is only after independence that any attempt has been made to put a check on the enormous imports of this items. There were however, some attempts before this time by the British (at the Berlin Conference of 1884) to impress on the powers the importance of putting some restraint on the spirits traffic. It is also noteworthy that Sir George Goldie, who represented the Niger Company at the Conference, was the prime mover on the liquor question, though nothing came of his suggestions until the Brussels Conference in 1890.¹²³

¹²¹ Lietut. Col A.F. Mockler-Ferryman, *British Nigeria-A geographical and Historical description of the British possessions adjacent to the Niger River, West Africa*, 1923, p.89

¹²² *Ibid*, p.90

¹²³ *Ibid*, p.91

However, the company decided to take independent action, and with backed by the Royal Charter put a heavy duty on the import of spirits into the territories; following this up, it next prohibited the introduction of spirits into the countries north of the confluence, thus confining the traffic to the pagans of the Lower Niger. Again it reduces the area of crime, and admitted spirits only as far north as the River Nun in Aboh. In fact, this was the most prohibitive duty in the Delta acting as a most effective check on liquor consumption.¹²⁴ This action gave rise to considerable disaffection among the Delta tribes, who looked on cheap drink as one of the benefits to be derived from the European traders; still, the company fully maintained a total prohibition on the introduction of gin and rum into its territories.

The gunpowder and arms mentioned above as imports are of the most dangerous description also known as “trade powder”, with propulsive powers was sufficient to discharge a bullet from a musket, and the arms consisting of more deadly than old-fashioned percussion gun were all prohibited. Yet the Royal Niger Delta Company always discouraged as much as possible (via a heavy import duty) the sale of even these articles, while the introduction into the territories of arms of precision and other related materials of any kind was still prohibited in accordance with the Brussels Act.

For nearly fourteen years the Royal Niger Company continued its administration; then the government became convinced that the time had arrived for “an Imperial Authority to be on the spot”.¹²⁵ The Royal Charter was revoked not because the company had in any way failed in its administration, but for the reason that it was considered to fulfil its mission in

¹²⁴ In two years the import of spirits was reduced by one-half, though in the adjacent Oil Rivers, it may be remarked, the raising of the import duty has made little difference to the quantity of liquor consumed, Mockler-Ferryman, p.90

¹²⁵ This means the revoked of the charter in 1899 by the British Government due to inefficiency and debts of the company, but it was claimed otherwise.

establishing trade and commerce in the region.¹²⁶ A few statistics concerning the Royal Niger Company will be of interest here, more so especially as until the revocation of the charter decided in 1899, none were ever published:

YEAR	DUTY ON IMPORT	DUTY ON EXPORT	REVENUE	EXPENDITURE
	£	£	£	£
1887	24,037	16,781	42,396	71,324
1888	34,467	19,915	55,771	73,830
1889	30,610	25,920	57,652	82,870
1890	36,768	24,656	62,430	92,258
1891	53,767	31,198	89,667	107,975
1892	51,648	50,272	103,115	107,115
1893	56,897	52,324	110,756	99,256
1894	26,381	46,867	74,160	104,001
1895	40,614	46,260	87,806	108,963
1896	44,462	51,556	102,330	117,905
1897	47,873	45,330	94,045	135,637
1898	63,054	48,981	113,305	135,093

Source: Royal Niger Company Chartered and Limited, Office of Secretary of Colonial and Foreign Affairs, 1899.

¹²⁶ On resigning its Royal Charter, the Niger Company was reformed in order to continue its trading operations. Some of the old members became directors of the New Company, but Sir George Goldie ceased to have any official connection with it.

Of the duties on imports and exports in the above table the Royal Niger Company contributed on average, 95% per annum, which shows that it practically had a monopoly of trade. The revenue was derived from these duties and from small receipts from licences; while the expenditure included the whole cost of administration, and the principal items being the subsidies given to native chiefs; special missions and punitive expeditions, maintenance of the constabulary force and flotilla, administrative stations, the salaries of staff, various sundry expenses, and interest at 5% on public debt of the Niger Territory (£250,000).¹²⁷ From these figures it would appear that the Company, in administering its territories, was out of pocket to a very considerable amount.

Table 2.1: Palm oil and Kernel Exports from the Principal Oil Rivers Ports in 1888 (in tons)

PORTS	PALM OIL	PALM KERNELS	FUTURE KERNEL TRADE
Lagos	11,470	31,259	21,000
Benin	7,000	10,000	21,000
Nembe-Brass	2,000	2,000	6,000
New Calabar	5,000	1,000	15,000
Bonny	4,000	1,500	12,000
Opobo	8,000	6,000	24,000
Old Calabar	7,000	10,000	21,000
Total	44,470	61,759	21,000

Source: FO84/1882 "Minutes of Governor Moloney in Connection of his visit in April 1888".

This table is based on the figures compiled by the governor of the Lagos Crown colony in April 1888.

This raises an interesting question for our consideration: To what extent did the nascent trade in

¹²⁷ Colonial Office Secretary, the Trade Balance Sheet of the Company from 1887 to 1898 given in full in a Parliamentary paper F/O 345 document No. C.9372

palm oil and kernels change the pre-existing allocation of export shares among the eastern Niger Delta state? However, the varying output levels of the Oil Rivers Protectorate in this nascent trade were well established before the arrival of the Europeans.

The Era of Chief Nana of Itsekiri and Trade between Middlemen,

Oil Traders and Ethnic Dimensions

The Treaty with King and Chiefs of Opobo was ratified at Opobo on 19 December 1884. The treaty recognised Chief Nana as the Governor of the Bight of Benin (Itsekiri). The situation in another advanced British station, Warri, was remarkably different. The local political situation played into the hands of the vice-Consul. Warri was the traditional capital of the Itsekiri, and, whether founded by a Benin Prince or not, Warri was for centuries before the arrival of the British a virtually independent principality. Chief Nana, the overlord of the region, did not oppose the action of the Macdonald administration (Vice-Consul). The vice-Consuls were as active as their Chief. In his first venture inland, he undertook an extensive tour of the Itsekiri and Urhobo hinterland. The Urhobo were a great oil producing people, although the Itsekiri acted as middlemen.

But Nana's pre-eminence was due partly to the thorough work done by his father, Alluma. The latter had not overthrown his rival, the son of the Queen of Warri, but by 1865 had founded and consolidated the new stronghold of Ebrohemie. Nana's mother was an Urhobo and this was a great advantage to Nana in his relations with the neighbouring Urhobo people. Nana seemed to have reconciled in his person the traditional frictions which bedevilled Itsekiri-Urhobo relations. Through remarkable commercial acumen, Nana gained considerable influence over other petty Itsekiri chiefs and over surrounding Urhobo oil-

producing districts west of the Forcados' River. His wealth and prestige marked him out as the dominant personality in the commercial and political life of a large portion of the Itsekiri and Urhobo country.¹²⁸ But Urhobo locals naturally tended to deny that Nana's position in the Urhobo country ever had any political significance. Rather, they saw Nana as no more than an Itsekiri middleman trader who exploited the potentialities of finance to control the external trade of Urhoboland. The real problem for Nana was though dominant he certainly was, he had yet to establish the machinery of governance which embraced Itsekiriland and the portion of Urhoboland he controlled commercially.

He acquired even greater prestige in the eyes of his local Itsekiri rivals and the commercially dependent Urhobo communities. His trade boy's naturally exploited their master's prestige to engross the trade of the oil-producing Urhobo country. British merchants who wished to do any business on the Benin River had to do so on Nana's terms. The palm oil trade replaced that in slaves and posed its own problem for Chief Nana. Palm oil trade infinitely needed greater organisation and resources than did the slaves trade of the earlier period. The British introduced the trust system that became a more general feature of the trade than it had been earlier. Not only did the white traders have to entrust goods to their Itsekiri customers, but the latter had to entrust goods in their turn to the producers of the palm oil, in this case the Urhobo (and also some Kwale) in the hinterland of the Itsekiri country.

Obaro Ikimi (1968) argues that in these circumstances, it became necessary for any Itsekiri who aspired to be a great trader to be seen to be credit worthy. This in turn had its various ramifications. First, it meant for the successful trader an ostentatious display of wealth in

¹²⁸ J. C. Anene (1966) *Southern Nigeria in Transition-Theory and Practice in a Colonial Protectorate*, p.135-151 Cambridge University Press

the form of fixed assets. Second, the trader had to possess a large fleet of trading canoes which could collect the palm oil from the various Urhobo settlements.¹²⁹ These features of the palm oil trade led to great rivalry between the leading Itsekiri traders—rivalry in the display of opulence to justify continued trust being given, and rivalry in securing oil from the Urhobo producers. The trade in palm oil also affected relations between the two ethnic groups—the Itsekiri middlemen and the Urhobo oil producers. The Urhobo were not always able to meet the obligations they undertook with their Itsekiri customers and so failed to produce the agreed quantity of oil. It was in this kind of situation that the giving of children and slaves as pledges became strongly entrenched in the commercial code observed between the Itsekiri and the Urhobo. In strict law the children thus given out as pawns were not slaves. They could be redeemed at any time on payment of the outstanding debt.¹³⁰

The development of the palm oil trade had another effect on Itsekiri—Urhobo relations. Although through the system of pledges, diplomacy and inter-marriage, it was often possible to maintain friendly relations between the middlemen and the producers, though disputes between the Urhobo and the Itsekiri were not always resolved peacefully. For example, Itsekiri traders were offended by the non-fulfilment of promise made by their Urhobo customers usually sent their slaves to raid the villages of the offenders concerned; the idea was that slaves taken during such a raid would, by working for the Itsekiri, eventually make good the loss sustained by the non-fulfilment of the obligations previously agreed on.¹³¹

¹²⁹ Ikimi, O., (1968) *Merchant Prince of the Niger Delta: The Rise & Fall of Nana Olomu Last Governor of the Benin River*, p. 5

¹³⁰ Ikimi 1968, p. 7

¹³¹ F.O. 84/1002 Campbell to F.O. No.9 24 March 1856, Also Ikimi 1968, p. 8

Another problem was the monopoly created by King Nana between the Itsekiri, Urhobo and the white traders made relations within the Niger Delta uneasy. It was not easy to tackle the two main factor responsible for this uneasiness—the fixing of prices acceptable to both sides, and the question of debt inherent in the trust system. The fixing of prices for palm oil produce was complicated. The white traders had their eyes on the European market and tended to offer such prices as would assure them of what they considered a reasonable profit. The coastal middlemen, unable to check on the European market prices and so uncertain about the fairness of the prices which the white traders offered, tended to resent any fall in prices. In fact, when there was a fall in prices, it was the practice of the middlemen to hold up their palm oil produce in the hope, thereby, of forcing up the price. The white traders invariably resented this economic sanction which the leading Itsekiri traders, and more especially Governor Nana were able to bring to bear against them, and their usual reaction to such a situation was to send a protest to their Consul and request his intervention with a view to the resumption of trade. For example, one of Nana's offences in the opinion of the British authorities was that he adopted the sanction of stopping trade in 1886 at a time when the price for palm oil produce had fallen by about forty per cent.¹³²

Thus, like Jaja of Opobo, Nana was bound to fall foul of the British merchants and then of the British political agents. Three years later, Consul Annesley confiscated Nana's 'staff office', and Nana's protest to Lord Salisbury produced no result. The charge against Nana was that he interfered with the effort of the Europeans firms to establish inland business.¹³³

¹³² F.O. 2/64, Evidence of Nana at his trial, No 9, 10 April 1863

¹³³ J. C. Anene (1966) p.152

Another source of disagreement between the Itsekiri and the white traders in the period up to 1884 was the question of the debts which the inescapable concomitants of the trust system. There were many instances when a disturbed situation arose in the Benin River district, either as a consequence of parties failing to agree on the amount of debts outstanding, or white traders seizing oil belonging to Itsekiri traders in an endeavour to make good outstanding debts.¹³⁴

The Vice-consuls who were appointed to the region in 1891 were hardly settled in the new vice-consulates when they were flooded with complaints by British merchants. These complaints were naturally embodied in the reports submitted to the Consul-General, Macdonald. The vice-consuls assumed that the smaller Itsekiri and Urhobo Chiefs were anxious to repudiate Nana's authority and trade freely and directly with the Europeans firms. They imagined that it was their primary duty to break Nana's trade monopoly, and referred with approval to the fate of Jaja of Opobo. Galloway, the vice-consul, emphatically argued that as long as Nana was allowed to continue his 'reign of terror', no progress was to be expected.¹³⁵ Eventually, Galloway and the merchants had their way and a British gunboat was sent against Nana, who, they argued, was playing a very dangerous game. In April 1894 Sir Claude Macdonald formally abrogated Nana's appointment as the Governor of the Benin River. The letter forwarded to Nana explained that, since the Queen's government had been established, he was no longer to be recognised as Chief of the Itsekiri people.¹³⁶ Nana refused to recognise the Consul-General authority and too late, perhaps, Nana began quietly and secretly to accumulate all kinds of arms to fight the British from his headquarter

¹³⁴ F.O. 84/1201, Enclosure 6, 1884

¹³⁵ Foreign Office Document 2/63, Report on the Niger Delta Coast Protectorate, 24 August 1894.

¹³⁶ Foreign office document 2/64, see letter from Gallwey to Nana dated 21 June 1894.

by the Ebrohemie creeks. Matters came to a head shortly after Sir Claude Macdonald left the protectorate on leave in the summer of 1894. The last straw for the British was Nana's refusal to accept the price for palm oil produce stipulated by the British trading agents themselves. Nana retaliated by stopping all trade relations with the merchants.¹³⁷ Nana's actions were no more than a crude way of doing what a trade union might do to maintain the integrity of a strike nowadays. It is easy enough to see the analogies between the issue and Jaja's dispute with British merchants in 1887. There was, however, a fundamental difference. Nana's behaviour was that of a businessman, whilst Jaja's was the exercise of his sovereign rights.

Military operations against Nana began on 25 August 1894 with Rear-Admiral Bedford ordering an assault on the Ebrohemie creek with a heavy gun-fire. It was therefore decided to cut through the mangrove on the eastern approach of Nana's stronghold. A massive advance against Nana was made on the 25th and Ebrohemie eventually fell to the British. Nana fled to Lagos, through a creek at the back of Ebrohemie, but the canoes containing his property and his letters were captured by British troops.¹³⁸ The legal awkwardness was overcome when Nana voluntarily surrendered himself. The trial was a brief affair, and Nana was convicted on the grounds that he had violated his treaty with Britain and had also broken the protectorate laws. There were hardly any legal arguments about the precise way in which the protection treaty was violated by Nana or about the protectorate laws which Nana had sinned against. His punishment was deportation to the Gold Coast (Ghana). The deportation of Nana meant the dissolution of his empire. According to reports of the protectorate administration, Nana had 2,000 slaves as well as a number of villages under his

¹³⁷ Foreign office document 2/65, moor to the Colonial office, Enclosure in Despatch no. 23, 8 August 1894.

¹³⁸ Foreign Office 2/64, moor to Colonial office no. 28, 5 October 1894.

control. Nana’s slaves were predominantly Urhobos but included, surprisingly, Yoruba’s too. All these were now set free but were persuaded to settle in Nana’s villages which the administration transformed into autonomous communities under headmen chosen by the British.¹³⁹ [See Appendix E: for Treaties and Agreement on Trade]

Table 2.2: Total Voyages and Casks of Palm Oil imported into the UK from the Bight of Biafra

YEAR	# of Voyages	Casks of Oil Import
1830	52	27,476
1835	67	30,993
1840	76	35,908
1845	112	53,683
1850	85	44,975
1855	137	83,170

Source: FO2/16 T.J. Hutchinson, “General Report on the Bight of Biafra (Enclosure # 1 in Despatch # 69, June-December, 1856)

Table 2 represented the total number of casks of palm oil from the Bight of Biafra into the United Kingdom. These figures show that even by 1855 the palm oil economy was booming but moderate in some part of the West Africa Coast. This explains why the state could not rely on palm oil as the main export revenue earner for its survival. On the other hand, Bonny may have benefited from the early boom in palm oil trading when the economic transition began. Thus the initial high profits from

¹³⁹ Obaro Ikime (1969) Niger Delta Rivalry- where he argued that Nana’s position had become incompatible with the aims of the British administration. Indeed, the establishment in 1891 of a more formal system of government in the Niger Delta was a pointer to the fact that the British Government had abandoned their policy of indifference in the affairs of the various Nigerian peoples, and adopted a new one of active intervention, p.118-126.

the oil trade and the anti-slave trade compensations may have served as sufficient financial incentives for Bonny to abandon slave trading sooner than other city-states in the Oil Rivers.

Table 2.3: Palm Oil and Kernel Exports to Europe from the Oil Rivers Protectorate b/w August 1891 and July 1892

COUNTRIES	PALM OIL EXPORT in IMPERIAL GALLONS	PALM KERNEL EXPORT in TONS
UNITED KINGDOM	6237518	11946
FRANCE	2445261	273
GERMANY	609541	19468
GRAND CANARY	292479	322
WIND WARD COAST	49050	165
TOTAL	9633867	32174

Source: FO84/2111 M.C. MacDonald to the Foreign Office, 1891

As table 3 shows above, the United Kingdom controlled 66% of the total export-import commerce of the Oil Rivers protectorate. This control represented a mark of continuity with the past because it began during the era of the informal empire. Germany and France, the two other most industrialized Western nations competing for markets in Africa, vied for the second largest overall share in the protectorate's foreign trade. The competition among these Western European powers continued until the First World War in 1914 when the German firms were expelled from Southern Nigeria. The firms were expelled along with the German members of the Basel Mission because their presence in the colony was considered inimical to the British war interests.¹⁴⁰ Moreover, Christianity was used by missionaries in the continent to pursue the political interests of their respective mother countries.

¹⁴⁰ Wariboko, W (2014) Elem Kalabari of the Niger Delta: The Transition from Slave to Produce Trading under British Imperialism, Africa World Press, p.218

Niger Delta and the Nigeria State at Independence

The Niger Delta, at the least around the Bight of Benin, was different from most other parts of Nigeria when independence came around. First, the climate was so bad that European settlers found it an impossible land to live in. Second, sleeping sickness, malignant malaria, the dysenteries and other fevers were so prevalent that outsiders coming in with no natural immunity died by the thousand, so much so the area was known as “the white man’s grave”.¹⁴¹ It could be said that Nigeria, as defined in the days of independence was really not an idea centred on either race or geography; it was rather a conglomeration of ethnic groups, three which predominated—The Hausa, Igbo and the Yoruba.

In 1953 a member of the Action Group, Anthony Enahoro, introduced a measure in the Nigerian legislature calling for independence by 1956. Northern representative proposed an alternative measure calling for independence as soon as it was practicable. In the council of Ministers, a majority composed of the four northern ministers and the six British officials voted to bar ministers from participating in the legislature’s debate on an independence resolution. The four Action Group ministers representing the Western Region resigned in protest. In the legislature’s March 1953 session, northern votes defeated the Enahoro resolution (motion). Representatives from the East and West then walked out when the legislature took up the North’s alternative motion. Crowds in Lagos booed northern representatives. Newspapers in southern Nigeria attacked both British officials and

¹⁴¹ Robert Collis (1970) *Nigeria in Conflict*, p.4-5; where he argued that the only possible reason for the white men coming to this part of the world at all, before modern medicine had discovered the causes and cures for the fevers, was to get rich quick, published by C.Tinling & Co., Limited London and Prescott.

Northern politicians. Papers controlled by the Action Group talked of a Mau Mau—like uprising in Nigeria and the party threatened a nationwide campaign of civil disobedience.¹⁴²

In 1957 the Western Region of Nigeria had just received independence while national independence for all regions was still three years away.¹⁴³ Regional independence meant that the Nigerians politicians belonging to the majority party formed a government which had complete control over all regional matters excluding the Niger Delta people. Still, all important and actual decisions were made by the Executive which consisted of the Governor and expatriate civil servants. Thus a nationalist movement which was a conscious part of an international movement for freedom came to be identified in the eyes of many other politically conscious Nigerians as a predominantly 'tribal' or at best as a 'regional' force in politics.¹⁴⁴ It was not long before this internationally inspired 'nationalism' gave rise to rival regional struggles based on the main linguistic, and ethnic groups in the north-east, south and west. Even though at the beginning of 1948, there was a financial arrangements based on derivative principle in the Richards Constitution; in the 50s the problem of allocating fair shares of revenue between the three regions became suddenly, the most serious and intractable political issue. The Regional Houses (with unofficial majorities nominated by provisional electoral colleges) had no power to appropriate revenue. They were themselves electoral colleges for the central Legislative Council, which made available, via its votes, an allocation of revenue based on the principles of derivation and the assignment of specific revenues to the regions or groups of provinces. At this time the actual

¹⁴² Hubbard (2011), *United States and the End of British Colonial Rule in Africa, 145-1968: West Africa and the Sudan. 1953-1960- Final Steps*, p.202-216

¹⁴³ Collis (1970), p.4-5

¹⁴⁴ The International flavour of the NCNC politics mostly in the south and Niger Delta region can be seen clearly in the of the West African Pilot Newspaper and the books and speeches of Dr. Azikiwe, see I.F. Nicolson (1969), p.252-300. *The Administration of Nigeria 1900-1960, Men , Methods and Myths*, Clarendon Press Oxford

needs of the each region to maintain existing services did not coincide with the derivation of funds, but with the intensity of the past demand for education and other services.

Therefore, it was necessary to give the Eastern Region that included in the Niger Delta an 'extra allocation'. It was this necessity which brought out the latent possibility of inter-regional strife over the division of centrally collected revenues.¹⁴⁵

At the same time, the second intractable problem which was to dominate public administration over the next few years (and up till today) was in the financial arena where the unofficial majority reproduced in the Finance Committee, contained nationalists whose hostility to alien officialdom took the form of demands for Nigerianization and rejected official proposals designed to make it possible to recruit and retain the expatriates needed for the execution of the development programme. For the nationalists, with bitter feelings about the inadequacy of services for indigenes in the past, and with deeply ingrained suspicions that Nigeria was being run by officials from foreign country for their own benefit. This was the feelings to be associated with measures that sought to increase the numbers and improve the situation of British officials.¹⁴⁶ These two problems—the sharing of revenues between the regions and the question of salaries and conditions for expatriate officials—were the twin poles around which controversies revolved around sparked for

¹⁴⁵ *ibid*

¹⁴⁶ Hugh Foots, *A Start in Freedom* (London), 1964, p.103, the autobiography reveals that 'taking and holding the initiative' had become in him, by the time as a Chief Secretary late in 1947. By the time of his Nigerian appointment, almost a conditioned reflex. Of this episode in Nigerian he wrote: "I tell the story to illustrate one principle only—and it is the essence of my experience whether in Asia or Africa or the West Indies or anywhere else. The most important thing for a free independent country is to take and hold the initiative. That is another way of saying that timing is all important. Not to allow frustration to set in. Not to allow opposition to bank up. The people must be given a 'lead, a hope, an assurance that orderly and constructive effort will be worthwhile.....Everything depends on clear lead and a sense of urgency in pursuing it' (op. cit., p.106)

several years, tending to distract political attention from the actual work of the planned development of resources in the Niger Delta.

But another analysis by historians traced the problem to Lugard's amalgamation of North with the South in 1908. Many of the ethnic divisions present until today and present problems of Nigerian government seem now to flow from Lugard's own decisions. The proof of this contention would be long, since it involves the imaginary construction of a world in which Lugard never existed. It is now recognized that the Nigeria of the 1950s at independence and the system of federal representative government which was initiated had not developed the necessary prerequisite of social conditions in which institutions of this kind could succeed. At the time it was thought that the new institutions after independence would induce the appropriate changes. People in the Niger Delta interviewed during my fieldwork believe that so long as the new system remained under the criteria of the old, and the federal authority remained reticent in public about the difficulties created during colonialism, the danger of the situation still remained. Therefore, Nigeria was not yet a nation marched towards independence, not at a pace after independence. At that time little hearing could have been gained from warnings about inadequate institutions at the level of the federal representative government, although there is nothing novel about these. But in comparing this analysis with John Stuart Mill, surveying the wreckage of European experiments in parliamentary government two century ago, set them out clearly enough.¹⁴⁷ The relevance of Mill's idea here is that the creation of a representative Federal structure for the Nigeria state toward and after independence was not a pace well suited for different ethnic groups that constitute the Nigeria state. But at a pace better suited to those most

¹⁴⁷ J. S. Mill, Considerations on Representative Government, Chapter iv.

anxious to make an end of colonial dependence. For a nation, Mill prescribed common sympathies, uniting a portion of mankind which made them co-operate with each other more willingly than with other people, and which increased the desire to be under the same government, as well as the desire that it should be governed by themselves or a portion of themselves exclusively. With this criterion, there was in 1960 not one Nigerian nation, but the possibility of many. In mid-1968 there was one nation, (the Ibo including the Niger Delta), which struggled, under strong internal leadership, against a strongly hostile external environment, to become a nation-state. The hostility looks too strong for either separation or peaceful reconciliation. Comparing the Niger Delta faith and the Nigerian state at independence, for free institutions, in a country made up of different nationalities, Mill saw little prospect:

‘Free institutions are next to impossible in a country up of different nationalities. Among a people without fellow-feeling, especially if they read and speak different languages, the united public opinion, necessary to the working of representative government, cannot exist. The influences which form opinions and decide political act, are different in the different sections of the country. An altogether different set of leaders have the confidence of one part of the country and of another. The same books, newspapers, pamphlets, speeches, do not reach them. One section does not know what opinion, or what instigation are circulating in another. The same incidents, the same acts, the same system of government, affects them in different ways; and each fears more injury to itself from the other nationalities than from the common arbiter, the state.’¹⁴⁸

For a federation of nationalities in the circumstances of this kind (very close to those of Nigeria in the 1960s when federation was being considered) Mill prescribed three conditions: first a certain amount of mutual sympathy among the populations; second, an

¹⁴⁸ J.S. Mill, *Representative Government and The Logic of Moral Freedom*, 1861, op. cit., chapter xvi

inability of each of the constituent parts to rely on its own unaided strength; and a third condition is a common language, not less important than the two others. The essential of this scenario is that the Niger Delta at independence was less powerful than the rest so as to be capable of vying in strength with many of them combined. But according to J. S. Mill, there should not be any one state much more powerful than the rest so as to be capable of vying in strength with many of them combined. If there be such a one, and only one, it will insist on being master of the joint deliberations: if there be two, they will be irresistible when they agree: and whenever they differ everything will be decided by a struggle for ascendancy between the rivals.¹⁴⁹

The Nigeria of the 1950s inclusive of the Niger Delta could not have passed Mill's first test. Mutual sympathy between the regional peoples was not strong; in particular, antipathy towards the Ibo-speaking peoples was strong in the Niger Delta, North and West. Nor could Nigeria have passed the third test. It was not a case of the North being so big that it could insist on being master of the joint deliberations prior to independence, but it was a case where the balance of electoral strength between the North and the rest was so poised that during the brief years of experiment with federal representative government, as to bring about just the kind of struggle for ascendancy between two rivals which Mill predicted.

First, after the 1959 elections, the leaders of the North and East agreed on the sharing of power at the centre, and they were thus irresistible; the chief item of agreement was on the destruction of the opposition government from the West, and on the dismembering of that region. Later, when the Eastern leaders realized that these developments had greatly strengthened the North, with its disciplined electorate, and as the leaders of North and East

¹⁴⁹ Mill, *op. cit.*, chapter xvii

began to seriously differ with one another, their struggle for ascendancy brought the whole system into discredit and finally into general contempt.¹⁵⁰

But before this at the constitutional conference of 1957, it was decided that the Secretary of State should appoint a commission of inquiry to ascertain that facts about the fears of minorities in any part of Nigeria and to propose means of allaying those fears whether well or ill founded. The Commission toured Nigeria for several months between 1957-1958, receiving memoranda and taking oral evidence in public and private from individuals, ethnic associations, minority groups, political parties, and government officials. Its report recommended safeguards for minorities other than the creation of new states, on the grounds that minority fears expressed would not be remedied by the creation of a new state in any one of the existing regions.¹⁵¹ In the commission's view it was asserted with confidence that broadly based majorities in each of the proposed states and the Niger Delta actually favoured the separatist solution. For the Commission, however, it seemed more likely that new minority problems might well flow even with the creation of new states to alleviate minority fears. Moreover, the new states would be comparatively weak with respect to financial resources and trained administrative officials. Finally, the Commission did not think that tribal separatism should be embodied in the structure of Nigerian

¹⁵⁰ I.F. Nicolson (1969), *The Administration of Nigerian 1900-1960*, p.308-312 Oxford; where he argued that civil war between rival military factions between the East and the rest, was thus a logical if not the inevitable outcome of mutual antipathies exacerbated by much bloodshed; first individual assassination, then civil massacre, then civil war in 1967.

¹⁵¹ Colonial Office, *Report of the Commission appointed to enquire into the fears of Minorities and the means of allaying them* (London: H.M.S.O., 1958), p.87. Other basic documents include the following: Memorandum submitted to the Minorities Commission by the Central Executive of the Calabar-Ogoja-Rivers State Movement (Calabar: 1957); The case for a Mid-West State by the Mid-West State Movement, Nigeria (Warri: 1957), "A Written Address by R.A. Fani-Kayode and O.N. Rewane, Counsel for Action Group and Allied Parties to the Commission of Enquiry into Minority Problems in Nigeria" (mimeographed). Lagos and Colony State Movement, *The Case for the Creation of Lagos and Colony State within the Federation of Nigeria* (Lagos); The Citizens Committee for Independence, *The Case for More State* (1957); and the brief but excellent discussion by Coleman, *Nigeria*, pp. 384-396.

Constitution and government; it envisaged the security of the minority in the inevitable shift of political gravity from the regional governments to the federal government, where no single nationality group pre-dominated.¹⁵²

However, prior to independence, there has been a marked increase in oil and gas explorations activities in the Niger Delta. Apart from the Shell-BP Petroleum Development Company of Nigeria and the Exxon-Mobile Exploration Company which were the early pioneers in the search for oil in the country, other oil companies of international repute had also been granted licences to prospect both in the Niger Delta area as well as off-shore concessions on the continental shelf of Nigeria. Altogether ten continental shelf oil prospecting licences, three land and territorial waters oil prospecting licences and 14 oil mining leases have been granted to five oil companies.¹⁵³ Four oil fields at Afram, Oloibiri, Bomu and Ebubu were also partly developed and have been proved capable of commercial production. A large number of exploration wells outside the area of proved production have also been struck encouraging oil and gas companies and the appraisal of some of these discoveries, something commenced even before independence. According to the Public Records Office, with the commissioning of the Bonny Island oil loading terminal and the completion of the pipeline from Bomu oil fields to Bonny island, production from the developing fields had risen from 16,000 to 65,000 barrels per day by the end of 1961.¹⁵⁴

¹⁵² Report of the commission appointed to enquire into the fears of Minorities, p.88-89. Specific recommendations were made to ensure federal control of the police force and the Mid-Western, Calabar, and Niger Delta areas. Also see Richard L. Sklar (1963) *Nigerian Political Parties: Power in an Emergent African Nation*, p.133-140 Princeton.

¹⁵³ *Nigerian Handbook of Commerce & Industry*, Public Record Office, compiled and published for the Federal Ministry of Commerce and Industry, June 1962 Lagos, p.140-141

¹⁵⁴ *Nigeria Handbook of Commerce & Industry*, Public Records Office; Federal Ministry of Commerce & Industry, June 1962, p.140-141

Crude petroleum exported during 1961 amounted to 2,224,140 barrels (tons) and valued at over £11.5 million¹⁵⁵. In November, 1959, agreement was reached between Shell-BP and the Electricity Corporation of Nigeria to use natural gas from the Afram field to generate electricity. The construction of the plant was completed and went into operation in September 1962. Since then, the Federal Government started showing keen interest in the Niger Delta oil industry and plans were drawn up for the establishment of a refinery in which the government and Shell-BP participated.¹⁵⁶ But the minority question and the fear of regional ethnic hegemony grew and minorities resorting to force in the quest for self-determination has deepened. Thus, in the 1960s some minority groups resorted to violence against what they perceived to be the hegemony and domination of the majority. In order to concentrate power and its monopoly of revenue the Federal government changed the basis of the Revenues Allocation formula from derivation (which had benefitted the hegemonic nationalities in the old regions) in favour of the principles of equality and the population of states.¹⁵⁷ With specific regard to the Niger delta, provision was made for the creation of a Niger Delta Development Board to allay the fears of the minorities there, and to attend to their peculiar development needs. However, after independence in 1960, the board never took off and people continued to protest. The latter argued that the new revenue sharing formulae benefitted the big ethnic groups, thereby shutting off and alienating the oil producing minorities from direct access to oil-the new wealth of the nation. Clearly, as Momoh and Adejumo point out:

‘the new principles were a response to the change in the shift of the wealth of the nation from agriculture to oil, and the desire by the hegemonic faction of the ethnic majorities to continue to retain the larger share of national revenue. These

¹⁵⁵ *ibid*

¹⁵⁶ *ibid*

¹⁵⁷ Obi, 1988, Oil and the Minority Question p.100-101

moves further marginalised the oil-producing ethnic minority states who saw in these changes in inter-governmental revenue sharing in Nigeria, a ploy to deny them the benefits of the oil produced from their ancestral lands and waters and perpetuate their marginalization and exploitation within the Nigeria state'.¹⁵⁸

This served to exacerbate contradictions between the oil-producing states and majority groups in Nigeria.

Conclusion: Just as the contradictions spawned by oil in the colonial time with Europeans traders widened into sovereignty issues; the same is happened both before and after independence in the Nigerian state. A most critical point at this juncture is to meaningfully address the grievances of the oil minorities in the Niger Delta, by granting them more control and access to oil resources, as was the case during the time of King Jaja and Nana. The Oil Rivers Protectorate had been contested by King JaJa of Opobo, Chief Nana of Itsekiri, who argued that the British merchants who traded there before the establishment of the Protectorate had no more claim to compensation at the time for their land. Rather the foreign traders in the territory ultimately claimed it to become a British possession. The case of the Niger Company was quite different; their claim to a Protectorate over the Niger was not firmly established at the time of the Berlin Conference in 1884. British predominant interest there was admitted by reason of the so-called Treaties made by the Niger Company with the natives Chiefs. Something which they were hitherto involved in along with Germany who was also contesting that region. The Company was called upon, for Imperial purposes, to give up exclusive commercial rights reserved to them under those Treaties, something which they were hitherto involved in along with Germany who was also contesting that region. The Niger Company had been allowed to levy £250,000 for that

¹⁵⁸ Momoh, A. and Adejumobi, S (2002) *The National Question in Nigeria—Comparative Perspectives*, p.101

purpose. It was a heavy burden on trade, and one of the great advantages of placing the Oil Rivers under the Niger Company was that this burden spread over a wider area, and therefore more easily managed. The conclusion established here is the practical monopoly aimed at and then obtained by the company, was not open to the objections entertained against monopolies in general, with a commercial advantages—so long as no regularly constituted authority existed in the Territory— to this trade advantage. The Territory was occupied by about 200 tribes, differing in language and in customs, whom were taken over by the use of military force.

Chapter Three

Actors and the dynamics of Conflict in the Niger Delta

Like most conflicts involving the politics of natural resource management, the one in Niger Delta has its own array of actors and the politics (and intrigues) among these actors are central to understanding the complexities of the conflict and the politics of local and international reaction towards it. Understanding these actors and the dynamics of the Niger Delta conflict is also crucial to the understanding of different narratives that runs through ethnic lines that create dichotomies among the inhabitants of the region. While not going into the details that have been well covered in literature, the objective of the chapter is to identify the actors and the considerations that have determined their actions (and, sometimes, inactions) in the politics of the Niger Delta conflict. This is followed by a section identifying the different layers of conflict and how these impact on the issues of definition of “rights” and politics of sharing of natural resource wealth, and how they may apply to the identification of violence actors as critical players in oil conflict. Then, the next section examines the oil industry and violent armed conflict and the manner in which this agenda was defined and expanded in different ways over a relatively short period of time. The central argument advanced in this chapter is that the zero-sum nature of the relationship between different actors contesting for control over Niger Delta’s natural resources is complex and in different layers. The focus will be on how a particular set of issues was defined by one set of actors (initially the Federal Government of Nigeria and regional states and subsequently, the international oil companies, militias groups and local communities in the Niger Delta). All try to ensure the greatest benefits coming from the natural resource endowment of the Niger Delta in order to establish how resource wealth should be shared. The relationships among these various actors have produced a diversity of new forms of governance and collaboration between militias group and politicians; disagreement between oil companies and militants; and unification of militia groups to enhance

their resource control. Therefore, this chapter part undertakes to outline the dynamics and the key actors so as to determine what natural resources control means in the Nigerian context. The dearth in research focusing on this particular area of the Niger Delta, and the fact that few scholars have attempted to review and classify conflict and resource control in these perspectives. Understanding the perspectives of these key actors are important because it will enlighten us as to whether the struggle for access and control of natural resources, like oil and gas, is perceived by security experts as increasing the likelihood of armed conflict. Given the tremendous complexity and diversity in how oil and gas is perceived among the groups mentioned above, it is not too surprising that there is a multiplicity of approaches in understanding the experiences and perspectives.¹⁵⁹ Thus, it is important to explicate the different actors involved in the politics of the Niger Delta. These are: (1) The Federal Government Perspective (2) that of the Oil Producing States Perspective, (3) the Perspective of Oil Companies, (4) the Militants Perspective and (5) the Local Communities Perspective.

1. **The Federal Government Perspective:** According to this perspective, ownership of mineral resources especially oil and gas is vested in the state. Constitutionally and statutory provisions in Nigeria make clear the Federal Government's ownership and control of natural resources, particularly oil and gas. Therefore, as provided by section 162(1) of the 1999 Constitution of the Federal Republic of Nigeria, the Federal Government of Nigeria is required to maintain a special account—to be called the Federation Account—into which shall be paid all revenues collected from the export of oil. This account is to be shared according to the derivative principle. The Federal Government strongly believe that state ownership of natural resources affects both the

¹⁵⁹ Ibaba. S. Ibaba (2011) Corruption, human-right violation, and the interface with violence in the Niger Delta, *Development in Practice*, 21:1, 244-254, conceived natural resources conflict as corruption-induced violations that have become cyclical, and calls for the integration of the fight against corruption into the peace-building process in the Niger Delta.

land, subsoil minerals and the source of oil revenues. Therefore, regional states have no property rights to onshore/offshore mining space, all of which should be shared equally regardless of the proximity to any particular state of the federation.¹⁶⁰ Federally-collected revenue is the mainstay of the finances of the governments, accounting for a little over 90 per cent of their total revenue. Upon this revenue, therefore, depends on the ability of the state governments to maintain their services—to pay their staffs, essential supplies and execute capital-intensive projects. The financial viability and credibility as autonomous governmental units hung upon it. As far as these other governmental units are concerned, the motivation for its sharing is understandably one of self-survival. For them the sharing is a matter of life and death, exciting their deepest concerns and strongest emotions. Hence the intensity of the question surrounding this issue. This contrasts with the motivation for revenue sharing in older federation like the United States where the revenue to be shared represents only a small fraction of the states' total revenue, and is therefore “merely a supplementary rather than a primary source of State resources”. As the Okigbo's Commission on Revenue Allocation (1980) pertinently observed:

‘The primary motivation for revenue sharing in the United States is economic:

To assist the financially and fiscally weak States with federally-collected revenues.....

For this reason, also the system of sharing is essentially through grants whether tied

To a formula, or to a project or to a programme or to a category of needs.’¹⁶¹

2. **Oil Producing States Perspective:** From this perspective, the five littoral States of Akwa Ibom, Bayelsa, Cross River, Rivers and Delta state believe that sharing of oil revenues

¹⁶⁰ When the modern age of oil production began in the early twentieth century, government ownership of subsoil minerals was well established in Europe. The British Crown already claimed ownership of gold and silver deposits; with the Petroleum Act of 1918, it established ownership of all petroleum deposits as well. From Europe, the principle of sovereign ownership was passed on through to British colonies abroad as a legal obligation codes of conduct in the British empire, see Ross (2012), p. 34

¹⁶¹ Report of the Presidential Commission on Revenue Allocation, Federal Government Press, Apapa Lagos (the Okigbo Commission) (1980), vol.1, para.31

between the Federal and sub-national governments of the federation has been done in a grossly unequal fashion. The states argued that the derivative formula gives the federal government a disproportionately higher revenue share in onshore and offshore space. Therefore, the Onshore/Offshore Oil Dichotomy, as it is called in Nigeria, is the latest dimension of the conflict over ownership and control of oil mining space in the country. The present revenue distribution formula between the autonomous governments of the Federation is enshrined in the 1999 Constitution, whereby section 162(2) provides for an allocation of only 13% derivation revenue to the oil generating states (in reality, to oil mineral producing states). As Kenneth Omeje (2006) points out, in addition to the 13% derivation revenue, the 1999 formula allocates the national revenue as follows: Federal government (48.50%), State governments (24%) and Local governments (20%).¹⁶² But south-south geopolitical states argue that the Federal government only implemented the payment of 13% derivation revenue with respect to resources generated from onshore oil mining space and has never extended the payment to offshore resources regarded by the Federal government as resources under the exclusive economic zone or continental shelf of the sovereign Federal state.¹⁶³ Since nearly half of Nigeria's crude oil resource are produced offshore, therefore, the Niger

¹⁶² Omeje, Kenneth (2006) "The Rentier State: Oil—related Legislation and Conflict in the Niger Delta of Nigeria", *Conflict, Security & Development*, 6: 2, 211-230.

¹⁶³ The people of the Niger Delta have long been agitating for upward review of the derivation paid to oil producing states from the present 13% to not less than 50% to enable them tackle the myriads of problems confronting them, as a result of oil exploration activities. They argued that there precedence, pointing out that 50% of revenue from oil and gas were officially allocated to areas from which those resources were derived during Nigeria's First Republic from 1960 to 1966. However, as Nigeria's oil industry boomed and the government increasingly relied on oil income from the Delta region, subsequent military administrations reduced derivation payments to 45% in 1970, 20% in 1975 and by the time then military government handed over power civilian administration in 1979, the derivation principle had been abolished. In 1982, under the civilian administration, it was reset to 1.5% allocated directly to oil producing states. In the final part of the Babangida regime in 1992, the share of revenues specifically allocated to oil producing states was doubled to 3%. This was as a result arising from the recommendations of a 1995 constitutional review conference, derivation payments were increased to 13%, where they currently stand. Also See Ronald & Ejibunu (2007) *Nigeria's Niger Delta Crisis: root Causes of conflict*, European University Centre for Peace Studies, Issue 07/07, Stadtschlaining/Austria, p.26-27.

Delta littoral States felt they were not compensated for a significant proportion of crude oil resources mined from their coastal backyard, where mining leaves them with devastating ecological consequences.

3. **Militant Perspective:** Militants have argued that exploitation of natural resources must go hand in hand with economic development of basic infrastructure in areas where oil and gas is produced to achieve stability and security for oil company assets. Militants believe that unless the issue of economic development, poverty eradication, and unemployment is addressed, oil companies must be obliged to cancel their contract with the Federal Government and leave.¹⁶⁴ Regarding the issue of infrastructural development, militant groups have advocated a program of road building, water piping, electricity networks upgrading, improvement to water transport systems, schools and health facilities for all communities within 70 kilometres of oil and gas fields in all settlement areas of the Niger Delta. In addition, to ensure stability and oil supplies, they argue that the Federal Government and Oil Companies must create licences for stakeholders in the Niger Delta communities or clusters of communities with any population up to 100,000 people.¹⁶⁵ In other words, licences should be created to allow those communities to own and operate an electric and water company—such facilities would be built by the Federal Government in partnership with the oil companies operating in such communities. The counter argument is that government officials often cite difficult topography and terrain, reason they argue for lack of infrastructure development. Their argument is that the Niger Delta terrain is swampy and problematic. But militants counter that, the government managed to find a way around

¹⁶⁴ To resolve the issue of revenue allocation at the National Political Reform Conference in July 2005, Niger Delta delegates asked the federal government to increase derivation payments between 25% and 50% of revenues, an offer that was countered by an unofficial offer of 17%. But it was rejected by the federal government and Niger Delta delegates walked out the conference in anger after a group of influential northern leaders—the Arewa Consultative Forum derided the 17% offer as an excessive generosity.

¹⁶⁵ The Jamestown Foundation: The Niger Delta Insurgency and its threat to energy security, 22 February 2011.

similar problems in the Oworoshoki Mainland axis of Lagos. There, the government constructed the longest bridge in Africa stretching 30 miles over this equally difficult terrain. Therefore, the argument that the Niger Delta terrain hinders development and modernization is belied by the government's capital expenditure to reclaim and develop the comparable Lagos region, and the development of the New Federal Capital Territory in Abuja with new infrastructure projects in a mountainous region.

4. **Oil Companies' Perspective:** Multinational oil and gas companies contest and argue that, the instability in the Niger Delta is a result of the State's failure to redistribute natural resource wealth appropriately. They argue that since MNCs are public limited liability legal entities with the motive of exploring and producing of oil and gas to make profit and pay dividends to their shareholders, they are obliged to engage in economic development in the local communities in which they operate. Rather, they strongly believe that their main aim and responsibilities in a joint venture or production sharing contract agreement with the Federal Government is: (1) to pay tax from their profit, and (2) create jobs by investing in new exploration and production ventures.¹⁶⁶ The view is held that it is the duty of the Federal Government, who receives economic rents, to provide public infrastructure, security and protect oil and gas assets.
5. **Local Communities Perspective:** According to the local community perspective, the practice of true federalism should be based on the pact of federating units expressing their rights to primarily control of natural resources within their borders; in the process

¹⁶⁶ Oil companies proposed the introduction of the Alaska Model through direct distribution of revenue to the people in light of the people's complaint that oil to them is a curse, since they have had no any direct benefit from it. This process involves a radical approach whereby revenue will be distributed directly to the population rather than being held by government. This approach being suggested is used in Alaska, USA, where 15% of oil royalties is channelled into the Alaska Permanent Fund, and one half of the fund's investment earning as direct cash payment to the state's residents and host communities in the form of annual cheque or through registered trustees of communities clusters. A cluster will be made of up to at least 50,000 residents and the communities can elect to use the funds to implement specific development projects.

and they all make agreed contributions towards the maintenance of common services offered by the sovereign nation state to which they belong.¹⁶⁷ For example, in their final memorandum of understanding (MOU) between different communities in Niger Delta—the so called- “Kaiama Declaration”, it was posited that in order to address the growing discontent regarding lack of access to control of natural resources, the Federal government must recognize that, “*all land and natural resources within the Niger Delta territory belong to local communities because they are the basis of their survival*”.¹⁶⁸ Local communities also rejected the Land Use Act of 1979. Land related problem in the Niger Delta are many since land is highly limited in the area. Very often the indigenous people are evicted from the small portions of their native land to make way for oil exploration and production activities. This practice further reduces the amount of land available for local economic activities and residential purposes.¹⁶⁹ Also, local communities argue that the government must respect rules such as those on Importing-State Policies and International Law based on WTO-GATT which requires public accountability over resources and the following principles: (a) self-determination whereby, citizens of the country, not the regime or foreigners, have final authority over the laws of the country, including the laws regarding the disposition of natural resources; (b) human rights in which no regime may prevent citizens from exercising their final authority over the law; and (c) property rights whereby, resources of a country are ultimately the people’s rights to dispose of as stated in the human rights treaties, that

¹⁶⁷ Local Communities proposed solutions is the transfer of resources control as a degree of ownership to local governments by ensuring that they acquire shares in joint venture (JVs) companies. This way they feel vested in the oil industry. Given that the average federal government share holdings in the JVs is about 60%, they proposed that 15% of these shares should be transferred or sold to the state government and 15% to the local governments while the federal government should retain the balance of 30%.

¹⁶⁸ See “Kaiama Declaration” by the Niger Delta Youth Council which can be regarded as the beginning of the current wave of “resource control”, struggle in the region, December 11, 1998.

¹⁶⁹ Azaiki, S. (2007) Oil, Gas and life in the Niger Delta of Nigeria, where he argues that the token compensation for this displacement is paid in some cases and denied in others. Therefore, residents rarely own their land, p.201 Y-Book Ibadan

country's natural wealth and resources are "theirs"¹⁷⁰. To take the analogy of Wenar (2012): each country's citizens are the shareholders of the country's natural assets.

Citizens do not manage these assets directly, but citizens are the owners of the assets.¹⁷¹

Layers of Instability and Conflicts in the Niger Delta

In understanding the above perspectives, this study analyses the different layers of instability and conflict in the Niger Delta of Nigeria. Based on the fact that the Nigerian Federation comprises more than 250 ethnic groups, there are different levels of dispute among oil producing communities within the same ethnic minorities in the Niger Delta; between the Federal government and oil producing states; and between oil companies and militants groups. It is essential to probe into the level of violence in the area of study. We are becoming aware that there is high degree of fear of instability by multinational oil companies, local communities and government agencies for insecurity of personnel, oil infrastructure and assets. Probing into these layers of conflict will enable us to better understand the causes and the rate of violent conflict resulting from the struggle for access and control of natural resources in the Niger Delta.

First Layer: These conflicts happen among different oil producing communities within the state, between youths, militants groups of different ethnic identity whilst they battle for political power which centre on many controversies such as those over land tenure, unresolved chieftaincy title, the location of local government headquarters or the issues of access to the control of oil revenue. For example, this issue of access to the control of oil revenue exacerbated the disputes between youths and traditional chiefs among the Ijaws and the Itsekiri

¹⁷⁰ See WTO/GATT The Economic Rights & Duties of States in the Ownership of Natural Resources 1998, p.145-49

¹⁷¹ Leif Wenar (2012) Clean Trade In Natural Resources-A Policy Framework for Importing States and Multinationals in the Extractive Industries, p.7 see wenar.info/CleanTrade.html

turning violent in Warri in 2004, 2007 and 2009. This had resulted to armed clashes between warring factions vying for resource control.

Second Layer: This is between the Federal government and oil producing communities in the Niger Delta. This occurs due to a perception that the method used for revenue allocation at the local level is unacceptable; that the environmental damage being suffered during the course of oil exploration, and the strategies of divide-and-rule often employed by the government, especially through the citing of public infrastructures and amenities in one part of opposition party—adversely affecting the communities in the Niger Delta. These and earlier grievance invariably preventing development projects by armed youths and clashes between militias and government security forces.

Third Layer: This is between the Federal Government and the State Government. It occurs as a consequence of a disagreement over how revenues are shared from the offshore/onshore oil production. This has resulted in court cases wherein there is disagreement over whether coastal states exercise the right over the continental shelf for the purpose of exploiting its natural resources. For example, the littoral States of the Niger Delta claims that, since the Federal Government began to implement the constitutional provision on derivation, it has at the same time insisted on the onshore—offshore dichotomy and failed to apply the stipulated 13% derivation principle to all oil derived from offshore revenue.¹⁷²

Fourth Layer: This is between the State Government and oil-producing communities within the state. The major causes of these conflicts are: (1) non-disbursement of allocation of oil revenues coming from the Federal Government to Local Government Areas (LGAs); (2) hidden and sometimes blatant support being given to the Federal Government's repressive measures; and (3) collaboration with multinational oil companies in the arrest, detention and

¹⁷² Ebeku S. A., Nigerian Supreme Court and Ownership of Offshore oil, *Natural Resources Forum* 27 (2003) 291-299

torture of members of armed groups. The results include an increased manifestation of armed resistance, especially by militia groups and the closing down oil refineries.¹⁷³

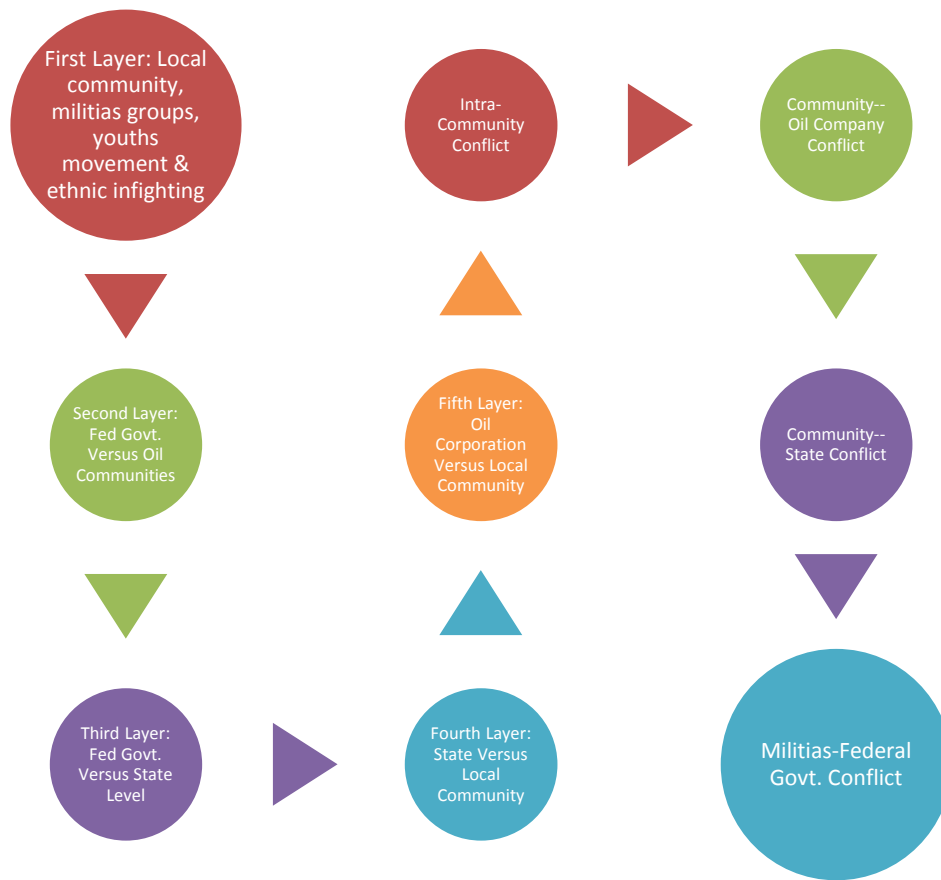
Fifth Layer: This is between multinational oil corporations and oil-producing communities in the Niger Delta, where there is a lack of Federal Government regulations for addressing the issues of environmental pollution. The issues of environmental pollution caused by the process of oil exploration is thus an important point of tension which is coupled with the endorsement of oil companies to government security forces who use repressive methods, and a lack of respect for indigenous customs. Such issues builds on an anger connected to the failure to carry out promised development projects. Subsequently, to empower themselves in this struggle, groups have become increasingly militia, taking the law into their own hands by kidnapping of foreign and domestic oil workers and the sabotaging oil pipelines as a form of gaining leverage.¹⁷⁴ As Hill (2010) points out, this lawlessness, perpetuated by the failings of government local justice systems has driven the recent growth of private security companies which have been set up to protect personnel and oil infrastructures.¹⁷⁵ Subsequently, because of the high level of violence in the Niger Delta, the Nigerian government, multinational corporations, and international NGOs currently employ private security companies to protect their interest and assets.

¹⁷³ Alao A., (2007) *Natural Resources and Conflict in Africa: The Tragedy of Endowment*, where he argued that conflicts involving oil manifest in different layers and controversies with causes and effects, p.194-198

¹⁷⁴ *ibid*

¹⁷⁵ JNC Hill (2010) *Corruption in the Courts: The Achilles' Heel of Nigeria's regulatory framework? Where he argues that this level of conflict has led to expansion of private security companies (PSS), providing a range of services to a wide variety of client ranging from guarding oil installations in the Niger Delta, to training the armed forces, and protecting children as they make their way to and from school each day; Third World Quarterly, 31:7, 1161-1179*

Layers of Instability and Conflict Dynamics



Source: Own Analysis

Table 3.1 Impacts of Conflict and the Dynamic in the Niger Delta

Type of Layers	Dynamic and Tactics	Outcome/Impact in the Niger Delta
Intra-community conflict	Violent attacks on opposing factions by armed youths or militants group	Destruction of properties: building and personal effects, deaths/injuries, population displacement and loss of livelihood
Inter-community conflicts	(a) Violent attacks on opposing communities by armed youths (b) Attacks on rivers, stream and creeks with dangerous chemicals such as Gamelan and dynamites	(a) Destruction of properties: buildings and personal effects, death/injuries, population displacement and water borne diseases (b) Pollution of water and destruction of marine life
Community—Oil Company conflict	(a) Occupation of oil-production facilities such as flow station, blockade of access roads to oil	(a) Oil companies invited the police and military to protect their equipment and facilities. These

	production sites, seizure of equipment such as drilling rigs and vehicles (b) Sabotage of oil infrastructure such as oil pipelines and well heads	interventions led to violent clashes, causing deaths, injuries, destruction of homes and other properties (b) Results in oil spills that devastate the environment
Community—State conflict	(a) Militant strategy of forceful seizure of land and attacks on oil production infrastructure, kidnapping/hostage taking of oil workers, attacks and counterattacks between militants and the military (b) Oil theft (oil bunkering) to raise funds for recruitment and mobilization of militants, and as economic enterprise	(a) Destruction of local communities and properties, deaths and injuries, internal population displacement(refugees) loss of livelihood, and pressure on natural resources caused by life-coping measures of displaced persons (b) Results in oil spills that devastate the environment
Inter-ethnic	Violent attacks on opposing ethnic groups by armed youths	Destruction of properties: building and personal effects, deaths/injuries, population displacement, and exacerbation of poverty
Militant—Federal Government Conflict	Speed-boats petrol face to face shoot-out with government military task-force versus MEND groups in creeks and rivers	Blowing-up of pipelines, export terminals, and flow station; export closure that reduces revenue allocation to states

Source: Ibaba S. Ibaba (2011) Corruption, Human-Rights, and the Interface with Violence in the Niger Delta, Development in Practice

Oil industry and Violence armed conflict

It has become common knowledge as indicated above that the attempt to control oil revenues remain the roots cause of violence in the Niger Delta. That violence which as we have shown has different layers to it remains a significant threat to the oil economy in Nigeria. Shell, the largest of the oil companies operating in the country, reported a loss of about 43 million barrels of oil in 2012 as a result of shutdowns to production facilities arising from communal conflict, especially in the Delta, Bayelsa and River state. The company also reported around 188 crude oil theft incidents, resulting in the loss of an estimated 10 million barrels of oil, seventy-eight security incidents, most of which were theft cases against the company's staff, and twenty cases

of hostage taking.¹⁷⁶ This brings us back again to the political economy of conflict. Empirical and policy-oriented research has identified a number of fundamental mechanisms by which foreign trade and investment can contribute to the political economy of conflict by creating conditions that facilitate the eruption of violence or its continuation.¹⁷⁷ Some mechanisms are general in nature, while others are specific to the development and exploitation of natural resource wealth, thus leading to the special targeting of the oil industry. The main mechanisms are: (1) the attractions and deprivations of resource wealth itself; (2) the politics of inequitable distribution of economic activity, often exacerbated by ethnic divisions; and (3) problems stemming from security or protection of services provided to firms, which arise at the project, community, and state levels.¹⁷⁸

Moreover, high-value natural resources can be categorised according to whether they are 'lootable' or 'non-lootable', which have different patterns in their relationship to the outbreak of conflict.¹⁷⁹ Lootable resources are easily obtained and carried from place to place, with high value for their weight. The best-known example is that of diamonds. Although deep-mined diamonds may be difficult to obtain and trade illegally, many areas of West Africa have alluvial diamonds, which do not require deep mining. Much of the diamonds business in alluvial fields is by artisanal miners, who sell their diamonds to middlemen, such as the so-called "Blood Diamonds" in the Sierra Leone civil war in the 1990s. These then become part of a chain of diamonds sales, polishing, and marketing that stretches across the globe and spans legal and illegal markets.

Then is the fixed-resource development (non-lootable), such as oil and gas projects or deep mining typically requiring contracting between governments and investors. Such contracts

¹⁷⁶ SPDC, People and Environment Report, 2012 p.24

¹⁷⁷ Berdal and Malone 2000; Collier 2003a and 2003b; Ballentine and Sherman 2003; Humphreys 2005

¹⁷⁸ Deborah, D. et al (ed) 2010 Who Governs the Globe: Corporation in zones of conflict-issues, actors, and institutions, p.112

¹⁷⁹ Ross 2004, p.56

stipulate, among many other things the percentage of revenue from the project that must be paid to the government as taxes and fees. But in the Niger Delta this fixed-resource can now be looted by tapping into pipelines and siphoning oil into badges for private sale in the high seas. The end result is that revenues from legitimate business that is meant for positive development goals instead produce conflict and underdevelopment. Therefore, the Niger Delta as an already weakened state is particularly susceptible to the dangers of mismanaged resource development. In many cases, these problems are exacerbated by the lack of security. When it comes to private sector trade and investment like oil and gas, fixed investments face a much bigger security risk than others. For example, most mobile industry and services simply leave conflict-ridden areas, but large projects may remain in place (although they may cease operations at the height of violence).¹⁸⁰ According to data obtain from the Ministry of Petroleum, foreign companies are obliged by their contract with governments to secure protection through the use of government military task force or the police to protect their assets. A community leader interviewed in Warri South Local Government Area indicated that government forces have used company facilities—private airports, helicopters, and trucks—in order to carry out what he called “repressive operations” against local communities.¹⁸¹ In a string high-profile incidents in Odi in Bayelsa state in 1999, such private forces also proved to be in war crimes against civilian populations and were accused also of corruption. In all these cases, the inequity of providing security to companies and their employees instead of local communities can become a significant source of grievance.

¹⁸⁰ Most businesses flee violence, but some do not. If the violence is in a distant or inaccessible part of the country or the firm is not itself a target of attack, then businesses can continue. For example, the oil industry continued operating throughout the Angolan civil war because it was not a target of attack and most of the fighting was outside the oil-offshore producing areas while the fighting was onshore; see Berman (2000).p 101 on views on natural resources conflict.

¹⁸¹ There are disputes about the exact relationship between company managers and public and private security forces operating in the Niger Delta in several interviews conducted in April 2013. Some within the companies defend themselves as unwitting accomplices in atrocities, while others accuse them of acting in full knowledge of the dangers of using any sort of security forces in such an uncertain environment in protection oil and fields.

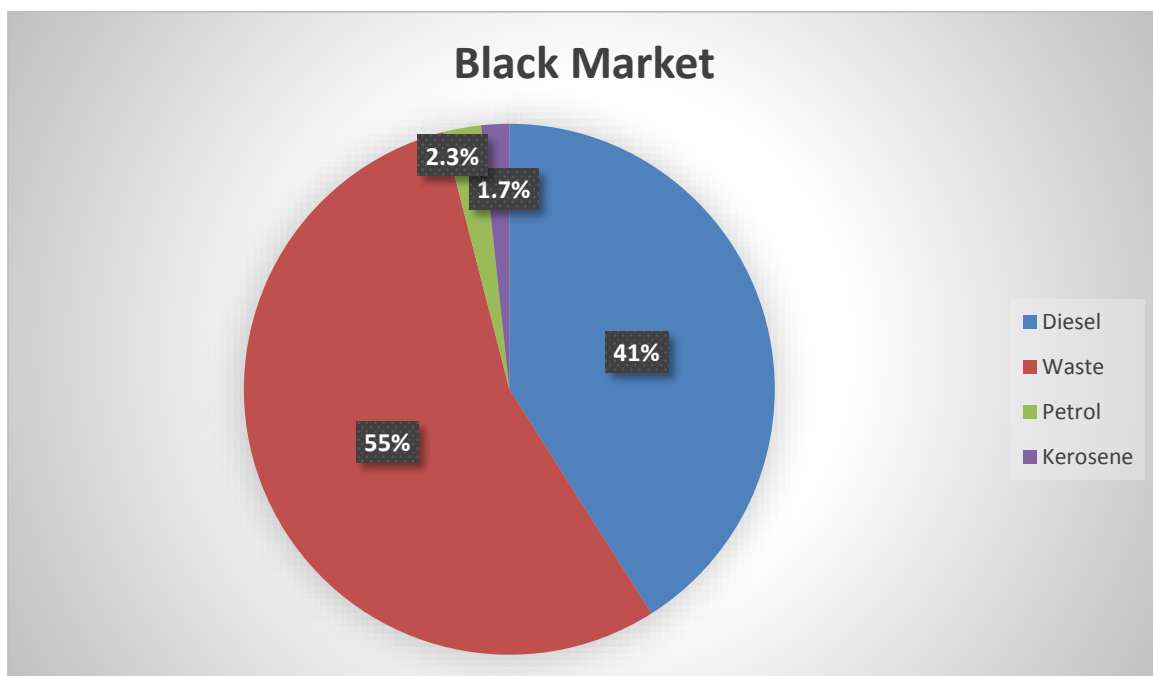
Moreover, there is widespread accusation of environmental damage and the issue of companies' lack of corporate social responsibility. For example, the 2011 United Nations Environment Programme, environmental assessment of the Niger Delta showed demonstrated a clear case of environmental devastation and grave threat to public health, especially the high risk of benzene contamination of water tables due to decades of unsustainable oil production in the area by multinational oil companies. Regarding instability, a major study commissioned by Shell Petroleum Development Corporation of Nigeria (SPDCN) itself state: "it is clear that Shell Petroleum is part of the Niger Delta conflict dynamics and that its social license to operate is fast eroding." This results from, "a quick fix, reactive and divisive approach to community engagement expressed through different areas of policy, practice and corporate culture".¹⁸² In all the local communities visited during my fieldwork, there are widespread allegations of this divisive approach and susceptibility to unethical methods in handling community relations by oil company field managers. For the companies, they do not seem to be subject to adequate scrutiny and aspect of their community relations budgets that come under the nebulous cover of security that leave room for abuse.

Indeed, due to constant threats to oil companies operations in the Niger Delta by militias, youths and community grievances, it was widely speculated in the media especially in 2008 during the peak of violent conflict that Shell and ExxonMobil would withdraw from Nigeria. But the companies promptly dismissed the speculation. A Total oil company director interviewed stated clearly that the oil business is too lucrative in Nigeria for oil companies to so easily shut their door and leave. Nevertheless, according to an NNPC document relating to a joint venture with Shell in some of the onshore oil and gas fields, it was made known that Shell auctioned almost 30 per cent of their stake-hold in the most security dangerous areas to SINOPEC of China. In fact, to avoid the demands of host communities the Nigeria

¹⁸² Peace and Security in the Niger Delta (PASS), December 2003:5

government has been encouraging oil companies to pay increasing attention to offshore oil development. However, the MNCs are not particularly worried, since they are part of a joint venture with the Nigeria government, which is represented by NNPC and the costs are simply transferred to the joint venture account.¹⁸³ The companies, therefore, lose very little. In fact, they have everything to gain with the current record prices of oil in the world market. The losers are actually the poor people of the Niger Delta and the rest of Nigeria who continue to be victims of both bad governance and militias attacks in the quest for selfish and corporate profit by MNCs. Yet, peace and stability in the region remains paramount to both the Niger Delta people and the government. The government's latest efforts in this direction have been the adoption and implementation of Amnesty Programme (AP) in the region since 2009. The majority of the oil refined in illegal Nigerian refineries goes to waste—making it a highly polluting industry.

Output Produce



Source: Stakeholder Democracy Network-The Wall Street Journal, 2015

¹⁸³ Interview conducted on April 5, 2013 at the TotalFina Oil Company Headquarter, Victoria Island Lagos

Pipeline theft in the Niger Delta ranked among the petroleum industry's most difficult problem—an invisible tax priced into the global cost of oil. Major oil companies shut pipelines. For example, the Royal Dutch Shell PLC has sold off at least \$2.4 billion of oil properties in Nigeria since 2010. Meanwhile, environmentalist watched the constant spills add up. Another United Nations report in 2011 reckoned it would take 30 years to clean this expense of coastal wetlands. There have been countless more spills since then.

Moreover, until recently, government book-keepers could only guess how many hundreds of thousands of barrels of oil were taken each day. Now, as of January 2015 officials in the presidency said it is less than 50,000 barrels of the 2.3 million Nigeria produces daily.

Civil Militias Role as Actors in Natural Resources Control in the Niger Delta

Before we properly grasp the dynamics of the theoretical construct of civil militias in the Niger Delta, there is the need to understand the evolution and concept of civil militia. There are two levels: (1) State-Centric Theory; and (2) Non-State Theory of social construct. There are also two levels of understanding regarding state-centric theory of militias. These are the First Generation and Second Generation concepts of civil militias. The first generation militias operate in strong and viable states. The second operates as a challenge to the state failure to meet the expectation that led the struggle against colonial rule. In this instance, the Second Generation militias operate at level of Non-State Actors (NSA). This tend to manifest in guerrilla, terrorist or with mercenary-militia attributes.¹⁸⁴ The centrality of this theoretical variable posits that militias emerge either as a result of increasing inability of regular professional military forces to cope with the ebbing social problems in society. It could also be an attempt to complement the effort of the state military forces in time of war, disaster,

¹⁸⁴ See Yoroms G.J. (2005) in Francis (ed) : *Militias as a Social Phenomenon-Toward a Theoretical Construction* where he argues that the character of the state as a legitimate authority specifically determine the state-centric theory of militias over a given territorial entity, p.33-36

emergencies and related civil police actions among other contending social phenomena. This is supported by the view that the use of the military in less-combatant conflicts gives the impression of a war scenario that will scare foreign investors. Therefore, to address the non-war driven scenario, militias become relevant in establishing the moral antecedent of the state, from its legitimate use of force, which has become repugnant for ordinary people living in the Niger Delta.

There are also community militias. Community militias are citizen soldiers. They are recruited, trained and located within the communities as it's done in the Niger Delta. They are made up of members of the communities where they are recruited and stationed. They are bound to their communities as part of the mandate and legacy which citizens' soldiers are known for. And as community soldiers, they are mostly made up of volunteer citizens, who willingly offer themselves for military training. Citizens from villages and communities are encouraged to take short-term military training in such a way that their normal vocational activities may not be affected during the period when their service is required.¹⁸⁵ Based on the foregoing, militias are defined as citizens primarily and soldiers only on occasion. Also, community militias tend to have strong support from the state as it helps to decentralise the cumbersome processes of providing security; an example of this was seen with the establishment of the Janjaweed militias in Sudan Darfur region. This becomes necessary when the state security apparatus is insufficient to provide security. In the case of civil society militias, community militias in particular act as supplement to the state's military power.

However, with the development in society, following the pressures for self-determination, separation of powers between the structures of government, the quest for liberty and the right of individuals to freedom means that, the state loses its appeal as a legitimate user of force. This

¹⁸⁵ Francis (2005) *Civil Militia: Africa's intractable Security Menace*, p.15

is the fundamental basis for the rise of non-state militias with the objective of challenging the existence of the state. While the state may be raising its armed forces to defend the general will of the people, it may also be confronting other social components not willing to concede to the general will that establishes the state. As the state increases the standard of its forces in terms of weaponry and establishment of militias and reserve forces, the rebellious group may also be raising civil militia forces for their own defence and to contest the state. This can lead to the collapse of the state as a result of some social and economic discontents, which create a basis for revolutionary pressures from within society.¹⁸⁶ The state becomes weak as its basic functions can no longer meet the security requirements of the population. In this case it cannot survive by coercion as much as it can no longer earn the confidence of the people.¹⁸⁷ It is on this basis that the rise of 'First Generation' civil militias in the Niger Delta becomes prominent in this thesis.

On the other hand, with regards to Second Generation militias, from the conceptual analyses we can make a general deduction that these can emerge in any society for various reasons: First, they may arise as a form of defence of particular social and cultural values of an ethnic group. Second, they may demand a share in the economic resources of the country by violence when regular procedures have failed. Third, they also engage in fighting to liberate themselves from political repression or marginalization. This involves making demands for greater autonomy of political participation or by changing the political structure of governance in their favour. In this case, sometimes, the militia becomes revolutionary by being irredentist or separatist in approach. Fourth, where the government fails to provide security for some groups or individuals, these groups may then organize vigilante or personal security to protect themselves

¹⁸⁶ Francis (2005), p.37

¹⁸⁷ Dawisha, A and Zartman, I.W. (eds) (1988), *Beyond Coercion: The Duality of the Arab State*, Croom Helm, London, p.45 where they argued that (i) the decision-making processes of the government are no longer effective; (ii) the rule of law is no longer relevant because they cannot be preserved in the absence of social cohesion in the society; (iii) territorially, the state cannot assure the population of its security even as the political institutions lost the legitimacy to command and conduct public security; and (iv) the state is no longer the target of demand as the supply of security from the state has become ineffective.

and their property without recourse to due process of the law. Fifth, in some cases militias are formed for the purpose of protecting the environment from degradation as well as using it as a means to take ownership of resources, which they have been hitherto denied. For example, in Africa many militias developed in the context of struggle of particular ethnic groups, classes and general uprising against colonial rule. These groups and classes saw the formation of militias, commonly known as guerrilla forces as a means toward actualising their self-determination. This was common in Southern African countries like Zimbabwe, Angola, Namibia and South Africa. The South Africa National Congress (ANC) was a unique case of multiple ethnic associations struggling for self-determination. But before we go into the understanding of the types of militias groups in the Niger Delta, it is important for us to clarify what constitute Non-State Militias Actors.

Non-state Militia Actors or Group theory can be categorised into two: First, we have those that are socially guaranteed by the state to perform some functions as defined by the existence of the state.¹⁸⁸ These include party militias and other volunteer groups. Apart from community militias, which have a relationship with the state in maintaining the status quo, there exists also political party militias and private security militias, which exist as socially guaranteed civil militias. There are Party militias and Private militias. Party militias are the armed wings of political parties set up as militant propaganda machineries and the protective organ of the party to be present at its various meetings. They are distinct because of their features as armed wing of political parties, which are power-seeking organizations. Political parties raise militias to strengthen and defend their struggle for political power (as was the case in the Niger Delta general elections of 1999, 2003 and 2007). They have regular exercises like training and political education programs. Party militias help to maintain order within the party. They play fundamental, though sometimes secondary and unobtrusive roles. The militias can be used to

¹⁸⁸ Yoroms 2005, cited in Francis (ed) 2005, p.31

overthrow a government. For example, the Muslim Brotherhood pressure group in Egypt and the Salafi in Libya that helped to overthrow President Mubarak and Gaddafi in 2011 in the Arab Spring uprising is a case in point.

Civil society militias may not be socially guaranteed by the state but are in some countries tolerated for some obvious reasons such as their use in covertly defending or helping the state. Such civil society militias may be based on an ethnic, religious basis or even those within labour unions which are more ideological. They can be differentiated from community militias because they cut across boundaries and barriers. Unlike community militias that are territorially-bound civil society militias recruit their membership on the basis of interest, with multiple identities and ideologies potentially being evoked. They could be private security outfits or groups recruited and trained to defend the interest of their sponsors or the cause of the group once their interest are undermined. The state centric is a type of first generation concept of civil militias that emerge as a reaction to the failure of the state to meet rising expectation. But it is the reactive militias like MEND in Niger Delta that concern us in this thesis. However, the state's militias are intended to maintain the status quo while the reactive militias respond to the status quo by reacting negatively.

The Non-state theory is defined by the fact that it is a private force. Therefore, following the theory of social contract, it is an illegitimate force established by groups to withstand the legitimate exercise of the use of force by the state. In *the social contract*, Rousseau argued that 'natural man's freedom was an inferior kind of freedom and that a more developed freedom was possible only in political society'.¹⁸⁹ The militias in this category are organised into armed

¹⁸⁹ Jean-Jacques Rousseau (1712-1778), 1997, 1.6, p.49-50; first published 1762 in France where he categorized the understanding of the relation between individual freedom and political obedience is thus a contested concept: For Rousseau, freedom takes on a moral quality in a well-ordered society, which alone make man truly master of himself; thus freedom is obedience to the law if that law is what you have prescribed for yourself. This is because the general will is the will of any citizen when putting the general interest first.

group for the purpose of challenging the status quo, or with the purpose of achieving their goals and objectives within the larger environment where they are marginalized, denied their rights and alienated. Group militias see violence as a means of de-monopolising the instrument of power by intending to cause violence. The vogue mind set is that the oppressor understands only the language of violence rather than non-violence.

As Davidson pointed out, such militias aim not only to defeat an aggressive enemy (whether external or internal), but also aim to overthrow a tyrannical regime, arbitrariness or oppressions.¹⁹⁰ They engage mostly in irregular or non-conventional fights with the state, as their fighting strength cannot withstand the fire power and assaults coming from regular forces. Thus the militias are not just groups of armed bandits having political intentions to defend their interests but in most cases also seek to destroy the state. The methodology and tactics of non-state militia start with establishing cells for political education. The essence of this is to indoctrinate members about the objectives of the struggle and debrief them on certain policies of the state that are disadvantageous to them. It is believed the solution lies on turning their disaffection and frustrations into threats by making the country ungovernable. By this means it draws attention to their collective plight. In the course of doing this, the group may become a guerrilla force when the government decides to react by confronting them with her regular military force. This can drive them underground and they may begin to fight an invincible war against such regular forces. For example, Boko Haram insurgency in the North East of Nigeria can be categorized into this level. In the process, they may draw strength from local and international sympathy that will enable them to expand their scope of operations to destabilise the state. In most cases though not all Non-State Militia Actors are well known. In most cases only the moderate ones are given the rights of registration to operate. The most radical ones are not allowed to operate because of the fundamental course they pursue; they operate outside

¹⁹⁰ Davidson, B (1981), *The People's Cause: A History of Guerrillas in Africa*, p.57 Longman, London

the state purview. They maintain consistency in their attack of government policies and are prepared to retaliate once the state security organs physically assault them. They are however, known by their actions, territorial staging posts, demand and symbolic identities.

Factors Investigated toward a Theoretical Construction of Violence Conflict

At the root of the current problems of the Niger Delta region is the issue of “resource control” which the oil producing communities are protesting. Since the exploration and production of crude oil and gas commenced in the region over 50 years ago, the federal government has always claimed to have “ownership” and “control” over the resources while production is carried out by multinational companies under joint venture arrangements with the federal government.

First, the oil producing states and communities argued that they have been left out in this arrangement (between the federal government and the multi-national oil conglomerates). Second, their frustration is against the arrangement whereby, less than 3% of the total oil revenue that the federal government has realized from its “control” of the oil and gas industry has been used in the development of oil producing communities. The result is that abject poverty is still pervasive in oil producing communities unlike many parts of the country and oil producing communities in other parts of the world. Thus the oil producing communities have been struggling to wrestle back “ownership” and “control” of the oil industry from the federal government. The aim is to compel the federal government and the oil companies to devote more resources to tackle the developmental and environmental problems of the oil producing communities.¹⁹¹

¹⁹¹ Cyril Obi & Siri A. R. (2011) Oil and Insurgency in the Niger Delta, Managing the Complex politics of Petro-Violence, p.27

Third, looking back at the period independence in 1960 (see chapter Two), the founding fathers of Nigeria agreed to have a ‘true federation’¹⁹² of three regions. In 1963, the Mid-West region was carved out of the Western region, as the fourth region of the federation. The 1963 constitution was fashioned to reflect some of the tenets of true federalism. For instance, it included a provision for the payment of 50% derivation (of rents and royalties from mineral resources) to the regions from where such mineral resources were obtained.

However, when the military took over the government in 1966 it opted for a federal system of government and dismantled the regional governments, replacing them with 12 states governments and increased the number gradually to 36 states before handing power over to a democratically elected regime in May 1999. In line with the centralization of fiscal powers, the military regime abolished the 50% derivation in 1969. After the civil war, crude oil became the major sources of government revenue after the sharp increase in crude oil prices in 1973/74 and the rapid increase in Nigeria’s crude oil production. By the mid- 1970s, oil had become the mainstream of the economy, accounting for over 85% of federally collected revenue and 95% of foreign exchange revenue. All the oil is produce in the Niger Delta region and its adjoining offshore area but the region remained neglected and impoverished and faced the negative consequences of oil exploration and production activities.¹⁹²

Successive military regimes dominated by military generals who were not from the Niger Delta region did not deem it fit to tackle the development and environmental problems of the oil producing areas or allocate a good percentage of revenue accruing from oil to the oil-producing states to address these problems. In 1980, the federal civilian government reduced the derivative allocation to oil producing states to 1.5% but later increased this to 2.5% of the Federation Account which was allocated to a special committee to tackle the developmental

¹⁹² Urhobo Historical Society: Toward Peace and Security in the Niger Delta 2010. This Organization of the West Niger Delta is based in the U.S.A.

problems of the oil-producing areas. The committee was ineffective and most of the revenue the committee received ended up in private accounts of bureaucrats and contractors and did not reach the poor people of oil producing communities. With the return of the military in 1984, the 2.5% was scrapped.¹⁹³

Meanwhile discontent and restiveness continued to grow in the oil producing areas of the Niger Delta. The major grievances of different ethnic groups like: the Ijaws, Urhobos, Isoko's, Itsekiri and the Ogonis are centred on wealth distribution policies of the government. The ethnics groups demanded that a larger proportion of Nigeria's oil wealth be spent on their communities, rather than distributed throughout the country. For example, under the 1960 and 1963 Nigeria constitution, 50 per cent of oil revenue was returned to the states in which the resources were derived.

Currently, under the 1999 constitution, this "derivation formula" stands at 13 per cent and much of the money never trickles down to the community level due to massive corruption. The federal government has promised to slightly increase the revenue allocation to the states in the future. The ethnic communities are calling for derivation formula of 25 per cent. They are also demanding ownership and management of the resources located on their land, including offshore oil fields.¹⁹⁴

Partly as a result of these disagreements, the Ijaws, Urhobos, Ogoni, Ilaje and the Isokos formed militias groups that launched attacks against the oil infrastructure and expatriates working in the Delta, as well as against government authorities. They receive support from local

¹⁹³ *ibid*

¹⁹⁴ State allocations are based on five criteria: equal shares per state, population, social development, land-mass, and revenue generation. *The derivation formula refers to the percentage of the revenue of oil producing states retain from taxes on oil and other natural resources produced in the state. See World Bank Report (<http://www.info.worldbank.org/etools/docs/library/5783/state> and Governance Nigeria. (accessed 20/04/12)

people, making it difficult for the government to isolate and eliminate them. Their success in damaging oil infrastructure and terrorizing international oil workers resulted in Nigeria's oil exports being cut by 500,000 barrels per day throughout much of 2006 and 1m barrels in 2008.¹⁹⁵

Militia Groups as a Security Threat to Natural Resource exploitation in the Niger Delta

It has become common knowledge as indicated above that poverty and attempt to control oil revenues remain at the root of the violence in the Niger Delta. That violence remains a significant threat to the oil economy as the Niger Delta remains crucial to the Nigeria economy as a whole. The oil and gas that sustains the nation is produced in the region and its contiguous continental shelf. This region has in recent years grown into a hugely complex enigma that is difficult to decode, even by the most informed analyst. The rest of this chapter address the origins and development of militias groups in the Niger Delta. It indicates how the existing struggle mainly for a fair share of the resources of the region, social rights, and environmental protection was appropriated and transformed the Niger Delta into ethnic armies and its factions, into a zero sum violent struggle for power whose central objective is the expropriation of oil revenues. For the past ten years, scholars, policymakers, and activists have also increasingly highlighted the material economic factors that are critical features of many contemporary conflicts. They have pointed to the importance of natural resources, especially oil and diamonds, in fuelling long-running civil wars in Africa.

Origin of Militant Groups: In the early 1990s the modern militias group existing in the Niger Delta today spring from NGOs for poverty alleviation and environment degradation activist groups. This drew awareness among local youths at an unprecedented rate. Student activists joined the groups through education, and travels projects as well as social media information

¹⁹⁵ Daily Champion July 24, 2007.

which eventually bred action. The youths were able to compare the state of affairs in the Niger Delta with that in other parts of the country, especially the ultra-modern facilities and steady development of the New Federal Capital Territory of Abuja. A youth leader interviewed in River State contended that the young people observed that the attention being given to the capital city was in the interest of making it comfortable for the corrupt ruling class mostly from the military regimes of the Hausa/Fulani dynasty to whom the city is home.

Their method of expressing dissatisfaction with the situation has been an unexpected armed struggle against the regime that was uncompromising. Security experts in the military at the time cynically labelled these militia groups as expression of “youth restiveness”.¹⁹⁶ But many of these youth now realize that this expression of armed struggle and violence has become the most potent force for emancipation from ethnic bias against the Niger Delta, change, and a voice. While outlining the effects of this violent environment on the oil industry, the followings are the exploration of the militia groups that operate in the Niger Delta:

1. **Movement for the Survival of Ogoni People (MOSOP):** This group was formed in 1990 by the leaders of the Ogoni ethnic group in River state who adopted the “Ogoni Bill of rights” which they presented to the federal military government and the peoples of Nigeria. Among their demands was: (a) increase of the derivation formula to 50%; (b) Total control of land and natural resources in their territory; (c) Cleaning up and compensation for environmental pollution; and (d) Regional autonomy and self-determination.¹⁹⁷ The “Ogoni Bill of Rights” brought some of the leaders into direct confrontation with the federal government and leading to military occupation of Ogoni territory and to the execution of nine activists of the Movement including its leader,

¹⁹⁶ Azaiki, 2007, where he argues that youths agitation for change was the politics and the vicious cycle of oil corruption and some consequences, p.205

¹⁹⁷ The “Ogoni Bill of Right”, is the Memorandum of Understanding (MoU) presented to the Federal Government for self-determination by the Ijaws Ethnic group in the Niger Delta in 1995.

Ken Saro-Wiwa in 1995. [Appendix H: *Kiobel versus Royal Dutch Petroleum* company, 569 U.S. (2013)]

2. **The Movement for the Emancipation of the Niger Delta (MEND):** This is the most powerful of the militant groups in the Niger Delta. It was formed in 2006 and function as a loose network of gangs rather than a coherent organization. Today, they have a common political agenda and political wings that could participate in a negotiation; they have a 10,000 strong train combat army.¹⁹⁸ Their major objectives includes: Succession from the Nigeria federal structure independence under the name, ‘the Niger Delta Republic’, Closing down of all oil wells in the Ijaws land; returning oil revenue to the region in their estimate worth about 200 billion dollars which they said was stolen from their land; lastly, compensation for environmental damaged done to their land.¹⁹⁹ This group has become increasingly violent, both towards oil workers who they kidnap randomly. The militias go for foreign oil workers and other people who are not associated with the oil industry but perceived to be rich.
3. **Niger Delta Volunteer Force (NDVF):** This separatist group was formed in 1966 by Isaac Boro who was a Major in the Nigeria Army and who declared the Republic of Niger Delta that lasted for three months and which eventually led to the Nigeria civil war in 1967. Boro was considered to be a threat to the free exploitation of natural resources in the Niger Delta. His activities were suppressed and he was killed in the civil war that lasted from 1967 to 1970. Today, this group have an armed wing called the Joint Revolutionary Council (JRC) which has declared war on the Nigeria government and started attacks on oil-company personnel, vandalism of oil pipelines and flowing stations and siphoning of oil via tapping into oil pipelines in order to fund their illegal activities. They also terrorize foreign oil workers, unless the latter close their

¹⁹⁸ Daily Champion Newspaper July 24, 2007

¹⁹⁹ MEND Manifestos 2006, p.6

joint venture and leave the country. Although other militant groups were at time motivated by ransoms when taking hostages, NDVF objectives and demands remained political in nature.

4. **Niger Delta People's Volunteer Force (NDPVF):** This group was formed in 2005 and has a Headquarter in the oil city of Warri and Port-Harcourt. The movement has a 20,000 volunteer's force of mostly undergraduates and unemployed youths who act as vigilantes for oil communities in the region.²⁰⁰ In a recent trend which stems from the movements large following oil companies have begun to strike contracts with the NDPVF to carry out work on damaged pipelines, as well as for surveillance and waste disposal. The proceeds from such arrangements and from the sale of stolen crude oil, and from ransom payments for kidnappings fund the group's weapons procurement.
5. **Egbesu Boys of Africa-Ijaws:** This group is a part of the Martyrs Brigade and the Coalition for Militant Action (COMA). This group believe that their followers and the Ijaws communities should continue their armed struggle against the government and against international oil firms since this is the only way to achieve political and economic rights. According to the statement, which was released on July 24 2007, they argued that: "*How can we [the Ijaws] negotiate when we are in chains and dispossessed? The only noble and honourable path open to us is the glorious and time-tested path of armed struggle*".²⁰¹ Violence escalated on 23 August 2007 when militants opened fire on nine oil workers travelling on a boat along the Benin River. The workers had reopened oil wells closed down by the armed group. Seven oil workers were killed, including two American contractors working for Chevron Texaco. The Delta state government offered a \$75,000 reward for information leading to the capture of the

²⁰⁰ Stratfor 2009: http://www.stratfor.com/images/interactive/Niger_delta_hierarchy.htm (accessed 23/03/2011)

²⁰¹ Kiama declaration 2002, p. 15

attackers. Amid escalated military operations, vandals blew up a major Chevron Texaco gas pipeline running from Escravos to Warri. The violence, kidnapping and killing in Warri forced Chevron Texaco to reduce oil production by about 140,000 bpd, which in monetary terms translated to a daily loss of \$4.76 million per day in 2007²⁰². The same violence resulted in Shell Petroleum Development Company reducing its output by about 60,000 bpd. Since 2006 the federal government estimated that the crises in Niger Delta lost the country approximately \$2.5bn in revenue every three months. In fact Shell withdrew from the area in 2009 because of rising ethnic tensions.²⁰³ [see Appendix A for number of militias attacks from 2001 to 2012]

6. **The Bakassi Boys:** The Bakassi Boys emerged in late 1997 in the Igbo commercial city of Aba in Abia State as a desperate societal response to the inability of the relevant state institutions, namely the police and the judicial system, to solve the pervasive problem of violent crime. Corruption, inefficiency and double-standards were seen as the bane of state institutions and armed robbers had no difficulties in using their stolen riches to bribe their way through the system. At this point, the police and the judiciary had lost all their moral authority and were generally distrusted not only in Aba town but also in other big commercial cities of the country where armed bandits reigned unchallenged that resemble the ‘coming anarchy’ in the Niger Delta region. Such new conflicts of the post-Cold War era have been described as related to identity issues and not geopolitical and strategic issues which underlined earlier conflicts.²⁰⁴ It made no sense reporting suspects or crimes to the police or pursuing related litigations in court because justice would hardly ever be served by such institutions. People withdrew from the state and

²⁰² IHS Global, Oil and Gas update, 2008.

²⁰³ The Niger Delta Chaos: Vortex of Crime, Militant groups and corruption. The International Institute for Strategic Studies (IISS) Volume 13 issue 06 August 2007. Link: www.iiss.org/stratcom

²⁰⁴ Kaplan, R.D. (1994), “The Coming Anarchy”, The Atlantic Monthly, Vol. 273, No. 2, p.44-76; also see Kaldor 1999 Oil Wars and Newman 2004 Morden conflict

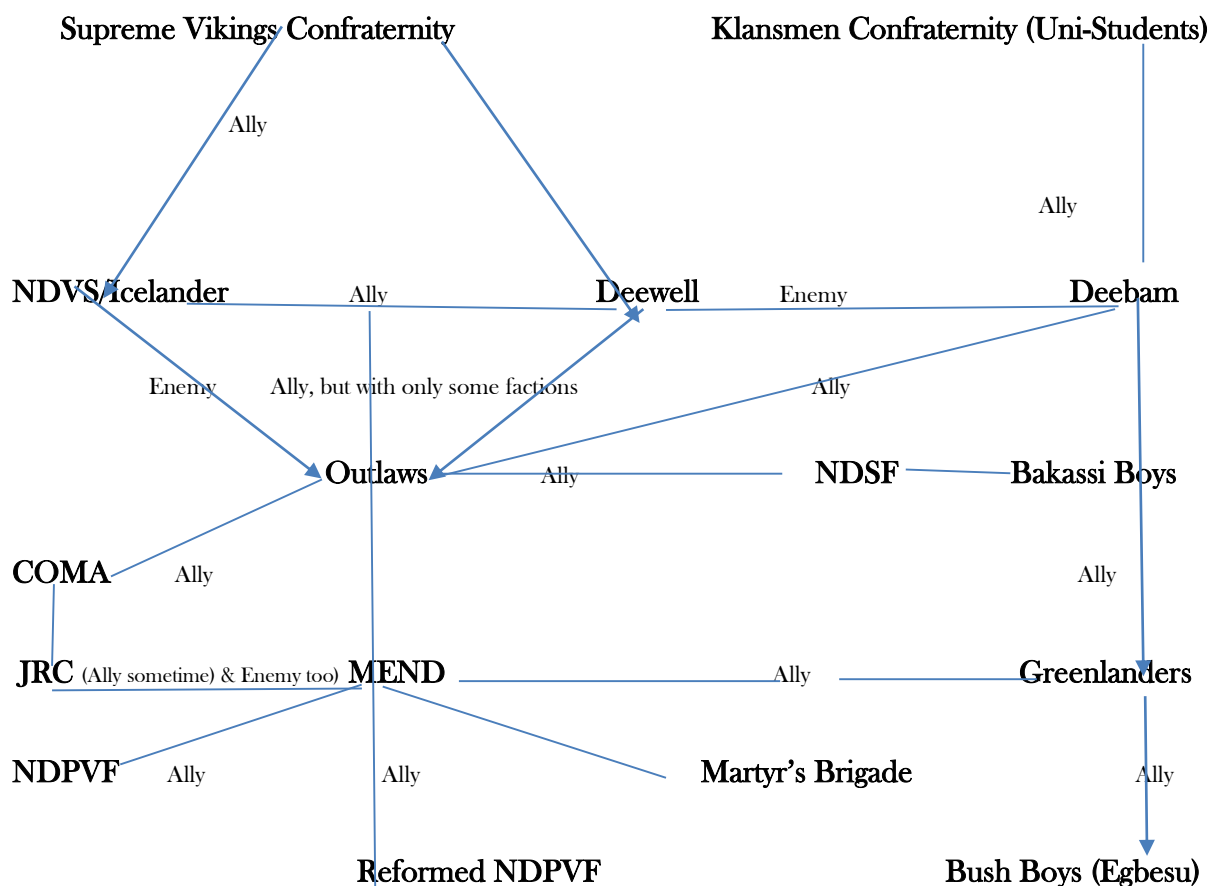
resorted to self-help in fighting crime. Local vigilantism and mob action against suspected criminals became rampant. The militiamen also established a Bakassi training camp on the outskirts of Aba, where young recruits were provided with some paramilitary training, but not until they had gone through a rigorous occult initiation and talismanic empowerment in some undisclosed shrine location, believed to be somewhere in Ogoniland in River State.²⁰⁵ Locals interviewed confirmed that the Bakassi Boys encourage members of the public to report or to deliver crime suspects to them. Often too, the militiamen have stormed criminal gang hideouts or mounted road-blocks across streets and highways to flush out criminals from ransacked vehicles. Diverse charms are used to identify a criminal suspect from a crowd, the most well-known being the “magic machete test”. In this test, the Bakassi Boys wave their magical instrument across the faces of all the surrendered suspects and, it is said, the metallic machete usually turns red when positioned across the face of a practising armed robber. The latter is usually whisked off to the Bakassi headquarters for detention and interrogation. If upon this arrest the suspect is searched and, for instance, found to be in possession of an unlawful firearm, the militiamen do not require any further evidence to confirm their suspect is an armed criminal. Instant justice usually follows in such a case, and the suspected criminal is decapitated with the magic machete or set alight in the full glare of bystanders. For cases that are ultimately taken to the conspicuously juju-adorned Bakassi headquarters for trial, the interrogation of suspects is often interspersed with torture. In this method the Bakassi Boys were no different from the Nigeria police who are notorious for inflicting severe torture on criminal suspects and detainees in a bid to extract confession from them²⁰⁶ Militiamen often

²⁰⁵ Omeje, K. (2005) *The Egbesu and Bakassi Boys: African Spiritual and the Mystical Re-traditionalisation of Security*, p.71-74

²⁰⁶ Confidential interviews conducted on the 20 April 2013 at Aba town in Abia State.

extend their investigations to the detainees' home, which they ransack for firearms and stolen items. If a detainee has not been directly apprehended by the militiamen but had been reported or delivered up by a third party, confidential evidence is usually taken from the reporter to guide the militiamen in their investigation. [See Appendix M: The Role of Militant groups]

Figure 3.2 Configuration of Armed Groups in the Niger Delta



Source: SIPRI by Jennifer M. Hazen with Jonas Horner-Based on Small Arms Survey Consultant armed group profile 2007

From Niger Delta Youth Council Protest to Insurgency

The paradox of rising unemployment, environment pollution, poverty, and public infrastructure underdevelopment in the midst of massive flowing from wealth-generating natural resource (primarily oil) has exacerbated the grievances of the Delta's population.

Consequently, since the 1980s local youth protests groups have emerged. When peaceful methods produced few results, these demands became increasingly violent. As the conflict drivers remained extant, the struggle continued in modified form, beginning with a period of relative quiescence succeeded by a gradual growth in organized politically motivated violence. Following the continuous armed conflict escalation, there was a proliferation of contending parties in the post-Boro era, extending through to the late 1980s.²⁰⁷ This escalation period was characterized by numerous, disparate and often poorly organized nonviolent protest by a cross-section of local residents. These protests ranged from written petitions to authorities to large public events and rallies, such as dancing by women demonstrators outside the local government headquarters of oil companies. For example, in 1990, under the internationally acclaimed writer and environment activist Ken Saro-Wiwa, her leadership propelled the Movement for the Survival of the Ogoni People (MOSOP) to redefine and revolutionize nonviolent struggle in the region. Adopting local and international public awareness strategies, such as mass community mobilizations and media campaigns, MOSOP drew unprecedented local and global support for Ogoni struggle for self-determination. Ken Saro-Wiwa was classified by Niger Delta nationalist as the fourth generation of King Jaja and the Opobo regional resistance movement.

The Ogoni struggle was directed against both the Nigeria state and the multinational oil companies particularly the Royal Dutch Shell, which has a significant stake in the country's oil sector. Local Delta inhabitants interviewed in a weekly market survey have attributed much of the regional environmental damage to Shell's abusive production activities that have decimated local livelihoods, compounded poverty and undermined the region's social fabric. For the Nigerian state, Ogoni's calls for self-determination and autonomy were "counter to national

²⁰⁷ Dean Pruitt, Jeffrey Rubin, Sung Hee Kim, *Social Conflict: Escalation, Stalemate and Settlement*, 3rd ed. (New York: McGraw Hill, p.24-6 2004

policy, not the least by having highlighted long-standing tensions between the country's ethnic division and its political centralization."²⁰⁸ The protest and agitations were initially peaceful, but they escalated for a number of reasons. First, the policies of transnational oil companies and the federal government and the arrogance and insensitivity of some states' government actions such as inviting security operatives to quell protests. The security responses led to violence and the visitation of more terror on the local population in many instances. This incensed the local people and led to counter-violence. A second reason for the escalation of the conflict was corruption. The repression bolstered the arguments of those who averred that violence is the only viable approach to the struggle and the only means of obtaining concession. Consequently, beginning in the 1990s, multinational oil companies (facilities and staff) became targets for violent youth campaigns. Seizure, occupation, and stoppage of oil company operations became particularly common. The lucrative potential of such actions intersected with the widely felt grievances and feelings of unjust deprivation, leading to a marked increase in the further proliferation of militias groups in the region.²⁰⁹

The protest in the region, which are largely led by the youths, yielded some results as the derivation of revenue was increased from 1.5 per cent to 3 per cent in 1992 and later to 13 per cent in 2000. The Oil Minerals Producing Areas Development Commission (OMPADEC) was established in 1992 to manage the 3 per cent fund for the development of the region.²¹⁰ But as it is widely known, corruption and related factors inhabited the efficient use of the funds. The Niger Delta Development Commission (NDDC), which replaced the OMPADEC in 2000, has also been immersed in a number of corruption allegations. A significant point to note is the huge funds that flowed into the Niger Delta when the 13 per cent derivation fund was

²⁰⁸ Davidheiser and Nyiayaana (2011): Demobilization or Remobilization? The Amnesty Program and the Search for Peace in the Niger Delta, *African Security*, 4:1, 44-46

²⁰⁹ Augustine Ikelegbe, "The Economy of Conflict in the Oil-Rich Niger Delta Region of Nigeria". *Nordic Journal of African Studies* 14, no.2 (2005): 217

²¹⁰ OMPADEC guidelines and objectives, 1992, p.48

implemented. Available data obtain from the Ministry of Finance shows, for instance, that in 2010, the six Niger Delta states of Akwa-Ibom, Bayelsa, Cross River, Delta, Edo and River States, received \$4 billion out of the total of \$11 billion distributed among the 36 states which make up the Nigerian federation.²¹¹ The flow of monies through state and local government has done little to improve living conditions however, meaning that the problems of development such as the lack of potable water, health facilities, electricity, poverty, unemployment, etc. that drive the conflict have not been attended to. The allocation of funds neglects the provision of basic social amenities and infrastructure as huge funds are spent on white elephant projects such as airports, new government houses, etc., and which facilitates the stealing of public funds.²¹²

The third reason is the militarization of the region. In responses to the strong state security presence, many militias groups (armed non-state groups) emerged to engage the security operatives which led to armed confrontation. The Movement for the Emancipation of the Niger Delta (MEND), an umbrella body for numerous militia groups, stands out as the most prominent. Related to this is the freedom that came with the return of democracy in Nigeria in 1999. With the end of military dictatorship, the atmosphere for protests became conducive, and this also encouraged the formation and proliferation of militia groups. A significant feature of the militia-led violence was the “capability and willingness of the people to directly confront federal and state security forces, through a skilful deployment of the sophisticated firearms at their disposal in the mangrove creeks.”²¹³ The modus operandi of these groups include attacks on oil facilities/equipment’s and disruption of oil production, targeting security operation,

²¹¹ Ministry of Finance, Federation, States and Local Government Allocation Accounts, 2010

²¹² Watts and Ibaba (2011): Turbulent Oil—Conflict and Insecurity in the Niger Delta, *African Security*, 4:1, 1-19

²¹³ M.J. Watts, “Petrol-Insurgency or Criminal? Conflict and Violence in the Niger Delta”, *Review of Africa Political Economy* 114 (2007): 637-660. Withdrawals from the excess crude account to deal with insurgents have continued until this year. Although not on a monthly basis, revenue shortfalls due to oil prices has always led to such withdrawals. The last was in April 2010 for bailing out ailing banks in the 2008 financial crisis

kidnapping and hostage taking of oil company personnel for ransom payment, and oil theft/illegal oil bunkering. Such activities coupled with the proliferation of arms to militia groups have endangered national and human security. For example, it is estimated that as of 2008, about one thousand lives have been lost to the militia conflict, and another three hundred taken hostage.²¹⁴ This excludes the lives that have been lost due to attacks by security operatives. A classic example is the Umuechem community in River State, where reprisal attacks by the mobile police force in October 1990 led to the destruction of 495 houses and several deaths.²¹⁵ The police also lost a colleagues when they were called in to quell an oil-based protest in the community. Another example is Odi community in Bayelsa state which was completely destroyed by the Nigerian military in November 1999. Again, this was a reprisal attack over the killing of eight police personnel by militant youths based in the community.²¹⁶ One fundamental outcome of such destructions and oppressive security presence is forced migration, population displacement, deprivation, violation of fundamental human rights such as freedom of movement and fear of insecurity.

Government Failure to Stabilize the Niger Delta

There are a multitude of reasons why the Nigeria government has been unable to stabilize the Niger Delta.

1. One of the most obvious explanations is the terrain of the Delta. According to the Niger Delta Development Commission, the Delta is the world's third largest wetland and is composed of dense mangrove swamps and waterways, making it an ideal location for guerrilla operations. The various oil facilities and pipelines saturate the area and are easy targets for militant who are able to navigate the dense web of waterways in

²¹⁴ Stratfor security and intelligence report, 2009, p.34

²¹⁵ Henry E. Lapiki, "The Environment and Sustainable Development: National and Global Concerns", in "The Nigeria Political Process (ed), Alapiki (Port Harcourt, H.E. Emhai Printing and Publishing Company, p.14 2001)

²¹⁶ Watts and Ibaba, p.13 2001.

speedboats, lay siege to a facility, capture international oil workers and then disappear back into the swamps and mangroves.

2. The security forces usually suffer from poor equipment, training and morale, placing their dedication in doubt. The weapons used by the militant are more sophisticated and abundant in the country since small arms filter into Nigeria from conflict zones like Liberia, Sudan, Somalia and the Democratic Republic of Congo (DRC).
3. According to the Chief of Nigeria Naval Staff, the militant operating in the Niger Delta are well trained and have studied Nigeria naval operations and discovered the security forces weaknesses; moreover, the navy lacks proper equipment to combat these militants as many of its fleets are in poor condition. This is one reason why in 2004 the United States provided special boats to Nigeria authorities to help fight piracy in sea lanes, arms and oil smuggling. The United States also conducted joint military exercise with Nigeria troops in Calabar in 2004 with a focus on water combat.²¹⁷ Stability in the Niger Delta is an important concern for the United States as a result of the current low supply of oil as of that time.
4. The sheer number of oil installation and pipelines also make protection of the infrastructure difficult. For example, Shell, which is the largest foreign oil company in Nigeria, has more than 1,500 oil wells in the Niger Delta region, and these wells are linked to a 7,000-kilometre pipeline networks.²¹⁸ Protection against attacks, in addition to preventing sabotage to the pipelines, also causes pipeline leaks and results in the loss of millions of dollars in oil revenue and the destruction of local environment. It is too much of a burden for the Nigerian authorities to handle. The government has already sent thousands of additional troops to the Delta, but they have not been able to re-establish stability. Furthermore, the army and security forces are restrained in using

²¹⁷ IRIN, June 26 2004

²¹⁸ SPDC, People and Environment Report, 2012, p20-24

overwhelming force against the militants because this would likely result in a larger conflagration with ethnic groups and result in a complete shutdown of oil and gas exports, an all-out civil war and thus crippling the economy.

5. In addition to the tactical difficulties in suppressing Delta militants, there is also the problem of corruption. In a country where 40 per cent of the population lives on less than \$2 per day, corruption and crime are major concerns. With the price of oil peaking over \$100 a barrel in July 2014, oil theft (bunkering) is tempting for many and provides an important source of revenue for militants, insurgents and criminal elements. Even members of the navy are drawn into colluding with militant groups during bunkering operations. Yet, the process of siphoning oil from pipelines causes leaks, which not only causes supply disruptions, but also destroys the environment. Militias and other criminal elements then demand that the oil companies pay certain contractors to repair or clean up the leaks, creating a never-ending cycle of contracting work. Additionally, oil companies are known to covertly channel money to militants groups so that they may protect their installations. Companies consider the pay-off more efficient than spending millions of dollars repairing the pipelines after they are damaged.²¹⁹
6. Also, the money allocated to the Niger Delta states from the Federation Account often falls prey to cronyism since community leaders and elected officials filter the funds to contracts and firms that end up in their own pockets. Much of the revenue never makes it back to the Niger Delta communities.

²¹⁹ The Jamestown Foundation: The Niger Delta Insurgency and its Threat to Energy Security, 22 February 2010

Table 3.2: PIPELINE VANDALIZATION, 2006-2007

Zone	2006			2007		
	No. Of Occurrence	Product Loss ('000mt)	Value Loss (N million)	No. of Occurrence	Product Loss ('000mt)	Value Loss (N million)
Port-Harcourt	2,091	21,885.00	na	1,631	6,333	na
Warri	662	1,052.00	na	306	9,854.00	na
Mosimi	486	13,709.00	na	479	10,634	na
Kaduna	176	163	na	126	273	na
Gombe	268	573	na	702	929	na
Total	3,683	37,382.00	na	3,244	27,523.00	na

Source: Nigerian National Petroleum Corporation Published by the National Bureau of Statistics 2008

From Arms-Buy-Back to Amnesty Programme (AP)

As was mentioned in the previous section, following the return of democracy to Nigeria in 1999, the mechanism of electoral politics have further complicated armed conflict and tensions in the region. It became commonplace for political parties and leaders to arm groups of young men in order to mobilize them as instruments of political pressure and coercion. This practice became widespread prior to and during the 1999, 2003, and 2007 elections when politicians encouraged the formation of youth and cult groups, arming and using them for political goals

that led to violence, intimidation, and election rigging.²²⁰ These youth groups included the Niger Delta Vigilante Group (NDV) led by Ateke Toms and the Niger Delta Volunteer Force (NDVF) headed by Asari Dokubo, among others. Most members of these groups are unemployed youths who were promised jobs and who viewed the groups as a means of self-advancement. Abandoned by their political patrons after the elections, the youths were left with no viable livelihood sources of income but kept their guns, which then became their means to accrue wealth by other means.²²¹

This reliance on violence led to the development of more armed militias groups who engaged in arms robbery infiltrating the regional political struggle. Arms, thus, became a conflict-specific capital contributing significantly to the emergence of a complex insurgency characterized by various combatants. This was illustrated in 2006 when MEND, a prominent militant movement, emerged on the scene and began carrying out frequent attacks on the region's oil infrastructure. Targets mainly included onshore assets such as pipelines, oil facilities, and gas sector employees. However, some attacks were also carried out offshore, a key example being the 2008 attack on Shell and Total Bonga oil platform, located 75 miles off the coast of the Niger Delta, which temporarily stopped production activities.²²² MEND was so effective in its violent campaign that it disrupted production by 25 per cent between 2006 and 2009. The intensity of the insurgency coupled with the military response by the Nigerian government brought enormous turmoil to the region. Such disruptions have affected national revenue budget implementation, and development planning.

²²⁰ Human rights Watch, "Testing Democracy: political Violence in Nigeria." Human Rights Watch briefing Report 15, no.9 (2003); also P. Lubeck, M. Watts, and R. Lipshutz; "Convergent Interests: US Energy Security and 'Securing' of Nigerian Democracy", in International Policy Report (Washington D.C.; Centre for International Policy, 2007)

²²¹ Jennifer M. Hazen and Jonas Horner, "Small Arms, Armed Violence and Insecurity in Nigeria: The Niger Delta in Perspective", in Small Arms Survey (AfroCom Centre, Germany 2007)

²²² "Nigerian Attack Closes Oilfield and pushes oil price above \$145", BBC World News, June 20, 2008, <http://news.bbc.co.uk/2/hi/7463288.stm>.

One of the most effective measures adopted by the Federal and State government was the Arms-Buy-Back Programme, which was introduced for militia groups in Nigeria in 2004 to stem insurgency and arms proliferations in the region. In 2004, the Rivers State government embarked on an ‘arms for cash deal’ to help restore peace. In that exercise, the following firearms were submitted:

Table 3.3: Firearms submitted during the arms for cash deal in Rivers State in 2004

Type of Firearm	Number submitted
Assault Rifles	778
AK-47's	324
Czech SA Vz 58	428
HK C3, Short and FN-FAL	22, 22, and 3
Light Machine Guns, Berretta and MAT 49	19, 12 and 2
Czech model 26, Sten MK 2 and Machinegun	2, 7 and 1
Czech model59 (Rachol), MG 36, Hunting Rifles, Pistols, Revolvers, Craft weapons, Short-guns, Revolvers and Air Guns	2; 1; 3; 9; 4; 17; 10; 7 and 1
Total	1675

Source: Osaghae, Ikelegbe, Olarinmoye and Okhomina, Consortium for Development Partnership module 5 (2007)

The identified costs and sources of the aforementioned firearms provide further insights into the dynamics of weapons proliferation in the Niger Delta. In terms of costs, firearms are

relatively affordable. For example, the general price cost for weapons are: shotgun (\$570); Kalashnikov rifle (\$850), bazooka (\$2,150).²²³ Money to procure such items is easy to come by given the huge incomes from oil theft (bunkering), kidnapping for ransom payments, but also via corrupt government officials and other conflict profiteers.

Comparably, in 2010, the federal government amnesty committee reported that 287,000 different types of ammunitions—about three thousand magazines, two thousand explosives and dynamites, and eighteen gun boats were surrendered by different militia groups and their members, who accepted the amnesty²²⁴. Although, in some cases, the widespread view is that not all firearms in the creeks and hands of militia groups were surrendered, this is not the issue of debate here. What is obvious is that the large volumes of arms surrendered show their centrality in the violence and the question remains, what motivated the proliferation of arms in the region? In short, Watts and Ibaba argues that, the commoditization of violence in the Nigerian electoral process, interethnic conflicts such as the type between Ijaws and Itsekiri in Warri Delta State, intra and inter community conflicts, and chieftaincy squabbles have been the motivating factors.²²⁵

The Construction of Amnesty as a Measure of Conflict Resolution

Under the 2009 Amnesty Programme, the federal government proclaimed a blanket amnesty with a time frame of 60 days—August 6 to October 4, 2009—for all Niger Delta militias groups. With this proclamation, militants who surrendered their arms within the specified period were unquestioningly granted freedom from prosecution for participation in armed rebellion against the state or in armed criminal acts. This non-retributive approach may seem to suggest that forgiveness was accorded a role in the disarmament process and in the resolution of conflict in

²²³ Watts and Ibaba, 2011, p.10

²²⁴ Ibaba, 2008, p.24

²²⁵ Watts and Ibaba, 2011 p.11

the region, yet the design of the amnesty initiative rests on the potential of forcible disarmament to influence militias' calculations (i.e., utility maximization), leading them to choose to participate. The state's advantages in resources and power were expected to cause the militias to fear that an amnesty rejection would risk a determined offensive and a consequent military defeat.²²⁶ Under the programme screening centre were set up in all six of the Niger delta states where gunmen were required to report and turn in their arms. Having registered and taken an oath renouncing militancy and violence, the militants received an unconditional pardon. Those who accepted the amnesty were granted a stipend of NGN65, 000 (US\$433) per month for food and living expenses. The Nigerian government budgeted around US\$63 million for the amnesty programme, including the stipends for those who accepted a pardon. It targeted around 10,000 militants who it hoped would take the amnesty offer.²²⁷

The payment programme for pardoned militants remains in place at the time of writing. Exact figures on the number of militant in the programme are not available, but it is thought that at least 10,000 have signed up, according to the policy and security report seen from the newly created Ministry of Niger Delta affairs. Other reports estimates that up to 25,000 have taken up the amnesty offer.²²⁸ If we take the estimate of 10,000, militants have taken the amnesty offer, the government's monthly bill for the stipends would be US\$4.33 million. The government hopes that production gains from a reduction in violence will cover the additional costs but security analyst see this as optimistic, with several others claiming the government could be pouring money down the drain, especially as much of the money is reportedly being siphoned off by administrators. Some government officials have suggested that IOCs should contribute towards funding the amnesty programme. This would throw up serious issues for IOCs, which

²²⁶ Davidheiser and Nyiayaana, 2011, p.50

²²⁷ Nigeria Oil & Gas Report, Business Monitor International, www.businessmonitor.com Q2 2011 (accessed 08/7/2013)

²²⁸ Ministry of Niger Delta Affairs, Security and Amnesty Programme Report, 2012

would find it highly problematic to be seen to be channelling funds to militias groups. Payments could be made under the guise of corporate social responsibility (CSR) programmes, but that would be a risky route for IOCs to take. Several ex-militias interviewed see the amnesty as a step in the right direction, but it remains to be seen how effective it will be in the long term. Indeed, regarding the longer term prospects for peace and security in the region, unless the fundamental causes of unrest in the Niger Delta, including environmental pollution and the lack of public infrastructure that can create jobs and services for the population, are addressed, there is little hope for the government's efforts will succeed.²²⁹

Post-Amnesty Program Implementation: 2010 to 2013

By mid-October 2010, the amnesty process had increased to cover roughly 15,000 militants who had accepted the AP offer. The ex-militants were sent to different demobilization camps in Okrika, Tombia, and Aluu camps in Rivers state and the Agbarho camp in Delta State.²³⁰ But some grass roots militants interviewed in April 2013 which had already left their camps spoke of their frustration with what they saw as a major flaw in the process: demobilization had commenced in these camps but without any of the typical planned transition activities designed to give the ex-militants social and job skills that could support a civilian lifestyle. It was expected by government that ex-fighters would begin the process of humanization and confidence building at the demobilization camps through psychological and physical training activities. However, in the camps I visited in River and Delta states, respectively, which should have served as a kind of mediation between the creek life of militias and their formal rehabilitation and reintegration into civil communities did not happen. The single exception was the continued subsistence bi-monthly allowance payments to ex-militants of NGN65, 000.00 (US\$433 at the prevailing exchange rate of 157 Naira for a dollar).

²²⁹ Confidential interviews conducted in Eket in Akwa-Ibom state on the 15 of April 2013

²³⁰ Ministry of Niger Delta Affairs, Security and Amnesty Programme Report, 2012

However, these payments still encountered frequent delays, thus weakening the militants' confidence in the process and decreasing their commitment to it. Further compounding the situation was the poor condition of the camps. Security, electricity, water supply, and the general living conditions at the demobilization camps were grossly inadequate and to some extent even more precarious than life on the creeks. In the Aluu camp, for example, ex-militants slept on the floor. Such poor conditions contravened the purpose of the demobilization camps, which should have re-socialized the former combatants and prepared them for re-entry into civilian life. Given this circumstances, life in the camp is dull and demoralizing for the militants and forcing some to move back to their villages. It was argued that most of the militants who stayed in the camps were the homeless and those fearing prosecution and police harassment for offenses committed prior to the declaration of the amnesty.²³¹ The emptiness of camp life and the tardy payments did precipitate intermittent violent protests borne out of frustration by militants, who increasingly felt abandoned and deceived by the government.

Moreover, the programme is enmeshed in a legitimacy crisis because it was largely imposed on the militia groups—the youth movement and several other stakeholders, hence the widespread notion in the Niger Delta is that “the amnesty came from the blue”²³². Being as it may not the result of dialogue or negotiation, the ex-militants and their supporters hardly see the programme as genuine settlement. This feeling is not helped by inadequate facilities at most ex-militant rehabilitation centres owing to poor planning, and leading to many going back to the creeks. As General Nico Martins, a leader of a group of one militias in Akwa Ibom state succinctly put, the frustration of the ex-militant is due to the fact that they were:

“Promised skills acquisition, training, quality education for as many that wanted to go back

²³¹ Davidheiser and Nyiayaana, 2011, p.54

²³² Iro Aghedo, 2012, p.7

To school. But now nothing had happened. We did not request any assistance from government from the creeks where we were before the amnesty programme.

But now we are suffering and roaming the street.

There is no accommodation, and they have driven us out of the camps for about two years.”²³³

Security analysts also argue that poor management also manifests in the form of corruption and embezzlement of funds. The enormous take-off budget for the project, standing at around N50 billion was allegedly mismanaged by officials. For example, 80 per cent of that amount was allocated to consultants and contractors rather than the beneficiaries, while 20 per cent was set aside to establish businesses.²³⁴ Apart from the corruption of some officials in the amnesty programme, many ex-militant leaders also tampered with the salaries of their ex-foot soldiers. The ostentatious lifestyle among ex-militants that the violence they were previously involved in had cultivated expensive behaviour. During the pre-amnesty era, the average militant was earning a minimum allowance of about N100, 000 monthly with other supplementary packages to support of the struggle in the creek. Many undergraduates who put in two to three months returned to school with about N200, 000. Militant leaders were said to have received millions of Naira monthly mostly from illegal oil theft, ransom kidnapping payments and patronage from politicians.²³⁵ To ex-militants, the N65, 000 stipend is therefore paltry and unattractive. As Aghedo put it, militant always laughed at the absurdity of becoming a pipeline welder after reintegration: Me? You no dey serious! (You are not serious).²³⁶ Needless to say, determining the job or business that would be suitable and attractive enough to suit their status and income profile necessary to keep them away from crime or going back violence is a huge challenge for the federal government.

²³³ See Iro Aghedo (2012), p.1

²³⁴ Transparency International's Corruption Perceptions in Nigeria Oil and Gas Industry, 2011.

²³⁵ Wilson Akpan (2009): When corporate citizens 'second-class' national citizen-The antinomies of corporate-mediated social provisioning in Nigeria's oil province, *Journal of Contemporary African Studies*, 27:1, 105-118

²³⁶ Iro Aghedo (2012) winning the War, losing the Peace: Amnesty and the Challenges of Post-Conflict Peace-Building in the Niger Delta, Nigeria, *Journal of Asian and African Studies*, p.6-10

In a new wave of violence, MEND which initially announced a ceasefire to assess the work and education amnesty programme claimed responsibility for the bombing in Warri on the 15 March 2010 as well as an attack on 1 October or the Independence Day bombing in parade square in Abuja where several people died. Similar attacks have targeted at the Atlas Cove Jetty in Lagos and other strategic oil installations in the Niger Delta over the last four years.²³⁷ The rate of crude oil theft has also increased dramatically since 2010. According to Royal Dutch Shell, as much as 140,000 barrels valued conservatively at US\$16 million are stolen daily. Shell's corporate media relations manager who was interviewed for this research explained how criminals bore holes onto oil pipelines to steal crude products while others also tapped the products directly from wellheads leading to spill incidents, environmental and production disruption. JTF spokesman interviewed confirmed that over 6,000 illegal refineries were destroyed by security outfits and over 150 oil thieves arrested in 2011 alone.²³⁸ Some ex-militants have also been arrested for sea piracy. According to the Malaysia-based International Maritime Bureau, Nigeria's 853-kilometre coastline remains a high-risk area as a result of incessant sea piracy. The organization puts the number of post-amnesty attacks at over 40 cases, with about 50 cases of attacks on fishing trawlers in January 2012 alone, resulting in 10 deaths and provoking a strike by the Nigerian shipping owners Association. This has led to higher shipping costs and insurance premiums for Nigeria-bound ships.²³⁹

Today, Nigeria's oil sector is at a great risk of losing its value in the international market. The government of Nigeria is even struggling to have an approved regulatory framework for the sector after 53 years of independence. The revelations of the sector's rot that culminated in the January 2012 nationwide protests due to a petrol price hick seem to have even intensified the

²³⁷ *ibid*

²³⁸ Joint Task Force (JTF) interviewed in Bonny Camps in River state on the 28 March 2013.

²³⁹ International Maritime Organization (IMO) Risks and shipping assessment on Nigeria 2012

rate at which the nation's oil is being stolen. Over 200,000 barrels of crude oil, which is more than Gabon's oil production per day and amounting to over \$120 million is reportedly stolen from Nigeria daily.²⁴⁰ In 2009, during the insurgency by the Movement for the Emancipation of the Niger Delta (MEND), companies declared force majeure twenty times.²⁴¹ The number of force majeure dropped to four in 2010 after the government declared an amnesty for MEND fighters but went up again to eleven in 2011 as most of the former militants who had initially given up their weapons returned to a life of crime.²⁴² In fact, the story of crude oil theft and its impact on investments is far worse today.

However, despite the setbacks, the amnesty programme is significant for several reasons. Apart from the drastic reduction in the loss of lives, the intensity of violence in the region has also reduced when compared to the peak periods of 2008. The amnesty deal has also led to youth empowerment. So far, over 16,336 ex-combatants have been demobilized. While some are undergoing training in Nigeria, hundreds of ex-militants have been sent to Malaysia, Russia, South Africa, Britain, and so on, through scholarship programmes for education and skills acquisition in order to facilitate their reintegration into society.²⁴³ Moreover, the amnesty programme has increased Nigeria's oil production from an average of one million barrels of crude oil per day in 2008 to an average of 2.2 million barrels as of July 2012.²⁴⁴ Increased oil production means more rents for Nigeria's excess crude account. Between June and December 2013 alone, industry experts estimated that Nigeria earned as much as N4.5 trillion (about US\$30 billion) from oil sales.²⁴⁵

²⁴⁰ Albinus Chiedu, Essence of diversifying the economy; Investigative Journalist, The Nigerian Guardian, Friday, September 27, 2013

²⁴¹ Force majeure is a legal phrase that permits the companies to miss contracted shutting-down deliveries due to circumstances beyond their control

²⁴² The Nigerian Guardian, September 27, 2013

²⁴³ Ministry of Niger Delta Affairs, Security and Amnesty Programme Report, 2012

²⁴⁴ Ibid, 2012

²⁴⁵ International Energy Agency (IEA), Nigeria Estimates Report, 2014

Conclusion: As noted at the outset, there are different actors with different perspectives on how natural resources wealth should be shared in the country. The starting hypothesis of this chapter is that the reasons for conflict in the Niger Delta is crisis-proneness', a fact which comes from a lack of unity and legitimacy of the government—or, put differently, the dynamics of the conflict passes through many layers. The present structures and institutions are corrupt and are not geared to address such challenges. Therefore, the militias find it very easy to exploits this ungovernable resource space to their benefit by illegally stealing oil which they view as their share of resource wealth. The chapter tests this hypothesis in three steps. First, it examined the dynamics of conflict and the analytical lens of federal, states and local level in order to better understand the types of security requirements they pose to the Nigeria state. Second, the chapter scanned through the various militias groups in order to spot the types of actors and the dynamics of conflict with which security challenges have been met. I look at the amnesty programme and whether these match- or deviate-from the identified problems. In a third step, the chapter explores the factors why the government of Nigeria is unable to stabilize the region that could help explain the observed response pattern.

Chapter Four

Land and Ethnicity in the Politics of Instability in Niger Delta

The centrality of land to the conflict and instability is well documented in literature, and so too is the importance of ethnicity in contextualising the pattern of behaviour and the interpretations of actions in post-independence Africa.²⁴⁶ Resource politics and political instability in the Niger Delta have traces of the intricate juxtaposition of ethnicity and land politics in considerable abundance. However, instability in the Niger Delta raises a number of particular issues. Prominent among these are significant two key factors-- ethnicity and land ownership (property right)—in terms of its effect in increasing armed conflict in the Niger Delta. On a more general level, it can be hypothesized that any multi-national and multi-lingual society where both highly dominant and less powerful ethnic groups compete for greater access to scarce resources, accusations of tribalism, nepotism—among others—tends to be rampant.²⁴⁷ To clarify its meaning and following in the footsteps of Marina Ottaway (1999), the working definition of ethnicity here is of human beings who belong to natural groups that share a common culture and language, and sometimes the myth of common ancestry.²⁴⁸ But sometimes the definition of the ethnic group stresses something common to the group other than ancestry, language or even the subjective conceptions of the members. For example, Abner Cohen offers this kind of definition when he notes that: “.....an ethnic group is an informal interest group whose member are distinct from the members of other groups within the same society, in that they

²⁴⁶ Jeffrey Herbst, (2000) *States and Power in Africa: Comparative Lessons in Authority and Control*, p.173-174, where he argued that the role of local elites in the distribution of land is critical to their autonomy from the state. As a result, states have continually sought to alter property rights in order to disempower local elites. However, given the uneven ability of African states to implement controversial policies in the hinterlands, national authorities have had varying success in their efforts to supplant local Chiefs in controlling the process of allocation of this critical resource.

²⁴⁷ Sanda, A.O.(ed) *Ethnic Relations in Nigeria*, 1976, p.11

²⁴⁸ Ottaway, M. in Joseph, R. (ed) 1999, *State Conflict and Democracy in Africa*, p.300 where she argued that ethnicity is a natural group but not a political entity as perceived in the modern state, but they are often are- and many believe should be-the basis for the formation of one.

share a measure of what Smith calls ‘compulsory institutions’ like kinship and religion and can communicate among themselves relatively easily’.²⁴⁹ In other words, the bonds which provide members of a distinct group that possess a sense of common identity.²⁵⁰ Land is used here as a fixed asset, a natural endowment for humans to earn a living from that is hereditary and passed on from generation to generation.

This chapter looked at ethnicity and land as a social, economic and traditional phenomenon associated as factors within political system for the ownership of natural resources. This is well explain within political arena for the claim of ownership of natural resources in the Niger Delta. It raises the issues of resource control between ethnic groups that are competitive rather than co-operative associated with violence. It is shows that ethnicity is characterised by cultural prejudice and socio-economic and political discrimination. Underlying these characteristics are the feelings of indigenious people in some particular groups in the Niger Delta that they share a common consciousness and identity with other members of the group to the exclusion of others. This section explores ethnicity as a phenomenon linked directly or indirectly to forms of affiliation and identification built around between “we the owners” and ‘them’, the “outsiders”. As it is well investigated in other societies, ethnic groups whose interaction may generate conflict are in fact social formations distinguished by the communal character of their boundaries.²⁵¹ The relevant communal factors may be culture, language or both. But in Nigeria, as in other cases in Africa, language has clearly been the most pervasive and crucial variable.

²⁴⁹ Cohen, a. (1969) Custom and politics in urban Africa, London; Routledge and Kagan Paul, p.4

²⁵⁰ Paul D. William (2011), War and Conflict in Africa where he argues that, if the law recognises you as a member of an ethnicity, and state institutions treat you as a member of that ethnicity, then you become an ethnic being legally and institutionally. Such a process of institutionalization was how ethnicity emerged as a key element in the discriminatory practices of many modern Africa states, p.115

²⁵¹ Nnoli 1995, p.1-2

Ethnic Composition in Instability and Natural Resources Control

In the Niger Delta

As noted earlier, Nigeria's Federation comprises more than 250 ethnic groups of which about 30 live in the Niger Delta. These are: Adonis, Calabaris, Egbemas, Ekpeyes, Engennes, Efik, Ijaws, Ibibio, Ikwerres, Isokos, Itsekiri, Ogbas, Obolos, Ogonis, Oron, Urhobos, Ukwanis, Ilagel, among others. Here is always some kind of dispute centred on land, political patronage, and resource ownership disputes between these ethnic groups. It has been hypothesized that, most African countries remain tied to ancient beliefs centred on cultural heritage which is passed on from their ancestors; they are always tension between groups in recognizing the diversity of ethnic identities in the overwhelming majority of states.²⁵² It has been claimed that, for example, in the case of Nigeria that, due to extensive population distribution of about 170 million people, this produces a more complex ethnic situation than in most other countries since minority groups are highly concentrated in single geographic areas (such as the Niger Delta) when compared to minorities in other regions (such as in the middle belt of the country). As Jeffrey Herbst (2000) points out, this creates a continual problem of a relatively large number of outlying groups that are not only spatially distinct but that also can be mobilized around ethnic and cultural symbols that can compete with the state.²⁵³ For example, in Nigeria the three major ethnic groups, the Hausa/Fulani, Igbo, and Yoruba dominate political and economic scene. The Niger Delta oil-producing communities are regarded as minorities despite the fact that the Ijaws are the majority in five states, and they are the fourth

²⁵² Marina Ottaway (1999) *Ethnic Politics in Africa: Change and Continuity* in Richard Joseph (ed) [1999] *State, Conflict, and Democracy in Africa* where she argued that most Africans views ethnic identities as accursed legacy of the divide-and-rule machinations of the colonial powers instead of viewing it as the unfortunate residue of a pre-modern Africa, p.299-316

²⁵³ Herbst, J. (2000) *States and Power in Africa: Comparative Lessons in Authority and Control*, where he argues that National Design and the Broadcasting of Power is the only way in understanding the size and shape of nations, p.146

largest ethnic group in the federation. Since the Niger Delta is currently the only area where oil and gas is found in Nigeria, some greatly resent the ethnic domination of the above groups.

They believe that there is a strong ethnic discrimination element attached to the methods of oil revenue allocation based on population, land mass and equality of states. The politics of ethnic identity have been tied to oil wealth sharing formulae. These seem to be some of the causes of instability and armed conflict in Niger Delta.

Also, the littoral states seem particularly incensed by the perceived injustice of sharing oil wealth due to the fact that, before oil revenue assumed its central role as the major foreign exchange earner for Nigeria economy in the early 1970s, the main export commodities were agricultural products: groundnut from the North owned by the Hausa/Fulani, cocoa in the West (Yoruba) and Palm oil in the East (Igbo) which constituted the mainstay of the Nigerian economy. Back then, this wealth was shared based on a 50% derivative revenue allocation principle in Nigeria. Therefore, the fundamental question that Niger Delta indigenes are asking the federal government of Nigeria today is why have they now reduced revenue allocation to 13% for oil and gas producing states under central fiscal control? Cyril Obi (2004) believes that the struggle for access and control of oil wealth contributes to the centralisation of power, and its concentration in relatively few hands. As such, “oil is both an object of intense struggle for state power between different ethnic groups, as well as a resource with which to acquire instruments of coercion, with which to repress the opposition, or competing forces”.²⁵⁴

Moreover, within many states in the Nigerian Federation, there are ethnically defined rules for access to positions of prestige. The criteria of original resident of a state are determined by the ethnic affiliation of their parents or grandparents, who receive preference in state-sponsored allocations, appointments, and employment. This is despite their being no official lists of what

²⁵⁴ Cyril Obi (2004) *The Oil Paradox: Reflections on the Violent Dynamics of Petro-Politics and Miss-Governance in Nigeria's Niger Delta*, p.14

groups constitute indigenous ethnicities. For example, Local Government Areas (LGAs) have a large degree of discretion in handing out certificates of origin which are necessary for public employment, access to higher education, and eligibility for different forms of state financial assistance to their citizens. Therefore, frequently, LGAs rely on the assessment of local traditional authorities in certifying people's ethnic group.

Scholar like Englebert (2009) argues that this process of indigenization allows some groups to establish local domination over others and magnifies the powers of those in positions of legal command, giving local officials the power to grant or deny indigenous status to their residents. Furthermore, this de- facto veto power affects an individual's life choices, from attaining federal government employment, education and other benefits.²⁵⁵ Moreover, ethnic indigenization is derived in part from the idea of parity to federal office, known in Nigeria as the principle of a "federal character", whereby the constitution mandates the President to appoint an equitable number of officials from different states of the federal level using a quota system. But the issue arises as to whether, a Delta person residing in Lagos could be appointed and imputed to Lagos's tally. So, in order to avoid such a situation, the notion of there being indigenous ethnic peoples to specific states gained prominence and was eventually extended to states positions.²⁵⁶ As a result, only people who descend from ethnic groups deemed indigenous to a certain state are allowed to seek public employment in that state or to represent that state in federal employment or oil and gas contracts. Given wide-spread in- country migration of around 170 million people, this has created numerous problems. Even when new states are created in

²⁵⁵ See Pierre Englebert (2009) *Africa: Unity, Sovereignty & Sorrow* where he argued that indigeneity maximizes the declaratory authority of the sovereign power holder and increases the potential for domination of the state and its agents, p. 211-212

²⁵⁶ The system also derives from the multiplication of federated states. Most of the Niger Delta ethnic minorities in larger states seek their own statehood to promote the concept of indigeneity to avoid losing control of these newly created states to larger ethnic groups who may also have resident there. Thus, this concept is often couched in a discourse of minority rights and affirmative action, which hides its discriminatory nature in the Nigerian Federation.

ethnic minority areas, it is still a particularly troubling issue whereby the new state then tends to chase away civil servants who had been indigenous and now find themselves strangers at home.

These ethnic divisions provides opportunities for some groups and individuals but imposes an indigenous-versus-outsiders logic onto social, economic and political relations within the Nigerian federation, giving more legitimacy to some groups' claims for access and control to natural resources than others. For example, in the Niger delta, both militant groups, local communities and youth movements nurses grievances that, the NNPC, multinational oil, companies and the Ministry of Petroleum and Natural Resources are dominated by larger ethnic groups taking all the jobs and government employment in their states but are discriminated against in other states of the federation. Therefore, as a none ethnic indigenous person going to another state for employment, one has to pay them 20% tax on their wages as an economic rent or risk being kidnapped and pay a ransom to militant groups before they are allowed to work in their state. These principles of ethnic divisions serves in part to limit access to individual freedom and state resources, as a larger number of Nigerians, despite being obviously Nigerians, fail to establish the local foundations of their national identity and find themselves deprived of access to natural resources, employment and local appendages of the state.

However, within the Niger Delta region, ethnic group claims to natural resources is an important agency of socialisation into the ethnic scheme of things. First, in the struggle to destroy or protect lives and property, ethnic lines are sharply demarcated. The individual's identity and sense of exclusiveness are vividly defined as each act of violence reinforces sectional feeling of being different, and of being able to count only on members of their group for action, security and welfare. This has resulted to inter-ethnic violence in the Niger Delta that leaves behind long-lasting and bitter memories of inter-ethnic relations because it touches

those aspects of man's existence which are dearest to him: life, death, provision of shelter and the ability to make of a living.²⁵⁷

Second, apart from passing on ethnic sentiments from generation to generation, inter-ethnic violence also leads to the growth of ethnic group solidarity. On the part of both the perpetrators and their victims alike, a certain collectivism characterises such violence. Indeed, witnesses involved in such violence which were interviewed said--on both sides of the narrative that a collective sense of belonging, mission, self-realisation and self-affirmation within the community, and a feeling of seizing the individuals and the group's destiny in one's hands is developed during the dynamics of mobilization. Under the unifying force of ethnicity, the inevitable consequence of such attributes is a greater inward orientation to the ethnic in-group, with a consequent growth in ethnic identification. A shared history increases the exclusiveness, feeling of uniqueness and growth of ethnic divisions. Inherent in struggle for access to control natural resources in violence is escalating conflict and tension. Both reflect a growth in the factors which characterise the pre-violent situation or phenomenon. Since violence leaves behind a lingering taste of bitterness, it is very difficult for peace to return to its original level at the end of violent activities. Instead, equilibrium is achieved at a different but higher level of hostility between the perpetrators and their victims. Such upward security issues in the Niger Delta as always shifted the equilibrium of inter-ethnic tension to a paradox of "foreigners are taking our oil jobs", and the continual increase in ethnic divisions with every bout of inter-ethnic violence. This is particularly so when successive conflicts reinforce memories of previous ones. In such cases, growth in tension and ethnicity becomes greater.²⁵⁸

²⁵⁷ Engelbert (2009), p.214

²⁵⁸ Okwudiba Nnoli (1995) *Ethnicity and Development in Nigeria*, United National Research Institute for Social development (UNRISD), p.121-147

Other confidential interviews conducted put these ethnic feeling in another perspective. A number of locals in Eket in Akwa-Ibom state strongly believe that local control cannot happen while foreign interests persist. This is because Niger Delta indigenes felt that the indigenised enterprises' of the NNPC ethos, symbols, values, lifestyles, relations of production and modes of operation still continue to drive the imperative of exploiting local resources for the benefits of foreigners of both multinational oil companies and the ruling elites who are not from the Niger Delta. These factors constitute strong built-in pressures on the local population to conform to the wishes of foreign interests. Niger Delta indigenes believe that, instead of the oil industry becoming more national in its use of local resources and catering to the needs of the vast-majority of the local population participation, they are in fact, becoming more an extension of foreign interests. It is the citizens of the Niger Delta who become denationalised. This process gives indigenised firms like the NNPC a national image and protection without seriously endangering foreign investment in the oil industry. In addition, as long as indigenised companies carry on the same pattern of activities as before, they would be effectively controlled by foreigners without local ownership. Therefore, the interest of the Nigerian privileged classes in indigenisation was not to eliminate this foreign control but merely to partake in the profits accruing from the activities of these companies.²⁵⁹ Indeed, minority ethnic groups argue that is the larger ethnic ruling elites who benefit from the Niger Delta resource wealth.

Some scholars such as Herbst (2000), Williams (2011), Joseph (1999) and Englebert (2009) strongly believe that in addition to its polarizing effects and the vulnerability ethnicity creates for people in the excluded group, the Nigeria system also has quasi-exponential features since it produces new minorities each time new states are created in the Nigerian federation.²⁶⁰

²⁵⁹ A Confidential interviews conducted in a Gas production Town of Eket in Akwa-Ibom state on the 20th of April 2013

²⁶⁰ Englebert, P. (2009) *Africa: Unity, Sovereignty & Sorrow* where he argues that, indigeneity also favours the descrambling of ethnicity that, is, its geographical redistribution in more homogeneous groups. It also

Therefore, the Nigeria Federal Structure is a state creating division in diversity rather than unity in ethnicity. In order to escape non-indigenous status, which shields individuals from state benefits, the minority then must make its own claim to statehood through resource nationalism while at the same time fighting against state marginalization. Ethnicity has the potential to embody both positive and negative elements. On the positive side, it promotes the appreciation of an individual's social roots in a community and the creation of a social network which provides material and emotional support for members of society. As an intermediate layer of society, it fosters a sense of belonging, which mediates between the individual and the larger society. This mediatory role is particularly important in mass societies that are complex, impersonal and alienating. Thus, within the context of socio-economic insecurity generated by destructive competition in the oil sector in the Niger Delta, ethnicity holds individuals together, gives them internal cohesion, encourages them to provide mutual security for each other and promotes their sense of identity and direction. In other words, to the Niger Delta indigenes, ethnicity offers a personal solution to the generic problems of exploitation, oppression, deprivation and alienation.

Land as a Social and Economic Construct for Natural Resources Control

Furthermore, the issue of land ownership and tenure is another important factor that was considered for the instability and natural resources conflict in the region. The Federal Government promulgated two important statutes to address the issue of ownership of land and control of onshore/offshore oil mining space. The first was the Land Use Decree of 1978 and

increases localized homogeneity, as people denied local indigeneity in their state of residence tend to migrate toward states where they might be considered indigenous by descent, although this is not an option available to all. Another major problem is that once an individual's ethnicity might have been diluted in a sea of heterogeneity, there are now more territorialized group identities. This leads to indigenous sovereignty reproduction of the Nigerian nation parallels its increased internal differentiation, p.212; Also see Williams, P.D. (2011) *War & Conflict in Africa* p.113-126; Joseph (ed) (1999) *State, Conflict & Democracy in Africa*, p.299-319; and Herbst, J. (2000) *States and Power in Africa- Comparative Lessons in Authority and Control*, p.133-6

later re-enacted as the Land Use Act in 1979. This Act stipulates the entire ownership and control of all oil and gas in place in Nigeria belong to the Federal Government. Moreover, the issue of Federal Government ownership of mineral oil resources and land was subsequently enshrined in Section 40(3) and Section 44(3) of the 1979 and 1999 Nigeria Constitution respectively.

Kenneth Omeje (2006) argues that the Land Use Act, helped to consolidate state's power to expropriate land from local communities and private citizens for oil, industrial and large-scale agricultural purposes. The Act makes all land comprised in the federation of Nigeria a property of the state and vests its allocation and administration in the State Government.²⁶¹ As mentioned before the federal government's perspective on the ownership of natural resource lead to incidences of violent and instability among Niger Delta indigenes who have been living on this land from the past centuries from generation to generation as they protested and resist such changes. To the citizens of the Niger Delta there are traditional beliefs concerning the cultural significance that the land holds, from the forests, shrines, ancestral cemeteries, specific crops locally-consumed crops (such as raffia and oil palms trees) and the like. In rural Niger Delta these items are valued both for their cultural and spiritual significance as well as for their functional or "economic" worth. Land in the Niger Delta is not simply a 'factor of production' or a 'piece of earth', it is more fundamentally an extension of community identity, a piece of earth with 'mystical qualities'.²⁶² Therefore, a forest is not just a collection of wild vegetation and an abode of wild animals. Its existence, like that of local rivers and streams, is bound up with the existence of the community. Mitee (2002) too supports this viewpoint, stating that the land

²⁶¹ Omeje, Kenneth (2006) "The Rentier State: Oil-related Legislation and Conflict in the Niger Delta, Nigeria", *Conflict, Security & Development*, 6; 2 211—230; Also see Alao, Abiodun (2007) *Natural Resources and Conflict in Africa: The Tragedy of Endowment, Land and Conflict* where he argued the government holds the land as a trustee and confer de facto ownership of land on the government, as it has the power to issue Certificates of Land Occupancy and to revoke them for what are deemed reasons of "overriding public interest", p.87

²⁶² Wilson Akpan (2009): When Corporate citizens 'second-class' national citizens; The antinomies of corporate-mediated social provisioning in Nigeria's oil province, *Journal of Contemporary African Studies*, 27: 1, 105—118.

holdings and the forest is where the people of the Niger Delta works, worship their Gods and pray. Tombstones and shrines are not simply physical structures but physical structures with a spirit-social dimension: “they represent ancestors, who are believed to have a connection with the living and the unborn”. Once constructed, a tombstone has no clear market-related price and is not, in the mind set of indigenous people, for sale and therefore oil companies cannot demolished it, substitute or paid for it at will. It cannot be valued in terms of the amount of money or cement and steel rods used in its construction.²⁶³

Although people today usually regard land as an asset for compensation, the real problem is that because the Act legalises arbitrary expropriation by the state, oil companies now acquire land from an enhanced position of strength, exploiting federal government weakness and do not hesitate to seek the authoritative intervention of the state should the local Niger Delta landowners prove difficult to subdue. Furthermore, even if compensation for destroying building, economic trees and crops are made to the previous owners of land, this is a one-off payment, usually that is said to be inadequate and not reflective of the actual value of the land. Moreover, it is paid to the community Chief or traditional ruler. Finally, to make matters worse, in matters of compensation, the provisions of the Act, Section 27 stipulate that, “no court shall have jurisdiction to inquire into any question concerning or pertaining to the amount or adequacy of any compensation paid or to be paid under this Act”.²⁶⁴ Militant groups like MEND, COMA and NDPVF view this legislation as a central point of grievance, calling for its repeal, as well as removal from the statute book of legislation including the 1978 Land

²⁶³ Mitee, L. (2002) The Centrality of self-identity in indigenous peoples’ struggle: The Struggle of the Ogoni people. Paper presented at the indigenous rights in the Commonwealth project Africa regional expert report meeting, Cape Town, South Africa

²⁶⁴ Federal Government of Nigeria, Constitution of the Federal Republic of Nigeria, “The Land Use Decree No.6, see also Omeje (1995), “Land Alienation in the lower Anambra River Basin: An Example of Human Rights Violation in Eboh, E. C., et al (edition) Rural Development in Nigeria, Auto Century Co, Enugu-Nigeria, PP.286-300.

Use Act and the Petroleum Act of 1969-laws that also facilitate the dispossession of oil-producing communities from their land.

Conflict between the Federal Government and the Local ownership Over the Land Use Act

In the multiplicity of its constituent elements, land is unlike any other property. For it comprises not only the ground itself and things growing naturally on it, like trees, or items artificially attached to it by human agency, like buildings, but also the subsoil down to the centre of the earth. It is also capable of accommodating a multiplicity of rights and a variety of uses. It is basic as much as human existence as to the existence of government; like an individual, a government has to exist on land; it cannot exist in the air or in the water. This indispensability of land to the discharge of the functions of government and the wide-ranging ramifications of its nature have inevitably affected the way power over it is divided between the federal and state level under the Nigeria constitution without freedom for local and indigenous people in the Niger delta.

First, the Constitution recognises that the federal and state governments must each have power to acquire and hold land for the purposes of their respective functions. The recognition is predicated upon the doctrine that such power is incidental to the existence of both governments and to the discharge of their functions.²⁶⁵ But in any case, the doctrine of incidental powers does not depend upon express constitutional provision. Therefore, it arises by implication of law. Since every grant of power is construed to include, by implication, all other powers reasonably incidental to it. Local communities challenged these matters in law on the basis that it gives the government arbitrary use of the power to take private properties in the name of national interest. Meanwhile, the government argued that no government can be

²⁶⁵ The Nigerian Constitution Part III paragraph 67 1999 refers to “any matter incidental or supplementary” in the exclusive legislative list to include the acquisition and tenure of land.

expected to discharge its responsibilities adequately as it has to depend on private purchase to meet all its land requirements. It follows therefore, that both the federal and state governments have a concurrent power to acquire and hold land for the purpose of their respective functions. Second, power over “mines and minerals, including oil fields, geological surveys and natural gas” is assigned exclusively to the federal government of Nigeria.²⁶⁶ By this, the federal government has the power to legislate in matters such as exploration or prospecting for oil. The actual mining operations, and conditions in mines and oilfields, the construction or operation of refineries, inspection and supervision of exploration, prospecting or mining operations, prescribing rents and royalties payable by operators, the protection of surrounding communities from the hazards of oil pollution and spillage; safety requirements generally, and oil pipelines are not regulated.

Third, subject to the exclusive power of the federal government in respect of mines and minerals, including oil fields, provisions in sections 274(5) and (6) of the Constitution and by the Land Use Act raises a number of questions regarding two subsections upon which depend the determination as to how power over land is divided between the federal and state government. These questions relate to the interaction between the Act and Constitution, how it affects local communities in a period of conflict, and the inconsistency between their provisions for compensation to local communities in cases of environmental hazards.²⁶⁷ But in spite of the ownership of land being declared an exclusively federal enactment, it is argued that the Act remains under the executive authority of the State Governor by virtue of section 276. As the actual words of section 276 state that: “the State Governor by the Land Use Act has the property right, privilege authority vested in him or any former authority of a state as representative or trustee for the benefit of the state, so as to pass to the Governor and government of the state any land for economic and national interest”. But local communities

²⁶⁶ The Land Use Act 1978, section 274(6) paragraph 37 in the exclusive legislative lists

²⁶⁷ Ibid, para.40

also argued that it does not regulate town and country planning, or the use of land for agriculture. Therefore, Nigeria has not developed an agricultural land use policy for local communities in the rural countryside. In the Niger Delta where land is scanty due to the terrain, some regulations on the use of land for agriculture is demanded by militias, youth and NGOs as a human right issue which is necessary to reducing conflict. On the other hand, the preservation and control of forests has been a long-standing government policy, dating back to 1938 when the first Forestry Ordinance was enacted.²⁶⁸

As stated earlier, the Land Use Act abolished private ownership of land, and transferred it to the state, free of any obligation to pay compensation. The individual is restricted to a right of occupancy as the largest interest in land capable of existing in his favour. Even this is also divested to the extent that the land, if underdeveloped in an urban area that exceeds half a hectare can be forcefully acquired by government. The excess of occupancy right in underdeveloped land in urban area over half a hectare is also transferred to the state again free of any payment of compensation. To the Niger Delta native communities these federal government land laws are of an oppressive measure. The idea underlying the nationalisation of land is that it enables land to be controlled and management conferred by ownership, the state can thus try to achieve certain socialist objectives with respect to land—greater social justice in the distribution of land and the income from it, control of land speculation and absentee landlordism and exploitation tendencies, and a more productive use of land.

The Act also empowers the state to revoke a right of occupancy if the land is required for public purposes, such as, mining or oil pipeline purposes or for the extraction of building materials, but subject to payment of compensation. The amount of compensation is governed

²⁶⁸ Forestry Law, Cap. 45, Laws of Lagos State 1973, p 12

by the Mineral Act or the Mineral Oil Act where revocation is for purposes of mining or oil pipeline.²⁶⁹

However, there is another Act in the Nigeria federal structure whereby, state government under the inclusive legislative lists has the power to a public objection hearing that should be organized at the respective state judicial level on behalf of the Ministry of Petroleum Resources where petroleum development projects are taking place. But these state laws are not observed by the multinational oil companies and the federal ministry of petroleum resources. For example, these hearings and development-planning verification sessions are only typically associated with land-use systems are statutorily provided for, in order to grant permits to survey the routes of pipelines in petroleum development projects.²⁷⁰

So far, the prevailing situation regarding public objection hearing exemplifies it as a government initiative without teeth of enforcement which is not properly understood by the oil-producing communities. Although the multinational oil companies are versed in these legal system, some of them occasionally undermine the interests of the communities affected by their operations. For instance, refusing or being reluctant to pay compensation or delaying the payment of compensation to certain communities affected by their operations, multinational sometimes

²⁶⁹ Nwabueze, B.O., (1983) *Federalism in Nigeria Under the Presidential Constitution*, p.174

²⁷⁰ Oil Pipeline Act, 1990, section 6, is instructive. It stipulates that the holder of a permit to survey (i.e., project proponent) wishing to 'enter any building or upon any enclosed court or garden attached to any building..... [n]or any cultivated land' is required to give at least 14 days' notice to the owner, occupiers or persons in charge of any lands of its intention to do so (as expressed in sub-section 6[1], before entering into lands on the authority of section 5. Prior assent of the owners or occupiers or other persons in charge of land is also required before a licensee or proponent takes possession or uses such lands as venerated land expressed in section 15(1) (a) and (b) of the Act.

Moreover, any person whose land or interest may be injuriously affected by the grant of a licence under the Oil Pipeline Act, is given an opportunity to lodge verbal or written objection at a specified address, usually to administrative officers have responsibility in such area or to such other officers as the Minister for Petroleum Resources may direct, as stipulated in Section 8(2) of the Act. The notice of objection shall state the interest of the objector and the grounds for objection, as specified in Section 9(1) of the Act, p.338

seek refuge under Section 9(2) of the Oil Pipeline Act, which provides for the “quantum of compensation”, and not non-payment of the compensation.²⁷¹

Ethnicity and Ethnic Relations as a Problem in the Sharing of oil Revenue

Studies on ethnic relations in the Niger Delta in regards to conflict of interest in the sharing of oil revenue have frequently proceeded with ambiguous generalization regarding government corruption and a lack of accountability. Such studies either gloss over the problem of ethnic issues, or ignore it altogether, in spite of the fact that the conceptualization of the phenomenon under study is the most necessary way for an efficient settlement of the Niger Delta question related to resource control as well as the collection of relevant data which will help in such a project. But going back to the Niger Delta history, in modern times, the exploitation and shipping of oil and gas products from the Niger Delta no longer follows the pattern of trade established in the early 19th century of King Jaja’s era.

Nevertheless, some food stuffs grown in the hinterland are now traded to with the coast, and some fish caught by the coastal Niger Delta people is sold in the hinterland. The former political dominance of the coast is a thing of the past, but because the Niger Delta peoples have been exposed to foreign trade earlier than any other part of the Nigerian federation, they are still able to exercise greater economic influence than the hinterland groups. However, petroleum flows out of Delta pipelines, leaving both coastal areas destroyed with oil pollution while the hinterland people are quite unaffected. The ethnic indigenes of the Niger Delta see it as a great irony that the people who are literally sitting on top of Nigeria’s greatest asset have so far reaped little benefit from the new oil wind fall. The entire area is quite underdeveloped, especially in the fields of public infrastructure and opportunities for employment. Moreover, it

²⁷¹ Bristol, E.T. (2010) 2nd Edition, Participation in Petroleum Development-Toward Sustainable Community Development in the Niger Delta, CEPMLP-University of Dundee, p.195

is politically speaking, a minority area in the sense that all the groups are relatively small, and hence their political influence is very limited. The most surprising observation of people interviewed in the Niger Delta is that, while the entire Niger delta region is a “minority area” in relation to areas occupied by Nigeria’s major ethnic groups, the hinterland peoples of the Niger Delta are in turn minorities within their provincial boundaries. While all Delta peoples feel threatened by the majority groups of the: Yoruba, Hausa, and Ibo whom they accuse of squandering their oil revenue and neglecting the economic development of the Delta (an accusation with some basis in facts), the hinterland peoples of the Niger Delta see themselves threatened by the political power of the superior coastal groups of the Ijaws and Uhrobo. However, in relation to oil resources and revenue allocation from the federal level, agriculture has always been the main revenue earner for Nigeria. In a ten year period 1955-65, the main revenue earning commodities are groundnuts, cocoa, and palm oil products in that order. Groundnuts all come from the North, cocoa from the West and the palm oil from the East and Niger Delta. However by 1965 petroleum constituted 28% of Nigerian foreign exchange earnings but still contributed only 9.1% to the revenue. This increased to 95% in the 1990s and the known reserves are in the minority areas of the Niger Delta.²⁷² Therefore, the most sensitive areas are related to ethnicity and thus revenue sharing and distribution of money of oil export from the central pool to the regions. The fundamental question is: on what principle was it to be based? If based on need, the North with its large population and poor economic situation would benefit. Or, was it going to be based on derivation, that is, on the basis of the economic contribution of each region? One thing was certain, no agreement on this was possible without Mid-west and Eastern regions consent, either way, the North would benefit.

So it was 40 per cent out of 95 per cent was allocated to the North; 31 per cent out the 95 per cent to the Mid-west and Eastern region; and 24 per cent out of the 95 per cent to the West in

²⁷² Federation of Nigeria: Annual Abstract of Statistics, 1960, 1966, 1970 and 1990. Central Bank of Nigeria: Economic & Financial Review. Vol. 6, No.2, December, 1990. In 1966 petroleum accounted for 36.7% of total.

the Federal Pool Account. In 1963, the North got 45% of the federal allocation, which is almost 80% of its entire yearly revenue. The East and Mid-West got 31.3% which was about 62% of its yearly revenue. The West got 23.7% which was 35% of its yearly revenue.²⁷³ Despite this Northern advantage, it was the North which first showed the signs of discontent. Then the North “has been complaining that the Federal government had all the buoyant sources of revenue while it was finding it harder and harder to make ends meet”²⁷⁴ In the meantime, the Mid-West and East which had been the poor among the regions discovered a new and extremely profitable source of funds: oil and gas. Whereas during the original revenue allocation negotiations in 1958, the Mid-West and the East had been entirely for distribution according to need (in fact according to population) it now swung to the opposite view and pressed for a complete return of royalties to the region of origin. Under the 1958 constitution (clause 140) a region recovered 50% of mineral royalties, while of the remaining half, 20% went to the Federal Government and 30% was paid into the Distributable Pool Account.²⁷⁵ Consequently, while there have been steady revenue increased from all sources in the other regions, that of the West hit all-time low margin of 17.6% in 1963 due to the fact that the Mid-West was created from the West. It was the year when her entire political machinery was in disarray. From 1964 on the federal allocation to the West improved.²⁷⁶ This coincided with the period that a broadly based government was formed at the federal level. This may mean that government in a multi-ethnic state may be better able to do justice in terms of sharing of natural resource wealth to all her citizens if all the groups were represented in government at the federal level.

²⁷³ Central Bank of Nigeria: Economic and Financial Review, Vol.3, No.2, December 1965. Before then 50% was originally allocated to the Cameroons. In 1960 when it was no more part of Nigeria, 95 instead of 100 was retained as total of the Federation Account.

²⁷⁴ Awa, E.O., Federal Government in Nigeria, 1964, p.205

²⁷⁵ The 1958 Constitution, Article 140, p.104

²⁷⁶ Central Bank of Nigeria; Economic and Financial Review, Vol.3 No.2 1965

But when the military came to power in 1966, Decree 9 of 1971 anticipated the boom in oil revenues which occurred between 1973 and 1978 and the contribution of offshore production to it. This decree gave the federal government the sole right to the rents and royalties from offshore oil production. Moreover, in 1975, Decree 6 insisted that all revenue to be shared by the states should first be deposited in the distributable pool account. Only 20 per cent of offshore mining rents and royalties due to the states of origin on the basis of derivation were exempted. This affected in real term, 80 per cent of mining rents and royalties, 35 per cent of some import duties, 100 per cent of duties on fuel and tobacco, and 50 per cent of excise duties.²⁷⁷ Much of the acrimony which in the past attended the allocation of revenue in the country was muted during the military regime between 1966 and 1979. The major reason for this was the lack of governmental autonomy on the part of the state governors in relation to the federal government. They were appointees of the central military dictatorship and took their orders from the central government. They were in the states on military, not political assignments.

Therefore, as the transition to civilian government was being organised, it was necessary to work out an adequate formulae for revenue allocation to be handed over to the civilian regime that would take office in 1979.

Consequently, in 1977 the government of General Obasanjo appointed the Aboyade Technical Commission on Revenue Allocation which was asked to review the existing arrangements for revenue allocation and to make recommendations to guide the Constituent Assembly in formulating an acceptable formula for allocation that would be incorporated into the country 1979 Constitution. In its report, the committee recommended that all federally collected revenues should be lodged in a 'Federation Account'. The allocation of funds in the account should be made as follows: 60 per cent to the federal government; 30 per cent to the states and

²⁷⁷ Nnoli (1995) *Ethnicity and Development in Nigeria*, p.101

10 per cent to the local governments. It created a Special Grants Account made up of 3 per cent from the federal governments share. This account, to be administered by the federal government, was to be disbursed for the benefit of the mineral-producing areas and areas that needed rehabilitation after disasters. In the allocation of the states' share of the account to the various states five principles were to be followed: (a) equality of access to development opportunities, 25 per cent; (b) minimum standards for national integration, 22 per cent; (c) the absorptive capacity of a state, 20 per cent; (d) independent revenue and tax effort, 18 per cent; and (e) fiscal efficiency, 15 per cent.²⁷⁸

Politicians that came to power in 1979 (the second democratically elected government) subjected these recommendations to incessant, severe criticism. Via reports, they argued that they could not easily assess the possible benefits of revenue allocation for their ethnic communities. They dismissed the recommendations as too technical to be useful, impractical and academic. As a result of these complaints, the 1978 Constituent Assembly refused to incorporate the recommendations into the 1979 Constitution. Instead, the Constituent Assembly provided the National Assembly with the constitutional power to enact legislation regarding revenue allocation as and when it wished

As the above example made clear, revenue allocation in Nigeria will probably always be controversial. The reason is because various ethnic groups seek advantage through the distribution of oil revenue. Yet all the ethnic groups cannot be equally helped at the same time to fulfil their state expenditure. Those who believe that they have lost out will protest and call for a review of the formula. One of the latest ways through which ethnic leaders seek to improve their advantage in revenue allocation is to have their state split into more states. Such a split enables them to increase their share from the federal account to more than one portion. This is why many groups who opposed the splitting of their groups into separate states now

²⁷⁸ Aboyade Technical Committee on Revenue Allocation, 1977, p121-134

advocate it with seriousness, commitment and activism. This point will be taken up in the next chapter in the discussion of the politics of resource control and the Nigerian federation.

Thus, with the politicisation of ethnicity, regionalisation of economics and politics of consolidation of ethnically based political parties, inter-ethnic struggle for national oil wealth has found expression in the inter-regional/interstate struggle for maximum advantage regarding the allocation of oil revenues in the country. As always, very little thought is given to how to increase that nation's wealth that is to be allocated. Competition among regional-ethnic leaders has become bitter. For example, in the 1960s, they needed the money to supplement the funds accruing from the regionalisation of the marketing board funds. In today's struggle, ethnic factions of the relatively privileged classes of sectional ruling elites ignored the fortunes of their rival factions in other regions or states. In fact, they even ignored sources of revenue within these states or regions because they believed that the bulk of their recurrent revenues would accrue from oil in federal sources regardless of their contribution to economic production and GDP growth.

Ethnicity and Cultural Diversity in Natural Resources Control

In a pluralistic society such as Nigeria, where different cultural groups and values exist, it is imperative to promote values which will minimise tension, allow for tolerance and integration and the overall communal security of all and sundry. Unfortunately in Nigeria, culture has not been utilised as a strategic tool through education for the management of values which may threaten national security in resource exploitation areas. For example, the primary groups which are concerned with the conflict in the Niger Delta region, involve three of the main ethnic groups in the area namely: the Urhobos, Itsekiri, and the Ijaws. Respondents to questionnaire in fieldwork suggest that the conflict is being played out most vigorously in the oil and gas city of Warri in Delta State. The various communities are hardly ever at peace with one

another. The people have no access to clean water or electricity; educational opportunities are low, while the level of unemployment very high. The result is the presence of an army of jobless youths who are easily mobilized and ready to go on a rampage at the slightest provocation. Informants also confirmed that there are frequent running battles between the youths and the oil companies and by extension, the government. Oil employees, both Nigerian and expatriates are regularly abducted for ransom. This security threats to the oil and gas industry has led to the frequent deployment of security forces to the area; thereby creating the impression of a region permanently under military occupation.²⁷⁹

A local government councillor interviewed in Ikot-Epkene in Calabar, Cross River state attributed the problem of security and the consequential conflict situation centres on tension, injustice and marginalisation. He explained that the bone of contention is partly to do with allegation that, some segments of the country are carrying the burden that sustains the entire nation, while other segments are enjoying the paradise that has resulted from this inequality. This problem has been linked to the character of the state and the actions of the dominant interests of the ruling class. Returning to the issue of the Urhobo/Itsekiri conflict, we note that there are two neighbouring peoples who inhabit this part of the western Delta region. Available data showed that relations between these two people are currently quite tense and uneasy.²⁸⁰ Yet they had for a long time been known to be socially related, with a high frequency of intermarriage among them; they lived together in the same community, were commercially interdependent and remain very much so up until this day. The conflict between these two ethnic groups is historical in origin, thereby making it difficult to assess is actually presenting real facts. The Urhobos claim that they are the original owners and settlers in Warri, and only gave tenancy lease to Itsekiri people to farm, since they had previously only occupied swampy

²⁷⁹ Fieldwork questionnaires conducted in Warri-South Local Government Areas on the on the 28 April 2013

²⁸⁰ Ikime, *Niger Delta Rivalry: Itsekiri-Urhobo Relations and European presence 1881-1936*, London: Longman, 1969, p 45

areas of the West Niger Delta and as such had no dry land to farm. Therefore, they perceive the Itsekiri as migrants whom they had helped to overcome their occupational crisis at a given point in time, and thus when their leasing period ran out, instead of handing over the occupied areas, they cashed in on their privileged position with the colonial masters to engage in claiming ownership of Warri.

An Urhobo man interviewed argued that Ode-Itsekiri is the ancestral home of the Itsekiri and that this was the only place where they had ownership and control over the land. To support this view point, he cited the fact that Itsekiri refer to Ode-Itsekiri as “big Warri” while Warri town the area in contest they call “small Warri”. He therefore summed up his contention by asking how one could leave big Warri and make small Warri the seat of their traditional ruler if not for the social and economic benefits that are associated with the small Warri’s oil revenue. According to the Urhobos, they have more stakes in big Warri than in small Warri, and an ancestral home of the Itsekiri people should be the seat of their traditional ruler.

Amongst all the Itsekiris interviewed, they gave a different narrative which claimed long-established ownership of Warri town. They argued that they are the original occupants of the area referred to as both small and big Warri; and that they only gave the area in contest now to their slaves (the Urhobos) to farm since they (the Itsekiris) are mainly fishermen and were the middlemen for palm-oil traders with the Europeans.

The distinction between the big and small Warri was made because of the river that separates the same community into two. They see the Urhobos as the intruders into their community.

Another bone of contention is related to the position of the King of Warri (the Olu of Warri)

The argument amongst the non-Itsekiris (the Ijaws and Urhobos, but mostly the latter) is that since Itsekiri are not the original owners of Warri, and the fact that there are other ethnic groups inhabiting the areas, one particular ethnic group cannot lay claim to the Kingship of the place. Therefore, the Urhobos and Ijaws suggest that the state government should refer to the

Kingship title as Olu of Itsekiri, an appellation that automatically delineates the jurisdiction of the Kingship and defines the limitations and the extent of his power. While the Olu of Warri, an Itsekiri by birth indicates that he is the paramount ruler of all the ethnic groups residents in Warri and that the title therefore carries some power of supremacy with it. That's to the Urhobos is unacceptable. To the Itsekiri, the Olu of Warri institution has been in existence as far back as 1480 A.D.; and as such no one can change it now on the ground that migrants have come to stay with them.²⁸¹ These two major issues regarding ethnic claims to the ownership of land has laid the foundation of natural resources conflict in Niger Delta; and has become the source of incessant violent conflict amongst the two communities.

Moreover, since Warri became the second largest oil producing city in the Niger Delta, and especially after the increasing activities of oil companies, a new dimension was added to the crisis in that area. The Ijaws who also occupy the coastal areas along with the Urhobos and the Itsekiris started agitating against the marginalization of their ethnic group. The Ijaws demanded their own local government where they could be heard and recognized. So, the new dimension of conflict is now between the Ijaws and the Itsekiri in Delta state. This new dimension to the conflict in Warri has further helped in complicating an already complex situation. For example, the creation of Warri South Local Council in 1997 gave the seat of the Headquarters at Ogbelajoh, an area predominantly occupied by the Ijaws. The Itsekiri protested about the creation of the new council by arguing that they were the ones who had requested the creation of a new local government area, and as such, the Headquarter should be in Ogidigben an enclave of the Itsekiris. An attempt to move the Headquarter to Itsekiri town resulted in violent conflict where houses were burned down and hundreds of people killed with the affected area totally

²⁸¹ Imobighe, T. A., (edition) *Civil Society and Ethnic Conflict Management in Nigeria*, 2003, p.223-252 where he argued that Ethnic conflict coupled with historical and structuring setting, therefore, laid the foundation and context for the violent and ever unending conflict in Warri, p130-31

destroyed. Imobighe (2003) believed that the Urhobo cashed in on their standing grievances against the Itsekiri to give a tacit support to the Ijaws and that this helped to widen the scope of the conflict.²⁸² This particular conflict is yet to be fully resolved.

Nevertheless, around twenty individual interviews were conducted relating to these matters both in Itsekiri, Urhobo and Ijaws riverine towns and they indicate that the issue of land and of the ownership of Warri town is the main point of contention. There are claims and counter claims by each ethnic group as to who is a migrant in Warri Township and who should be in control of Warri South Local Government Council. About 20 people of Itsekiri indigenes respondents think that the main cause of the Conflict is the inability of the Urhobos and Ijaws to accept their slave migrant status in Warri. On the other hand 30 people of Ijaws and the Urhobos identified the Itsekiris' claim to the Kingship of Warri and their political domination as the main cause of the conflict. The issue of ethnicity, land ownership and which group should be the political leader and legitimate King of Warri remains the central ingredient in the violent confrontation in the city of Warri in Delta State.

However, during 2011 general elections, state-levels politics revolved around the issue of the creation of more local government areas able to identify with different ethnic groups, and also the location of the headquarter in areas where each of the three ethnic groups considers an area of high concentration of their people. In addition, the Ijaws and Itsekiris requested the creation of more wards in their areas in any such local government areas so that they could have more seats in the executive councillorship in the local government leadership. Going by the present figures in the 2005 census relating to the local government in that area, as it stands today, an Ijaw man or woman does not have the opportunity of being elected as a Chairman of Warri Local Government Council. Therefore, the Ijaws are demanding that they have the same number of wards as the Itsekiris, or even more, to allow them to take control of the local

²⁸² Ibid, p32

government council. This demand is yet another source of tension between these ethnic communities. Although, this particular political struggle does not concern the Urhobos directly, they have found it convenient to team up with the Ijaws, since they all share a common sentiment and enemy—the Itsekiris. The Urhobos and the Ijaws share a common sense of marginalization and oppression that they perceive as coming from the Itsekiris, even though they are the minority. This is because they are highly educated and dominate the most powerful political positions in the federal, state and local levels. As a result, the Urhobos are willing to join forces with the Ijaws in fighting the Itsekiris. In fact, the most surprising elements in the fieldwork interviews conducted is that all the three groups involved in the conflict have no confidence in the ability of the government, both at federal and state levels to settle these issues.

In River State too, there is the Ogoni—Andoni conflict similar to the one in Delta State. The Ogoni ethnic group is one of the smaller groups which inhabit south-eastern Nigeria in the Niger Delta region. Over the last decade they have become a symbol for minority ethnic groups in their struggle for a fair and just share of national resources. In the spirit of Federalism (Federal character), the Ogonis have staked a clear, direct and unequivocal claim over the resource produced in Ogoniland. For them it is the only way to justice and equity for themselves and other minorities like them. The problem posed by this is serious because Ogoniland is one of the major source of petroleum and thus the most important revenue earner for the federal government. The struggle of the Ogonis is symbolic because most of the nation's petroleum is mined in Ogoniland though residing there are small minority groups. Still, it just so happens that the Ogonis have articulated these demands most clearly and created the best organization for pursuing them.

The movement for the Survival of Ogoni people (MOSOP) has been the vanguard of the struggle for Ogoni rights. There are two aspects to this struggle: (a) autonomy and self-

determination for the Ogonis, expressed as ownership and control of the natural resources, including petroleum and natural gas, mined or otherwise produced in Ogoniland, (b) an end to the environmental damage being wracked on Ogoniland and its waters by oil companies exploring and exploiting crude oil resources in the area; compensation for the environmental damage already done.²⁸³ MOSOP argues that the Ogoni are so small numerically that the federal character policy cannot benefit them. They do not have the necessary numbers to influence federal government decisions on policy. Consequently, they have suffered a severe disadvantage in resource allocation. For example, although Ogoniland is an oil producing area the major town of the area, Bori, does not have electricity, water or tarmac roads. Rivers State which administers Ogoniland does receive the 13 per cent derivative oil fund in addition to the 3 per cent development funds due to oil production in Ogoniland but talking to people in the area in my fieldwork shows that hardly any of this money reaches the Ogonis. Many other small ethnic groups are in a similar positions.

To remedy the situation, to my understanding, Ogoni people came up with an arrangement in which each ethnic group had complete control over its natural resources and had to make contributions to the federation account for its upkeep. The federal government regarded this as a novel and radical idea of revenue allocation, so much so that the federal government classified MOSOP as a secessionist organization and are doing everything possible to crush it. It is within the context of this government hostility and that of Shell Development (the multinational oil corporation that exploits crude oil in Ogoniland that inter-ethnic conflict and violence ensued between the Ogonis and the Andonis. The results of the fieldwork questionnaires distributed to both the Andonis and Ogonis shows that since 2001, the Ogonis resisted the laying of any oil or gas pipelines by Shell Development Corporation contractors in Ogoniland by the pipe laying company—Willbros. Therefore, the federal government

²⁸³ Nnoli, *Ethnicity and Development in Nigeria*, 1995, p.199

intervened and stationed a permanent army battalion between Andonis and Ogonis local government areas. The implementation of this decision and the continuing protests against the arrest of some Ogonis leaders had led to a clash between the Ogonis and Andonis groups.

Andonis leaders claim that the conflict was provoked by the Ogonis who closed all the roads leading to Bori town, thereby preventing the Andonis from free movement to their farmland, fishing and private work. They also accuse them of attacking Andonis residents in Ogoniland during demonstrations against the government and oil companies.

The Ogonis leaders blame the government for military occupation and oil companies for the conflict and imply that they were trying to set the Ogonis up for punishment because their demands were causing them embarrassment and loss of oil revenues. The Ogonis point to the fact that all their neighbours have picked a fight of one sort or another with them because of the federal government divide and rule tactics in River State, especially the Okrika, Opobos and Oyibos. However, the conflict with the Andonis has been the most serious one since 2010. For example, the Ogoni and Okrika have fought in the streets of Port Harcourt over ownership of the waterfront in the city. It took security forces three days to stop clashes. On Easter Sunday 2012, Ogoni and Oyigbo communities fought each other over a piece of land near Afram, the gas rich location of the Afram power station over a lack of electricity supply to their respective communities. Five people were killed, fifteen injured and the local government secretariat building in the town was burned down²⁸⁴ The Ijaws of Nembe and the Kalabari of central Delta also fought each over fishing rights in February 2013 in the area. The resulting killings have thrown the two ethnic groups into an almost open war situation. They now look at each other with great suspicion. North of the Delta, the Ikwerre and Okrika ethnic groups who have been both neighbours and rivals for a long time, renewed their dispute over the ownership of Port Harcourt. This conflict has remained one of the longest inter-ethnic problems in the area and a

²⁸⁴ This Day daily newspaper, 14 April 2012

source of tension between the upland and riverine peoples. However, this increased ethnic violence has been best expressed by the increased consciousness of the minority ethnic groups. Okwubida Nnoli (1995) believed that since the early 1990s the Ogonis have led the way in the struggle for ethnic organization, justice and equity because of the efficiency of their ethnic unity.²⁸⁵

Conclusion: The central feature of ethnicity and land in the politics of resource control is the fear of small minority groups that they will be marginalized by bigger ethnic groups at the national, state and local levels. Fieldwork evidence shows the structural irrelevance of who should be the chairman of local government, kingship or the percentage shares in oil revenue through the ownership of land is fuelled by the realities and consequences of the notions of differences of ethnic groups. One repercussion is that small ethnic groups and other minorities are under-represented and oppressed by those with power in the social, political, economy and oil industry employment system. At the heart of marginalization are the real consequences of differences in language, values and beliefs, and the tensions arising from them when merged with the different interests and aspirations of the groups. Groups attempt to ensure their dominance over others by controlling the key institutions, while minority groups struggle for recognition and a fair deal in the distribution of resources.

²⁸⁵ Nnoli (1995) *Ethnicity and Development in Nigeria*, where he argued that there has emerged a general stirring of peoples in the Niger Delta on the basis of ethnic identity similar to what happened after the collapse of the former Soviet Union in Europe, p.200-201. But for the Niger Delta peoples to have a fair share of resource revenue they should take the fight to the federal government, not fighting among themselves without coherent ideology.

Chapter five

The Politics of Resource Control and the Nigerian Federation

The Niger Delta is the largest wetland in Africa and rich in both renewable and non-renewable of energy resources including oil, gas, bitumen and forest timber products and wildlife. Going by ethno-geographical division, Nigeria is divided into 36 states, with Abuja as the Federal Capital Territory. The Niger Delta region constitutes five of these states: Akwa-Ibom, Bayelsa, Cross River, Delta and Rivers. These states are the littoral oil and gas producing states in the Nigeria. But due to the fact that Nigeria Federation comprises about two hundred and fifty (250) ethnic groups with different languages, cultural traditions and customs, when there is disagreement about the share and who control natural resources, conflict is inevitable. For political and administrative expediency in the sharing of resource wealth and governance, the country is also divided into six geo-political groups, namely: South West, South East, South-South, North West, North East and North Central. The Niger Delta is located in the South-South geo-political zone²⁸⁶ (See map of Nigeria Geo-Political Zone, page 2). Despite this constitutional arrangement, there are ethnic groups in the North who believed that they are not getting enough share of the oil revenue; while the minority ethnic group in the south where natural resources are located also felt that their share of resource revenue must increase to carry out economic development of the area where oil and gas are being exploited. How to

²⁸⁶ The History of states creation in Nigeria started in 1963 when the formal 3 regions created in 1954: Northern, Western and Eastern region was split into 4 regions with the creation of Mid-Western Region from the formal Western region. In 1967 it was divided into 12 states in the mist of the civil war; 1976 further 7 states was created for strategic security reasons of bringing power closer to local people making it 19 states; 1987 it became 21 states; and in 1991 additional 9 states was created making it 30 states. Ethnic or other interest groups in the oil and gas producing areas in Niger Delta lobbied for new states to be created within their respective area with aim of being able to allocate financial resources themselves. So, in 1996 additional 6 states were created making Nigeria 36 states Federation. The three principal oil producing states are Bayes (created in 1996 out of parts of River State), Delta State (created in 1991 out of parts of Bendel State) and River State (created in 1967 out of parts of the Eastern Region).

balance this ethnic division of resource share and control has become the key factor to instability in the Nigeria Federation.

Nevertheless, in the politics of resource control and the Nigeria federation this chapter has a number of objectives: first, to examine the causes and factors responsible for the struggle to control natural resource wealth. Second, is to explore how and why competing groups and actors from different parts of the Nigeria Federation take the Niger Delta resource sharing formulae as important to their political and economic interest; and third, to investigate whether the creation of states and local government areas reduces the fear of minorities in equitable distribution of natural resources wealth. All the key indicators show that the availability of oil and gas resources is the key to instability and the dynamic of conflict between the different actors. But because of the option of military power that the federal government holds do plays a crucial role in structuring access and control to oil revenue, particularly through the pursuit of federated statehood by use of force.

Table 5.1: Nigeria Federal Structure and Three-tier System

Zone	State	Date of Creation	LGAs	Zone Total & Average LGAs 1999–2012	Dominant Political Party
Northwest	Sokoto	1976	23	(NW Total: 186)	APP
	Zamfara	1996	14	(NW Aver.: 27)	APP
	Kebbi	1991	21		APP&PDP
	Kano	1976	44		PDP
	Jigawa	1991	27		APP
	Katsina	1991	34		PDP
	Kaduna	1946	23		PDP
Northeast	Borno	1967	27	(NE Total: 111)	APP& PDP
	Yobe	1991	17	(NE Aver.: 18.5)	APP

	Traba	1991	16		PDP
	Bauchi	1976	20		PDP
	Gombe	1996	10		PDP&APP
	Adamawa	1976	21		PDP
Middle Belt	Benue	1976	23	(MB Total:115)	PDP
	Kogi	1991	21	(MB Aver. 19.2)	APP
	Kwara	1967	16		APP
	Nasarawa	1996	13		PDP
	Plateau	1967	17		PDP
	Niger	1976	25		PDP
Southeast	Anambra	1991	21	(SE Total: 95)	PDP
	Ebonyi	1996	13	(SE Aver. 19)	PDP
	Imo	1976	27		APP& PDP
	Enugu	1946	17		PDP
	Abia	1991	17		PDP
South-South	Bayelsa	1996	32	(SS Total: 144)	PDP
	Cross River	1967	19	SS Aver. : 24)	PDP
	Delta	1991	21		PDP
	Edo	1963	18		PDP
	Rivers	1967	23		PDP
	Akwa-Ibom	1987	31		PDP
Southwest	Ekiti	1996	16	(SW Total: 135)	AD
	Lagos	1976	20	(SW Aver: 22.5)	AD
	Ogun	1976	18		AD
	Ondo	1987	18		AD
	Osun	1991	30		AD
	Oyo	1946	33		AD

Source: World Bank Report on Nigerian Federalism, p.67 cit in Rotberg I. Robert (edition)-Crafting the New Nigeria: Confronting the Challenges 2004, p.26

Note: LGAs means Number of local government authorities.

Revenue Allocations Politics, Oil and the Minority Question among Geo-political Zones

As mentioned above Nigeria was informally divided into six geopolitical zones in the Constitutional Conference of 1994/95. These zones were regarded as a development zones for

sharing resources and political offices in the federal level among ethnic groups. But the dynamic of instability started when the Southwest zone pressed for a Sovereign National Conference to discuss the restructuring of Nigeria into Co-federation state. The federalist reading of meaning to this assumed that the Southwest is asking for a return to the 1960-style system of regional governments with their accompanying autonomy. Isawa Elaigwu (2012) believed that this demand was partly predicated on the assumption that the federation was too centralized and that those who controlled political power at the centre also controlled resources, including their extraction and distribution.²⁸⁷ The Niger Delta and Southwest therefore opted for the old regional autonomy in order to control their resources and management for regional development.

Following closely these developments, was the pronounced intention to declare a “Republic of Biafra” for the second time after independence by the Movement for the Actualization of the Sovereign State of Biafra (MASSOB). The Governors of the states in the South-South Zone met and issued a communique explaining they had set the machinery in motion to assume full control of its resources within the framework of true federalism. Again, such as reaction by State Governors of the Niger Delta zone reflects the level of dissatisfaction in the South with the operation of federalism. Similarly, the Middle Belt (North Central Zone) also reacted to a number of issues in the federation. The trigger for the Middle Belt reactions was complaint by the core North the Hausa-Fulani that the three Armed Forces Service Chiefs all came from the Middle Belt and not the North. There were spontaneous reaction to what was regarded as Northern hypocrisy by using the Middle Belt ethnic groups when it was convenient to fight the civil war in 1966-1970, and then turning around to dump them. The middle Belt Forum made

²⁸⁷ Elaigwu, J. I. (2012) Nigeria Governance and Society, p. 121-124 is one of the best expert and consultant to the Nigeria Federal Government in matters of Presidential system of governance and he is currently the president of institute of Governance and Social Research (IGSR).

it clear that it was no longer interested in being part of the old Northern geo-polity, or sharing a Northern identity with the Hausa-Fulani.²⁸⁸ In the Constitutional Conference, the Middle Belt supported a federation with a strong centre, with equity of opportunities for all. It also called for equity in the distribution of resources and the need to encourage solid minerals, agricultural, and industrial development in the zone. Like the Southeast, Southwest and South-South zones, the Middle Belt (North-Central) zone called for a national conference to discuss all outstanding issues in the Nigerian Federation.

In retrospect, the violent protests in the Niger Delta over perceived injustice in resource distribution by the Itsekiris–Ijaws and Ogonis–Andonis in the Niger Delta shows that; the MASSOB’s feeble attempt to resuscitate Biafra, and the demands for a Co-federation was a result of a political vacuum. The South-South demand for control over its resources is all part of the bubble of the Nigerian federation fragmentation. In fact, between January 2000 and December 2008 there were at least 40 ethnic and religious conflicts taking place in the Nigerian federation.²⁸⁹ However, the Governors of the South-south went beyond the expression of intent to increase their collective power and to influence the destiny of their people. The five states floated the oil company called **BEDROCK OIL** for exploration and production of oil in the Niger Delta. In addition, each state in the region also set up its own company. Governor Attah of Akwa Ibom explained the rationale of these actions:

We can acquire the required technology, and we can also acquire the financial Ability to go for a major off-shore block and that is what we intend to do with It and I think that it is about time Nigerians started development themselves. That is what democracy is all about.²⁹⁰

²⁸⁸ Ibid, p.125

²⁸⁹ Amnesty International Post-Colonial Sub-Sahara Africa Wars Report, 2010

²⁹⁰ Vanguard Newspaper, July 27, 2000 p.5; also op. cit. in Elaigwu, 2012, p. 521

This shows that there is no doubt that the South-South geo-political zone, which is also involved in a call for a national conference, reflects the dissatisfaction of the states with the pattern of resource distribution in the federation. However, the prospects of a review of the Exclusive Legislative List in the constitution in favour of subnational in regional states units are very high among the southerners. The future is most likely to witness a relatively less powerful centre than Nigeria has now according to few government officials interviewed in the state levels. But it is unlikely that Nigerians would revert to the loose federation they had between 1960–65, or even adopt a co-federal constitution.²⁹¹

Moreover, in response to the complaints of neglect in the Niger Delta a new body was set up in 2000: The Niger Delta Development Commission (NDDC) to replace the military regime-era of Oil Minerals Producing Areas Development Commission (OMPADEC). The NDDC was designed to alleviate poverty in the Delta area and embark on development projects aimed at improving the quality of life for the average Niger Delta person via the allocation of 3 per cent of total oil revenue to be specifically used in developing oil-producing communities. To distribute development projects, NDDC loosely relied on the current inventory of communities' contributions to net oil output (measured by the number of active oil wells). The conflicts that ensued were part of the scramble for control of land containing oil wells among different Niger Delta communities. In fact, the dilemma was that many local communities that hitherto lived together in peace were suddenly caught up in the throes of a 'petro-revenue violence'. For example, the Ogoni prosecuted inter-ethnic wars against nearly all of their neighbours: the Andonis in July 1993, the Okirika in December 1993, and the Ndoki and Asa in April 1994.²⁹²

²⁹¹ The nearest Nigeria went to a Co-federal Constitution was crisis period of the civil war 1966-1967, when the then Federal Military Government issued a Decree No. 8. 1976, in response to the Aburi peace accord in Ghana.

²⁹² Kenneth Omeje (2004) *The State, Conflict and Evolving Politics in the Niger Delta of Nigeria*, *Review of African Political Economy*, 31:101, 425-440

A similar trend of violence characterises the implementation of the current development provisioning programmes, as well as youth vigilante security contract practices of the various MNOCs. In the case of security contracts, local youths are hired and paid by the different MNOCs to protect the company's oil facilities and services within their respective communities. But because of the substantial money involved, this practice has generated enormous violence between the various security contract teams on the one hand, and disaffected rival youth groups and factions of the traditional political elites on the other. This indicates that it gives opportunity rather than motivation for conflict, trickle-down effect rather than grievance. But all the evidences shows that, it has led to the proliferation of small arms predatory by militant groups, and that oil as a largely non-lootable but value assets is likely to increase the duration and intensity of conflicts in the Niger delta.²⁹³

Similarly, states with solid minerals also complain that in spite of environmental degradation as a result of mining activities in their areas, they have not been adequately compensated for this. They are, therefore, calling for the establishment of a Solid Mineral Producing Areas Development Commission (SOMPADEC). Interestingly, all the states from which hydroelectric power is generated have also called for the establishment of Hydro Power Producing Areas Development Commission (HYPPADEC) to compensate them for the consequences of any environmental damage caused by the activities associated with the generation of hydroelectricity. These are major issues that remain hitherto unresolved among geo-political zones in the revenue allocation formulae.

Furthermore, in search for a greater political muscle, the Middle Belt Forum (North-central zone) and Niger Delta (South-South Zone) formed a new alliance of Northern and Southern minorities. To my understanding, the main aims and objective of this alliance is to bring

²⁹³ Collier, P & Hoeffler, A. (2000), p 45; Omeje (2004) and Pearce, J. (2002), p.19-22

together like-minded people of both regions, refocus their energies, creates an economic block where regional autonomy is respected, they also advocate for the restructuring of the federation to effect equitable distribution of political powers, resources and opportunities to minorities groups. While it is possible to have such vigorous assertions and inter-zonal solidarity sought among Nigeria's ethnic groups, the division among these groups stretched beyond the demand of resource control to a new dimension of identity explosion that might weigh heavily on the delicate balance of Nigeria's federalism. In light of the above, there is a re-definition of aggressive boundary relations among ethnic groups and unwarranted conflagration resulting from strong claims to citizenship, indigenes and non-indigenes in Nigeria's cities by these groups—something that is creating more instability and secessionist agitations.

The Scramble for Oil and Gas Revenue

At the root of the current problems of the Niger Delta region is the issue of resource wealth control, which is contested by the oil producing communities. Since the exploration and production of crude oil and gas commenced in the region over 50 years ago, the federal government has always claimed to have “owned” and “controlled” the resources while production is carried out by multinational companies under joint venture arrangement with it. However, there are three national policy issues that dominate the national democratic dialogue: the ‘national question’, distribution of the resources, and issues pertaining to peace and sustainable economic development. The national question is at the heart of Nigeria's development prospects and informs a key rationale that can explain the Niger Delta conflict. The national question concerns the fundamental basis of the country's political existence, its power sharing and the management of its resources in terms of access, control and distribution.²⁹⁴ Moreover, we have the question of: who owns the oil?’ as the peoples and

²⁹⁴ R.K. Edozie (2011) Socially Constructing Democracy and Peace: Nigeria's national Dialogue on the Niger Delta conflict, *Journal of Peace-building & Development*, 6:2, 43-57

militant groups of the country's lucrative oil-producing Niger Delta region have begun to demand from Nigeria's multi-national companies a renewed sense of national consensus that is based on the equitable inclusion, acceptance of exclusive identity equal to others and fairer distribution of oil revenues. Needless to say, these calls have generated different discourses, however, with crude oil production making 85% of gross national income and the government's budget, non-Niger Delta states and other stakeholders hold radically divergent views about how to solve these grievances.

But to address this policy issues it is necessary to first look at the discourse surrounding compensation that is often linked to another, equally powerful narrative in Nigeria, namely: fiscal federalism, and in particular, the marginalisation of the oil-producing states when it comes to national revenue sharing.²⁹⁵ It is alleged that the subsisting revenue sharing arrangement do not sufficiently reward the oil-producing states. To underscore the seriousness of the 'politics' of revenue sharing in Nigeria, and its influence on internal conflict, Watts notes that 'the history of post-colonial Nigeria is in a sense the history of the reconfiguration and contestation over revenue allocation'.²⁹⁶ Such an argument strengthens the view that oil-related community grievances in Nigeria is linked to the revenue sharing formula which some deem to be unfavourable for the oil-producing states. Therefore, oil producing states and communities argued that they have been left out in this arrangement (between the federal government and the multi-national oil conglomerates). Second, their frustration is against the arrangement whereby, less than 3% of the total oil revenue that the federal government has realized from its "control" of the oil and gas industry has been used in the development of oil producing communities. The result is that abject poverty is still pervasive in oil producing communities unlike many parts of the country and other oil producing communities around the world. Thus

²⁹⁵ Akpan and Umejiesi (2013) Oil Exploration and local Opposition in Colonial Nigeria: Understanding the Roots of Contemporary State-Community Conflict in the Niger Delta, *South Africa Review of Sociology*, 44:1, 111-130

²⁹⁶ Watts, 2008, p.242 cited in Akpan and Umejiesi 2013

the oil producing communities have been struggling to wrestle back “ownership” and “control” of the oil industry from the federal government in order to compel the federal government and the oil companies to devote more resources to tackle the developmental and environmental problems of the oil producing communities.ⁱⁱⁱ²⁹⁷

However, the discourse is typically framed in a way that shoves aside the historical dimensions of the conflict. First, by emphasising compensational inadequacies, the analysis of oil-related community conflict appears to be only relevant to the postcolonial era, when oil production and its environmental effects became more pronounced. The discourse ignores local opposition in the inland communities that dates back to the late 1930s, when despite intense exploration activities, commercial oil deposits were not found. Indeed, current evidence especially those from archival data suggests that local opposition to oil activities in the years before oil discovery in large quantity in Oloibiri (1956) was not linked by a demand for “compensational justice”, despite the socio-ecological destruction that accompanied the operations.²⁹⁸ Another weakness of the compensation discourse is the implicit solution it offers. It portrays compensation as a quick fix to the myriad of socio-ecological challenges brought about by oil exploration, and thereby disregards important socio-economic damage to the environment. Political and economic analysts argued that, for example, the massive improvement and development of the area was the only solution because, that is what the local people are fighting for, nothing more.²⁹⁹ While lack of socio-economic infrastructure and poverty in the communities have the potential to trigger or exacerbate violence, it is not clear to

²⁹⁷ Cyril Obi & Siri A. R. (2011) *Oil and Insurgency in the Niger Delta, Managing the Complex politics of Petro-Violence*, p.27

²⁹⁸ Shell D’Arcy Oil exploration in Colonial District of Okigwe, (File: NAE:O.P.24/1924:33) dated 14th May 1940, which was obtained from National Archive Enugu (NAE)

²⁹⁹ Kanu (2009), p.2; Akpan and Umejesi (2013), p.114 and Watts, 2008, p.642

what extent the provision of good roads, drinking water, electricity, schools and hospitals, for example, will be able to resolve local grievances.

The main issue is that local communities believe that at independence in 1960, the founding fathers of Nigeria agreed to have a “true federation” of three regions.³⁰⁰ But in 1963, the Mid-West region was carved out of the Western region, as the fourth region of the federation. Niger Delta inhabitant argues that the 1963 constitution was fashioned to reflect some of the tenets of true federalism. For instance, it included a provision for the payment of 50% derivation (of rents and royalties from mineral resources) to the regions from where such mineral resources were obtained.

However, when the military took over the government in 1966 it opted for a unitary system of government and dismantled the regional governments, replacing them with 12 states governments and increased the number gradually to 36 states before handing power over to a democratically elected regime in May 1999. In line with the centralization of fiscal powers, the military regime abolished the 50% derivation in 1969. After the civil war, crude oil became the major sources of government revenue after the sharp increase in crude oil prices in 1973/74 and the rapid increase Nigeria’s crude oil production. By the mid- 1970s, oil had become the mainstream of the economy, accounting for over 85% of federally collected revenue and 90% of foreign exchange revenue. All the oil is produce from the Niger Delta region and its adjoining offshore yet the region remained neglected and impoverished—along with the negative consequences of oil exploration and production activities.³⁰¹

³⁰⁰ Urhobo Historical Society: Towards Peace and Security in the Niger Delta 2010. This organization of the West Niger Delta is based in the USA.

³⁰¹ Urhobo Historical Society: Toward Peace and Security in the Niger Delta 2010. This Organization of the West Niger Delta is based in the U.S.A.
<http://www.waado.org/organization/UNANA/statement/peace/nigerdelta.html>(accessed on 23/12/12)

Successive military regimes dominated by military generals who were not from the Niger Delta region did not deem it fit to tackle the development and environmental problems of the oil producing areas or allocate a good percentage of revenue accruing from oil to the oil-producing states to address these problems. In 1980, the federal civilian government reduced the derivative allocation to oil producing states to 1.5% and later increased this to 2.5% of the Federation Account to be allocated to a Committee to tackle the developmental problems of the oil-producing areas. The committee was ineffective and most of the revenue the committee received ended up in private accounts of bureaucrats and contractors and did not reach the poor people of oil producing communities. With the return of the military in 1984, the 1.5% was scrapped altogether.³⁰²

Meanwhile discontent and restiveness continued to grow in the oil producing areas of the Niger Delta. The major grievances of different ethnic groups from the: Ijaws, Urhobos, Isokos, Itsekiri and the Ogonis are related to the wealth distribution policies of the government which they deem unfair. The ethnic groups demand that a larger proportion of Nigeria's oil wealth be spent on their communities, rather than distributed throughout the country. For example, under the 1960 and 1963 Nigeria constitution, 50 per cent of oil revenue was returned to the states in which the resources were derived. The dominance of the larger ethnic groups and their control of the accruable revenues have become a defining characteristics of the dominant elite in Nigeria. The state itself is to a large extent, dominated by an unstable coalition of Hausa, Yoruba and Ibo ethnic majority elites whose geographical homelands have little or no oil reserves. Therefore, the dominance of the latter is largely to the disadvantage of the ethnic minorities of the Niger Delta area where the bulk of Nigeria's oil wealth is produced. Terisa Turner (1978:167) has used the concept of a 'commercial triangle' to depict these dominant elite forces which she conceptualises as a nexus between the multinational oil companies

³⁰² *ibid*

(MNOCs) and their local Nigerian associates consisting of private middlemen, otherwise labelled as “compradors”, and the state officials.³⁰³ Omeje also argued that both the compradors and the state officials rely heavily on the state’s oil revenues to ultimately fund and reproduce their societal dominance through highly unproductive contrivances, including spurious and inflated contracts and imports, and barefaced looting, that impede both economic growth and political stability.³⁰⁴

Currently, under the 1999 Constitution, this “derivation formula” stands at 13 per cent but much of the money never trickles down to the community level due to massive corruption. While the federal government has offered to slightly increase the revenue allocation to the states. The ethnic communities are calling for derivation formula of 25 per cent. They are also demanding ownership and management of the resources located on their land, including offshore oil fields.³⁰⁵

Partly as a result of these disagreements, the Ijaws, Urhobos, Itsekiris, Ogonis and the Isokos have formed militant groups to launch attacks against NNPC infrastructure and oil workers in the Delta, as well as against government authorities. They receive support from local populations, making it difficult for the government to isolate and eliminate them. Their success in damaging oil infrastructure and terrorizing international oil workers resulted in Nigeria’s oil exports being cut by 500,000 barrels per day throughout much of 2006 and by 1m barrels in 2008.³⁰⁶

³⁰³ Turner, T. (1978), ‘Commercial Capitalism and the 1975 Coup’ in K. Panter-Brick (ed), *Soldier and Oil: The Political Transformation of Nigeria*, London: Frank Cass, p.167

³⁰⁴ Omeje, K (2004) *The State, Conflict and evolving Politics in the Niger Delta of Nigeria*, *Review of African Political Economy*, 31:101, 425-440, Routledge

³⁰⁵ State allocations are based on five criteria: equal shares per state, population, social development, land-mass, and revenue generation. *The derivation formula refers to the percentage of the revenue of oil producing states retain from taxes on oil and other natural resources produced in the state. See World Bank Report (<http://www.info.worldbank.org/etools/docs/library/5783/state> and *Governance Nigeria*).

³⁰⁶ *Daily Champion* July 24, 2008.

The Creation of the Ministry of Niger Delta Affairs

In order to address the challenges and to fast track development in the region, the Ministry of Niger Delta Affairs was created in September 2008 and commenced operation in April, 2009. It also has the responsibility to coordinate the activities of agencies, communities, donors and other stakeholders involved in the development of the region. The functions of the Ministry are as follows: (1) oversee the implementation of Government policies on the development and security of the Niger Delta; (2) coordinate the formulation of the development plan for the region; (3) formulate policies and programmes for Youth mobilization and development; (4) facilitate private sector involvement in the region; (5) liaise with oil companies in the region, to ensure environmental protection and pollution control; (6) organize human capacity development as well as skills acquisition programmes for the youth; (7) take adequate measures to ensure peace, stability and security with a view to enhancing the economic potentials of the region; and (8) supervise the activities of the Niger Delta Development Commission (NDDC).³⁰⁷

The contention is often heard that existing structure and institutions are unable to deal the Niger Delta developmental problems. This position is taken on three grounds. The first is that oil producing activity destroys the land and fishing grounds available for use in the oil-producing areas, depriving the people there of a means of livelihood. The second argument is that oil itself is a non-renewable asset. Exploitation in Nigeria also wastes the natural gas resource available along with oil by flaring the associated gas instead of using it for electricity generation. Therefore, it is argue that, some years from now, these resources will no longer be available and the populations of the areas where they occur would have lost a rich source of potential development for good. The third is that when oil was not available, revenue was

³⁰⁷ Interviews and briefing conducted in the Office of the Hon. Minister of the Niger Delta Affairs on the 25 October 2013, in Abuja.

allocated to the states on the principle of derivation. It is often alleged in chapter 4 that the supposed abandonment of this principle occurred because the oil is found almost entirely outside the territories of the major ethnic groups, or that it is due to a conspiracy among the non-oil producing states.

To deal with these allegations, the Ministry of Niger Delta Affairs was established in the federal level to alleviate the fear of the Niger Delta minorities. Nevertheless, the derivation principle has not been abandoned and that the 13% derivation still applies to tax revenue to be allocated to Niger Delta states. The fact that oil leads to ecological losses for people in the oil-producing areas is justifiable case for adequate compensation. It is widely observed in chapter 3 that the compensation as is currently paid, is far from sufficient to offset the losses. However, while the people of the actual oil-producing areas are entitled to such compensatory payments, the whole state where oil is found is not, since the inhabitants of such a state other than in the oil areas lose nothing. Then again the argument about oil being a wasting asset is cogent, but again rightly applies to the people whose land and fishing grounds are adversely affected by oil activities. But despite the derivation of oil from these areas, in term of development, local communities in the Niger Delta are conscious by the lack of attention given to them by the oil firms and the federal government. It is unfair local maintain to use revenue from these areas to develop Abuja, Lagos and Kaduna, while the area where it is found is neglected.

These arguments about non-compensation and developmental neglect necessitated the setting up of the Ministry of Niger Delta Affairs in 2008 by the federal government. This ministry will have budgetary funding like other federal ministries and agencies with the main aim of dealing adequately with Niger Delta developmental needs and will have a federal minister that reports directly to the president. This does not justify a change in the general allocation arrangement which permit the handing over of petroleum revenue to oil areas littoral states whose governments may pay no more attention to the compensation and development of public

infrastructure of the oil-producing areas. Most ethnic groups from the Niger Delta assumed that the oil companies and the Federal Government are owning them. But it must be pointed out however, that the question of people in oil areas being adequately compensated for loss and that their development being adequately attended to is at bottom of the government agenda. But it is a humane argument. It is based on the general case against exploitation of the people, inequality or uneven development. Scholars such as: Momoh and Adejumbi (2002) have argued the Niger Delta case on capitalist grounds that, there is no case for compensation, and that there is no basis for insisting on developing the people of an area from which resources are taken. They further stress that oil companies neglect the exploration areas that they despoil and destroy because this is what capitalist firms do all over the world.³⁰⁸ But I disagree with this view on the grounds that capitalism is a system in which capitalists shift losses to society or the weak in order to enhance profits. (See Table 6.5 and Appendix G that clearly show development activities being carried out by the Ministry)

Since the amnesty process in 2009, there has been a general lull in the fighting in the Niger Delta region. However, the tenuous peace has done nothing to address the root causes of unrest in the area. In the absence of any widespread demobilisation, the financial incentives for militant action are increasing. For example, the volume of crude oil export, which dipped to about 700,000 bpd (barrel per day) during the period of unrest, rose to just under 2.2million bpd in 2012.³⁰⁹ It must be borne in mind also that, there is significant evidence that local militias are being organised and financed by local political elites pursuing a violent agenda of ‘politics by other means’. Interviews conducted in Yenagoa also show that the majority of people in the region are dissatisfied with, and alienated from their Local and State government, finding them unresponsive to their needs and lacking in transparency and accountability, especially in the use

³⁰⁸ Momoh, A. and Adejumbi, S. (2002) *The National Question in Nigeria—Comparative Perspectives*, p.88

³⁰⁹ CIA World Fact book, 2012; also Niger Delta Action Plan, UNDP December 2012, p.8

of resources, including those obtained from the derivation of oil revenues. Poverty, unemployment and conflict have also taken their toll on social cohesion: eroding local cultures, traditions, authority structures and spiritual values that have been central to the lives of the communities of the Niger Delta for generation. This erosion of social capital has increased tensions between and within communities and contributed to mass social protest.³¹⁰

Notwithstanding its social and political effects, the exploitation of oil and gas in the Niger Delta has also degraded the environment to the extent that the Delta is now classified as a highly polluted environment marked by canalisation, oil spills, gas leaks, gas flares, and subsidence.³¹¹

This is devastating to the population, not just in terms of health and amenity but also because a high proportion of the people have livelihoods which are dependent upon the environment—principally agriculture and fishing. The impact of this degradation has a double negative impact on the livelihood of many Delta residents. In addition to not receiving an appropriate share of the proceeds of oil and gas extraction, many traditional livelihoods have been undermined by the environmental impacts of the extractive sector. Lamenting the level of environmental degradation occasioned by oil exploration and exploitation activities in the Niger Delta, the South-south zone politician interviewed pointed out that the current 13 per cent derivation principle was grossly inadequate to address the challenges confronting the region.³¹²

Today, the South-south calls for 50% derivation revenue sharing formula and the upward review of federal allocation. The Niger Delta States also insisted the federal government's failure to meet the significant aspects of its objective necessitated the reduction in its direct duties. The states proposed a vertical formula in which the federal government share would be reduced from 52.68 per cent to 40 per cent, the states from 26 per cent to 36 per cent and that

³¹⁰ Interviews conducted in the Bayelsa State Capital, Yenagoa on the 25 September 2013

³¹¹ UNEP 2012

³¹² A Cross-Rivers PDP House of Assembly Member Interview in the Calabar Carnival, 27 December 2013

of 774 local government from 20.6 to 24 per cent.³¹³ Both States, however, differed on the proposed horizontal formula with Bayesla proposing a reduction from 40 per cent to a 10 per cent sharing formula based on population, while Akwa Ibom State proposed a reduction from 40 per cent to 15 per cent.³¹⁴ Their argument is that a reduction of money accruing to the federal government from the Federation Account would discourage the struggle for political power at the national level and enhance the capacity of the state and local governments to accelerate development and make life more meaningful for the people at the grass-root.³¹⁵

The enormous resources at the centre have fostered a do or die mentality among the political elites in the federal level, most of whom go to the extreme to achieve their political ambitions to control the centre. States favoured by the principle of revenue sharing such as population and landmass have grown steadily dependent on allocation from the federation account and have lost initiative and drive in matters of economic planning and revenue generation claimed the officials in the Ministry of Finance in Abuja.

What Drives the Struggle for Access to Control Natural Resource wealth in Niger Delta?

In order to adequately address the primary research question which frames this thesis, and so reveal the extent to which the struggle for access to control natural resources wealth has been engaged in this research I provide here a systemic analysis of interviews and critical analysis of the results from local communities, NGOs staffs, unemployed individuals, local government officials, state governments, political elites and multinational oil companies operating in the Niger Delta region. This task is one which we have seen has not been carried out sufficiently by existing studies, therefore, I tried here to clearly establish what drives the struggle for access to control natural resource wealth. It is important first to set out the nature of the scramble for oil

³¹³ The South-south Governors two-days zonal conference on the 11 October 2013

³¹⁴ *ibid*

³¹⁵ Segun James, THISDAY, October 11, 2013

and gas revenue since it became the main export earnings for the Nigeria Federation. Second, a consideration of mass poverty and high levels youth unemployment in the oil producing areas; and third, to explore the perceived lack of any community stake-holding in the oil business and grievances over exclusion from its proceeds which locals believe they are entitled to. As I previously mentioned (definition of key concepts in chapter 1), “local ownership of access and control”, refer to “local involvement”, or the idea of giving opportunities to local inhabitants in the Niger Delta to take a stake in the oil industry.

It is however important to note that, the oil on which the Nigerian state and economy is dependent on mainly produced by foreign oil multinationals and companies: The Shell Group, Chevron Texaco, Exxon Mobil, Total and ENI-NAOC. These companies are very sophisticated and powerful, and the good relations the state and oil company inherent of oil production tend to favour foreign investment with³¹⁶ more power and resources in their hands, due to favourable business condition of corruption, often at the expense of the poor oil producing communities of the Niger Delta. Interviews conducted at the grass root level in the Bonny Local Government Area of River State—in the heart of the oil industry suggested to me that at the core of the struggle to control oil wealth is related to the notion that those who are not geographically based in the region are the ones controlling its resources because of political arrangement that privileges other major ethnic group.³¹⁷ Moreover, interviewees generally indicated strong support for Niger Delta indigenes control of at least fifty per cent (50%) of resource revenue. Several interviewees also noted that a well-designed operational-level revenue sharing formulae can resolve minor concerns before they escalate into major conflagrations of armed conflict between government forces and militant groups.³¹⁸

³¹⁶ For the purpose of the Guiding Principles of Business Law, Leverage is defined as the ‘ability to effect change in the wrongful practices of an entity that causes harm.

³¹⁷ Interview conducted with a grass root anti- oil & Gas activist in Bonny Island, River State on the 5th of April 2013.

³¹⁸ *ibid*

This makes for a rather complex and ambivalent relationship between the oil companies and the Nigerian state. On the other hand, it may be argued that the state lacks the will and technical capacity to regulate the Oil Multinational, while the companies are of the view that the state is neither able to deliver basic infrastructure and social welfare services to its own people, nor able to effectively protect oil companies from local protests and violent militias. Yet, in spite of the occasional accusations and counter-accusations, the Nigerian state and Oil Multinationals are wedded together in a transnational extraction and sharing of oil profits.³¹⁹ Moreover, the issues of unemployment, labour laws and retrenchment in the public and private sector in Nigeria and in the Niger Delta region in particular was mentioned as one of the drivers of calls for resource wealth control. These contributory factors have led to organised crime usually thriving in an environment characterised by weak governance, instability and conflict. These specific factors are driving illicit oil theft (bunkering) in the region. Several interviewees and informant in the Warri Local Government Area of Delta State confirmed that the real issues are therefore, related to social injustices linked to the inequitable distribution of oil revenue. As a result of a lack of structures and stable institutions in the Nigerian Federation this has created the atmosphere of lawlessness engendered by a long history of agitation and militant activity by communities and youths protesting environmental pollution and demanding a fairer share of oil production benefits. There are three forms of illegal bunkering identifiable in the region. The first are small-scale operations, carried out mostly by local gangs who steal crude oil, condensate or refined products intended for the local market. These small scale activities (theft and smuggling) also involve diverting trucks, already loaded with refined products, to unauthorized destinations within Nigeria, but also across borders especially to Benin Republic, Cameroon and Republic of Niger. A former Shell engineer interviewed (and

³¹⁹ Cyril Obi- Democratising the Petro-State in West Africa: Understanding the Challenges, a conference paper delivered in May 26th 2010 in Abuja where he argued that the implication of the state-Oil nexus for development and democracy in Nigeria are rather complex; Also see Friedrich Ebert Stiftung (2011) Fuelling the World-Failing the Region? Oil Governance and Development in Africa's Gulf of Guinea.

who was made redundant from Forcados Oil Export Terminal) confirmed that an estimate put the amount of losses to more than 40,000 barrels per day. Second, there are higher scale operations typically involving larger quantities of crude oil. The gangs obtain the crude by piercing pipelines (an operation known as: ‘Under Water Tapping’) or uncorking well heads and attaching a hose pipe and then siphoning the oil into relatively small barges or boats, which are then taken out to feed bigger trawlers offshore, before such oil bunker ships then sail off to international markets and a delivery point. Such points may be in the neighbouring Ivory Coast or to Europe’s biggest port at Rotterdam in the Netherlands—the amounts involved vary significantly from month-to-month, but may be as high as 10 per cent of Nigeria’s exports, sometimes nearly 200,000 barrels.³²⁰ Some key figures indicating the growing nature of the threat faced by the oil and gas industry in Nigeria is particularly worrying. Between January 2011 and December 2011, the total number of attacks equalled 49 in the Niger Delta alone. The increase in the number of attacks in the period January to December 2012 to 62 attacks is a notable sum by any measurement. The Gulf of Guinea was the place for 97% of these attacks. The security services took positive action and 1,945 individuals have been arrested by the Joint Task Force.³²¹ The third form of theft involves excess lifting of crude oil beyond licensed amounts. These illicit exports are sometimes based on fraudulent paperwork by forging rings organised at the high levels of the Nigerian National Petroleum Corporation (NNPC) in collaboration with Navy officers in the South and Western Command or its subsidiaries and other oil companies.³²² This major driver creates patronage networks and the protection provided by senior government officials and politicians who often use “illegal bunkering”, as a source to fund their political campaigns to gain more power [See Appendix H: Confidential Interview with a Militant Commander in River Nun Creek Jetty]. Those who have

³²⁰ Shell Petroleum Development Corporation of Nigeria (SPDCN) Annual Report, 2012

³²¹ Mr. Uduku key note address: New Solution to Prevent and Protect against threats to Africa energy assets in the Oil and gas infrastructure Security Conference 22 January 2013, Accra Ghana

³²² Interview conducted with an NGO Senior Analyst of the International Crisis Group (ICG) April 15, 2013.

power and are well-connected to a network of corrupt revenues allocators in the state, and at the federal level have the control over natural resources revenues. As Cyril Obi (2010) argues, two issues flow from the foregoing. The first relates to the extent to which oil defines the nature of the Nigerian state and its capacity to manage its immense oil resources in ways that feed into democracy, political stability and development; while the second relates to the implication of the pervasive influence of oil on Nigeria's political economy for regional state peace and development. With regard to the first, it should be noted that the impact of oil now relates to the ways in which it has accentuated certain features of the state, mostly the ruling elites, particularly its central role in accumulation and distribution.

Also another driving force is the issue of corruption. In Nigeria, political offices are often seen as a get-rich-quick avenue because the legitimate salaries and benefits are enormous and are probably unobtainable elsewhere in the system. Another reason is that because oil generates enormous revenue regularly to government coffers, politicians can also meddle with the public funds with impunity. This has led to all arms of government collaborating in the looting without accountability, checks and balance. For Example, constituency allowance approved by the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) gives 200% of the basic salary for politicians but in reality, they are paid far more than that. The major flaw of this allowance is that the law does not require government officials to file receipts on how the money is spent.³²³ Moreover, in addition to the regular and legitimate salaries and allowances which Senator and Representatives were collecting yearly along with the irregular allowance of estacodes (foreign trips allowances), duty tours and for other things like car maintenance allowance. They were also collecting illicit quarterly allocations which are not provided for by RMAFC. (See Table 5.1 for Nigeria National Assembly Salaries and allowances)

³²³ THISDAY, Nigerian Senators Earns More in Salaries than Barack Obama, October 20, 2012

Table 5.2: Nigeria National Assembly Salaries and Allowances

ITEMS: Salaries and Allowances	Senator In Millions Naira	Representative In Millions Naira	Percentage of Basic Income %
Basic Salary/Regular	11,145,200.00	9,926,062.00	200%
Furniture Allowance	3,039,600.00	2,744,454.00	300%
Motor Vehicle Loan	5,066,000.00	4,963,031	75%
Duty Tour Allowance per day	23,000.00	21,000.00	25%
Severance Gratuity	6,079,200.00	5,955,637.00	300%
Constituency Allowance per quarter	7,968,509.00	6,068,409.00	200%
Hardship Allowance	1,242,122.70	956,508.00	50%
Source: Revenue Mobilization Allocation and Fiscal Commission (RMAFC) 2012			
Newspapers Allowance	1,242,122.70	1,000,000.00	50%
Accommodation	4,968,509.00	3,621,061.37	200%
Wardrobe Allowance	621,061.37	501, 248.55	25%
Domestic Staffs and Personal Assistance	1,863,184.12	1,555,248.00	100%

Therefore, oil has become the fuel or source of power on which the Nigerian state runs. Those that organize to effectively capture the state also capture power over vast oil revenues controlled by the federal government. As such, the prize of controlling and distributing oil wealth which resides in the state is so high, though this does not mean that oil defines the state; it only implies that the state since the early 1980s runs on oil—the object of fierce contestations for power within the fractious dominant elite. In fact, the extractive and coercive logic of the state essentially remains the same, even if the government changes hand from military to civilian rule. The retired military generals contested elections, became senators, member of House of Representatives, regional state governors and federal executive ministers. So, governance is thus just a recycling of executive management in a constant shift of patronage and competing factions of the dominant elite, with little time or space left for local communities to participate in the affairs of the state.

Furthermore, when assessing the extent to which unemployment, internal processes and labour laws are connected with the struggle to control oil revenues; there are also issues of redundancies and expatriate quota abuse. When oil companies are looking for ways to reduce costs, the first victims are domestic oil workers. Over time, companies have unjustly used redundancy in the severance to sack local workers in the oil and gas industry. Whether making workers redundant or retrenchment is involuntary and permanent loss of employment caused by either an excess work force or termination of a company's span through sales, acquisition, liquidation and or declaration of force majeure through no fault of the employer.³²⁴ However, employers in the industry in the Niger Delta have grossly abused this term. They have hidden clause in employment contracts to terminate the employment of indigenous workers in various

³²⁴ Ogbeifun, L. B. (2010) Labour Right in the oil and Gas Industry-A Trade Union Perspective, p.192-206

forms and thus contravening Nigerian labour laws. Some companies do not have pension schemes. Rather, they have redundancy clauses to deal with any release of workers from employment, be it voluntary or involuntary in order to avoid the payment of retirement benefits. According to an unemployed man in Yenagoa interviewed through the phone, he confirmed that, strangely, workers have been rendered redundant even when the positions for which they were rendered redundant still exist in the oil company. Therefore, he concluded that he had no option or choice other than to join the creek boys in setting up an illegal refinery in the creeks. Moreover, according to regulations, before any employee in the oil and gas industry is released by his employer under any redundancy clause, the Department of Petroleum Resources (DPR) under the Ministry of Petroleum must be convinced that there is indeed no placement for the employee. The companies have also found ways of sabotaging this provision. The position of the law according to informants on redundancy is very weak as the employer is only expected to inform the Union before the declaration of redundancy.

Moreover, with the global economic meltdown in 2007-8, every country tries harder to ensure that their citizens are employed before giving any consideration to other nationals. But the issue of expatriate quota abuse among the educated workforce in the Niger Delta region during interviews came top of the list of grievances during my fieldwork. Both Local communities and cities across the region demand from oil companies to that they employ their sons and daughters first before bringing in foreign expatriates to fill jobs that indigenous citizens are qualified to do. However, the reverse is the case in Nigeria's oil and gas industry whereby expatriates are brought to occupy jobs that Nigerians could equally do. Unions have persistently called to the Government's attention the fact that there are many unemployed Nigerians that can perform the duties of the expatriates brought into Niger Delta; however, this has been to no avail. For example, this has led to a very serious face-off between unions and Chevron Texaco management in 2012. The Union alleged that they had identified several jobs positions

occupied by expatriates that Nigerians had the expertise to do. After more than eight months of negotiation which lasted until February 2013, the unions and management finally agreed in March 2013 to a gradual reduction in the numbers of expatriates in accordance with local content provision in the Petroleum Industry Bill (PIB) relating to the numbers of expatriates in the whole oil industry and replaced them with competent Nigerians.

It is a known fact that many companies do not adhere to the understudy clause in which two or three Nigerians become understudies of experts and graduate into the job in two years. There are cases in which experts work exclusively out of contract instead of both expatriate and a Nigerian working as a team. There are abounding cases where expatriates stay on the job for more than five years. Some of the expatriates after the expiration of their contracts find their ways into other areas of the company other than the jobs areas they were recruited for. With the passage of the Nigerian Oil and Gas industry Content Development Act 2010, it is expected that for each of its operations, the operator shall submit to the Board, a succession plan for any position not held by Nigerians. Such succession plan shall provide for Nigerians to become understudies of incumbent expatriates for a maximum period of four years. At the end of four year period, the position shall become Nationalised (section 31).³²⁵

Finally, local stake-holding is absent in management, production and allocation of oil revenues. The Extractive Industries Transparency Initiative (EITI) which the Nigeria government passed into law in 2010 was an effort to ensure that natural resource wealth is managed for the benefits of all a country's citizens. This is a new industry standard to strengthen governance by improving transparency and accountability in the extractive sector. This is done through the publication of company payments and government revenues from oil, gas and mining otherwise known as "Publish What You Pay" (PWYP) which was drawn from a Global Witness Report,

³²⁵ The Nigerian Oil and Gas Industry Content Development Act 2012, section 31,p.45-56

‘A Crude Awakening’.³²⁶ Since they are assets belonging to the country, it is important that citizens participate, have reasonable access to information about how much their government makes when contracts for exploration of natural resources are tendered. Also, they should have reasonable access to information about how much their government makes when such assets are sold. In the face of rampant corruption, public disclosure of the government’s oil revenues in Nigeria has uncovered regulatory loopholes and discrepancies between what the government has received and what they should have received according to the relevant laws and contracts. These identified discrepancies include payment that cannot be traced and missing tax payments from the national oil company NNPC that the Nigeria EITI (NEITI) argues are incorrect deductions of fuel subsidies. These deductions amount to US\$8.3 billion in missing revenues for 2009-2011 (which is a larger amount than what the federal government spent on education during the same period).³²⁷

However, the EITI has won public trust in its reporting, but high trust creates high hope and expectations. In fact, the Nigerian President challenged Nigeria EITI to “track down the thieves and those who receive the stolen oil crude oil money”.³²⁸ For example, a recent report by Chatham House estimates that the country annually loses between US\$3 and \$8 billion as a consequence of oil theft.³²⁹ Nigeria’s oil theft is not something that the EITI can solve. Many more efforts are needed to improve the governance of natural resources in Nigeria. However, NEITI is playing a useful role in clarifying the problems and remedies and building support for

³²⁶ Global Witness, ‘A Crude Awakening: The Role of Oil and Banking Industries in Angola’s Civil War and the Plunder of State Assets’ (1999)
<http://www.globalwitness.org/sites/default/files/pdfs/A%20Crude%20Awakening.pdf> accessed 15 January 2014

³²⁷ Rt. Hon Clare Short, Chair of the EITI in her 2012 report: The Development of the Extractive Industries Transparency Initiative, *Journal of World Energy Law & Business*, Vol. 7 No.1 March 2014, p.9-15

³²⁸ *Ibid*, p.14

³²⁹ Nigeria on the Spotlight: Chatham House Report,
<http://www.chathamhouse.org/media/news/view/194258> accessed 20 February 2014, p.31

necessary reforms. But the differences along ethnic lines are prohibiting an acceptable consensus from being reached.

The process in each implementation of EITI is overseen by a broad coalition of participants from local government/communities, the state level, companies and civil society. But in the Niger Delta, the picture is quite different. In an interview conducted with a member of the Urohbo Progressive Union leader in Sapele, Delta State, it is evident that there are cases in the extractive oil sector where there are economic exclusion, mistrust and suspicion between local communities, the government and the oil companies operating in the region. It was confirmed that there is no single member from Sapele communities/local government area that is a board member of Shell Petroleum Development Corporation of Nigeria (SPDCN). Therefore, affected communities and ordinary citizens often assume that the government and companies are in cahoots to exclude them so that they can keep the wealth for themselves.³³⁰ But when locals protest and threaten oil company infrastructure and assets, sometimes, companies feels that the government and citizens are ganging up on them to reset the rules and renegotiate contracts. This is where I believe that creating a local stake holding that is transparent, inclusive and that promote collective decision making in term of management, distribution and sharing of oil revenue should come in.

In addition to this, there is competition between local communities for access to control of both oil and gas revenue and economic strategy these people currently lack such access and control and they sometimes rely on armed conflict to achieve their share of oil wealth. Since oil and gas contributes to 85 per cent of government revenue, and 95 per cent of exports which make the Nigerian state to be highly dependent on oil revenue. While on average, internally generated revenue represent less than 20 per cent of all states and local government areas'

³³⁰ Confidential interview 5, conducted with a member of the Urohbos Progressive Union in Sapele Local Government Area, Delta State, 17 April 2013

revenues put together in any given financial year. As a result, one can understand the federal, states and local level attachment to natural resource wealth. As Pierre Englebert makes clear, the derivative principle highlights the centrality of the Nigerian state dependency on resource wealth. Resources are extracted and appropriated along the federalism path, then redistributed along a parallel state and local government level. Therefore, these transfers constitute the main source of income of states and local government areas.³³¹ This increases the demand for more states to be created, as well as local government areas as a means for local communities to have access and control to political offices as an effective means to benefit from resource wealth. To be more precise, as Friedman (2011) points out, this makes Nigeria a state without a nation. He argues that it is a state presiding over multiple hostile nations, some of which are divided by state borders.³³²

For example, nationally, the number of states has risen from three in 1960 to thirty-six since 1996; and the number of local government areas has gone from 301 in 1976 to 776 in 1996.³³³ In fact, most new states seem to have resulted from demand by ethnic group elites who perceived themselves to be marginalized and devoid of access and control to revenue from oil and gas coming from the Federation Account. At present, the distribution of oil revenues, which are collected by the federal government and monthly pooled into a Federation Account, and from which revenue is then allocated between the three levels of government is: 50 per cent of the funds the federal government, 25 per cent to states, and 20 per cent to local government areas.³³⁴ In addition, all states are entitled to a specific proportion of the revenues

³³¹ Pierre Englebert (2009) *Africa: Unity, Sovereignty & Sorrow—The Calculus of Compliance* where he argues that, the politics of greed vis-à-vis grievance justify local communities demands for more states and local government areas creation to have access and control to oil revenues, p.135—139.

³³² Friedman, G., (2011) *The Next Decade: Where We've Been and Where We're Going*, where he argued that Africa is a place to leave alone because in Nigeria instead oil wealth being a foundation for power and economic development merely increases instability and weakness, p.215-222

³³³ Alapiki, Henry E. "State Creation in Nigeria: Failed Approaches to National Integration and Local Autonomy", *Africa Studies Review*, 2005, 48(3):49-65.

³³⁴ Pierre, E. (2009) *Africa: Unity, Sovereignty & Sorrow-The Calculus of Compliance*, p.139

collected in the area, and the called derivative principle applies to all states. But since 1999, the amount stands at 13 per cent and it is for all practical purposes an additional transfer to the oil-producing states. But to the average Niger Delta person, with the on-going destruction of their local environment and appropriation of their land, the amount of resources coming back is unfair and inequitable.

Chapter Findings and Conclusion

It is therefore logical to argue that the resolution to oil-related struggle in the Niger Delta will have to focus on four levels: the local (communities), state, national and multinational corporation levels. First, critical to the local and state is the need for a thorough distribution of resource revenue for social relations to improve around areas producing oil and the sharing of the benefits for the welfare of the local people. Related to this are issues of transparency, EITI accountability, social justice, equity and the involvement of people in decision-making regarding the use of oil revenues. This calls for the empowerment of the people in the Niger Delta so that they can assert their citizenship rights and hold their leaders and elites accountable for the use of oil as a critical factor for national cohesion, human security, economic inclusion and development. Interviews also show that this requires a transformation of resource governance and the existing political and economic structure along a proactive grassroots inclusion route, something which is necessary for peace and security.

Second, from inception and up until today the Ministry of Niger Delta Affairs has embarked on a number of projects aimed at fast-tracking the socio-economic and infrastructural development of the region. However, apart from the skills acquisition or training programmes (some of which have been completed), none of the infrastructure projects have been completed. All the projects are at various stages of completion. This is largely due to inadequate funding for the Ministry's Projects. The effect of this is that the people of the region

have not really benefitted from the projects of this ministry and by extension have not felt the impact of the ministry. Efforts should therefore, be sustained to secure an increase in funding to enable the ministry to complete and commission on-going projects and also to embark on other short term quick-win projects that would impact positively on the people of the region and stimulate economic growth for the entire country.

Chapter Six

External Dimension of Resource Control and Political

Instability in Niger Delta

The first major oil exploration work in the Niger Delta was conducted by the Nigeria Bitumen Corporation, a Nigerian subsidiary of a German company between 1907 and 1914. Moreover, the Corporation was forced to withdraw from Nigeria due to the First World War, and the company was not allowed to resume operations since the British colonial authorities gave preference to oil exploration to British companies.³³⁵ This gave a monopoly over oil exploration to Shell and BP which began its drilling activities in 1951. In 1956, some 450 barrels of oil were discovered at the Akata-1 well and in commercial quantities for the first time at Oloibiri.³³⁶ As a result of expanded operations, It's was able to make other important discoveries, of which the most promising one was Bomu oil fields in Ogoni area of Rivers state in 1958.³³⁷ This led to the beginning of crude oil exports in Nigeria. The export portfolio increased rapidly and by 1960, crude oil export came to provide the bulk of the mineral exports. Indeed, the country recorded exports of 741,000 barrels of crude oil that year, compared to only 450 barrels in 1953. This increase made Nigeria the largest Commonwealth oil producing country and amounted to 41.5% of the total crude oil produced in the Commonwealth.³³⁸ This major export revenue coming to the Federation Account increases the power of minority ethnic groups in the Niger Delta and agitation for resource control and if not granted by the federal level, then may breakaway and declare

³³⁵ Frynas (2000) Politics and Economics in Africa Oil in Nigeria, Chapter 2, p.11

³³⁶ History of Petroleum in Nigeria, Petroleum Training Institute (PTI) White Paper Warri, 2001

³³⁷ According to Shell's Statistics, 1959 was the peak year of drilling with 53 wells producing 847,000 barrels of oil per day; also, see Shell-BP World Energy Outlook, 1977, p.34

³³⁸ See Frynas (200), p 34; also Nigerian Achieve, Office of National Statistics Report 1960, Ministry of Petroleum and Natural Resources/NNPC, Abuja

independent statehood. The fear for ethnic minority independent state hold for the Niger Delta region in the federal level has necessitate the creation of oil mineral producing areas development commission (OMPADEC), Niger Delta development commission (NDDC) and now, the Ministry of Niger Delta Affairs (MNDA) to appeased the minority groups. But these agencies failed to deliver economic development for the region. Therefore, militias groups argues that until their demand for the “Dubai” like development agenda are met, they will shut down the oil industry. These threats are real and still there for the Nigeria government to deal with but are being over-shadowed by Boko Haram insurgency in the North-East.

Moreover, looking at the Niger Delta in the context of the twenty-first century global energy framework, the oil and gas Journal estimated that Nigeria has 37.2 billion barrels of proven oil reserves and 185 trillion cubic feet of gas (TCF) as of December 2010.³³⁹ The majority of reserves are found along the country’s Niger Delta River and offshore in the Bight of Benin, the Gulf of Guinea and the Bight of Bonny. Current exploration activities are mostly focused in the deep and ultra-deep offshore of the Niger Delta region. Official statistics shows that in 2010, total oil production in Nigeria was slightly over 2.2 million barrels per day (bbl. /d) for that year, making it the largest oil producer in Africa. Crude oil production averaged 1.9 million bbl. /d in previous years.³⁴⁰

³³⁹ Oil and Gas Journal, Quarterly Energy Review December 2010, p.7-8

³⁴⁰ *ibid*

Table: Africa's Oil Production, 2008-2015 (000b/d)

Country	2008	2009	2010e	2011f	2012f	2013f	2014f	2015f
Algeria	1,993	1,811	1,825	1,830	1,855	1,915	1,950	2,010
Angola	1,875	1,784	1,790	1,845	1,935	1,990	2,100	2,250
Egypt	772	742	733	720	697	700	698	681
Eq. Guinea	340	307	302	335	385	415	430	447
Gabon	235	229	246	252	255	250	245	240
Libya	1,820	1,652	1,655	1,670	1,705	1,750	1,815	1,880
Nigeria** ³⁴¹	2,116	2,061	2,320	2,395	2,440	2,535	2,600	2,750

E/f=Estimate/forecast. Source: Historical Data-BP Statistical Review of World Energy, June 2010; BMI

Moreover, according to the Business Monitor International (BMI), Angola has the greatest production growth potential along with Nigeria with exports set to climb if it can resolve the militant insurgency and other political issues. Recent offshore oil developments combined with the restart of some shut-in onshore production have boosted crude production in Nigeria to an average of 2.5 million b/d for the second quarter of 2011.³⁴² However, developments in the upstream sector include the start-up of the Chevron operated Agbami field in September

³⁴¹ **Regional oil production was 7.93 b/d in 2001, and averaged an estimated 9.98mn b/d in 2010. From an estimated 10.37mn b/d in 2011, it is set to rise to 11.92mn b/d by 2015. Nigeria accounted for an estimated 23.24% of regional oil supply in 2010 and its market share is expected to be 23.07 by the end of the forecast period. Oil exports are growing steadily, because demand growth is lagging behind the pace of supply expansion due to the world economic recession. In 2001, the region was exporting an averaged 4.87mn b/d. This total had risen to an estimated 6.10mn b/d in 2010 and forecast to reach 7.44mn b/d by 2015, BMI 2010

³⁴² BMI, Nigeria Oil & Gas Report Q2 2011, p.47

2009, reaching its estimated peak production of 250,000b/d in 2010. There was also Eni's start-up Oyo in 2009, which produced approximately 25,000b/d.³⁴³ Added to this is non-crude production which was boosted in 2011 with TotalFina/Elf's Akpo condensate field which began production in 2010, adding another 180,000b/d to total production.³⁴⁴ A return to higher production levels in Nigeria has indeed been taking place, and further progress is possible in 2015.

Taking a more historical stock of the current issue leads us to the geo-political importance of natural resources, the Arab oil embargo in 1973 which was followed by the Iranian Islamic Revolution of 1979; and the political instability in the Middle-East which triggered a cut of oil flow to World Market by about 17 per cent at the time with non-OPEC production unable to meet world demand.³⁴⁵ Had Western consumption been anything near temperate, this temporary constriction in the flow of oil may have been vaguely tolerable. Instead, successive Western administrations lived in fear of a repeat of the 1970s oil shocks, shaping their military budgets, foreign policies, and economic packages in order to counter the perceived threats of its return.³⁴⁶ Therefore, the Niger Delta and the Gulf of Guinea oil reserves represented the best alternative choice of energy supply. This made Nigeria an important oil supplier to the United States. Close to 40 per cent of the country's oil and gas production is exported to the US and the light sweet quality crude is the preferred gasoline feedstock.³⁴⁷ But this trend is reversing already due to the discovery of shale gas and unconventional oil in the Bakken Valley in North Dakota—USA

³⁴³ Petroleum Economist, December 2010, p.8

³⁴⁴ Petroleum Economic April 2011, p16

³⁴⁵ Stokes and Raphael (2010),p.141

³⁴⁶ Klare, M. (2004) Blood and Oil, How America's Thirst for Petrol is Killing Us, p. 26-30

³⁴⁷ Country Report-Nigeria, Economist Intelligence Unit, January 2011, p.7

Consequently, disruptions to Nigeria oil production by militant insurgents in the Niger Delta region impacts trading patterns and refinery operation in North America and also wider global oil market price. For example, in 2010, Nigeria exported most of its 2.2 million b/d of the total production (approximately 1.9 million b/d were exported). Of this, close to 800,000b/d (40%) were exported to the United States that year.³⁴⁸ Due to recent increases in Nigeria production, U.S total oil imports from Nigeria were 962,000 b/d for the first quarter of 2011.³⁴⁹ These volumes represent a decrease from highs of over 1.1 million b/d seen in 2007-2009.³⁵⁰ Part of the decline can be attributed to the volatility in Nigeria oil supplies leading some U.S. refiners to reduce purchasing Nigerian crudes.

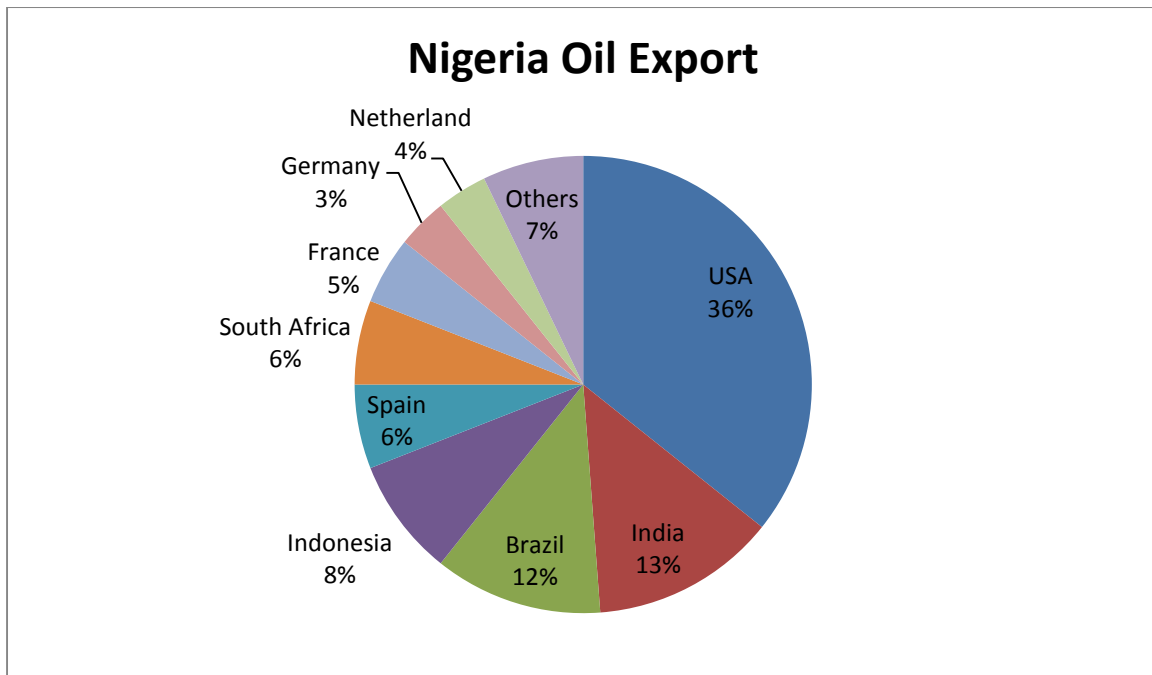
Additional importers of Nigerian crude oil include the: EU (24%), Asia (20%), Brazil (10%), and South Africa (4%).³⁵¹ Despite shut-in production, Nigeria trade patterns in energy resources appear to have remained stable over the past three years, most of which can be attributed to additional capacity, amnesty to militias groups combined with slightly decreasing domestic consumption and increasing global demand.

³⁴⁸ Country Analysis Brief, Nigeria Energy Data, Statistics and Analysis-Oil and Gas, July 2011. Link www.eia.doe.gov/nigeria (accessed 20/10/11)

³⁴⁹ *ibid*

³⁵⁰ *ibid*

³⁵¹ EIA Global Trade Atlas, 2010, p.2



Source: Global Trade Atlas, EIA, APEX 2011. Others importer of Nigeria crude are: Portugal, Italy, UK, Canada, Peru, Senegal, Switzerland, Austria, Australia, Sweden, Turkey, Japan, Taiwan, South Korea, New Zealand, Thailand, and Ireland.

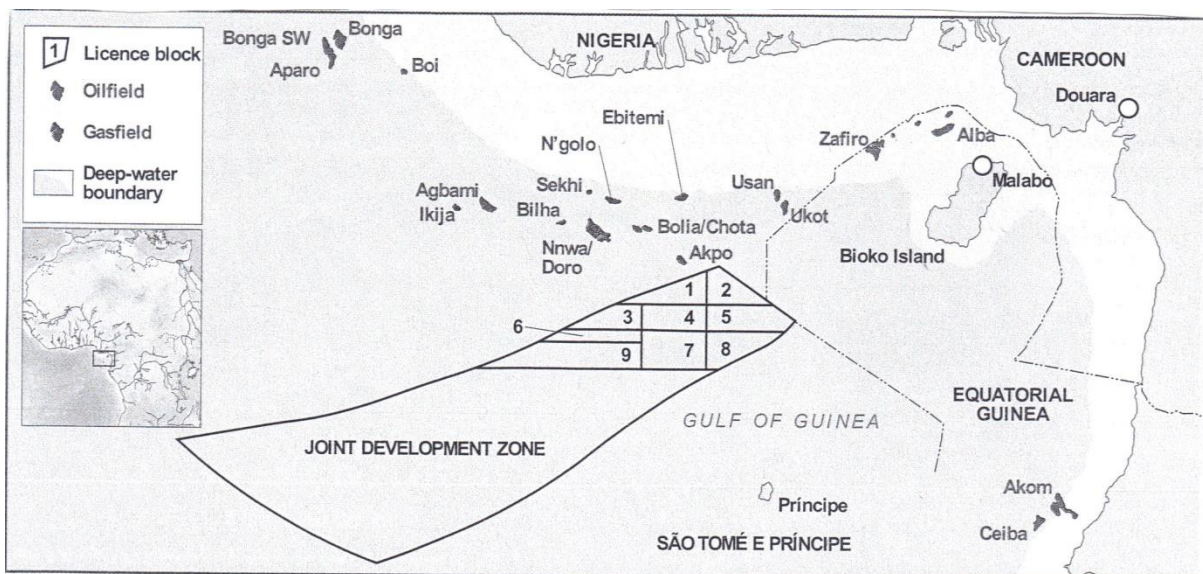
Prospect, Exploration Boom, Tax System and Petroleum Industry Bill (PIB)

The fastest driver of Nigeria’s economic growth in recent years has been the oil and gas sector. This happened as a result of the prospects of new discovering of oil and gas, reforming of the tax system, and the Petroleum Industry Bill (PIB) that encompasses structural, regulatory and fiscal changes to the laws governing the oil and gas sector. The new prospect (seismic mapping) is that large commercial field have already been found in the maritime border between Sao-Tome E Principe, Equatorial Guinea and Nigeria. The first in 2000 was ExxonMobil’s Zafiro field about 60km northwest of Bioko Island (which, with Rio Muni in mainland Gulf of Guinea, makes up Equatorial Guinea). Nigeria’s large deep-water discoveries came in soon after Shell’s Bonga field (developed in 2004 with production starting in 2005) was found the same year. Bonga utilise 29 subsea well heads, tied back to a very large floating

production, storage and offloading (FPSO) vessel. Bonga Islands lies in the OPL 212 licence, 120km offshore in water 1,020 metres deep.³⁵² Although giant reserves in this area were assessed initially at 600mn barrels, the figure has since been increased to 1 billion barrels.³⁵³ According to NNPC's geological surveys, other large discoveries are under study for development in the Niger Delta deep-water areas. These are: Ebitemi, N'golo, Nnwa/Doro, Apro, and Akpo. (See Map).

Niger Delta Offshore Map

Source: Petroleum Economist 2010



Map 1: The Gulf of Guinea's Golden Triangle

Energy analysts contended that due to a better prospect of finding oil in the Niger Delta and the general exploration boom in the areas, this makes the Niger Delta and its oil attractive in the international market. But since oil is intertwined with security issues (with the Iraq war adding to this scepticism), there is pessimism from the point of view of Western governments who contend that oil was found in all the wrong places—difficult to access and almost always

³⁵² NNPC Corporate Planning & Strategy (CP&S Monthly Petroleum Information, December 2010, p.2-5; www.nnpcgroup.com (accessed 02/10/2011))

³⁵³ Petroleum Economist, May 2010, p.18

far away, usually in less developed countries that become increasingly difficult to deal with as they develop economically and politically (mostly in the Middle-East).³⁵⁴ But despite that, the case of Nigeria seems different. First, the attraction of Niger Delta oil is that, there is excellent drilling success rate, and the general high quality of most of Nigeria's crude. Second, sulphur contents are low and there are high yield of gasoline and diesel streams, making it suitable for stringent refined product requirements that attracts high price. Third, the location of Niger Delta oil and gas on the Atlantic coast, or in the open oceanic water of the Gulf of Guinea, ensures that, once loaded onto tankers, it can be swiftly and securely transported to major consuming countries. This is in stark contrast to reserves in many other regions of the world, like in the Middle East, which has to pass through various strategic chokepoints before reaching its destination. Third, the journey time to refineries on the US East coast is considerably shorter than a tanker loading in the Persian Gulf, and is in deep water far offshore, so that natives do not notice it being taken. Therefore, together with low domestic consumption and the unproblematic transport of exports to their destination, this makes the region an important asset in stabilizing the world oil market.

Although the Niger Delta contributes relatively little in absolute terms when compared to the Middle East, both factors make it a potential swing producer, allowing oil companies to leverage export levels in response to changes in world demand and thus balancing export levels from other regions—which also benefits from secure transport routes along which the majority of oil passes.³⁵⁵ Accordingly by increasing production at relatively short notice, and with the liberty of exporting the entirety of Nigerian oil to world markets, oil companies operating in Niger Delta can, in theory at least act quickly and securely to alleviate pressure

³⁵⁴ Stokes and Raphael (2010) *Global Energy Security and America Hegemony-Stabilizing the Gulf of Guinea*, p145-55

³⁵⁵ *Ibid*, p.56

in the market arising elsewhere in the system. Therefore, Shell and other producers have maintained a strong interest in their Niger Delta operations, although keeping a low profile in times of political upheavals, particularly those relating to militant activities.

Furthermore, in terms of exploration boom, this first started when oil and gas companies shifted their operations to offshore production due to lack of security for oil infrastructure and expatriates workers on onshore exploration sites in the Niger Delta. This resulted from militant attacks on sites. Second, in 1992 the United Nations Convention on Law of the Sea (UNCLOS) gave the legal right to coastal states to establish sovereignty over their territorial waters, which extend 12 nautical miles off their coastlines and an exclusive economic zone (EEZ) to 200 nautical miles off their coast. This led to the opening up of the Joint Development Zone (JDZ) in 2004 between Nigeria and Sao Tome & E Principe (STP), which in 2005 dropped their arguments for different principles to be used to decide on a borderline. Instead, the two countries' governments agreed to create the JDZ and to share the proceeds 60:40 in Nigeria's favour. The award of the first exploration licences were made in 2006.³⁵⁶

The Joint Development Zone Authority received applications from 20 firms in the first round which auctioned nine block areas in the north of the JDZ, extending from about 700 square km to cover 1,700 square km of highly promising deep-water territory.³⁵⁷ Signature bonus bids for the licences was \$123 million taken over by Chevron Texaco for the operatorship of Block 1, the nearest part of which is only about 20km south of Total's Akpo discovery in

³⁵⁶ This area between the three countries is often known as the Golden Triangle in the Gulf of Guinea, covering the deep-water areas of Nigeria, Equatorial Guinea and Sao Tome e Principe, was considered as the oil industry's next boom province. Border disputes and other problems have acted as a brake on exploration since operation in 1,000 metre water depths became possible, but large discoveries made nearby have been an incentive towards resolving them.

³⁵⁷ NNPC Monthly Petroleum Information 2009, 4th Quarter Statistical Highlights

Nigerian water.³⁵⁸ Conoil, a Nigerian firm, was said to have bid \$120 million for the same operatorship.³⁵⁹ Three companies have preferential bidding rights. These are: ExxonMobil which also provided technical assistance to the STP government in the evaluation of its offshore potential and taking 40% of block 1 and 25% of block 2, all of which were matches offers for signature bonus bids made by others.³⁶⁰ Petroleum Geo-Service, the seismic firm, was given unspecified rights as part of its agreement to promote the round; and another company called: environmental work and risk assessment which was given right to take interest in six licences.³⁶¹ In two licences it took 15% and 20% in return for paying the same share of signature bonuses, but can also take ownership of 15%, 20%, 25% and 30% in other blocks without paying signature bonuses.³⁶² But the company was only allowed to choose its licences after others had bid and, moreover, it also has rights to take interests in licence that might be awarded in STP's Exclusive Economic Zone (EEZ-outside the JDZ).³⁶³ With this exploration boom, the production outlook in the Niger Delta has marginally improved as companies continue to restore long-shut-in production. The two ceasefire period between the government and militias enabled companies to repair some long-damaged infrastructure and raise production level to more than 2.2 million barrels per day in 2010.³⁶⁴ With the new blocks, crude production capacity is expected to increase by 130 thousand barrels per day (b/d) to 2.7 million b/d by 2015. This represents an upward revision of around 225 thousand b/d.³⁶⁵ Also important is the fact that, while companies remain concerned over the proposed

³⁵⁸ *ibid*

³⁵⁹ *ibid*

³⁶⁰ *ibid*

³⁶¹ Petroleum Economist, April 2009, p.8

³⁶² *ibid*

³⁶³ *ibid*

³⁶⁴ International Energy Agency (IEA) Oil Market Report 10 December 2010

³⁶⁵ Business Monitor International (BMI), Oil & Gas Report Q2 2011

new 'Petroleum Industry Bill', several key projects are moving forward as planned. The next big deep-water project to come online is the Total operated 180kb/d Usan field in 2013 followed by the 200kb/d Egina field that begun producing in 2014.³⁶⁶ In the medium term, the outlook may well rise or fall, though this all depends on the government's success in maintaining the fragile ceasefire accord with militant groups as well as the adoption of a new Petroleum Industry Bill that will not discourage foreign investment. While instability in the Niger Delta continues to threaten the near-term outlook for Nigeria production, MNOCs maintain a positive outlook and believe that, capacity expansion plans will move forward as planned. Nonetheless, it now seems likely that some projects awaiting a final investment decisions such as the 135kb/d Bosi deep-water field and the 110kb/d Uge field will be subject to the new PIB tax system.³⁶⁷

Table 6.2 Nigeria's Production Ventures

Joint Ventures JV (Onshore and Shallow-Water Field)	*Estimated Recent Output ('000bbl/d)
Shell (Operator) 30% ,NNPC 55%, Total 10%, Eni 5%	200
Exxon Mobil (Operator) 40%, NNPC 60%	400
Chevron (operator) 40%, NNPC 60%	250
Total (Operator) 40%, NNPC 60%	100
Eni (Operator) 20%, ConocoPhillips 20%, NNPC 60%	100
Sinopec (Operator) 100%+	100
Others and NNPC	5

Production-Sharing Contract (PSC) Deep-Water Fields

³⁶⁶ IEA, Nigerian Oil & Gas Report 2013

³⁶⁷ NNPC bulletin August 2010, p.6

SHELL (operator) 55%, Exxon Mobil 20%, Total	225
12.5%, Eni12.5% (Bonga Field)	
EXXONMOBIL (Operator) 56.25%, SHELL	190
43.75%, (Erha and Erha North fields)	
CHEVRON (Operator) 68.15%, STATOIL 18.85%,	250
PETROBRAS 16%, SAPETRO 15% (Agbami	
Fields)#	
TOTAL (Operator) 24%, CNOOC 49.19%,	175
PETROBRAS 16%, SAPETRO 15% (AKPO Field)+	
ENI (Operator) 50.19%, SHELL 49.19% (Abo	30
Field)	
ENI (Operator) 40%, PACIFIC ASIA/CAMAC 60%	25
(Oyo Field)	
TOTAL (Approximate)	2,100
*JV Figures are indicative; PSC Figures are fields	
Plateau rates	
+PSCs covering onshore and shallow-water fields	
#Interests have not been confirmed by Total	
Source: Nigeria Department of Petroleum & Natural	
Resources 2010	

Moreover, favourable access to oil blocks, tax incentives and easy repatriation of profits has galvanized oil companies to take investment risks despite the security situation. The evolution of the tax system and oil operations in Nigeria started following a key piece of petroleum legislation called the ‘Mineral Oil Ordinance No. 17 of 1914’ was amended in 1925, 1950 and 1958 before independence in 1960. The Mineral Oil Ordinance was passed to regulate the

search for oil, win contracts and produce oil and pay royalties to the government. In the 1970s with the new pricing levels from OPEC and the IEA, there was huge rent to be captured, that is, the margins between the sale prices of oil (the 'full-cycle' cost of oil), including an attractive margin of profit for companies involved.³⁶⁸ Unfortunately, this mechanism can only work effectively if prices remained been stable, but this is a dilemma because the system could no function when prices kept rising beyond expectation. Therefore, instead of imposing a windfall tax of X dollars per barrel on oil prices above a given level, the Nigeria government adopted in 1965 the Petroleum Revenue Tax (PRT) which was assessed on each individual field's profits, 'ring-fenced', with complex rules to define field profits, different from rules applicable to the definition of corporate profits.³⁶⁹ In 1978, when crude prices began to rise sharply again as a result of the 'Iranian Revolution' and the partial shutdown of the oil industry in the Middle East, Nigeria introduced the Supplementary Petroleum Duty (SPD) with 40% subsidies for domestic consumption but increased taxes for foreign oil companies and accelerated their payment after cost recovery.³⁷⁰ It was short-lived and was replaced at the end of 1981 by the Advance Petroleum Revenue Tax (APRT), similar to the SPD but subject to a couple of important differences of percentage of shareholding. The APRT was the cornerstone of Nigeria fiscal system applicable to oil production, and it reached the level of an 85 per cent tax in 2000.³⁷¹

However in 2008, the Petroleum Industry Bill (PIB) was introduced and was submitted to National Assembly in August 2008, but failed to pass into laws owing to a number of prosed

³⁶⁸ Parra, F. (2010) where he argues that in the 1960s, the traditional system of royalties plus income tax was not up to the task, p.271; also see Frynas (2000), *The making of Nigeria's Oil Industry—Oil and the Nigeria state*, p.46

³⁶⁹ Chief Festus Okotieboh, Federal Commissioner of Finance Budget, 1965

³⁷⁰ Ministry of Finance Budget, 1978

³⁷¹ Ministry of Finance Budget, Tax incentives for foreign oil companies 2000

amendment and opposition from important stakeholders. Reform of the petroleum sector under the Petroleum Industry Bill (PIB), which is currently being debated by the National Assembly, aims to ensure the country remains competitive intentionally, streamlines procedures and agencies, enhances transparency and offers ample economic opportunity to indigenous companies and citizens so that equipment and services are provided internally, rather than externally.

Effort are also underway to diversify into natural gas development so that domestic gas consumption increases three fold from 1.7bn cubic feet/day in 2014 to 5.4bn cu ft/d by 2019 underpin power supplies and unlock the manufacturing and petrochemical industries.³⁷² The main aim and objectives of the bill is promoting the participation of local operators to boost production, creating jobs for the youths in the Niger Delta region, and giving stake holding to indigenous people in the second marginal fields licensing round, which offered 31 fields and closed in January 2014.³⁷³The PIB is designed to solve some of the chronic problem of the Nigeria's oil and gas industry, which include widespread corruption, constraints on investment and an inability on the part of NNPC to meet its share of project investments.

Among other provisions of the bill are as follows:

- NNPC was restructured into several autonomous units and turned into a profit-driven company along the lines of Brazil's Petro bras, allowing it to tap capital markets for funding;
- Existing joint ventures (JVs) with IOC partners will be renegotiated to impose higher royalties and taxes while a "use it or lose it" provision will be created that will allow the reallocation of unused licences;

³⁷² Andrew Yakubu, Head of Nigeria's National Petroleum Corporation (NNPC) in the OPEC Bulletin April 14 2014, p.40

³⁷³ Ibid, p.41

- Existing JVs with IOCs would be restructured under the bill, with old contracts renegotiated to impose much higher costs on IOCs;
- Higher royalties on gas production, an increased tax on gas production by creating a new fiscal regime separate from rules governing oil taxation and changes to the way tax breaks are applied for new developments, including deep-water E&P;
- The reforms will also allow the government to re-discuss fiscal terms for oil contracts, impose stricter cost regime on oil firms and require companies to return acreages they have failed to explore after a specific time limit; and
- In addition, foreign oil companies will be required to lodge regular reports with a new entity—the Nigerian Content Monitoring Board—on the make-up of their workforce.³⁷⁴

The bill actually comprises sixteen different pieces of legislations which have been amalgamated to one holistic major piece of legislation. Also, there had been a number of pertinent issues associated with its formulation, especially concerning the IOC's in terms of deep-water production-sharing contracts and the fiscal terms, but also from some of the country's indigenous operations who argues that the Nigeria Content Act (NCT) in the bill, which had opened up indigenous participation in the oil and gas industry did not go far enough because it still gave preferences to foreign MNCs with more advanced technology.³⁷⁵

³⁷⁴ Nigeria Industry Bill 2008, Overview of State Role, Licensing, Regulations, Local Content Requirements p.60-66;Also among the amendments was a three-years grace period has been granted to IOCs during which they are allowed to claim exemption from local content requirements by blaming limited capacity of local companies and poor infrastructure. Once the grace period expires, however, we expect ructions between IOCs and the government since it takes on average about 3 to 5 years to train engineers to take up foreign expatriate's jobs.

³⁷⁵ The PIB requires all oil and gas explorers, transporters and exporters to use a greater share of indigenous Nigeria service companies and personnel in their project development plans. Furthermore, in a move designed to boost local investment funds, every multinational company must domicile a minimum of 10% of its annual profits in a Nigerian Bank. Also, NNPC operates a Nigerian Content Board (NCB) which has taken concrete steps toward greater "Nigerianization" of the country's oil and gas sector, including the training of engineers and

There was also strong opposition to the bill within Nigeria, including from state governors in the south of the country, who claimed that the bill was biased against the Niger Delta region. Also, there was serious opposition from the northern elites who acquired oil blocks during the military regimes through patronage and corrupt practices, they rejected the 10% stakeholding of oil blocks due to be given to local communities in Niger Delta. Confidential data (ranked classified by the National Energy Commission) show that the majority of indigenous oil blocks are owned by northerners who used the opportunity provided by military rule for thirty-seven years to consider the nation's natural resources like their personal assets (See Table of Ownership of onshore Oil Block in Appendix M).³⁷⁶ Militant groups in the Niger Delta are furious that northerners who do not suffer oil pollution, and destruction of their livelihood own oil blocks thereby acquiring their land by the power of the Land Use Act of 1979 .

However, PIB has been criticized by oil companies for being too nationalistic. They say that the bill as it stands will increase government profit, give too much control to the state and make new investments in deep-water oil fields unprofitable. Furthermore, a lack of political support from the Niger Delta militant groups has hampered the PIB's progress. IOCs were worried of new attacks on their oil infrastructure and the increased royalty payments under the PIB; they also expressed concern that the bill did not clarify how the restructured JVs would function. The bill called for two new taxes applying to both JV and PSC operations.³⁷⁷

There was a new hydrocarbon tax set at 50%, which is levied on production instead of profits, so costs cannot be set against it and there will be a new corporation tax specifically for

pipelines welders. Finally, the scaling up of local steel plate and pipes manufacturing and greater availability of low-interest loans to local contractors

³⁷⁶ National Energy Commission 2012, Confidential Classified Data on the Ownership of Oil Blocks in Nigeria.

³⁷⁷ *ibid*

petroleum operations, set at 30%.³⁷⁸ But companies complained that the new regime will bite deeper than the previous petroleum-profits tax, levied at 85%, but with costs allowed against it.³⁷⁹

However, out of the sixteen different section of the bill, a quarter managed to pass in the National Assembly with up to 120 amendments, which means that there was no unanimous consensus between the zonal law-makers. But the bill envisages giving exclusive consideration to Nigerian indigenous service companies which demonstrate ownership of equipment, Nigerian personnel and capacity to execute jobs in the domestic oil and gas industry. This means that domestic oil firms seeking to bid on oil licences, or blocks will be given priority. In a further incentive, such firms will not be discounted, even if their bids for contracts are ten per cent higher than other submissions.³⁸⁰ The PIB also introduces higher royalties. At present, the standard 20% royalties for onshore operations is reduced for offshore fields in step with water-depth to: 16.67% for fields in up to 200 metres deep; 12.0% for 201—500 metres; 8.0% for 501—800 metres; 4.0% for 801—1,000 metres; and zero when the depth exceeds 1,000 metres. The new royalty, not depth-related will be linked to the production rate and the oil and gas price, and can rise up to 25% or more.³⁸¹ A 30% income tax on all companies was also introduced in the PIB but no oil price thresholds on which adjustments will be made have been published.³⁸² Changes in the way PSCs are structured

³⁷⁸ BMI Q2, 2011

³⁷⁹ The Petroleum Economist, Make-or-break time for Nigerian Oil, where Martin Quinlan argues that the government's oil reforms, seen initially as positive for the industry, have been high-jacked by the country's legislators and now threaten upstream investment, May 2010, p.4

³⁸⁰ Nigeria's Petroleum & Natural Resources Minister, Mrs. Diezani Alison-Madueke (A New Era For Nigeria's Energy Industry), where she argued that the new move is part of the country's plan to improve the working and living standards of its people, which, in her views over the years has been the subject of unrest, especially in the Niger Delta region--the main oil-producing area in her opening speech during the 158th Meeting of OPEC Conference held in Vienna, Austria March 11, 2011, OPEC Bulletin.

³⁸¹ Petroleum Economist, May 2010, p4-5

³⁸² *ibid*

will also sharply increase the tax intake. At present, PSCs provide for 100% of revenue, after the discounted royalty to be available for cost recovery. When costs have been recovered, a stream of tax oil is deducted and the remaining stream of profit oil is shared between the company and the state. But in the previous 1993 tax system, contracts gave the company an 80% share of profits for the first 350 million barrels of production of oil, with the share declining as cumulative production increases. For contracts signed after 1998, the initial company share is reduced to 70%.³⁸³ So, under the PIB's changes, the revenue stream for cost recovery is reduced, although it is not clear to what extent clauses in the PIB will guarantee safety net for foreign investment. Therefore, the PIB is apparently contradictory, reflecting how it has evolved. The changes required taxes to be paid earlier and will increase the state's share of revenue.

Table 6:3

Selected oil and natural gas projects in Nigeria				
Operator	Project	Liquids (bbl/d)	Natural gas (MMcf/d) ¹	Est. Start
Chevron	Olero Creek Restoration Project	48	na	2013-2014
Chevron	Escravos Gas to Liquids Plant	33	na	2014
Chevron	Dibi Long-Term Project	70	na	2016
Chevron	Sonam Field Development	30	215	2016
Chevron	Nsiko	na	na	2017+
Eni	Zabazaba-Etan	120	na	2015-2016
ExxonMobil	Etim/Asasa Pressure Maintenance	50	na	2013-2015
ExxonMobil	Bosi	140	260	2016+
ExxonMobil	Erha North Phase 2	60	na	2016+

³⁸³ An Overview of the Petroleum Industry Bill, Ministry of Petroleum & Natural Resources, Federal Republic of Nigeria, July 2011

ExxonMobil	Satellite Field Development Phase 2	80	na	2016+
ExxonMobil	Uge	110	20	2016+
Shell	Bongo Northwest	40	na	2014
Shell	Bongo North	100	60	2016+
Shell	Bongo Southwest (Aparo)	225	15	2016+
Shell	Forcados Yokri Integrated Project ²	90	na	2015-2016
Shell	Southern Swamp Associated Gas ²	85	na	2015-2017
Total	Usan Future Phases	50	na	2016+
Total	Egina	200	na	2017+

¹MMcf/d is million cubic feet per day.

²Units are in barrels of oil equivalent per day (boe/d) for the Forcados and Southern Swamp projects as these will produce both oil and gas.

Sources: Source: U.S. Energy Information Administration based on company reports, PFC Energy, and OPEC Secretariat.

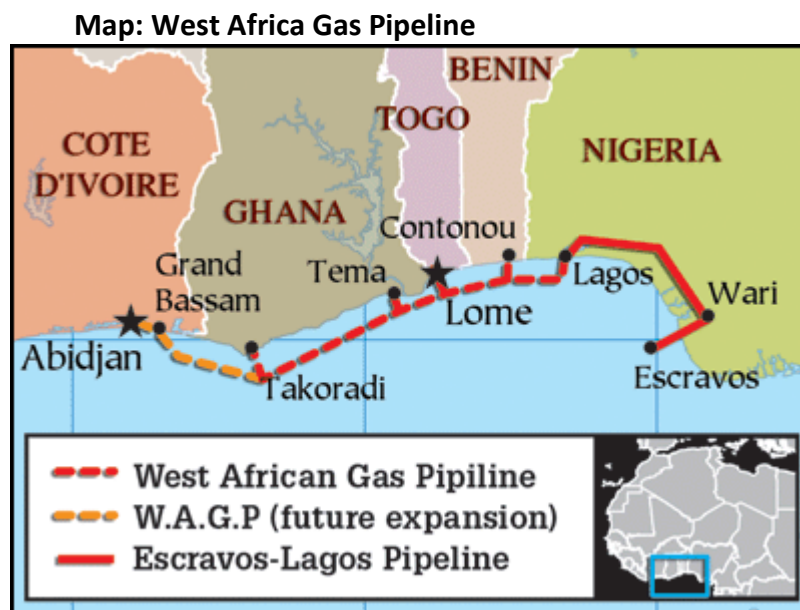
International Oil and Gas Pipelines as External Dimension of Resource Control

Apart from oil, a significant portion of Nigeria's gas is processed into LNG. In 2010, Nigeria exported about 500 Bcf of LNG. Of this, 13.3 Bcf went to the United States, providing 3 per cent of total U.S. LNG imports (2% of Nigeria exports). Most of Nigeria's LNG was also exported to the EU (66%), mainly Spain (31%), France (15%), and Portugal (13%).³⁸⁴ Other export destinations include Asia (15%) and Mexico (16%). Nigeria LNG exports were down close to 30% from 2008 volumes which can also be attributed to the problem of militant activities and gas pipeline attacks in the Niger Delta that affected the Nigerian gas hub of Soku gas processing facility.³⁸⁵ In addition to global export, Nigeria began exporting some of its natural gas via the West Africa Gas Pipeline (WAGP) in early 2010. The 450 miles pipeline carries natural gas from the Niger Delta Escravos gas terminal to Ghana via Togo and The

³⁸⁴ International Energy Agency, World Energy Outlook, 2010, p.34-6

³⁸⁵ Petroleum Economist, Glimmers of Hope for Nigeria, May 2010, p.19

Republic of Benin. Exports reached initial capacity of 170 million cubic feet per day by the end of 2010, and plans are underway to expand capacity to as much as 450 mmcf/d and possibly extending the pipeline further west to the Ivory Coast.³⁸⁶



Source: www.energytribune.com

In addition to the West African market, there also international partners hungry for Nigeria energy resource. For example, Russia's Gasprom negotiated a deal with NNPC in 2009 to increase investments to around \$2.5 billion, possibly rising to \$30 billion as a total of the Nigeria gas network market. Moreover, an agreement to form a 50/50 joint venture with NNPC for the Trans-Sahara Gas Pipeline (TSGP) was also reached. This brought momentum behind a project that has been under consideration for decades.³⁸⁷ Even Sonatrach of Algeria and Anglo-Dutch Shell showed increasing interest in Nigeria gas reserves. The TSGP project would stretch almost 4,500km from Warri region in the Niger Delta to Hass R'Mel in Algeria

³⁸⁶ West Africa Gas Pipeline Limited, news Bulletin December 2012

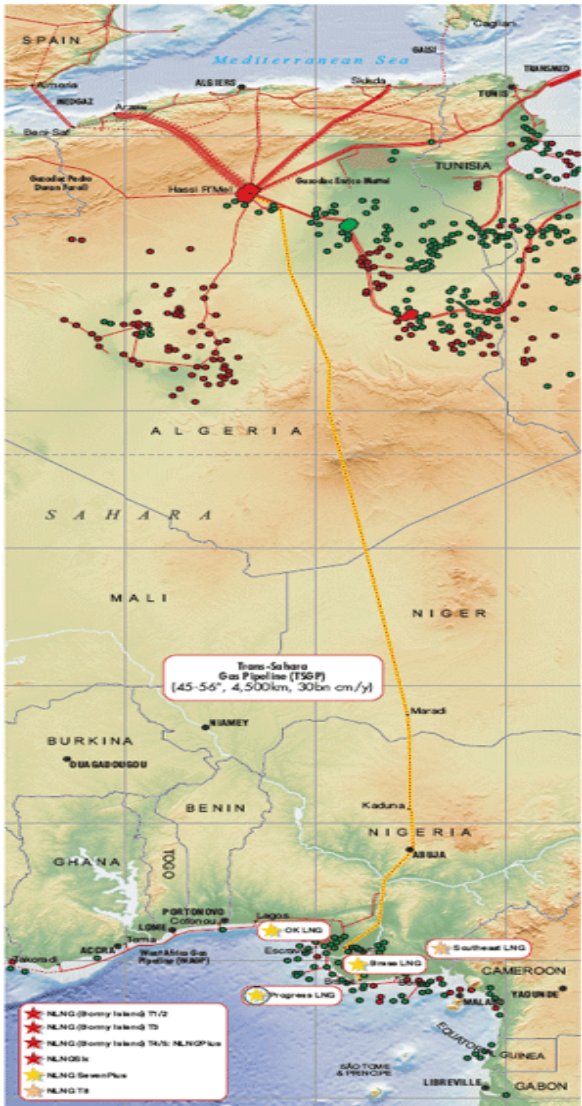
³⁸⁷ Financial Time, April 1 2009

where the gas would enter that country's export system linked to Europe. The Nigeria section would run for 1,300km, the stretch across Niger would cover 750km, and Algeria's portion would cross 2,500km of the Sahara Desert. The capacity of the 46—56 inch pipeline would be up to 30bn cubic metres a year (cm/y).³⁸⁸ The EU is also interested in the project as it would assist with its desire to diversify the source of its gas-supply. Unlike the proposed Trans Adriatic Pipeline (TAP) from central Asia which in theory would supply gas to the EU continent, the (TAP) project does not have sufficient gas, but with Nigeria's natural gas reserves amounting to 187 trillion cubic feet (Tcf) at least has sufficient gas to fill it.³⁸⁹

Source: Petroleum Economist 2009.

³⁸⁸ Petroleum Economist, April 2009, p.10; The TSGP mirage where France's Total says it wants to join or build another gas-export facility in Nigeria. But piping natural gas across the Sahara desert to supply Europe faces big problems

³⁸⁹ The big players in this project are: Nigeria and Algeria and they continue to discuss the possibility of constructing the Trans-Sahara Pipeline (TSGP). The 2,500 miles pipeline would carry natural gas from fields in Nigeria's Niger Delta region to Algeria's Beni Saf export terminal on the Mediterranean. In 2009, NNPC signed a Memorandum of Understanding (MoU) with Sonatrach, the Algerian National Oil Company in order to proceed with plans to develop the pipeline. Several National and International companies have shown interest in the US\$12 billion project including TotalFina of France and Gasprom of Russia as partners.



But this project is equally as problematic, albeit for different reasons:

1. If the venture is to succeed, it will need much more of political support and bilateral negotiations involving the three countries, this is because TSGP's biggest problem would be the risk of sabotage and attacks on the pipeline.
2. The gas will come from the Brass and Escravos hub of the Niger Delta and although TSGP might not have to traverse much of the turbulent territory, it would also become another symbol of how the region's natural resources are exploited with revenue ending up elsewhere.
3. The TSGP would be an easy target for some of the militants groups, like the Movement for the Emancipation of the Niger Delta (MEND).

Mend has been behind some of the attacks on Niger Delta oil and gas infrastructure in recent years that have reduced in some cases Nigeria's total oil production by one million barrels (such as in 2008).

4. Another particular threat is related to the Republic of Niger section. First, the issue of the Tuareg, a nomadic tribe in the Sahara desert fighting for independence in Mali and Niger could also see the pipeline as a target. Second, Al-Qaeda and Boko Haram could also pose a threat in the Maghreb, particularly in

Algeria and Niger. In fact energy security experts strongly believe that the weak spot is Niger, which—with its sparse population, vast terrain and underdeveloped security infrastructure—would find it hard to muster the intelligence and deployment capabilities required to deter and monitor potential threats to the pipeline.

With these scenarios in mind, gas market analysts think that Nigeria should concentrate on its LNG industry that is already well established.³⁹⁰ Therefore, the plan for larger LNG-export capacity will continue despite a dip in global LNG prices due to the Shale gas revolution. All indications shows that the market will tighten up again after 2013 shale gas boom, by the time some of Nigeria’s new trains should be on stream (see Table 5.3)

Table 6.4: Nigeria’s LNG-Export Projects

Existing Projects	Start-up	Capacity (Million t/y)	Number of Trains	Operator	Shareholders
NLNG Train 1&2	1999	5.90	2	Nigeria LNG	NNPC49%; ShellGas25.6%; Total15%;Agip10.4%
NLNGTrain 3		2.95	1	Nigeria NLG	NNPC49%; ShellGas25.6%;Total15%;Agip10.4%
NLNGTrain 4&5	2002			Nigeria NLG	NNPC49%;ShellGas25.6%;Total15%;Agip10.4%
NLNGsix	2005	8.20	2	Nigeria LNG	NNPC49%;ShellGas25.6%;Total15%;Agip10.4%
	2008	4.10	1	Nigeria LNG	NNPC49%;ShellGas25.6%;Total15%;Agip10.4%

³⁹⁰ Jonathan Stern, Director of Gas Programme at the Oxford’s Institute for Energy Studies in conferences, October 2011

Total		21.15			
Planned and Proposed					
Brass LNG	2013	10.0	2	Brass LNG	ConocoPhillips17%;Agip17%;NNPC49%;Total17%
NLNG	2012	8.40	1	Nigeria LNG	NNPC49%; ShellGas25%; Total15%; Agip10.4%
SevenPlus					
OK LNG	2011	22.00	4	OK-LNG	Chevron18.5%; NNPC49.5%; BG13.5%; Shell18.5%
				OPCO	
Progress LNG	2011+	1.50	1	Peak	FlexLNG; Mitsubishi; Peak Petroleum
				Petroleum	
SPECULATIVE					
NLNG T8	2013+	8.00	1	Nigeria LNG	NNPC49%;ShellGas25.6%;Total15%;Agip10.4%
South-East	2012+	4.80	1	ExxonMobil	ExxonMobile; NNPC
LNG					
Total		75.85			

Source: Petroleum Economist LNG Data Centre 2010. +Signature Bonus paid but Licence not granted due to Environmental Assessment.

Table 6.5: NIGERIAN NATURAL GAS PRODUCTION AND DISPOSAL, 2003—2007

Year	Gas Produced	Gas Utilised	Gas Flared
2003**	1,828.3272	982.5124	845.8148
2004**	2,113.9921	1,230.2361	383.7561
2005**	2,082.9260	1,241.5368	841.3892
2006	2,116.8082	1,438.7148	678.0934
2007	2,101.7706	1,615.4916	786.2790

Source: Nigerian National Petroleum Corporation 2008. Note: ** Revised figures

Conclusion: There is merit to the position of both local communities, militant groups and states level of the major assumption that ownership of natural resources in their land is being control by external forces. To present the primary argument and the data that support this idea put the Niger Delta conflict in the precarious position of instability and arms conflict. My hope is to both inform and install some clear picture on the subject to those who are steadfastly convinced or deny the fact that, all the evident points one way or the other. I first examine the research question that competition for natural resource like oil and gas can lead to arms conflict and threaten security. I find that the results and data presented have a lot of truth for this argument.

Second, I argue that the Niger Delta dispute has shifted to two discourses that further fuel competition for resources: (1) from how oil and gas revenue is distributed and whom control the resources and the ownership of oil blocks; and (2) external dimension of resource control by multinationals energy companies in terms of investing or buying stake-holdings in Nigeria oil and gas reserves has resulted in greater grievances among the indigenes in the Niger Delta to have access and control their natural resources.

Finally, the construction of international pipelines as a way of exporting oil and gas to international market has become another symbol of how the region's natural resources are exploited and revenue ends up elsewhere.

Chapter Seven

Conclusion

This study analysed the role of ethnicity and dynamics of natural resources conflict in the Niger Delta.

The first part of the thesis (chapter 2) investigated the contradictions spawned by the palm oil trade in colonial times and the significant role oil played in the past and into the future. It analysed the colonial trends such as the historical evolution of the Niger Delta, politics and intergroup relations before colonialism, what constitutes the Niger Delta, who are its inhabitants, ownership of land and ethnic composition debates, which consequently widened into sovereignty issues. Therefore, it can be argued that the struggle to control the palm oil trade in colonial time is an on-going phenomenon even after independence in the Nigeria state. This has a tremendous impact on heightening the grievances of the oil minority ethnic groups in the Niger Delta.

In chapter 3, the study discussed the background, history, actors and key players, land and ethnicity, and the politics of natural resources control in the Niger Delta link to the development of militia groups and their role in creating instability in oil and gas mining areas. It was assumed that engaging and exploring these layers of instability will give the readers an insight into the research questions of thesis related to what drives the struggle for access to control natural resources in the Niger Delta. While it can be said that the amnesty to militia groups is a step in the right direction in reaching a final settlement on how natural resources wealth should be shared; and who control the endowment, there are still major issues

unresolved. This include compensation claims related to the ownership of land, environmental pollution, inclusions of local communities in the oil industry, allocation of oil blocks, and public infrastructure development in the Niger Delta. By discussing the complex reasons for conflict, the chapter explored the perspectives of different groups in order to better understand the types of governance requirements Nigeria needs to put in place to increase security and save lives.

In chapter 4, the politics of land, ethnicity, and different nations forming the Nigeria Federation was presented as being at the heart of this process of insecurity in the region, which began to see a major shift with the amnesty programme in 2009. This led to the disarmament of militia groups and the establishment of the Joint Task Force (JTF).

Findings presented here shows that at the grassroots levels, the federal government is lacking credibility and its motives are questioned with regards to their concern for communities affected by the natural resources trade. Claims of previous literature are radically challenged by the findings. It is not only corruption, a lack of accountability and transparency issue that can create conflict in natural resources mining spaces such as: oil and gas. A lack of strong and united government policies, ethnic division and disputes concerning land ownership are vitally important. This study does provide primary data of tensions between these dynamics to confirm these linkages in the Nigeria case. It is suggested that those who investigate the issue of resources conflict should place less emphasis on the ruling elites and more on the structures and institutions that comprise the state. Chapter 4 established that, so far, not much progress has been made in land reform to reduce conflict in natural resource mining areas. Several reasons were identified that may have hindered the land reform relating to ownership of natural resource wealth in the oil sector:

- Lack of land reform in the Land Use Decree of 1978 and Land Use Act of 1979.

- Absence of native rights in granting certificates of occupancy on inherited land.
- Indigenisation policies at the local level for citizenships and marginalization of minority groups.
- Lack of compensation for farmers and land owners for losses to their land from oil companies.
- Forceful eviction and destruction of local properties for pipelines constructions; and
- Conflicts of interest between the federal government, the state level and local authorities as a problem in sharing oil revenue.

Finally, as chapter 4 concludes, the central features of land ownership and ethnicity in the politics of resource control within small minority groups' and fear of marginalization from bigger ethnic groups from the federal, state and local level are major issues to be addressed.

The key features and repercussion of this is that small ethnic groups and other minorities are under-represented and oppressed by those in power in all spheres: social, political, economic as well as the oil industry's employment system. The majority groups attempt to ensure their dominance over others by controlling the key institutions, while minority groups struggle for recognition and a fair deal in the distribution of resources.

Chapter 5 focused on the politics of resource control and the Nigerian federation, by taking the historic revenue allocation politics and the minority question among geo-political zones into account. Here again the analysis has shown that several factors determined how much revenue a region gets depending population, size, and the derivative principle, as well as percentage contributions to the federal account. This chapter showed that the six geo-political zones are unable to agree to a meaningful way forward and rationale in sharing resource wealth. The petroleum industry bill (PIB) is a way forward but behind the bill is thus ethnic divisions in this apparent complex equation of sharing oil revenue. Each individual geo-political zone with its

different ethnic sympathies developed clear preferences, self-interest, and greed while seeking personal gain via acquisition of oil blocks. This was done in order to protect their stake holding in resource wealth distribution system.

Chapter 6 then followed the path of international oil companies and foreign interests and first showed how external dimension of resource control also fuel instability in the Niger Delta. In the first part of chapter six, prospecting, exploration booms, the tax incentives system and the petroleum industry bill were identified as major factors attracting foreign investors to oil exploration, production and export. Consequently, the construction of international pipelines as a way of exporting oil and gas to international markets has become another symbol of how minority groups view natural resource exploitation as their God given wealth which is being stolen with revenue ending up elsewhere.

Taken together these considerations show that the present study contributes to the understanding of the impact of ethnicity in natural resources conflict in the Niger Delta, and to the bigger picture on what role ethnic diversity plays in instability in states in the twenty-first century. Furthermore, this study shows important evidence that there is a complex multi-dimensional aspect to conflict, separate from corruption, bad governance, lack of institutions, security, the presence of militia groups of non-state actors, a lack of accountability and good economic management. It entered into the theoretical foundations of one of the most intricate, yet forgotten factors of conflict—ethnicity and cultural diversity. Major actors battle in a highly politicized climate over resource wealth revenue in the Nigeria state.

As initially described in chapter two, since colonial times, access and control of natural resources in the Niger Delta—back then the palm oil trade between the British and indigenous chiefs and Royal Kings- has been a contested issues. Considering the importance of palm oil to industrialization in Europe, this resulted in the colonialization of the region from 1840 to 1960

before Nigeria gained independence from Great Britain. The consequences of the struggle for access to control natural resources have been used to frame the research questions. However, the thesis set out to test a sharply defined hypothesis and to develop rigorous definitions of its object of study. For future research, I suggest here that any theoretical conclusions are tentative emerging from data collected in fieldwork and reflecting what is happening on the ground. This approach has been influenced by the tradition of critical inquiry.³⁹¹ The strength of the thesis and its conclusions derive from and is limited by the extent of the data as generated by the methodology employed. Conclusions emerge from the data created specifically for the thesis, and might need modification if extended elsewhere or applied to other periods, national contexts or other areas of security studies. It would seem that the approach lies within the inductive process of enquiry.³⁹² It is therefore appropriate to use a discourse of international law on the ownership of natural resources to conclude this thesis. Having presented the different layers of conflict that linked to the instability discussed in chapter three, this chapter will conclude this thesis by highlighting the security implication of the Niger delta conflict to the Nigeria Federation and how corruption, lack of accountability and ethnic division have played a role in prolonging the Niger Delta question. There is disagreement between the federal government and the state level, between local communities and oil companies, and between militia groups and the federal level due to their different perspectives on the true ownership of natural resource wealth in Niger Delta.

In addition, the Nigerian state ought to be a major regional power, since it is also a major oil exporter and therefore has the revenues and resources to build power and internal cohesion.

But for the Niger Delta ethnic groups, the very existence of oil has generated constant internal

³⁹¹ This critical form of research is a meta-process of investigation, which questions currently held values and assumptions and challenges conventional social structures of society.

³⁹² Through the inductive approach, plans are made for data collection, after which the data are analysed to see if any patterns emerge that suggest relationship between variables. This has led to discovering a binding principle, taking care not to jump to hasty conclusions on the basis of the data collected.

conflict; the wealth does not go to a central infrastructure of state and institutions but is diverted and dissipated by parochial rivalries among ethnic groups. Rather than serving as the foundation of national unity, oil wealth has merely financed chaos based on the cultural, religious, and ethnic differences among the Nigeria's people. Therefore, the Nigeria state can be describe as a comprador state—a state without a legitimate authority within its borders. This makes Nigeria a state without a nation. To be more precise, it is a state presiding over multiple hostile nations, some of which are divided by regional borders. This is because the state has not grown organically out of the different ethnic nations that comprises the Nigeria federation. Instead, the arrangements instituted by British colonial rule of imperialism have left the Nigeria federation in chaos.

Furthermore, this thesis is not written for only academic consumption but for ordinary people who want to understand the causes of conflict, and another major contribution to knowledge is that:

1. It cut across the facet of key issues of our time—(a) ethnic identity politics, (b) economic and social exclusion, (c) intra-ethnic conflict based on ownership of natural resources, (d) Cultural differences based on customs, language and tradition, and (e) state legitimacy in multi-ethnic societies in the information technological era.
2. It highlighted the fundamental issues of fragile state and their composition based on ethnic differentiation of “we” versus “them”, the outsiders in the Nigeria federation. On paper there is a state called Nigeria, but on the ground, it is a state of artificial creation that does not exist among the different ethnic groups that form the Nigerian federation.

3. Therefore, addressing the issues of ethnic identity that has been ignored in fragile states will be the key to conflict resolution in less cohesive states in the twenty-first century.

Moreover, this thesis also contributed to knowledge in the sense that the only way out of the state chaos in the Nigeria federation is how power and resources should be shared in a multi-ethnic society. In retrospect, effective power and resources must be located in a state that derives from and controls a coherent nation. This does not mean that there can't be multinational states, such as USA, China, Russia Federation, and United Kingdom, Federal Republic of Germany or even states representing only part of a nation, such as the two Koreas. But it does mean that the state has to preside over people with a genuine sense of shared identity and mutual interest.

General Discussion and a Reflection on the Amnesty Programme

At the core of this research is an attempt to understand the perspective of key actors in Nigeria regarding what their rights are in sharing natural resources wealth. To do this, the thesis set out what natural resource rights are envisaged in the Niger Delta. Consequently, the thesis main focus is defining what is natural resources and the question of who owns it. And what are the international obligations of states to their citizens in the exploitation of natural resource wealth.

A simple ethic based on international law of the Economic Right and Duties of States with resource wealth is found prominently in the UN Charter of 1974. Leif Wenar (2012) offered a current, generally accepted notion of what constitutes clean trade in Natural Resources.

Currently, ownership of resource wealth are intertwined with human rights and due diligence.

Moreover, according to Rae Lindsay et al (2012) in World Energy Law and Business present ownership of resources wealth in term of the guiding principles on Business and Human Rights

to avert grievances. Many oil companies and host states still maintain a narrower conception of citizen's rights in the sharing of resource wealth.

Above all, what the UN Charter under the auspices of International law sought to do is to set guidelines and principles for responsible contracts and extraction of natural resources.

Embodied in the GATT/WTO 1974 Conventions, including Article 3 on Clean Trade in Natural Resources 1998, this provides for the internationally accepted guiding principles of corporate responsibility and due diligence. This international law reflects the idea that, even if there are greed and grievances, corruption and lack of accountability, restraint should be exercised to limit social and economic deprivation to humans and the environment where resources are being exploited. But GATT/WTO does not engage in the resolution of conflict in relation to ownership of natural resource wealth in any given state due to the fact that it may infringe on a particular state's sovereignty and independence.

But the legal aspect of ownership of resource wealth has two roots. The first is regarded as a fundamental principle of human rights, and the second is the distribution/sharing of resource wealth equitably--this reflects fundamental principles of procedural fairness. This principle raises a number of general issues in the Niger Delta, such as that of groups, local communities and regional states seeking to bring claims against the state, as well as issues that will be specific to individual grievances and whether they are legitimate, equitable, rights-compatible and predictable. The law also requires the disclosure by oil companies of information relevant to citizen's grievances that it would otherwise consider commercially sensitive. If there is disagreement over ownership and conflict occurs, the principles of equitability may in some circumstance require oil company to fund services--through arms--length arrangement--that support stakeholders to alleviate their grievances in resource mining space.

As identified, there are security implications to the conflict in the Niger Delta. While the Nigerian state and oil companies subscribe to the traditional state-centric perspective of security, the local people of the region and other stake holders in the region consider resource deprivation as paramount security issue. The clash of these two security conceptions has perpetuated conflict in the region over the years.

This shift from the authoritarian, state-centric view to the notion of human security is premised on the fact that people are the means and end of the development process. Therefore, in the Nigerian context, and which recent development in the Niger Delta region have demonstrated the proliferation of arms is partly responsible for the continuation of the conflict. This influenced the creation of different militia groups which have led to:

- Up to 250,000 barrels of crude oil being stolen daily by militants, their locals and foreign collaborators since 2000 thereby disrupting supply to global oil market;
- The militants have gathered enough military hardware to terrorize and kidnap foreign oil workers for ransom payments in order to sustain instability in the Niger Delta and to proliferate small arms for robbery and piracy in sea shipping lines in the Delta region and throughout the country thereby preventing foreign investment in the oil sector;
- Oil companies have to strike deals with local warlords before any exploration or drilling can take place. MNCs hoped in this way to persuade militants to give them access to oilfield to carry out recoup some of the losses incurred since 2006 (up to 500,000 barrels a day were lost in attacks in the Delta since then). However, the risk is that contracts will be given to groups that caused the damaged in the first place.
- The insurgency has created a black market for crude oil that finance militants illegal activities with proceeds from such arrangements funding the group's weapons procurements and political campaigns as they seek to acquire more power at the federal level of government.

In order to restore oil and gas production levels, the government engaged all the militant groups for a ceasefire in July 2009 and a 60-days government amnesty in August 2009 was begun. A lull in violence followed, but negotiations started to unravel by the end of 2009. The President offered an amnesty to all fighters willing to turn in their weapons in exchange for a monetary stipend. At the end of the period, in October of that year, the government claimed that 8,299 militants had accepted the offer, surrendering some 500 weapons and 18 gunboats. Such progress was accompanied by a significant drop in conflict-related fatalities, down to possibly 100 for the entire year. But the exact extent of the amnesty's success remains unclear, as various factions within MEND declined to participate.

However, MEND declare a 60-day ceasefire in mid-July 2009, after the government met one of its preconditions and released the group's reported leader, Henry Okah, from prison. They accepted an unconditional amnesty, and three days later a court dropped charges of treason against him. The group extended its ceasefire again, most recently for another year until 2010. However, by the end of 2010, former militant in Yenagoa, Bayelsa State, and Warri, Delta State, had begun staging demonstrations to demand \$2000 in compensation payments promised to them under the amnesty.

Findings here suggest that military means alone are unlikely to resolve violent conflict in multi-ethnic states. Rather, long-term peace and settlement seems most likely to be achieved through engagement with the key players on the grassroots level. Therefore, there is now a need for security experts to apply this finding to conflict resolution in the areas of war and dispute settlement under the UN umbrella. Under the amnesty programme, screening centres were established in all five of the Niger Delta States to which gunmen were required to report and turn in their arms. Having registered and taken an oath renouncing militancy and violence, the militants received an unconditional pardon. Those who accepted the amnesty were granted a stipend of NGN65, 000 (US\$500) per month for food and living expenses. According to the

Ministry of Petroleum Resources, the Nigerian government budgeted around US\$70m for the amnesty programme, including the stipends for those who accepted a pardon. Its target was for around 10,000 militants to take up the amnesty programme. The payment programme for pardoned militants remains in place until this day. The exact figures on the number of militants in the programme are not available but it is thought that at least 10,000 are signed up, with some estimates suggesting up to 25,000 are included. Using the BMI estimates of 10,000, cited in chapter 5, the government's monthly bill for the stipends would be US\$4.33 million. The government hopes that production gains resulting from a reduction in violence will cover the additional costs but several other analysts claim the government could be pouring money down the drain, especially as much of the money is reportedly being siphoned off by administrators.³⁹³

Some government officials interviewed in the Ministry of Petroleum and Natural Resources have suggested that IOCs should contribute toward funding the amnesty programme. But the oil companies argued that they cannot be seen to be channelling money to militant groups. MNCs however, believe that payments could be made under the ethics of corporate social responsibility (CSR) programme in infrastructural development.

Although the amnesty is a step in the right direction, it remains to be seen how effective it will be in the short term. In the longer term, unless the fundamental causes of unrest in the Niger Delta, including environmental degradation, lack of public infrastructures, education, jobs and services for the population are addressed, there is little hope that the government's efforts to restore peace and security to the region will be successful.

³⁹³ Business Monitor International (BMI) Nigeria Oil & gas Report Q2 2011, p. 69 www.businessmonitor.com

Post-colonial Ethnic Marginalization

The reality of ethnic alienated consciousness and the threats to national security arising from it indicate that Nigeria, as it exists, may not have fully articulated the conditions for establishing a truly humane and progressive society. The reality is that the system is lacking in enduring principles of social justice and moral actions, which can promote genuine social reconciliation. This suggests that Nigeria remains a terrain of conflicting identities after decades of independence. The state is a battleground where individuals fight for whatever resources or power they can capture. This situation is worrying because the long period of co-existence among various ethnic groups has not yielded genuine mutual respect, understanding and common purpose. This is a significant pointer to the potential continuation of insecurity in Niger Delta.

Minority ethnic groups feel that the Nigerian state in its post-colonial form is tied to marginalization. In turn, marginalization can be said to be central to experiences in post-colonial discourse. Over the years, different governments, structures and institutions in Nigeria have systemically entrenched a culture of marginalization within the social order. The modern social system has produced widespread violence, arbitrary hierarchies and avoidable deprivation. The central feature of marginalization is the capacity to render regions structurally irrelevant. Evidence shows that structural irrelevance is fuelled by the realities and consequences of the notions of difference and dichotomies. What are the immanent consequences of this marginality? One repercussion is that small ethnic groups and other minorities are under-represented and oppressed by those with power in the social, political, and economic order. At the heart of marginalization are the real consequences of differences in culture, values and beliefs, and the tensions (sometimes violent) arising from them when it merges with the different interests and aspiration of these groups? Groups attempt to ensure their dominance over others by controlling key institutions, while minority groups struggle for

recognition and a fair deal in the distribution of resources. Political life is organized around the desire by the various ethnic groups to further and protect their own interests. These interests are culturally defined and have to do with what groups materially possess—as distinct communities—and what they can get from others in a competitive situation. Instability, over-centralization of power, intense ethnic and elite competition for oil revenue, resources and power, and the diverse forms of repression also affect all levels of life.

Consequently, the dangerous trend has emerged whereby violence and ill-trained militias have cashed in on these institutional flaws. Furthermore, the general lack of commitment to the common good has ensured that most military personnel seek only to satisfy their avarice through collaboration with militias for selfish interests instead restoring order. These conscious manipulations (of a negative kind) can lead to the loss of unity and cohesion. I may add that the objectionable state of public infrastructure, the moral decay in Nigerian society, the pervasive corruption, social discontent, lawlessness, selfishness and cynicism that have taken over all areas of national life are irrefutable manifestations of the security crisis in the Niger Delta. The security problem is bigger than any group or institution and is a matter of different ethnic groups challenging the federal authority. These is evidence that national consciousness is on the decline. National consciousness has implications for national security, which itself is an important concern in the life of a person, group or society. The central features in the quest for national security is the concern for national survival, which cannot come about unless there is some degree of joint action and common purpose for a method on how to share natural resources. [See Appendix N: Nigerian leadership table from 1963–2014]

Findings and Implications

The finding of this thesis increases our understanding of what make a state stable in the modern world. However, the findings further highlighted the difficult tasks ahead that international regimes will face in the future in stabilizing multi-ethnic states mostly in Africa, where divisions among the population cut across cultures, customs, tribal, ethnicity, language and religion. Previous studies have tended to the focus too much on the resource dependency theory as the main cause of instability in resource-rich countries. The findings from this research suggest that the selection of variables by leading researchers in these cases rests primarily on their obscure knowledge and ignorance of the internal composition of social, economic and political dynamics that make up these countries.

First, and as noted earlier the crisis in the Niger Delta has resulted in the reduction of oil exports by 25 to 30 per cent since 2006. The international Crisis Group, the Centre for Strategic and International Studies (CSIS) report notes that between 2006 and 2008, Niger Delta militants abducted over 200 expatriate oil workers, clashes with security forces left 86 people dead, increased their arms inventories to alarming levels, and attacked the oil installations in the Niger Delta leading to huge losses for oil companies and the government.³⁹⁴ As a result of this development 1 million barrels of oil was shut-in, thereby disrupting world oil markets price reaching \$147 in June 2008.

Second, it has led to oil trading speculations in the international oil market whereby if MEND warned of an attack on Facebook or released a message on its website, the market panics and causes volatility in the oil and gas market.

³⁹⁴ A Report of the Africa Program Centre for Strategic and International Studies (CSIS), Washington DC, April 2008.

Third, the instability in Niger Delta has resulted to the creation of a black market for oil supply. The consequences of this recent development is that, the higher the price of oil, the higher increase in the number of attacks on oil infrastructure as oil is siphoned off from pipeline (bunkering) a form of oil theft which means oil eventually re-enter the international market at lower than market price.

Fourth, it lead to hoarding in the oil market whereby, emerging global economic power like India and China fearing supply disruption created strategic reserves or engaged in forms of anticipated buying in case of war, sanctions or trade embargos on oil exporting countries. For example, the disruptions of the 1970s cost the global energy market between \$2.3 trillion to \$2.5 trillion. The National Defence Council Foundation suggest that, a disruption of similar proportion today could carry a price tag as high as \$8 trillion—a figure equal to more than 60 per cent of U.S. annual gross domestic product, or nearly \$15,000 for every man and woman living in Europe and America.³⁹⁵

As we can see, on a normal day these attacks impose a “fear premium” on the oil market of around \$10 to \$15 a barrels. Thus in today’s world oil prices are not controlled by oil exporting states, oil companies or by civil society but militants insurgents can influence its movement. It needs no elaboration that in a tight oil market, even a marginal disruption has profound impact on prices. Therefore, the link between resources and conflict should be at the core of current discussions on energy security.

Fifth, a growing concern over the availability of stable supplies of oil and gas has given rise to a new emphasis on energy security in many regions of the world. The concept of instability evokes a wide variety of concerns relating to value and interest for a range of actors, but it is

³⁹⁵ Testimony of Milton Copulos at a hearing on “The Hidden Cost of Oil”, held by the Senate Foreign Relations Committee, March 30 2006 cited by Gal Luft and Anne Korin (2007) *In search of Energy Security* in Fukuyama (ed) *Blindside: How to Anticipate Forcing Events and Wild Cards in Global politics*, Brookings Institute Press 2007.

essentially still embedded in a state-centric approach. It remains an analytical tool of traditional geopolitics, in which state actors regard oil resources as a means for securing the interest and objectives of nation-state in relation to each other. But there are many complex and dynamics and perceptions of social and national identities that are shaping resource conflict. The political and social implications of such ethnic identity politics in relation to access and control of natural resources within oil rich countries such as Nigeria has turned in to a security hedge in the foreign policy-making of import-dependent countries like the EU and North America.

The fact remains that due to miss-management of revenue in a number of oil exporting countries in Africa including Algeria, Angola, Congo, Gabon, Libya and Nigeria this has led to sinking real per capita incomes. More importantly, high oil price have led to instability and authoritarianism in these countries. However, these states (Europeans) are discovering that while the market can provide oil supplies, it does not create energy security. Energy security is comprised of three elements: reliability of supply, affordability of resources, and friendliness to the environment. This indicates a paradigm shift in any reassessment of the assumptions of the much talked about idea of energy security by replacing it with another formula. The situation in the Niger Delta is best seen as resting in a context of a conflict-prone society whereby, decades of patrimonial decline, underdevelopment and state weakness provides the fertile environment for the emergence and proliferation of civil militias. These militias emerge to protect and serve a variety of vested interests, often ones not shared by the established by government or other states.

Therefore, it needs no elaboration that in a tight oil market, even a marginal disruption has profound impact on prices. Social protests in resource rich regions cannot be resolved by the ruling governments alone. In fact, insurgents attack oil and gas installations, in some cases as a means of putting their demands to a global audience. Individual initiatives, either by acquiring assets by corrupt practices or by deploying armed forces cannot create conditions favourable

for oil security both at the national and global level. In my opinion, to understand oil security, collective global security requires consensus among the key stakeholders namely the state, companies, and the civil societies working together to rescue oil supply from resource nationalism and hegemonic control, the two have hitherto been mutually reinforcing. This means that growing world oil demand ought to be seen as a consequence of globalising world economy. It is a flawed formulation to look at the new demand as a threat. Similarly disruption in Nigeria's Niger Delta needs to be seen as local discontent at globalisation and the assertion for more producer-consumer dialogue as and imperatives issue to globalisation.

Furthermore, the issues are related to security threats associated with infrastructure such as sea lines, oil installations, pipelines, flow stations, liquification plants, export terminals and national/trans-national electricity grid induced uncertainties in energy market. So far, the West has been the lead consumer but with the direction of oil trade shifting, the responsibility of infrastructure security should be borne by everyone

Despite initial concerns that the amnesty programme for militias groups will not hold, particularly as oil companies sought to desperately repair some of the damaged pipelines and flow stations necessary to increase the production capacity, the amnesty did produce positive results with Nigeria's daily oil production jumping from 800 bpd in 2008 to 2.2 million barrels in 2013.³⁹⁶ The success of this initiative gave the federal government breathing space to meet their financial obligations to foreign creditors. Another important feature of the armed conflict between the government and militia groups is that for the first time in the history of Nigeria, it has been recognized that the Niger Delta region needs a development plan, revealed most vividly in the creation of the Ministry of Niger Delta Affairs. This has resulted in a federal, state and local grassroots level for peace building process that is crucial in resolving the underlying grievances that is causing violent conflict in the Niger Delta.

³⁹⁶ IEA World Energy Review, 2013

As a result of shortfalls in oil revenue in the federal allocation to the region (states), however, there is significant evidence that local militias are being organised and financed by local political elites pursuing a violent agenda of ‘politics by other means’ to protect their interest

An examination of the question of resource revenue sharing, the national energy commission document itself reveals how grotesque the unfairness of resource control between the northern and southern regions is in terms of ownership of oil blocks and lack of a tax system that can bring in addition revenues to states in the north. This has resulted in an overdependence on oil revenue allocations from the federal level to both regional states and local governments.

As discussed throughout the previous chapters, debate around ownership of natural resources has shifted from revenue distributions to resource control in the allocation of oil block since 1998 after civilian administration returned following 37 years of military regime.

The inclusion of derivative principle in revenue allocation is a particularly a revealing features of the federal structure and regional autonomy that is associated with economic development and ownership of natural resources mining space. But the initial indication of the politics of resource control shows that every ethnic group is using the ownership of land in claiming rights in sharing natural resources. This feature was visible in all the geopolitical zones in establishing stake-hold in any productive projects, infrastructure or commodity that is derives from their land to be recognized as a contributing factor for their deprivation.

The chapter on the “external dimension of resource control” also indicates how multinational oil companies influence the outcomes of who gets what percentage of resource revenue through trans-national investment in pipelines, LNG Terminals and Refineries in the export of natural resources wealth. Due to the fact that most countries endowed with natural resources are poor in terms of financing export projects and also lack the technology to extract, process and produce, their power to set the international trade agenda is very limited.

In the section dealing with security and militia groups operations in Niger Delta, there are indications that it is not enough to provide the Joint Task Force (JTF) with military capability to enforce the law without a clear-cut strategy as to how these forces are to be deployed and used. Such attempt which do not regard human rights cannot lead to the desired results or level of social and economic advancement required by a country confronted with diverse socio-cultural and ethnic challenges. This policy is not only limited in its scope and method, but is also prone to perversion. Moreover, in the section relating to the scramble for oil and gas revenue, we saw how it was a generally established facts and there is enough evidence to show that the Niger Delta variant of the general trend of instability, social injustice and local discontent seems a visible index of the state of disagreement in the Nigeria Federation. The ensuing shadowy conflicts have fermented the continual destruction of oil pipelines and installations, killing or abducting of local and expatriate oil workers and security personnel, hijacking of helicopters and ships—among other such as acts of violence. The crisis vividly illustrates the inability of the Nigerian state to properly manage fundamental ethnic and nationality questions and to meet the challenges of development and nation building. The problems of environmental degradation and lack of compensation to the people in oil mining space and resource control remain central to the problems confronting the Niger Delta regions. The perception is that if their demands are meant, these will make their lives more meaningful. Hence, it has become clear that the Niger Delta situation raises irrefutable conceptual and empirical issues and questions about the character and context of political morality in Nigeria and the search for a viable social philosophy in a post-colonial framework.

Similar to the issues of oil industry and violent armed conflict the data reveals something new about militant groups in the Niger Delta. They indirectly sponsor candidates for elections and their patrons guaranteeing them protection, jobs and contracts both in the public and private sector.

An examination of the perspectives of key actors in sharing resource wealth shows that apart from the oil companies' perspective that adopted the Alaska and Canadian model of community trust fund independent of government officials; this is distributed directly to local communities for development projects and can be a major step in the right direction if adopted. The other perspectives (federal, state, militias, local communities) is self-defeating due to lack of accountability, corruption and transparency in the Nigeria system.

However, since Nigeria return to a democratic system in 1998 seem to be the beginning of a long process of nation building. Evidence shows that political elections for a democratic rule may not often lead to social and economic transformation. National security is threatened by natural resource conflict because of the absence of proper principles and values that determine basic structures and institutions that leads to harmonious and productive society.

The problem of national security in Nigeria looked at from a historical perspective has always centred on the crisis arising from the nature of the relations existing among the various ethnic and other interest groups. The problem of security in Nigeria and the consequential conflict situation centres on tension, injustice and marginalization. The bone of contention is partly that while some segments of the country are carrying the burden that sustains the entire nation, other segments are enjoying the paradise that has resulted from this inequality. This problem has been linked to the character of the state and the actions of the dominant interests of the ruling class.

One important realm of the manifestation of the problem of national security has been the generally overlooked, but extremely important, aspect of values. It is interesting to note that insecurity in Nigeria manifests itself in the form of competing values, beliefs and attitudes.

Thus, central to the problem of national security in Nigeria has is a situation where there exist a fundamental conflict of personal and social values among various groups with regards to the

sharing of resource wealth, approaches to national integration, peace and stability within the polity. This conflict of values and the various abuses and injustices arising from it ensured that there were no clearly defined and established rules for harmonising these diverse interests, needs and values of the different groups and sectors in society in view of achieving the urgent task of national development. In short, the lack of shared beliefs, attitudes and values among the rulers and the ruled, as well as between the various segments of Nigerian society, ensured that conflict remained endemic in the nation.

The mistrust and hatred emanating among groups, and heightened intolerance has led to the proliferation of ethnically conscious militia groupings that ostensibly claim to be social liberators. In actual fact, these militias that are committed to ethnic violence have opened the opportunity for individuals to ferment tension in society and to violate the vital laws necessary for the sustenance of order, peace and stability.

Thus, to put it bluntly, the lack of trust between the rulers and the ruled in Nigeria ensured that there was an obstruction of national development at all levels of social existence. Furthermore, it can be said that the absence or lack of operation of some core social values such as trust, cooperation, compassion, justice, and tolerance among the different interests and segments in the society contributed to the lack of sustainable development. The absence of a sense of responsibility has assumed the form of an institutionalized and sinister abdication of responsibility.

The structures and institutions that have been put in place to serve the people and make the lives of its citizens comfortable are now turning against them, becoming a source of insecurity and life threatening danger. This situation has created fear and apathy within the Nigeria society. This point is relevant to the issue of national consciousness and the phenomenon of marginalization. This situation has emerged out of decades of mismanagement of natural

resource wealth to provide infrastructure, health care, public order, electricity schools, water, oil refineries and good public transportation system in the country. It is characterized by neglect, under-utilisation and disregard for infrastructure and its role in national development. Most of these structures have moved from decay to dereliction. Criminals and hoodlums the human products of decades of social injustice, neglect, institutional deficiencies in law and education, have now found it easy to capitalise on any social instability however minor.

Furthermore, by focusing on the question of what drives the struggle for access to control natural resource wealth in the Niger Delta allows us to appreciate the complexity of issues relating to land ownership, ethnicity, tension between geo-political zones, unemployment, inter-militias/political elite relations, and the economic deprivation in resource mining space that has resulted in both oil theft and armed conflict. The thesis has tested a number of established theories of why oil-rich countries have failed woefully in a globalized world. But those narratives have been based on either resource curse theory, or on assumptions that corruption, lack of economic diversification to alternative sources of income, and mismanagement of revenues derives from oil wealth are the main causes, rather than social divisions in society.

Lessons Learned and Future Research

Much remains to be learned. However, before we are likely to make significant headway in reducing ethnic conflict and instability, our collective ignorance about ethnicity, the problem of what ethnic divisions are and how best to solve them must be confronted. It is no doubt expecting too much that we can develop a quick consensus on this matter. At the very least, though we need to come to terms with the consequences of putting different people with diverse cultures in a federal state. But one of the most fundamental issues in this thesis relates to how we know ethnic conflict when we see one. The basic tensions that are analysed here is between an interpretative emphases on perceptions among threatened ethnic groups who are categorized as competitors in sharing natural resources. The major question this thesis

addressed is: what drives the struggle for access to control natural resources wealth? Unless we can come to some early understanding regarding this question, future research will no doubt be overshadowed with emphasis on the role of structures and institutional failures in multi-ethnic state. The results of this study give us a deeper understanding of how the social fabric and ethnic composition within a country will determine its stability. The findings of this thesis increase our understanding of the kinds of fundamental issues multi-ethnic states faces for good governance to surface. These issues vary from lack of ethnic cohesion, elitism, and regional self-interest to lack of unity of purpose in sharing resource wealth for development. The instability and dynamics of resource control in the Niger Delta also shows that having a democratic election in a state with weak structures and institutions may not necessarily lead to good governance. Thus, one needs to begin with some social manifestations of conflict. Inherently, ethnic conflicts are about relative scarcity and overlapping interests and goals. We cannot have as much as we would like of resource wealth because there is usually not enough of them to go round. If a desired resource is scarce, then someone's gain usually means somebody else's loss. We cannot attain all of our needs because to do so would interfere with somebody else's maximal satisfaction derived from resource wealth. Therefore, ethnic conflict or misperceptions about one group by another may also make conflicts worse than it might otherwise have been.

Thus, this thesis also shows that the country's rulers have hitherto failed in their attempts to maintain stability in the Niger Delta due to their ill-conceived notions of resource wealth. The resource wealth calculus of the Nigerian state failed because it did not include vital aspects of social and national development such as the provision of basic amenities. Thus, the Nigerian state could not meet the social, economic, even the human conditions of national security. The failure of the state and security organs to maintain national security in the Niger Delta can be seen in the inefficiency of the armed forces and the police. Its abysmal failure to maintain law

and order and provide security for citizens continues to create a vacuum that is being filled by auxiliary ethnic militias, vigilante groups and militant civil society vanguards. The state has employed its repressive instruments, especially the army and the police, in order to regulate and regiment the political, social and economic freedoms and space of the other subordinate groups in society, and not to promote the general well-being of the people.

But these measures have failed to produce positive outcomes. This also shows that for a resource dependence country like Nigeria to prosper, there should be integrated investment in infrastructure development targets as an enabler to incorporating poor people into the value chain of the oil and gas industry. For example, the development of access roads and electricity that can link hinterland oil mining communities to major commercial hubs for efficient flow of good, information and services. This would also create jobs for young people and provide hands-on training and experience to empowering them towards greater economic activities and preventing them from joining militant groups in the first place.

Another lesson learned is that with high level of unemployment in the Niger Delta despite the fact that it produces 2.2 million barrels of crude oil daily shows that the oil industry is a classic enclave industry. It is capital-intensive and consequently does not create many jobs, particularly for local communities living in these areas.

Moreover, the Niger Delta case also shows that whenever natural resource is the main export items funding the revenues of state, those who control its distribution and its use have the potential to abuse their position by allocating resources on the basis of ethnicity, patronage, kickbacks and political affiliations. In the case of Nigeria, revenue is not distributed on the basis of need or equality, but rather, it is fraught with politicians conspiring with criminal gangs to mutually enrich themselves at the public's expense.

The Way Forward, Policy Prescriptions, and Recommendations

As presented throughout this study, several aspects—ranging from historical division to struggle for access to resource wealth, including ownership of land and ethnicity are some of the obstacles in resolving the Niger Delta conflict. Proper resource management is therefore a central means to the maintenance of economic security. The degree of material well-being (security, peace and progress) generated by oil into the economy depends not only on its ability to fully employ the productive resources (labour, capital, resource wealth) available to it, but also in its ability to employ them in a way that contributes to the heightening of the societal standards of living. The dividends or advantages in cost and investment which the economic approach to security yields can be measured not only in terms of increasing profits, but also in terms of increasing both the economic and social well-being of citizens who live in resource-rich states. It is also to be seen in terms of the psychological and material enhancements of human productivity given the nation's labour, capital and natural resources. The economic security and development of a state can be measured using core indices. Such indices include its economic growth, the standard of living of its citizens, the availability of basic infrastructure, efficiency of social amenities and productivity of industrial manufacturing systems, capacity for wealth generation and consolidation, an enabling financial environment and a viable system of human resources development.

The economic dimension is the first important dimension of the security problem. The exploitation of the nation's resources has brought about a breakdown in social service delivery, and entrenched poverty in the land leading to social and ethnic stratification. This has further worsened the security situation, which often manifests itself in disobedience to the law and large-scale conflict claiming the lives and properties of many. An economic poverty perspective

can be perceived in the activities of some multi-national industries which engage in exploitation often resulting in violent conflict. For example, after the discovery of crude oil, many multi-national companies came in to assist in the development of the oil sector. The exploration of oil led to the degradation of the environment which the host communities relied on for their livelihood. Also, the basic infrastructure and amenities such as hospitals, roads, schools, were not provided in many of these communities. The fundamental question many indigenes in the Niger Delta are asking is that: how then do people survive when their means of existence have been threatened and there are no contingency plans to remedy the situation? Second, traditional community structures and mechanisms should be harnessed to a broad programme of training, engagement and development projects between communities for mutual institutional strengthening. The importance of existing local mediation, conflict prevention and response framework at community level should not be underestimated because it could have value in building a common set of peace between oppositions to avoid conflict.

One result has been widespread violence which has claimed many lives, including expatriates and security operatives. Since the various ethnic groups in the area are united against the multi-national companies, these companies often employ the strategy of divide-and-rule. This involves the supply of weapons to ethnic groups to fight each other in the quest to position such a group for monetary benefits from these multinationals. The destruction of lives and properties in the Niger Delta area has been a major problem for Nigeria's security forces to control. Another dent to national security is the fact that in the Niger Delta region, there has been an influx of light weapons into the wider Nigerian community. What this indicates is that such weapons can be used for other criminal activities such as armed robbery, political assassination and waging ethnic wars in the Niger Delta region.

Therefore, to combat intra and inter-ethnic discord, a government awareness campaign for the understanding of the pervasive phenomenon of ethnicity is essential. Since categories of

identity politics and conflict are just puzzling but equally disturbing to national integration, the more so because ethnic alliance cut across class-based identities and interests. This signifies that ethnic cleavages have a cultural content, interest—orientation in sharing natural resource wealth, and political articulation. Even before colonial era cultural symbols—mostly drawn from tradition—are manipulated by ethnic group for political mobilisation with a view to realising a set of goals and also gaining political power solely for their group. Against this backdrop of ethnic symbolisation, the Nigeria social, political and economic spheres have been characterised by struggle for power in gaining advantage in resource wealth distribution.

Finally, the enormous resources at the centre have fostered a do or die affairs among the political elites in the federal level, most of whom go to the extreme length to achieve their political ambitions to control the centre. States favoured by the principle of derivative of revenue sharing such as population and landmass have grown steadily dependent on oil allocation from the federation account and have lost initiative and drive in matter of economic planning and revenue generation. Therefore, there should be a reduction of revenue accruing to the federal level from the Federation Account and also by enforcing accountability and transparency laws. This will discourage corruption and struggle for political power at the national level and enhance the capacity of the regional states and local government levels to accelerate development and make life more meaningful for the people at the grass-root.

Appendix A: Militias Attacks on Oil Personnel and Infrastructure

- May 10, 2006. An Executive with the United States-based oil company, Baker Hughes was shot and killed in the south-eastern city of Port-Harcourt.
- June 2, 2006. A Norwegian rig of Statoil offshore Niger delta was attacked and 16 crew members were kidnapped and ransom demand of \$1 million.
- October 2, 2006. 10 Nigerian soldiers were killed off the shore of the Niger delta in their Patrol boat by MEND mortar shell. Earlier that day a Nigerian/Royal Dutch Shell convey was attacked in the Port-Harcourt region resulting in some people being wounded.
- October 3, 2006. A militias group (NDPVF) abducted four Scots, a Malaysian, an Indonesian and a Romanian from a bar in Akwa Ibom state.
- May 1, 2007. MEND seized six expatriate workers from an offshore oil facility owned by Chevron. The group of six consisted of four Italians, an American and a Croat. On the same day, MEND published photos of the captives seated on white plastic chairs in a wooden shelter around the remains of campfire.
- May 3, 2007. MEND seized eight foreign hostages from another offshore vessel. \$50,000 ransom demand were paid and then released, stating they had intended to destroy the vessel and did not want more hostages.
- May 8, 2007. Three major oil pipelines (one in Brass and two in the Akassa area) were attacked, shutting down oil production and cutting power to a facility run by Italian oil company Agip, part of the ENI Energy Group.
- November 13, 2007. MEND Militias attacked Cameroonian soldiers on the disputed Bakassi peninsula killing more than 20 soldiers.

- May 3, 2008. MEND militias attacked Shell-operated pipelines in Bonny island terminal forcing the company to halt 170,000 barrels oil a day of exports of Bonny Light crude.
- June 20, 2008. MEND naval forces attacked the Shell/Total-operated Bonga oil platform shutting down 10% of Nigeria's oil production in one fell swoop. The oil platform, shell's flagship project in the area capable of extracting a massive 200,000 barrels of oil per day was widely assumed to be outside the reach of the militias' naval force due to its location 120km offshore. This attack has demonstrated a level of prowess and sophistication never before seen by the rebels and it's now known that all of Nigeria's oil platforms are within range of MEND attack.
- April 19, 2009. A British oil worker was kidnapped from his resident in the city of Port-Harcourt and a ransom demand of \$100,000 was paid for his release.
- July 13, 2009. A 3-year-old British girl-Margaret Hill (daughter of oil Executive) was kidnapped. She was freed after being held hostage for four day.
- March 10, 2010. Three sports Journalist—one South African and two Nigeria national—and one employee of French oil company (Totalfina) was kidnapped in Enugu state.
- May 23, 2010. 12 employee of a steel company (three Chinese and nine Nigerian nationals) were held hostage for two weeks and nine of them were killed during their abductions.
- November 7, 2010. 19 Afren oil workers a UK based oil company were held hostage but was released after ransom payment.
- March 6, 2011. Law Enforcement of the Nigerian Army destroy nearly 500 illegal oil refineries established by militia groups in the Niger delta in a bid to stop the smuggling of stolen oil in the country. Special units using gun-boats and helicopters to track down the make-shift refineries located deep in the mangrove forests.

- October 5 2012-The Nigeria LNG (LNLG) consortium in Bomu-Bonney declared force majeure on deliveries from its 22 million tonnes per annum (mtpa) plant after gas supplies were interrupted from a feed-in gas pipeline after militant attack.
- October 22 2012-Niger Delta pirates target a French shipping company-Bourbou in Port-Harcourt which supplies vessels to the offshore oil industry in the Niger Delta. Seven people kidnapped: six Russian and an Estonian with speed boat sub-machine guns.
- 24 October 2012-Nigeria police in Anambra state raided the hideout of major oil workers kidnapping ring in the southeast, rescuing a hostage, killing three kidnapers in a shootout and arresting three others.
- October 29 2012-A British employee by an oil company in Delta state Warri was kidnapped by unknown gunmen demanding the equivalent of £72,000 in ransom payment for his release.
- October 30 2012-At least twenty-five people was killed in Bayelsa state in a spiral of violence allegedly linked to tribal competition for oil revenue.
- November 11 2012-The employee of Sigma Limited, an oil-service company contracted to Chevron Texaco was seized in the oil port town of Warri as he left a neighbourhood bar going home.

Source: Own Analysis based on various Newspapers reports and Mass media.

Appendix B: U.S. Supreme Court Holds Presumption against Extraterritorial Application Bars Claims under the Alien Tort Statute—Source: Department of Justice and Attorney General Office, Capitol Hill Washington D.C. 2013

On April 17, 2013, the U.S. Supreme Court issued its long-anticipated ruling in *Kiobel* versus *Royal Dutch Petroleum Co.* regarding whether the Alien Tort Statute (“ATS”) allows plaintiffs to sue multinational corporations for allegation of human rights violations committed outside the United States. In a majority decision authored by Justice Roberts, the Court held that the “presumption against extraterritoriality” applies to the ATS and that petitioners failed to overcome the presumption where “all the relevant conduct took place outside the United States”. *Kiobel v. Royal Dutch Petroleum Co.*, 569 U.S.—(2013) (slip op., at 13-140. The Court did not address the additional question of environmental damages presented, whether corporation are liable under the ATS.

The *Kiobel* decision effectively ends the trend at ATS cases in which plaintiffs have attempted to hold multinational corporations liable in U.S. federal courts for alleged human rights violations committed by foreign governments, on the theory that the corporation “aided the abetted² the activity by providing assistance to or conducting business with that government. This is a significant victory for multinationals that have faced the threat to reputation and millions of dollars in potential claims posed by these suits. The court did preserve some ambiguity in its decision, signalling that some ATS claims under different facts involving more significant ties to the United States may be available. Going forward, the question will be what circumstances, however limited, and would be sufficient to rebut the presumption against extraterritoriality.

Background

Kiobel involved a lawsuit by twelve Nigerians who alleged that Dutch, British, and Nigerian oil companies aided and abetted the Nigerian government in committing human rights violations in connection with its efforts to stop protest against oil drilling in the Ogoni region of the Niger Delta. In a decision that garnered national attention, the U.S. Court of Appeal for the Second Circuit held that the ATS did not apply to human rights claims against corporations. The Supreme Court granted review to consider that question in 2011.

During oral argument, questions from the Justices signalled that they were concerned with a threshold issue—whether the ATS applied to conduct occurring outside the United States at all. Immediately after oral argument, the Court ordered the parties to brief that question and set the case for re-argument during the following Term.

The Decision

In this recent decision, the Justice agreed 9–0 to affirm the Second Circuit’s judgement that petitioners’ ATS claim could not be sustained under the facts that’s presented. The unanimity in judgement does not reflect agreement on the Court on a rationale for dismissing the claim. A majority of the Court relied on the presumption against extraterritoriality in a decision that is binding on the lower courts. In concurring opinions, several Justice provided their views on the rationale, with Justice Kennedy (while agreeing with and joining the majority) stating that further cases may present facts requiring elaboration on the presumption.

Chief Justice Roberts, with Justices Scalia, Alito, Thomas, and Kennedy joining in his opinion, concluded that the canon of interpretation, the “presumption against extraterritoriality”, required the Court to interpret the ATS as not having extraterritorial application. This continues a trend in the Court of sceptical review of the extraterritoriality application of U.S. federal law, which started with the Morrison case rejecting the extraterritorial application of the securities laws. *Morrison v. National Australia Bank Ltd.*, 130 S. Ct. 2869 (2010). The majority

reasoned that “nothing in the text” of the ATS “nor.....did the historical background “suggest that Congress intended the ATS to apply extraterritorially, and that, “all the relevant conduct take place outside the United States” At the end of the opinion, the majority left room for some cases to be brought if they had a sufficient connection to the United States, but held that for those claims that do “touch and concern the territory of the United States, they must do so with sufficient force to displace the presumption against extraterritorial application.”

Significantly for multinational corporations, the Court held that because [c]orporations are often present in many countries....it would reach too far to say that mere corporate presence suffices”.

While joining the majority, Justice Kennedy also wrote separately to emphasize his belief that some scenarios could overcome the presumption against extraterritoriality. Justice Kennedy observed that the Court was “careful to leave open a number of significant questions regarding the reach and interpretation of the Alien Tort Statute”, and noted that “[o]ther cases may arise with allegations of serious violation of international law principles protecting persons, cases covered neither by the [Torture Victims protection Act] nor by the reasoning and holding of today’s cases; and in those disputes the proper implementation of the presumption against extraterritorial application may require some further elaboration and explanation”.

Justice Alito also wrote a concurring opinion, joined by justice Thomas, stating that he would apply a stricter bar than the majority, allowing an ATS cause of action only where “domestic conduct is sufficient to violate an international law norm that satisfies Sosa’s requirements of definiteness and acceptance among civilized nation” (referring to *Sosa v. Alvarez-Machain*, 542 U.S. 692 (2004)).

Justice Breyer, joined by Justices Ginsburg, Sotomayor, and Kagan, concurred in the judgement only and challenged the presumption against extraterritoriality as an appropriate

limiting principle for the ATS. However, even the minority rationale would substantially limit suits for conduct occurring outside the United States, as Justice Brayer stated that he would limit jurisdiction to claims where “(1) the alleged tort occurs on American soil, (2) the defendant is an American national, or (3) the defendant’s conduct substantially and adversely affects an important American national interest”. Justice Breyer principally appeared motivated by an interest in not making the United States a “safe harbour” for individuals who commit crimes against the laws of nations.

APPENDIX C

Table 3: Estimated Value of Nigeria's stolen and Shut-in oil production, January 2000–

December 2012

<i>Year</i>	<i>Average price of Bonny Light per Barrel in (USD)</i>	<i>Volume of oil stolen per day (in barrels)</i>	<i>Value of oil stolen per annum (in USD)</i>	<i>Volume of oil shut-in per day (in barrels)</i>	<i>Value of oil shut-in per annum (in USD)</i>	<i>Total Value of oil stolen or shut-in per annum (in USD)</i>
<i>2000</i>	<i>28.49</i>	<i>140,000</i>	<i>1.5 billion</i>	<i>250,000</i>	<i>2.6 billion</i>	<i>4.1 billion</i>
<i>2001</i>	<i>24.50</i>	<i>724,171</i>	<i>1.6 billion</i>	<i>200,000</i>	<i>1.8 billion</i>	<i>8.3 billion</i>
<i>2002</i>	<i>25.15</i>	<i>699,763</i>	<i>6.5 billion</i>	<i>370,000</i>	<i>3.4 billion</i>	<i>9.9 billion</i>
<i>2003</i>	<i>28.76</i>	<i>300,000</i>	<i>3.2 billion</i>	<i>350,000</i>	<i>3.7 billion</i>	<i>6.9 billion</i>
<i>2004</i>	<i>38.27</i>	<i>300,000</i>	<i>4.2 billion</i>	<i>230,000</i>	<i>3.2 billion</i>	<i>6.4 billion</i>
<i>2005</i>	<i>55.67</i>	<i>250,000</i>	<i>5.1 billion</i>	<i>180,000</i>	<i>3.7 billion</i>	<i>8.8 billion</i>
<i>2006</i>	<i>66.84</i>	<i>100,000</i>	<i>2.4 billion</i>	<i>600,000</i>	<i>14.6 billion</i>	<i>17.0 billion</i>
<i>2007</i>	<i>75.14</i>	<i>100,000</i>	<i>2.7 billion</i>	<i>600,000</i>	<i>16.5 billion</i>	<i>19.2 billion</i>
<i>2008</i>	<i>115.81</i>	<i>150,000</i>	<i>6.3 billion</i>	<i>650,000</i>	<i>27.5 billion</i>	<i>33.8 billion</i>
<i>2009</i>	<i>90.88</i>	<i>250,000</i>	<i>9.8 billion</i>	<i>150,000</i>	<i>13.5 billion</i>	<i>23.3 billion</i>
<i>2010</i>	<i>80.00</i>	<i>300,000</i>	<i>2.8 billion</i>	<i>100,000</i>	<i>9.6 billion</i>	<i>12.4 billion</i>
<i>2011</i>	<i>85.00</i>	<i>220,000</i>	<i>2.2 billion</i>	<i>200,00</i>	<i>20.4 billion</i>	<i>22.6 billion</i>
<i>2012</i>	<i>100.00</i>	<i>350,000</i>	<i>4.2 billion</i>	<i>170,000</i>	<i>20.4 billion</i>	<i>24.6 billion</i>

Source: Coventry Cathedral, *The Potential for Peace and Reconciliation in the Niger Delta* (Coventry, UK: ICR, February 8, 2012), 159; Peace and Security Secretariat, "Niger Delta Peace and Security Strategy Background Papers" (Unpublished paper, Port-Harcourt, 2012), 25; and author's estimates based on these two Reports.

Also United Institute of Peace, *Special Report: Blood and Oil in the Niger Delta August 2012*

Appendix D: Document 68, In closure in Document 66: Regulations for the Constitution of the Governing Council to manage the local Affairs of Brass-Oil River Protectorate—Source: *British Documents on Foreign Affairs, Volume 21. The Niger and Oil Rivers, Series G 1860-1896.*

President: Her Majesty's Consul for the Bight of Benin and Biafra.

Vice-President: Charles James Townsend.

Clerk of the Council: William E. Jinks.

Other Members: Charles De Cardi, Alfred A. Whitehouse, James Cockbum, John H. Swainson, Thomas J. Davis, Rev. James Alfred Robinson, M.A., Archdeacon Crowther, Chief Kema, Chief Sambo, Chief Cameroons, Chief Smoke, and Chief Dogo.

1. This Council will be called "The Governing Council of Brass".
2. The powers of the Council will be limited to the carrying out of Consular orders, the preservation of peace, the maintenance of highways and means of communication, the regulation of commerce, and the hearing in Court of minor civil actions and criminal charges.
3. No fines can be inflicted by the Council which exceeds £5. In value, nor any term of imprisonment beyond one week, nor corporal punishment to a greater extent than twelve lashes. In the event of any case being brought the Council wherein, after conviction, it appears to the majority of the members that a penalty exceeding those already mentioned should be inflicted, the case must first be

submitted to Her Majesty's Consul, and only after obtaining his written sanction will the council be enabled to award and carry out the increased penalty.

4. Appeal from the decisions of the Council may be made to Her Majesty's Consular Courts, Old Calabar, under the following:
 1. The appeal must be made to Her Majesty's Consular Court not less than fifteen days after the decision upon which the conviction or order was forwarded.
 2. The appellant must, within seven days after such decision, serve on the other party and on the Clerk of the Council notice in writing of his intention to appeal, and of the general grounds of such of appeal.
 3. The appellant must, when giving the notice of appeal as above directed, deposit with the Governing Council the full amount of such fines and costs as the Council may have sentenced him to pay, and he must further enter into such recognizances as Her Majesty's Consular Court may direct, pending the hearing of such appeal.
 4. When the appellant is in custody, the Council, should it think fit, may release him on his entering into such recognizance or giving such security as may appear adequate to insure his presenting himself for the hearing of the appeal. At the same time, the Council may, at its own discretion, direct the appellant to be held in custody until the appeal has been heard in Her Majesty's Consular Court.
 5. The Council is authorized to stop and detain any merchant-vessel entering the water of the British Protectorate of the Oil Rivers when any member of her crew is suspected or convicted of having infringed the order of the 20th October, 1887, prohibiting the importation, sale, or purchase of machine-guns, cannon, breech-loading guns, bullet-cartridges, & c., and the Council shall be empowered to seize

and confiscate all arms imported contrary to this order; but the Council shall release such vessel if the person or persons charged with the misdemeanour are surrendered to the custody of the Council, or enter into recognizances to the amount of 500l, and to appear before Her Majesty's Consular Court to answer to the charge. When the person charged is the master or owner of the vessel, this latter must also be detained pending the hearing of the charge. The Council is also empowered to deal in the same way with persons suspected of exporting slaves.

6. The verdicts and decisions of the Council shall go by majority of votes; the President or, in his absence, the Vice-President to have the casting vote
7. Three members will constitute a quorum
8. Half of the entire amount of "comey" collected in the river will be granted to the Council, together with all Court fees and fines for expenditure in the interests of the country.
9. The costs of hearing cases in Court by the Council are not to exceed the rate of 30 pence per-day. This does not include the costs of summons, which are 4 pence each.
10. Cases brought before the Council wherein British subjects solely are concerned must be tried by such members of the Council only as are British subjects.
11. No cases in which natives or native interests are involved is to be tried or decided by the Council without due notice having been sent to the native members of the Council, so that an opportunity may be given them to attend. If they absent themselves from the meeting of the Council after receiving this notice (which, in case of those members living in Nimbe, must be sent at least three days before

the date of the meeting), they can raise no after objection to the decision or verdict of the Council which has been given in their absence.

12. At the expiration of every quarter the Clerk of the Council must forward to the Consul for his inspection and sanction an exact account of the receipts (fine, fees, & c.) and expenditure of the Council during the past quarter. He must further send an abstract of the Court books, showing what business has been done during the said quarter by the Governing Council. In cases where the Council considers that a greater penalty should be inflicted than it is in the power of the Council to award (*vide* Regulation 3), the Clerk of the Council must furnish the Consul with a full Report of the said case.
13. The remuneration of the Clerk of the Council is at present fixed at £25 a year, payable quarterly by the Consul out of that proportion of the "comey" allotted to the Governing Council.
14. The council will meet once a week to transact business. The day and the place of meeting will be settled in accordance with the convenience of the majority of members.

(Signed) H.H. JOHNSON, *Acting Consul*

Appendix E:

(a) Agreement between Consul John Beecroft and Daire (Governor) and other Itsekiri Chiefs 4 April 1851 * *Source: British Documents on Foreign Affairs: F.O. 5/7/195

At a conference held this day, the 4th of April 1851, on board Her Majesty's Steamer 'Jackal', present John Beecroft Esqr Her Britannic Majesty's consul for the Bights of Benin and Biafra, Lieut. Commander Bedinfeld, Her Majesty's Steamer, 'Jackal', Lieutenant Lombard..... Mr. Pendleberry, Agent for Messrs Horsfall & Sons, W. Day, Harrison & Co., W. Stowe, Reuben Hemminway Esqr, and Mr Briden Demean Bibb, Jerry of Jacqua, the Chief duly elected, with Jubaffaa and the principals of their town, Odessa of Yellow Town, Offalico of Fish Town and Tomah of Ullibah, the following laws and regulations were made and enacted.

Article 1

That the Chief of the River Benin with the Chiefs and people of the above mentioned Towns, pledge themselves that no British subject from this date shall be detained on shore or molested in any way under any pretence whatever, and if they (the Chiefs and people as above mentioned) do so they will incur the displeasure of Her Majesty, the Queen of England, and be declared enemies of Great Britain, and on such a complaint being made a Man of War will immediately come to Benin River and protect British subjects and Property.

Article 2

That in case of any misunderstanding between the Residents Agents Supercargoes and Masters of any of the vessel shall be at full liberty to go on shore free of molestation, and will with the chief and Gentlemen of the River Benin peacefully settle any dispute between the Parties.

Articles 3

That upon the arrival of any British merchant vessel off or in this River for the purpose of trading therein, the Agent or supercargoes of such vessels shall upon the sending of five Pawns per register tonnage to the Chief or person authorised to receive such custom, or comey, be allowed the privilege of trading without further molestation, the comey or custom to consist for a fair assortment of the goods

usually brought out for trade viz Guns, Powder, Cloth, Cowries, Rum, Tobacco, Salt, Beads, Caps, Knives, Iron Bars, Earthenware, etc.

Article 4

The Comey or Custom, to be tendered on the ship's arrival, or as soon as convenient, and if not accepted by the Chief such vessel shall be at liberty to commerce trade. This however does not exempt such ships from paying the usual custom or comey if subsequently demanded.

Article 5

That if at any time any Agents or Supercargoes of any ship or vessel (after having paid or tendered the usual comey or customs for the Privileges of Trading) can prove that the trade of his ship has been stopped whether directly or indirectly upon any pretence whatever the Chiefs is to be held responsible for such stoppage and pay one Puncheon of saleable Palm Oil per dim per 100 tons Register to said ship as compensation for the loss incurred, the said oil to be paid within 7 days, after such stoppage shall have been made and continue to pay the same as long as the trade of any such ship is stopped.

Article 6

That after the custom or comey has been paid, or tendered, to the Chief every Trader shall be allowed to trade in his own name, and neither the chief or any other trader is entitled to exact other customs, comey or pay whatever.

Article 7

That the Chief shall not, nor shall he permit any of his principals or chiefs or rather Tribes of the different towns or villages to demand or enforce any trust from any of the Residents Agents or Supercargoes of any ship or ships upon any pretence whatever.

Article 8

Whereas several boats have been plundered, amid lives sacrificed, it is deemed just and right, that all such aggressions, and depredations, committed upon British Subjects and Property crossing the Bar or otherwise within the limits of the Chief of the River Benin dominions shall be satisfactorily adjusted by the said Chief.

Article 9

And further be it enacted that any breach of any article of this Treaty shall be punished by the party or parties being guilty of the same, paying ten puncheons of saleable Palm oil.

Article 10

Should any person take any trust from any Residents Agent or super-cargo of any vessel and be unable to pay his debts his house and property to be forfeited and sold by order of the Chief of the River Benin. The proceeds of the sale to go to the liquidation of the debts and that he be no longer allowed to trade. The Agent or supercargo of any vessel trading with him after his name has been published by the Crier to be liable to the penalty of Five Puncheons of Palm Oil. After the debtor has paid his debt he shall again be allowed to trade.

Given under our hands on board HM Steamer 'Jackal' River Benin 4th day of April, 1851.

(Signed) John Beecroft, Her Britannic Majesty's Consul of

Bights Benin & Biafra

Lt. Commander Bedinfeld, HM Steamer 'Jackal'

Mr. Pendleberry, Agent for Messers Horsfalls & Sons

[There followed the marks and Witness of the above signatures:

Jerry Idiare, Moodawaa, Jubuffaa (Idibofun), Anne, Alluma (Olumu), Adeliwa, Abomay, Odessa, Bogie, Obeadee, Ephia, Allya, Ogre, Chichee, Achelo, Juatao, Amma, Nunezwaree, Abasshamunee, Amatiamma,

Abejokoo, Fomma, Greggie, Affaliwo, Tomah, Captain Black, Datchee, Epioha, Margoogamee,
Munaawaree, Unao, Liverpool, Ogorice, Mahamaa.]

(b) Treaty with Chiefs of Itsekiriland, 1884. Source: British Document on Foreign Affairs, Vol. 19 West Africa Diplomacy of Imperialism 1880-1895, FO. 93/6/1

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, & c., and the Chiefs of Jakri being desirous of maintaining and strengthening the relations of peace and friendship which have for so long existed between them;

Her Britannic Majesty has named and appointed E.H. Hewett, Esq., Her Consul General for the Bights of Benin and Biafra, to conclude a Treaty for this Purpose.

The said E.H. Hewett, Esq. and the said Chiefs of Jakri have agreed upon and concluded the following Articles:

Articles 1

Her Majesty the Queen of Great Britain and Ireland, & C, in compliance with the request of the Chiefs, and people of Jakri, hereby undertakes to extend to them, and to the territory under their authority and jurisdiction, Her gracious favour and protection.

Article 2

The Chiefs of Jakri agree and promise to refrain from entering into any correspondence, Agreement, or Treaty with any foreign nation or Power, except with the knowledge and sanction of Her Britannic Majesty's Government.

Articles 3

It is agreed that full and exclusive jurisdiction, civil and criminal, over British subjects and their property in the territory of Jakri is reserved to Her Britannic Majesty, to be exercised by such Consular or other officers as Her Majesty shall appoint for that purpose.

The same jurisdiction is likewise reserved to Her Majesty in the said territory of Jakri over foreign subjects enjoying British protection, who shall be deemed to be included in the expression 'British Subject' throughout this Treaty.

Article 4

All disputes between the Chiefs of Jakri, or between them and British or foreign traders, or between the aforesaid Kings and Chiefs and neighbouring tribes, which cannot be settled amicably between the two parties, shall be submitted to the British Consular or other officers appointed by Her Britannic Majesty to exercise jurisdiction in Jakri territories for arbitration and decision, or for arrangement.

Article 5

The Chiefs of Jakri hereby engage to assist the British Consular or other officers in the execution of such duties as may be assigned to them; and, further, to act upon their advice in matters relating to the administration of justice, the development of the resources of the country, the interests of commerce, or in any other matter in relation to peace, order, and good government, and the general progress of civilization.

Article 6

The subject and citizens of all countries may freely carry on trade in every part of the territories of the Kings and Chiefs parties hereto, and may have houses and factories therein.

Article 7

All ministers of the Christian religion shall be permitted to reside and exercise their calling within the territories of the aforesaid Kings and Chiefs, who hereby guarantee to them full protection.

All forms of religious worship and religious ordinances may be exercise within the territories of the aforesaid Kings and Chiefs, and no hindrance shall be offered thereto.

Article 8

If any vessel should be wracked within Jakri territories, the Chiefs will give them all the assistance in their power, will secure them from plunder, and also recover and deliver to the owners or agents all the property which can be saved.

If there are no such owners or agents on the spot, then the said property shall be delivered to the British Consular or other officer.

The Chiefs further engage to do all in their power to protect the persons and property of the officers, crew, and others on board such wracked vessels.

All claim for salvage dues in such cases shall, if disputed, be referred to the British Consular or other officer for arbitration and decision.

Article 9

This Treaty shall come into operation, so far as many be practicable, from the date of its signature, except as regards Article 6 and 7 which are to be left for negotiation on a future occasion.

Done is duplicate on board H.B.M.S. 'Flirt' anchored in Benin River this sixteenth day of July, 1884.

(Signed) Edward Hyde Hewett.

[There followed the marks of:

Nanna (Governor), Chanomie (Tsanomi), Dudu, Numa, Ogree, Fragonie, Nafomie, Etchie, Mudwa, Brigby, Awalla, Peggy.]

Witness to above signatures:

(Signed) Theo. Hilliards

Chairman of Court of Equity.

Appendix F: Confidential Interview with a Militant Commander in Yenagoa, Bayelsa State

*Date and Venue: River Nun Creek Jetty 25th September 2013—
17:30pm*

[It's of great honour in welcoming you to this interview. If any question is not clear to you, please you are allowed to request a repeat of any particular question without hesitation. For your information in granting me your consent, your answers will not be recorded but coded or written down in the process of the interview. Therefore, you are permitted to raise any objection you are not happy with]

Purpose of this Interview: To know what is responsible as a driver for the struggle to control Natural Resources in the Niger Delta- militant perspective.

Q1: What do you think is the main driver for the struggle to control oil and gas wealth in the Niger Delta?

Answer: The main cause of our struggle is poverty, unemployment and the destruction of our livelihood. All these are linked to a rising consciousness of the life styles of politicians in Abuja and the military Generals squandering our oil money like their personal empire. People from the region are increasingly looking outside and seeing what they have been excluded from. "You have the youths who have the future in their hands, and they are also travelling out to other parts of the

country. After seeing how our money have developed Abuja (FCT) and other parts of the country.....the youths can't bear it no more again. People from far off are benefiting from our resources. I think these are the main reasons.

Q2: Where do you get your arms from in fighting the Joint Military Task Force stationed in your area of control?

Answer: In fact, we are saturated with weapons. We don't have any problem with supply at all. We have AK47s, rifles, light and heavy machine guns, and even four rocket-propelled grenade launchers. Some of these are bought, while the other we seized them from government JTF armies. Also, we don't respect borders and we can cross to neighbouring Cameroon to buy arms and weapons dealers are ready to supply us from Iraq, Afghanistan, Yemen and Libya.

Q3: So, where the militants get the money to buy the arms?

Answer: A laugh and smile and he think for a time, as though weighing up how to answer the question. And he replied, "I hope you won't tell anyone", and I said No! And he said, we tap oil from the pipelines to sell on the black market. It's our God's given resources, why should people in Abuja steal it and it's in our land?

Q4: But is that enough to buy such massive weapons and arms?

Answer: Well, our target a week is 200,000 barrels. At least we have about

five badges in korokorose that delivered to our customer but now we are reduced to three because of Navy patrol. We are always monitoring the energy market, if the price is \$110, we offer a quarter of that and business is booming, No complain! We sell at about \$30. Also we refined the ones that we are unable to sell. Don't forget all the Nigerian refineries are producing below capacity. At present, we refined 20% of the domestic market and the people are happy with that. That's why the government supposed to give us a licence than chasing us from pillars to post.

Q5: Do militant group have any link or collaboration with politicians or security forces in running this black market oil business?

Answer: No! And I don't have any knowledge of any militant group collaborating with security forces or politicians in pipelines tapping. But, what happen is that, when we are arrested, we call those politicians we helped in winning elections to protect us and bail us from prisons; and we will also pay them back when the elections comes. They can't do without us and we can't do without them. Sometimes, the security forces and oil company's staffs are corrupt; and we also bribe them to set us free with the guarantee that we will protect their pipelines from other groups. So, it's a win, win affairs to my knowledge.

Q6: Do u think if the Federal Government increases revenue allocations to the Niger Delta states will reduce "illegal bunkering" and militancy in the region?

Answer: No! Because as I told you earlier politicians, police, oil companies staffs and NNPC are so corrupt that increase revenue will not trickle down to ordinary people. On average every militia person make N400, 00.00 per months. That's why we can't leave the oil business; and no equity participation by local people. Politicians are stealing our oil money to marry multiple wives, buy Jeeps and build houses. When they stopped doing that, then we stop tapping pipelines because there is no different between what politicians are doing and what we are doing. If you call it criminal activities is up to you.

Q7: Do you support the kidnapping of foreign expatriates for ransom payment?

Answer? Yes! I fully support it because the oil companies are always aiding the security forces to crackdown on us and supplying arms like helicopters gunship, Gunboats and rocket launcher to attach our bases. Therefore, those foreign oil workers are our target too. We don't care about what CNN will say about Niger Delta for kidnapping and ransom payment. After all, since 1950s, foreign oil companies have been stealing our oil and gas to develop their country and we don't have any public infrastructure like hospitals, schools, road and electricity. If they want to trade with us, they should be friendly with us and pay their taxes for our industrialization too.

Appendix G: ESTABLISHMENT OF THE MINISTRY

Source: NDDC, MND, Minister's Office and Fieldwork Documentation, October 2013

- In order to address the challenges and fast track development in the Region, the Ministry of Niger Delta Affairs was created in September 2008 and commenced operation in April, 2009.
- It also has the responsibility to coordinate the activities of Agencies, Communities, Donors and other Stakeholders involved in the development of the Region. The essence of this paper is to take an over view of development activities of the Ministry in line with its mandate.

FUNCTIONS OF THE MINISTRY

The functions of the Ministry are as follows:

- Oversee the implementation of Government Policies on the development and Security of the Niger Delta;
- Coordinate the formulation of the development plan for the Region;
- Formulate Policies and Programmes for Youth mobilization and empowerment in the Niger Delta;
- Facilitate Private sector involvement in the Region;
- Liaise with oil companies in the Region, to ensure environmental protection and pollution control;
- Organize human capacity development as well as skills acquisition programmes for the Youths;
- Take adequate measures to ensure peace, stability and security with a view to enhancing the economic potentials of the Region;
- Supervise the activities of the Niger Delta Development Commission (NDDC).

DEVELOPMENT ACTIVITIES BEING CARRIED OUT BY THE MINISTRY

In line with its mandate, the Ministry is engaged in carrying out the following activities in the Niger Delta Region:

- Maintenance of Peace and Security;
- Road Construction;
- Skill Acquisition Training (Non- Militants) and establishment of Skills Acquisition Centres;
- Water Supply;
- Electrification Scheme;
- Housing Scheme;
- Environmental protection and remediation projects; and
- Agricultural and Industrial Development projects;

MAINTENANCE OF PEACE AND SECURITY

- The security of the Niger Delta Region has really improved since the inception of the present administration as the Ministry of Niger Delta Affairs had intervened significantly through routinely organized security and consultative meetings to sustain peace and security in the Region.

This has resulted in an increase in oil production from the pre- Amnesty level of about 700, 000 Barrel per Day (BPD) to the current level of about 2.5M Barrel Per Day (BPD).

- The goal and outcomes of the Niger Delta Action plan have been designed to tackle two key underlying causes of conflict in the Niger Delta; poor living standards and slow economic development consolidating and sustaining peace can also be promoted through direct and targeted initiatives. They include expanded general education and knowledge, strengthened community peace building institutions, and increased capacity to managed environmental impacts that often lead to conflict.

ROAD CONSTRUCTION

- Prior to the establishment of the Ministry of Niger Delta Affairs there was pervasive underdevelopment and infrastructure decay in the Region. However, with the development strides and efforts of the Ministry there has been a visible improvement in the provision of infrastructures in the Region in terms of road construction and other facilities. Construction and rehabilitation of roads is currently being embarked upon to enhance the movement of people, goods and services within the Region. Some of the road construction projects are as follows:

i. East – West Road

The East – West road is a dual carriage way with a total length of 338km and 42 numbers bridges under construction to link Warri, Ughelli and Patani in Delta State to Eket and Oron in Akwa- Ibom State through Kiama in Bayelsa State, Mbiama, Ahoada, Port Harcourt and Ogoni Land in Rivers State.

The East – West Road project which was awarded in four sections to three (3) different contractors was initially scheduled for completion by end of 2009 but due to inadequate funding the project has now been rescheduled for completion by December, 2014.

The project which was inherited from the federal Ministry of Works at below 10% completion level was without detailed design/financial plan, has now attained over 53% completion with detailed design/financial plan.

ii. Re-construction of Elele – Owerri Road (Rivers – Imo State) 39. 10%.

iii. Obehie – Azumini – Ukanafun Road (Abia – Akwa Ibom States) sections 1 & 2 – 34.98%.

iv. Rehabilitation of Okpuala – Iguruta Road (Imo – Rivers States) Phase 1 – 33.10%.

v. Reconstruction of Benin – Abraka Road (Edo – Delta States) phase 1 – 46.10%.

vi. Construction of Orhorhor – Odorubuo Kpakama – Bomadi Road (Delta/Bayelsa/Rivers States) phase 1 – 23%.

- vii. Gberegolor – Ogriagbene Road (Delta State) 32%.
- viii. Construction of Obehie – Akwete – Etinan Road (Abia/Akwa Ibom States) Sections 1 & 2 27%.
- ix. Construction of Okputuite – Mbato junction – Orié market – Lomara Road in Abia State- 13.11%.
- x. Construction of Alode Onne (oil & gas free zone) – Afam – Oyigbo – Imo River Bridge (Aba – Pot Harcourt Expressway) – 8.10%
- xi. Construction of Emakalakala – Akipelai Road in Bayelsa State – 11.00%.

SKILL ACQUISITION TRAINING (NON-MILITANTS) AND ESTABLISHMENT OF SKILLS ACQUISITION CENTRES

The Ministry has embarked on the construction of Skills Acquisition centres in the nine (9) States of the Region which are at various stages of completion. This is aimed at training youths in the various sectors of the economy including oil & gas, tourism, construction, marine and Agriculture/commerce.

In line with this objective, 701 non- militant youths have been trained locally and overseas – 314 in oil & gas, 270 in Maritime, 90 in Agriculture.

The Ministry has also contacted some major companies in the oil & gas sector for either permanent employment or on industrial attachment basis. The Nigeria Maritime Administration and Safety Agency (NIMASA) has been contacted to place all the youths trained in Maritime studies on industrial attachment on board sea-going vessels.

There is also a Niger Delta collaborative Development framework (NDCDF), a comprehensive and coherent programme investment in the social and public sectors of the various communities of the Niger Delta.

All these efforts are aimed at reducing unemployment especially among the youths. The locations of the skills Acquisition centre are as follows:

Table 6.6

S/N	STATES	LOCATION	LOCAL GOVT. AREA	TRAINING CENTRE
1.	Abia	Owazza	Ukwa West	Commerce
2.	Akwa-Ibom	Iwoachang-Ibenu	Ibenu	Oil & Gas
3.	Bayelsa	Otuoke	Ogbia	Oil & Gas
4.	Cross Rivers	Ikot Nakanda	Akpabuyo	Tourism & Entertainment
5.	Delta	Tuomo	Burutu	Oil & Gas
6.	Edo	Iguelaba	Orhionmwon	Dredging and Maritime
7.	Imo	Egbema	Ohaji	Commerce
8.	Ondo	Agadagba-Obon	Ese - odo	Agriculture
9.	Rivers	Elele	Ikwere	Oil & Gas

WATER SUPPLY

The Ministry has embarked on water project for the provision of portable water supply in four communities. They are as follows:

- i. Owerri urban, Imo State;
- ii. Idoro – Eaten – Itam, Akwa Ibom State;
- iii. Ukparamo, Ondo State;
- iv. Ubang, Utanga, Cross Rivers State.

Each of these water projects is designed to serve several communities in the various States and they are at various stages of completion. However, considering the geographical terrain of the Region and the need for portable water supply, there is still a lot more to be done to ensure that clean potable water is made available for all the people of the Region.

ELECTRIFICATION SCHEME

In line with its mandate to fast track infrastructure development in the Region, the Ministry has embarked on four (4) electrification projects aimed at providing electricity for the people of the Region.

The projects are as follows:

- i. Electrification projects in Khana Local Government Area, Rivers State at 80% completion.

- ii. Electrification project in Eleme, Rivers State at 75% completion.
- iii. Electrification project at Erei, Cross Rivers State at 80% completion.
- iv. Electrification project in peremabiri - Ogbokiri, Bayelsa State at 40%.

When completed, these projects would provide electricity supply to several communities in the area. However, it is still grossly inadequate and a far cry from the electricity requirement in the rural communities of the Region.

HOUSING SCHEME PROJECTS

In order to reduce the housing shortage in the region and to provide affordable houses to the people of the region, the Ministry is constructing a total number of 360 (Three Hundred and Sixty) housing units across the nine (9) States which are at various stages of completion.

ENVIRONMENTAL PROTECTION AND REMEDIATION PROJECTS

Oil exploration and exploitation activities by oil companies in the Niger Delta Region has impacted the environment adversely and has seriously affected the sources of livelihood of the people in the area.

Also, natural phenomenon or disaster such as erosion has seriously depleted the land in some areas. In order to address these challenges, the Ministry has embarked on several projects to achieve environmental remediation, reclamation and rehabilitation in some of the affected communities in the Region. Some of the projects are as follows:

Canalization Projects

- i. Canalization/River training of Foupolo – Bulou Ndaro Creek, Burutu Local Government Area, Delta State. 40%
- ii. Canalization of Odoubou – Boloutou Creek, Ogbobagbene Burutu Local Government Area, Delta State. 65%
- iii. Canalization at Bateruren – Tselu – Utamoyibo Creek, Warri South West Local Government Area, Delta State. 25%

Shoreline Protection and Land Reclamation Projects

- i. Land Reclamation and Shoreline Protection in Kurutie, Gbaramatu Clan, Delta State. 80%
- ii. Land Reclamation/Shoreline Protection at Ogbobagbene, Burutu Local Government Area, Delta State. 18%

Erosion Control and Land Reclamation Projects

- i. Land Reclamation/ Erosion Control at Igbontor/Igbanke & Oyomo/Oklelen – Awo Road, Uromi, Edo State. 97%
- ii. Land Reclamation and Erosion Control at Ibakang Nsit – Ikot Ekpo – Unyehe Road, Nsit Attai Local Government Area, and Akwa Ibom State. 75%

Remediation and Rehabilitation of Oil Impact Site Projects

- i. Remediation, Rehabilitation and restoration of oil impacted site at Stubbs Creek, Eket, and Akwa- Ibom State. 26%

AGRICULTURE AND INDUSTRIAL DEVELOPMENT PROGRAMMES

The Ministry has taken steps to embark on fish production in the region using the Israel model with a view to re-establishing fishing which is the main tradition occupation of the people, which had been eroded due to negative impact of oil and other industrial activities on the aquatic ecosystem in the Region.

Also, the Ministry has carried out studies to establish integrated farm centre in the Region. The Songhai Centre is a successful story that the Ministry is embarking on the replicate across the Niger Delta Region. It is an integrated farm system whereby wastes in a farm enterprise become raw materials in another enterprise. This will create a lot of jobs for the youth, enhance economic empowerment and boost the economy of the Region and the Country.

It will also provide a platform for diversification of the economy of the Region from Oil & Gas to Agriculture. The Ministry is also embarking on the establishment of industrial parks in the Niger Delta Region. When established the industrial parks will house about 5,000 Small and Medium Enterprises that manufacture and produce goods and services in over 100 different sectors/areas of the economy. The success stories of the Ostim Organized Industrial Parks in Ankara, Turkey are to be replicated in all the nine (9) States of the Region. A memorandum of

understanding (MOU) has already been signed between the Ministry and Ostim of Turkey for the establishment of the Industrial Parks in the Region.

This, no doubt will revolutionize the economy of the Region as most of the youths who have already acquired some skills through training will be gainfully employed in the Industrial Parks.

THE NEED FOR “QUICK WIN” PROJECTS

Most of the projects being embarked upon by the Ministry are medium and long term projects which span over some years. This explains partly why from inception to date, the Ministry has not commissioned and delivered projects to the people coupled with inadequate funding.

In this regards, there is need for the Ministry to embark on short term “quick win” projects that will impact positively on the lives of the people in the Region.

CHALLENGES

Some of the challenges faced by the Ministry in its effort to deliver on its mandate are as follows:

- i. Grossly inadequate budgetary allocation and release have hindered timely execution of developmental projects;
- ii. The terrain in most parts of the Region constitutes a great challenge for infrastructural development;
- iii. In spite of reduced youth restiveness and insecurity in the Region, there are still cases of intermittent disruption of projects by the youth, excessive demands on contractors by communities and individuals and occasional incidence of kidnapping.

RECOMMENDATIONS

- It is hoped that the funding of the Ministry’s projects would be significantly increased. However, in view of the increasingly competing demands for the Nations resources, it

is recommended that the Policy of Public Private Partnership (PPP) in the implementation of projects be seriously explored.

- It is also recommended that the ministry consider the implementation of more short term quick-win projects that would impact positively on the lives of the people of the area. Examples of such programmes are: Water Supply (Bore-Hole) Projects, Rural Electrification Projects, Building and equipping the Clinics or Medical Centres in various Communities etc.
- The establishment of the National Council of Niger Delta Affairs is a right step in the right direction. However, it is recommended that it should be a jamboree for everybody from the Region. Rather it should be a result oriented forum where carefully selected experts and personalities assemble to formulate workable Policies aimed at fast tracking the development of the Region.
- Pursuant to the instrument establishing the Ministry of Niger Delta Affairs, which places on it the responsibility to coordinate the activities of Agencies, Communities, Donors and other Stakeholders involved in the development of the Region, efforts should be sustained to ensure that the Niger Delta Development Commission (NDDC) is supervised by the Ministry.

It is recommended that the Ministry collaborate with the Ecological Fund Office to ensure that Ecological Fund are used to address issues of Erosion Control and remediation in the Region instead of the Ministry's allocation being used for these projects. This will invariably free some funds of the Ministry for other Projects.

Appendix H: Confidential Interview with the Managing Director, Security and Intelligence/Head of security Information, Shell Petroleum Development Limited in Nigeria

[It's of great honour in welcoming you to this interview. If any question is not clear to you, you are allowed to request a repeat of any particular question without hesitation. For your information in granting me your consent, your answers will not be recorded but coded or written down in the process of the interview. Therefore, you are permitted to raise any objection you are not happy with]

Purpose of this Interview: First, is to know and understand the security and violence act associated with the struggle for access to control natural resources in the Niger Delta. Second, is to answer one of the thesis research question, whether the struggle for access to control natural resources increases the likelihood of armed conflict with non-state actors.

Venue: Shell Operational Headquarter Port Harcourt, River State Niger Delta

Date and Time 20th September 2013–16:30pm

Q1: What is the biggest challenge that faces oil & gas companies who are operating in the Niger delta?

Answer: in my opinion the major concern is probably illegal tapping of pipeline for crude oil theft and maritime crime. There are violent militias groups and gangs of criminals in the region that prey on shipping and local commercial boat activity such as fishing boats and oil tankers. The Niger delta is one of the hot spot around the Gulf of Guinea coasts and the attacks can be armed robbery; these are relatively common, although kidnapping of mariners is still occurring.

More recently we've seen the emergence of a group that is hijacking product tankers that are carrying refined petroleum products. They forced the crews to sail them to a location where they carry out ship-to-ship

operations and steal the cargo, which is then sold into markets elsewhere in Africa.

Q2: What others specific challenges do expatriates in the oil & gas industries faces when operating in onshore oil fields?

Answer: That's not so quite so easy to answer; apart from violent crime at sea and on the navigable creeks and rivers, the other most serious concern is probably corruption associated with Port operations in some of the Ports in the region. Another challenge is the inability or unwillingness of security forces to respond to distress calls when militant group attack our stations. Many of the incidents are not officially reported and those that are reported are heavily suppressed. This generates an erroneous impression of the risk levels associated with doing business in the Niger Delta. The risks are actually considerably higher than reported figures would suggest.

Q3: In our own estimates what is the accurate figures? Do you think the figures are skewed before they are reported to the media?

Answer: I know that figures that are officially released by some bodies are low and that's because some operators request that their reports are not propagated. When I compare all the official set of data, which are reported to my office in 2012 was something in the order of 89 events in the Nigerian coast. I'd found approximately 140 attacks in the Niger delta region alone. So, there are significant discrepancies, and of course that gives people a slightly false sense of security of oil and gas infrastructure about doing business here. There is also a problem in that the official figures only really focus on international trade. The reality is that a large number of local commercial oil vessels are also attacked. So, by the same groups-and these statistics are not normally included in the overall risk assessments carried out by the maritime industry. However, if we ignore these attacks we ignore a significant percentage of the activity and, again, get a false impression of a relatively benign environment.

Q4: What is the most unpredicted development of militant activities in the Niger Delta?

Answer: In term of geography, pirate methods and behaviour have been identified over the past two years. The hot spots have not changed much. We have seen a much reduced level of activity off the Bonny River in the Niger Delta since Commander Sotonye Ikiba's group was arrested last November. We did see one of his Lieutenants try to set up a new group early in 2013, he went by the name of Sambo, however that failed very quickly. I think the government security forces got on top of that very quickly.

In terms of behaviour, or the way that they operate, as I mentioned earlier, we've seen an emergence of a group, which is targeting product tankers off the Calabar estuary. They're then hijacking them to an area we think is off Delta State coast in the Niger Delta, where they conduct ship-to-ship operations and steal the cargo. There is one other trend that we've seen emerging in 2013. The distance from shore that some groups are operating has increased. We've seen at least three events where an attack has been mounted against a vessel in excess of 70 nautical miles from shore. I've spoken to a number of people and there's a general consensus of the opinion that

they've learnt from and are emulating the Somali pirates in East Africa. They are doing this and this particular group is operating with Mother Ship with double engine very fast for a getaway in order to achieve those distances.

Q5: How much of a problem is arm smuggling in the Niger Delta?

Answer: There are certainly a lot of arms smuggling going on in the region generally, both in the maritime environment and onshore. Of course, quite large tracts of borders and in some cases, the ports are poorly regulated as well. With regards to this, I think that this is very wide spread in the region and certainly up until the amnesty in the Niger Delta; MEND was shipping weapons in sources. I think what we've seen recently with the detection of a number of containers full of weapons in Lagos port, highlights the problem. It's actually an environment that lends itself to smuggling because corruption is endemics and it's not very difficult to corrupt port officials when they are not paid well, or in some cases at all.

If you look at the border areas between Cameroon and Nigeria, they are very porous. There are very solidly established and traditional smuggling routes through the region with pretty much everything being smuggled through there in one form or another. Weapons were certainly being smuggled in through that route whilst MEND was conducting its operations against the Nigerian government and the oil companies. The Bakassi area is a very porous region.

Q6: How does the militant insurgent impact the local communities and oil & gas business? Are local communities being caught up in this at all?

Answer: The impact of smuggling on these sectors is an area that I don't have a lot of information on. I do know that a lot of local communities are afraid to go about their daily activities like: fishing, farming and water transportation because of the fear that they may be caught in a cross-fire between militias and the Nigerian Military Task force.

In regard to oil companies, as the large offshore footprints in a number of Gulf of Guinea countries expands, for instance in

Ghana. Angola and Equatorial Guinea, the major impact on the oil and gas industry caused by the activities of maritime criminal groups will be in the forms of abduction of personnel and attacks on supply vessels. They have even in the past attacked a tanker during crude lifting operations at Bonny. And on top of that they attack offshore static installation. To give you an example of the impact, when they attacked the Bonga FPSO in June 2008, they forced it to shut down for a number of days. Of course, such activity costs the companies and the state and the losses are measured in millions of dollars per day. So these really are very high impacts events.

Q7: As militias change to piracy as an ever more sophisticated business model, are you concerned that it will spread beyond the areas historically considered high-risk?

Answer: My thought on that are that militants groups in the Niger Delta are following oil companies from onshore to offshore platform like a bee looking for Horney. They exploit opportunities and it needs some kind of manoeuvring space to succeed. What we are seeing is a target-rich

environment with poor regulation and weak law enforcement. We will continue to see militia's attacks on oil infrastructure and I think that maritime criminal's activity has evolved significantly in the last five years and has pretty much filled all of those opportunities. I can't think of anywhere where you will find a lots of shipping and very little regulation in place or security where there is no piracy. So, I think that rather than see a geographical expansion, I think that we might see more sophistication in the way that they conduct their operations. For example, the emergence in the last six months of the group that's currently operating off Cotonou coast and hijacking product tankers is clearly an area for concern. It's a relatively new tactics for the region and it's clearly supported by some powerful actors on shore. They have very good intelligence about which vessels to attack and they've clearly got established

markets in which to sell the stolen cargo. We're talking about large volumes of cargo, so it's not a small operation; and it is sophisticated and very well supported and it has an international dimension as well. This is different and indicates the evolving nature of maritime criminal activity in the region.

Q8: What is your advice to the Nigerian government in solving the Niger Delta question? Do you think giving a large percentage of oil revenue to Niger Delta indigenes will reduce the likelihood of arm conflict?

Answer: This is a question that I am least comfortable answering. I was talking with someone yesterday who is quite authoritative and knowledgeable in this particular area of revenue allocation and we were debating whether government should invest in local

Appendix I: Confidential Interview with the Direction of Housing and Public Infrastructure Development in the Ministry of Niger Delta Affairs in Abuja

Venue: Federal Secretariats, Central Business District Gariki, Federal Capital Territory (FCT) Abuja.

Date and Time: 20th October 2013—5:30pm

[Sir, you are welcome to this interview and if any question is not clear to you, you are allowed to request a repeat of any particular question without hesitation. For your information in granting me your consent, your answers will be coded or written down in the process of this interview. Therefore, you are permitted to raise any objection you are not satisfied with].

Purpose of this interview: First, is to know and understand the environmental and economic issues facing this newly created Ministry. Second, the barriers to public infrastructure development in the Niger Delta; and third, address the issues of ethnicity and land ownership in the region.

Section A: Environment and Economic

Q1: What is your opinion of the environmental policies of the Nigeria government relating to conflict in the Niger Delta Region?

Answer: Environmental policies of the Nigeria government are not enough and adequate to accommodate the needs of the people within the region; and if they are, are not properly implemented and funded.

Q2: Why are they not adequately implemented and funded?

Answer: There are a lot of problem the Federal government faces. First, Oil companies interpret the laws based on international standard, while the government are unable to bridge the gap between local demand and federal regulations. Second, Lack of enforcement by the Ministry of Environment and supervisory roles of oil companies operational areas; and third, rough elements in illegal syphoning of oil from pipelines and lack of monitory system.

Q3: Do you think lack of infrastructural developments, like: roads, hospitals, schools, rural electrification, drinkable water, bridges and public water transport is the major causes of instability in the region?

Answer: Yes! Hence the duty of the Ministry of Niger Delta Affairs and Niger Delta Development Commission (NDDC) is to fast track the infrastructural facilities for development and stability of the region.

Q4: Is the revenue derivative allocation formulae fair to the Niger Delta region? What percentage do you think will be acceptable to the states governments, militants groups and local communities?

Answer: No! 25% percent to state government and 15% to local communities, constitutionally militant groups are no recognised.

Q5: The lives and means of sustainable livelihood in the Niger Delta region are positively or negatively affected by the investment activities of the multinational Corporation. Are you happy with the level of employment, contracts and services given to local people?

Answer: The livelihood of the Niger Delta region is positively affected by degradation of the environment through spillage and gas flare. Also through employment and infrastructural development and the enactment of PIB laws, the services of the local people can be improved.

Q6: Do you think if the federal government make changes to the derivative principle, it would positively impact the lives and livelihood of the Niger Delta Region?

Answer: Yes! It will impact their lives and bring development to the region.

Q7: Do you think that the fiscal policies of the Nigerian government are more helpful to the oil and gas companies than to the native local communities of the Niger Delta Region?

Answer: Yes, the policies are more helpful to the oil and gas companies because the deliverables are not used for development of the local communities.

Q8: Do you think the federal government is aiding oil companies in invading financial compensation to local communities in environmental damage to their land and agricultural crops?

Answer: The only answer I can give you is that, because the fiscal policies and responsibilities are not fully implemented by government, therefore, the issue of compensation are not adequately funded by oil companies due to loopholes in the system. In fact, this have played into the hands of oil companies and compensation are not paid when due.

Section B: Security and Violence Conflict

Q9: What's your opinion on the notion that, "militancy in Niger Delta is leading to the militarization of the region thereby preventing economic development"?

Answer: Militancy hinders and slows down economic development within the region. Foreign partners are afraid to invest and participate in all the major economic development stake-holding in the region due to lack of security for their staffs.

Q10: In your personal estimates, do you think small arms proliferation is the major

causes of violent conflict in the Niger Delta?

Answer: Yes! Our borders are too porous.

Q11: Do you believe that there is collaboration between militant groups and political elites in gaining political power thereby undermining peace?

Answer: No, I don't believe that. Such collaboration is usually based on assumption and instigation of the public.

Q12: In your own opinion do you think "illegal bunkering" is the major cause of oil spillage leading to environmental degradation rather than Oil Company's lack of maintenance of their pipelines?

Answer: It's not. Its lack of maintenance of oil pipelines over the years that have caused oil spillage leading to environmental degradation.

Q13: Do you think that due to lack of public infrastructure and high unemployment in the Niger Delta lead to an increase of criminal activities among the youth movement?

Answer: Yes, because it leads to youth violence in the region that's why the government is setting-up apprenticeship centres to tackle the issues.

Section C: Ethnicity and Ownership of Land

Q14: What do you think is the main driver for the struggle to control natural resources wealth in the Niger Delta?

Answer: Greed and grievances due to neglect of infrastructural development of

the region which over years have been grossly inadequate by successive government.

Q15: What's your opinion on the notion that, "Migration of other ethnic groups to the Niger Delta urban cities in search of employment due to oil and gas exploration in the region has led to overcrowding thereby making the cost of living in the region very high".

Answer: The cost of living has increased due to migration and thus rural centres need to be developed across all communities.

Q16: Do you think if all public infrastructures promised by the Federal Government were provided, like: electricity, good roads, bridges, health care, Housing, Schools and Telecommunications will stop militant agitation for self-determination?

Answer: Yes, it will reduce the militancy problems but not eliminate completely in the region.

Q17: In your personal opinion, do you think compensation for land and environment damage is adequate for the Niger Delta communities?

Answer: It is not adequate, and compensation should be converted for development in the local government areas coordinated with transparency.

Q18: Is ethnicity and land dispute between communities in the Niger Delta hindering progress in economic development?

Answer: Yes, every ethnic group want their interest to be looked upon.

Appendix J: Niger Delta Indigenous Movement for Radical Change (NDIMRC)

Office: Oporoza, Headquarters of Gbaramatu Kingdom, Warri-West L.G.A., Delta State; and Sani Abacha Expressway, Yenogoa, Bayes State, Nigeria

Communique: Opposition by some Northern Governors against Re-Election bid of President Goodluck Jonathan

Source: THISDAY, September 27, 2013

Our group, the Niger Delta Indigenous Movement for Radical change (NDIMRC) is imploring some selfish politicians from the North to forget the Presidency till 2027 and also to make it known clearly to some of the Northern Governors that they cannot stop the re-election bid of President Goodluck Jonathan in 2015.

We will not hesitate to cut oil supply to the North should leaders from the region continue to oppose the re-election of President Jonathan in 2015.

We want some northern leaders to know that we are aware of their game plans with some Governors from the North to frustrate the re-election of President Jonathan in 2015. We want these governors and their co-travellers to take this as a warning that we will resist any attempt by them to stop the President in 2015.

We are not begging these Northern Governors and other selfish leaders from the region to allow the President Jonathan in 2015 is sealed, signed and delivered. Nobody can stop the moving train of the re-election of the President. The plan by a section of the North to use Boko Haram to frustrate President Jonathan has failed hence the enemies of the President are now using some Governors from the North to destabilize the administration of the

President and they will equally fail in this their mission.

We are aware of the desperation of some self-centred politicians from the North take over power in 2015, but they have to wait till 2027. After the tenure of President Jonathan in 2019, power will shift to the East till 2027 and so the North should perish their Presidential ambition till 2027. We are serious about this and that is the way it must be.

And we want to tell our brother, Governor Rotimi Amaechi of River State to be reasonable and support President Jonathan, rather than allowing himself to be used by some selfish Northern politicians to stop the President in 2015.

THE CALL FOR THE SACK OF PETROLEUM MINISTER

We are not going to spare those clamouring for the sack of the Petroleum Minister, Mrs. Deizani Alison Madueke. They are warned to halt their action against the patriotic Petroleum Minister.

The Petroleum Minister is doing a great job for our country and she should be encouraged to do more. But we want to sound a note of warning here that those doing everything to frustrate the Minister

to desist from such act. The Minister is good and the President will continue to retain her even till 2019. The President has been able to carry all parts of the country along.

In the past when those from the North were in-charge, the Petroleum Minister and the Group Managing Director of the NNPC came from the North; but the President who is very transparent has changed all that. If we are pushed too far, we will cut oil supply to the North and ensure that the positions of Petroleum Minister and GMD of NNPC are retained by people from the South-south region because for too long, we have tolerated the insensitive of the North to the plight of the people from the oil-rich Niger Delta region and we are saying enough is enough.

The Petroleum Minister as a good daughter of the Niger Delta region is spending the resources from the oil-rich region prudently in the oil and gas sector, unlike others from the North who are controlling oil blocs of the Niger Delta region and do not know what to do with the money at a time when the people from the region are living in abject poverty.

OIL COMPANIES AND PEOPLE OF NIGER

DELTA REGION

We are not happy with the treatment our people are getting from the oil majors such as Shell Petroleum Development Company (SPDC), Chevron Nigeria Limited (CNL), Nigeria Agip Oil Company (NAOC) and Total Nigeria. We are warning these oil companies who are not employing people from the Niger Delta Region and at the same time not patronizing local contractors to wake up now and do the right thing as we will not hesitate to come to them soon in full force. Therefore, they should promote Niger Delta people who are working but have not been promoted for over six years. They should equally dole out contract to our local contractors.

LONG LIVE NIGER DELTA REGION!

NELLY EMMA: President

JOHN SAILOR: Secretary

STANLEY MUKORO: Public Relations
Officer

Appendix K: NLNG is a huge Blessing to Nigeria

Interview with Mr. Babatunde Omotowa, the Chief Executive officer (CEO) of NLNG and BGT focuses on:

- *How has NLNG immense success rubbed off on Nigeria?*
- *What is his take on some national problem?*
- *Earns \$25 billion from \$2.6 billion investment; and 70% of its earnings go to Nigeria.*
- *Supplies over 70% of cooking Gas in Nigeria market.*

*Source: The Nigerian Guardian
October 12, 2013*

Synopsis: Nigeria is a big country that has not quite lived up to its billing. It has few transnational companies and fewer world-class companies. Anyone that will look at the Nigeria business landscape from the outer space will, but for one or two blips, you will see vast emptiness. One of those blips will be Nigeria LNG limited. The other will be Bonny Gas Transport limited. These are perhaps the only Nigeria companies you can count amongst the first eleven in their respective industries, globally speaking. They are perhaps the only two Nigerian world-class companies. They represent something very unusual in these climes: consistency, seriousness, an uncompromising attitude and work ethic that is daunting, single-minded, and almost perfect. Their main focus is improving/expanding the market—the building blocks of all economies. Together they have done so well as to have given Nigeria over USD \$25 billion over the years and to foreign shareholding—Shell, Total and Agip—fabulous returns on their investment.

In term of net worth, this business in which Nigeria invested less than USD \$3 billion in 1993 has grown to six-train plant worth over USD \$15 billion with 24 ships in its fleet and six new carriers under construction in Samsung and Hyundai dockyards in South Korea. The ships expected to set sail in a few years. In real, NLNG and BGT assets and cumulative earnings have surpassed the asset and earnings of the 189 companies listed on the 53-years oil Nigerian Stock Exchange

with a total capitalisation of USD \$57 billion as at December 2012. It is that big and important to Nigeria's economy and prestige. Those who appreciate its importance to Nigeria's wellbeing moaned in anguish recently when it was blockaded for a dispute over \$140 million levy. In other business climes, the company would still have allowed to go on with its business until the matter has been resolved in courts and fines, if any, paid, if anything, to avoid revenue loss and reputational damage. But this is Nigeria....what happened seemed to be a sad case of a prophet not honoured in its homeland or what the Igbos would describe as the abominable act of killing an acclaimed warrior in a family dispute! But that's a story for another day. Independence anniversary is usually a good time to count a country's blessings and the focus naturally turns on great companies such as the NLNG, which has not only helped the country to put out flares, thus improving the health and environmental conditions of the Niger Delta and monetizing gas resources that were hitherto wasted, but has also (perhaps, even more importantly), single-handedly provided the country with elite manpower comparable with any around the globe.

Q1: You have been the managing Director of Nigeria LNG for almost two years. What are your most important achievements and challenges?

Answer: There were two targets set at the beginning: one was to sustain the excellent performance of NLNG and the other was to move the business to the

next level. We have maintained and even surpassed NLNG's historical success. Last year was a record performance in the history of NLNG, in terms of production, financials and operations. This year, we have continued the same trend, maintaining the fundamentals despite the fact that we have faced significant challenges in terms of gas supply interruptions and the Nigerian Maritime Administration and Safety Agency (NIMASA) incident, both of which will have impact on our year-end result. On moving the business to the next level, we have put a lot of effort into the growth of NLNG, which is Train 7, but we have not moved as far as we had hoped. We are working on it and we remain optimistic. On shipping, we are modernising our fleet by building six new ships which increases capacity by over 10 per cent. We are also making progress in installing a world class culture, evolving our long term strategy as well as refurbishing our plants. On the whole, it has been a fulfilling period.

Q2: NLNG was said to have recorded an unprecedented achievement last year. What in specific terms was achieved?

Answer: We earned \$11.6 billion revenue which is 20 per cent higher than any revenue earnings in the history of the company. Earning before tax was \$5.6 billion, which is another record. So, financially, it was outstanding. This resulted from excellent underlying performance, including production volumes which were unprecedented at 334 LNG cargoes. In terms of plant performance, plant reliability was 97 per cent which is top quartile performance.

Significant commercial success was achieved in moving products from depressed markets to more attractive markets.

Of course, we were building on the shoulders of our predecessors and continuing their previous hard work. Also, we did benefit from the high global oil and gas price. And as an organisation, every part of the company pulled together to achieve these results.

Q3: How has Nigeria benefitted from NLNG success?

Answer: Significantly and in many aspects; firstly, about 70 per cent of our profits in NLNG now go to Nigeria. The Government, through Nigerian National Petroleum Corporation (NNPC), owns 49 per cent shares in the company. Therefore, it gets 49 per cent of our dividend. But Nigeria also gets 30 per cent company income tax that NLNG has started to pay after the end of the tax holiday. You then add other payments NLNG makes like VAT, Education Tax, etc. So, anything that happens to NLNG, 70 per cent of it actually is happening to Nigeria.

NLNG also plays a big role in the society by providing over 70 per cent of the cooking gas in Nigeria. We recently increased our supply to the domestic market by 67 per cent and we have ensured that supply is no longer a problem in Nigeria. We are now working with other stakeholders on how to increase the usage of cooking gas in the households to prevent the health and environmental problems that alternatives

like firewood have. Also, our contributions to the education sector, including the prestigious science and literature prizes, as well as our community development projects, all bear testimony to how NLNG has continued to be a force for good in Nigeria.

Q4: NLNG has been accused of cherry-picking the country's laws in terms of revenue payment. Can you address that?

Answer: NLNG pride itself as a company that strongly complies with the laws. Most of those who make such accusations have not read those laws because when you read them, you will understand the various provisions. For Example, the NLNG Act has several provisions. A section is on the company income tax which gives a ten-year holiday period. Another section is on levies, duties and charges which grants an evergreen waiver. So, it is not a matter of cherry-picking. It is a matter of abiding by the different provisions of the law. There is nothing unusual about this as governments all over the world do grant incentives to attract investors. For example, we have a number of export laws in Nigeria that provides evergreen tax free incentives to companies who operate in free trade zones. I will encourage those accusing NLNG of cherry-picking to go and read exactly what is stated in those laws. Only then will they be able to understand better rather than mix up issues.

Q5: I know NLNG is in court with NIMASA which is at the heart of this dispute? You have listened to their case; what do you

think of their position and your position.
Why is there a gap between the two?

Answer: The government of Nigeria in its wisdom puts various laws through legislation and it is not unusual that some laws may conflict especially with laws being passed over time; some were passed in the 1960s, others in the 1970s and some in the 1990s, amongst several others. Also remember that we have three arms of government: the Executive, the Legislature and the Judiciary. When laws created by the legislature are in conflict, the Judiciary is the best place to resolve such. This is why we have approached the court to resolve what we believe is a conflict in law.

Q6: In the course of your defence during the argument with NIMASA, you said your position was informed by patriotism. In other words, NLNG was protecting the interest of Nigeria vis-à-vis the inflow of foreign direct investment. Could you be more explicit?

Answer: One of the challenges Nigeria faces, with 160 million people, is that we don't have enough money to execute all our developmental needs including power, industries, road, rail, agriculture, etc. Huge investments are needed and the Government has been on a drive to attract foreign investors. Take the Telecommunication industry for instance; we saw how the involvement of foreign investors transformed that sector. But we are in competition with other countries since foreign investments can flow anywhere. Just as the Government is going round looking for it, other countries

are also looking for the same fund. From experience, investors take their funds to where there is clarity, stability, and returns; not necessarily where there is the highest return, but where there is rule of law.

So, for a country like Nigeria that needs hundreds of billions of dollars for development, respecting the rule of law is crucial. Think of this: it is how you treat your first wife that will inform how your second wife will prepare when coming into your house. If the new wife sees that you treated your first wife very badly, then she will ensure that she will not suffer the same fate. It is important for a country in need of investment to treat previous investors in a fair manner; that what we have promised and committed to, we are able to honour; and that where there is need for clarification or change, we work in accordance with the rule of law, otherwise, future foreign investment will either shrink or come at a premium. That is why we were very keen at NLNG that Nigeria was not put in a position not to be able to attract good investments needed for the development of our country.

Q7: Do you think that message was lost on those who ought to know that you were trying to protect the country?

Answer: Issues were quite varied for the several parties involved. For us, it was about the rule of laws. For some, it was about generating more revenue for the country. For others, it was about capacity building of government agencies, etc. However, what was missing was for key

stakeholders to take a step back and look at the bigger picture. Let me give you an example; of the \$140 million we paid as NIMASA levy under protest, 25 per cent goes to the Federal Government, which means \$35 million. The same Government, unfortunately, lost \$560 million revenue due to the blockade from its 70 per cent take from NLNG. To lose \$560 million revenue for a gain of \$35 million is the bigger picture.

Q8: Can you clarify? Who gets the remaining 75 per cent?

Answer: I was made aware by very senior government officials that only 25 per cent of payments to NIMASA go into the Federal Government's coffers. I do not have any information where the rest goes.

Q9: Let's talk about the bigger picture. It would appear that all the benefits Nigeria can get from this kind of investment is not on the table or obvious to everybody. Is that your reading of the situation? How can you get policy makers to understand so that these kinds of issues do not arise?

Answer: As a company, we have followed exactly what the Government put in place for its interest in NLNG. As I earlier mentioned, 70 per cent of what NLNG makes goes to the country. Some of that flows through NNPC and others directly to the Federal Inland Revenue Service, States and Local Governments. We have no opinion on where Government choose to put its returned revenue. If that in itself has created any gaps in terms of how much NLNG is seen to be contributing, we have just followed the Government's

directives. But the facts are there on the significant contributions from NLNG.

Q10: There was a complaint especially from the legislature that NLNG Act tied up its hands; it encroached on the nation's sovereignty. Have you heard about this complaint? Is this something that everybody needs to sit at a table and look at again?

Answer: It is the lack of people taking time to read and understand these laws that makes them utter such uninformed statements. There is no law of a country that ties the hand of that same country or government. That simply defies logic. One of the things stated in the NLNG Act is that in such a review, the parties to which those incentives were given should be consulted, which is in line with the principles of International Bilateral Investment Treaties.

Q11: Does that mean the hands of the Government are tied just because it is consulting people in the process?

Answer: Consultation in a democratic environment is indeed the right thing to do which is why we have public hearings before new laws are passed. But it doesn't stop the Government or legislature from carrying out a review at any point and as such, when done properly, appropriate changes can be made.

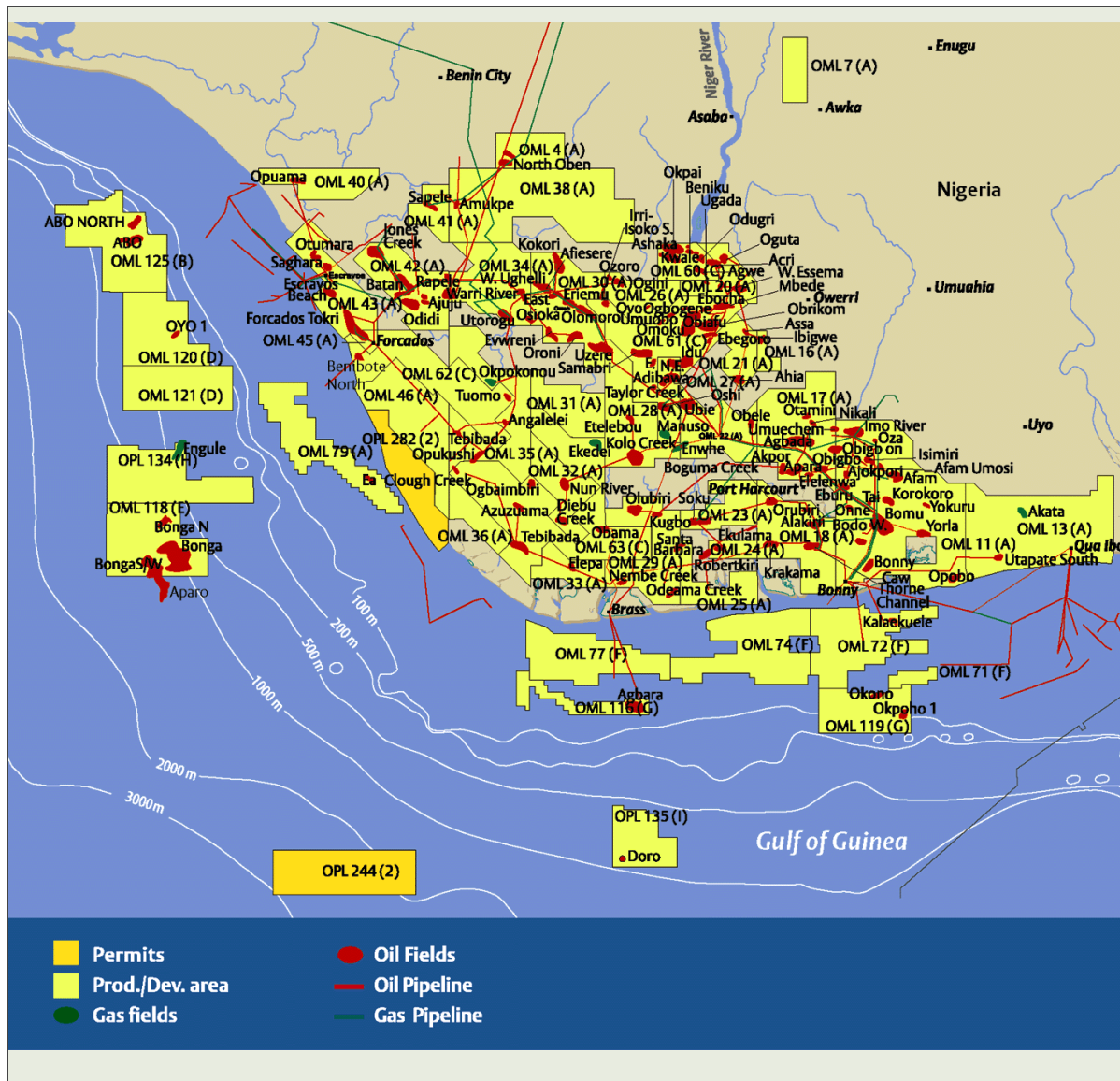
Q12: I thought there are parts that you can't impose additional levies on the company other than the normal run of doing business. Is it a usual act?

Answer: We have several free trade zones backed by laws which give quite a lot of generous incentives to encourage exports, much more than what the NLNG Act does. There is nothing unusual in evergreen incentives. Remember that for more than 30 years, Nigeria tried to get an LNG project without success. It took the NLNG Act to attract the investment and technical know-how to get this project going. The Nigerian Government invested about \$2.6 billion and today, revenues to the country has exceeded more than \$25 billion. So, it is unfortunate to have created such huge reputation problem and financial losses for the country for levies that all comes to less than \$200 million, for a company that the country has already reaped \$25 billion from. These are the bigger pictures we need to keep in view.

Q13: You wear several hats including protecting the interest of the shareholders. Would it be a fair thing for a country that contributed 49 per cent to take 70 per cent?

Answer: This is not unusual. If you look at the joint ventures in the upstream sector in Nigeria, the Government owns about 55 to 65 per cent. The total take of the Government in those ventures is over 80 per cent. It is not different to what occurs in many other countries especially as it is the country that owns the resources. So once the initial investments have been fully recovered and appropriate returns made, and after benefiting from a 10-years tax holidays, it is only fair that some of those incentives like the company income tax holiday fall away and for the country to take a much greater share.

Appendix L: Ownership of Nigeria Indigenous Oil Blocks-Map of Oil Fields in Nigeria



Source: www.nigeriaoilandgasintelligence.com

A breakdown of oil leases granted operators showed that total number of oil Leases (OMLs) in operation by December ending 2012 was 109, while Oil Prospecting Leases (OPLs) stood at 92. The Federal Government had in 2012 set a production target of 2.48 million barrels of per day (mbpd) were expected from the onshore and shallower water terrain, while deep-water concessions accounted for 900,800 bpd, which are currently controlled by the multinational

companies. Of the 2.48 mbpd produced in 2013, the entire production by indigenous companies totalled 276,600 bpd, accounting for about 11 per cent of Nigeria's production.³⁹⁷

A detailed breakdown of indigenous concessions and their directors/shareholders are shown in the table below:

Table 7.1

Indigenous Operators	S/No	Name of Operator	Licence	Year of Award	Director and Shareholders
North-East Petroleum	1	Kommer Complex Ltd	OPL 215. 840 &902	1991	Saleh Jambo as Chairman &Abubakar Jubril as Director
Optimum Petroleum	2	R.D. Adelu	OPL 310	1992	Ibrahim Bunu as Chairman & Yusuf N'jie as Director
Express Petroleum	3	Tajudeen Dantata	OPL 108 & 227	1995	Alhassan Dantata as Chairman & Dalhatu Gwarzo as Director
Dubril Oil Co. Nig.	4	A.E. Ihuegbu	OPL 96	1987	U.J. Itsueli as Chairman & B.N. Itsueli as Director
Amni Int. Petroleum	5	Tunde Afolabi	OPL 112 & 117	1998 &1999	Sanni Bello as Chairman
Atlas Petrol	6	Ikechukwu	OPL 109	1996	Arthur Eze
Consolidated Oil	7	O. Adenuga	OPL103, 458 & 136	1993, 1998 & 2006	Mike Adenuga as Chairman

Source: Department of Petroleum and Natural Resources (DPNR) 2012

³⁹⁷ <http://allafrica.com/stories/201303140160.html?viewwall> (accessed 27/11/13)

Oriental Energy Resources	8	Usman Danburan	OPL 115	1999	Mohammed Inimi as Chairman & Jibril Indimi as Director
Cavendish Petroleum Nig. Ltd	9	Cavendish Petroleum	OPL 110	1996	Mai Deribe as Chairman & Gambo Gubio as Director
Allied Energy Resources Nig. Ltd	10	Allied Energy	OPL 120 & 121	2001	Kase Lawal as Chairman & Mickey Lawal as Director
Peak Petroleum	11	Eni	OPL 122	2001	M.A. Oluokun as Chairman & Adekunle Olumide as Director
Summit Oil Nig.	12	Summit	OPL205 & 206	1990	L.K.O Abiola as Chairman & Radio Comm as Director
Crownwell Petroleum Ltd.	13	Agip	OPL 305 & 306	1993	Sair Kuashi as Chairman & S.K. Adejumo as Director
Famfa Oil Ltd.	14	Famfa	OPL216 (OML 127)	1993	Modupe Alakija as Chairwoman & Folorunso Alakija as Director
Yinka Folawiyo Petroleum Co.	15	Folawiyo	OPL 113	1998	W.I. Folawiyo as Chairman & S.T. Folawiyo as Director
Transcorp	16	Transcorp Oil	OPL281	2011	Femi Otedola as Chairman & Tony Elumelu as Director
South Atlantic	17	SAPETRO	OPL 264 OML 130	1998	T.Y Danjuma as Chairman & Miguel Guerrero as Dir.

Starcrest, Cross River Energy & NPDC	18	NPDC	OPL242	2011	Chris Garuba as Chairman & Emeka Offor as Director
Pan Ocean	19	Pan Ocean	OPL98, 275	1976 & 2007	M.D. Yuduf as Chairman & F.A. Fadeyi as Director
Afren Global Resources	20	Afren	OPL907, 917	2005 & 2008	Rilwan Lukman as Chairman & Osmah Shahenshah as Director
Gas Trans & Power Ltd.	21	Gas Transmission	OPL 905	2005	Babangida Hassan as Chairman & Ahmed Joda as Director
Global Energy Co Ltd.	22	GECL	OPL 135	2005 & 2010	M.A. Koshoni as Chairman & J.N. Obiagio as Director
Niger Delta Western	23	NDW	OPL 34	2012	David Richard as Chairman & P.O. Balogun as Director
Emerald Energy Resources	24	EER	OML 141	2001	Emmanuel Egbogah as Chairman & P.L. Caldwell as Director
Sahara Energy Exploration	25	SIRPEM	OPL284, 228 & 332	2005 & 2006	Buba Lawal as Chairman & Odunsi Ade as Director
MoniPulo	26	Eni	OPL 114, 239, 234 & 231	1999, 2008, 2008 & 2007	Lulu Briggs as Chairman & F.A. Agama as Director
Peak Petroleum	27	Transocean	OPL122	2001	M.A Oluokun as Chairman &

**Adekunle
Olumide, W.
Bolaji, Florence
D. Olukun as
Directors**

Emerald Energy Resources	28	Siapiam	OML141	2001	Emmanuel Egbogah as Chairman & J.O. Amaefule, P.L. Caldwell, A.C. Uzoigwe, Amos Nur, C.N. Chieri, Femi Akingbe, F.A. Njoku as Directors
Enageed Resources Ltd.	29	Nesco	OPL 274	2007	Buba Lawal as Chairman & Cole Tonye, Odunsi Ade as Directors
Seplat Oil and Gas	30	Agip	OPL 4, 38, 41	2010	A.B.C. Orjiako as Chairman & Austin Avuru as Director.
All Bright Consortium	31	Centrica/CCC	OPL 276, 283	2005 & 2006	Jake Mirica as Chairman & John Sheers as Director.
Neconde Petroleum	32	Energiewde	OPL 42	2011	Amesi Azudialu as Chairman & John Umeh, Nnenna Obijesi as Directors
Prime Petroleum	33	Suffolk Petroleum	Asaramaroru (OML 11)	2003	MacPepple Henry as Chairman & MacPepple Joy, MacPepple Emmanuel, MacPepple Elfrida and MacPepple Victoria as Directors.
Mid-Western Oil & Gas	34	Suntrust Oil	Umsadege (OML 56)	2010	Mohammed Waziri as

					Chairman & Igbokwe Ken, Mohammed Abubakar, Afejuku Anthony, Deblin-Green Winston as Directors.
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Source: Department of Petroleum Resources, 2012

Appendix M: Types of armed groups in Nigeria

Form	Ethnic Militias	Confraternities/Cults	Vigilante groups	Criminal gangs
Purpose	Aims are to redress grievances and injustices and protect and defend the rights of the ethnic group	Self-enrichment and defending territory	Provide security to communities; provide law & order services in areas where police presence is minimal; provide economic opportunities to members	Economic gain
Membership	Ethnic group, other sympathetic ethnic groups	Confraternities: students Cults and unemployed youth	Community organization	Unemployed youth
Support base	Typically grassroots organizations receiving widespread support; able to mobilize more widely	Members alliance with other armed groups and politicians using them as tugs for intimidating their political rival	Community support, community funding through dues; many receive government support	Members with politicians
Area of operation	Communities of ethnic group; also across states where ethnic group is dominant	Confraternities tend to be on campus, similar to US fraternities; cults operate off campus, tend to be the more violent of the two; localized area of operation	Localized area of operations, usually at community level	Dominant particularly in neighbourhoods; localized area of operations
Main activities	Defence of ethnic group rights might include: political protest, attacks on politicians, attacks on oil pipelines, kidnapping of oil workers and oil theft (bunkering)	Control of ethnic group territory; drug trafficking; oil bunkering; reputation for being brutal and secretive, with elaborate rituals for initiation	Activities aimed at community security; sometimes administer physical punishments to suspects, or take the law into their own hands; some groups work with police to enforce law and order	Engage in armed robbery and other criminal activities

Arms	Paramilitary groups of all armed groups, best trained, armed, organized with sophisticated weapons	Not all are violent, but most are armed; prospective member must demonstrate bravery and ability to use weapons	Not all are armed	Not all are armed
Examples	NDPVF, MEND, Federated Niger Delta Ijaws and Communities (FNDIC)	NDVS/Icelander, Deebam, Deewell, Greenlander Outlaws	Bakassi Boys, Anambra State Vigilante service and O'odua People's Congress (OPC)	Area Boys: The Yandaba groups

Source: SIPRI by Jennifer M. Hazen with Jonas Horner 2007

Appendix N: Nigeria Heads of State, 1963–2014

YEAR OF RULE	NAME	TYPE OF GOVERNMENT	ETHNICITY	RELIGION	PLACE OF BIRTH	DEPARTURE FROM GOVERNMENT
1963–66	Nnmadi Azikiwe	Civilian	Igbo (Ibo)	Christian	North-west (Niger)	Coup
1966	Gen. Johnson Aguiyi-Ironsi	Military	Igbo	Christian	South-east (Abia)	Coup (Killed)
1966–75	Gen. Yakubu Gowon	Military	Ngas	Christian	North-Central (Plateau)	Coup
1975–76	Gen. Murtala Mohammed	Military	Hausa	Muslim	North (Kano)	Attempted coup (Killed)
1976–79	Gen. Olusegun Obasanjo	Military	Yoruba	Christian	South-west (Ogun)	Election
1979–83	Shehu Shagari	Civilian	Hausa-Fulani	Muslim	North (Sokoto)	Elected again in 1983, but elections considered fraudulent; coup
1984-85	Gen. Muhammadu Buhari	Military	Hausa-Fulani	Muslim	North (Katsina)	Coup
1985-93	Gen. Ibrahim Babangida	Military	Gwari	Muslim	North-west (Niger)	Forced to step down after nullifying democratic election
1993	Chief Ernest Shonekan	Civilian	Yoruba	Christian	South-west (Lagos)	Coup
1993-98	Gen Sani Abacha	Military	Kanuri	Muslim	North (Kano)	Dead of heart attack
1998-99	Gen. Abdulsalami Abubakar	Military	Gwari	Muslim	North-west (Niger)	Election
1999-2007	Olusegun Obasanjo	Civilian	Yoruba	Christian	South-west (Ogun)	Election
2007-2009	Umaru Yar'Adua	Civilian	Hausa-Fulani	Muslim	North (Katsina)	Dead of Cancer
2009-2014	Goodluck Jonathan	Civilian	Ijaw	Christian	South-Niger Delta (Baylesa)	Vying for election for a second term January 2015

Source: CIA facts book 2014; also SIPRI by Jennifer M. Hazen with Jonas Horner 2007.

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