Politics of Oil, Environmental Degradation and the Conflict in Nigeria’s Niger-Delta

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Abstract: Nigeria is richly endowed with petroleum resources such as oil and gas. There is no doubt that Nigeria is a petrol dollar state i.e. a monoculture economy that depends solely on the export of crude oil. The discovery of oil in Nigeria in 1956 by the Shell-BP raised hopes for the future of the country’ but oil has not delivered the desired development in Nigeria rather, under development and environmental degradation occasioned by the activities of the oil exploration and exploitation due to government neglect. Thus, it has brought extreme poverty especially to the people of the oil producing communities and Nigeria at large. This paper attempts to examine the conflict management strategies by both the government and the oil companies in ameliorating the situations and also identify the implications of these anomalies to the Nigerian economy as well as offer recommendations on the way forward and conclusion.

Key Words: Black gold, Mono economy, Poverty, Crisis, Conflict Management

Introduction

Nigeria is the most populated country in Africa and is one of the most richly endowed countries in the continent. It consists of immense human and material resources which provide opportunities for national development (Oyakorotu, 2008:1). But the problem is that it has continued to attract national and global attention in recent time. The spate of violent agitation and militancy in the Niger Delta region is at a high rate. The frequent attack on oil installations and facilities by militants’ groups spread over 500 camps in the region have become a source of serious concern to the government and stakeholders alike. Nigeria no doubt is a petrol dollar state, which is a monoculture economy that depends solely on oil. The wealth that sustains the Nigerian economy ever since oil displaced agriculture in the early 70’s as the mainstay of the nation’s economy is produced in the Niger Delta, located in the Southern part of the country.

The Niger Delta is the focal point of oil and gas production in Nigeria, whereas, the wealth generated from the Niger Delta is the heart of Nigerian economy, the area wallows in abject poverty and underdevelopment as a result of the non-responsive nature of the government to address their plight ranging from high rate of unemployment to the near absence of critical infrastructural facilities and the environmental hazards, associated with the activities of the oil companies’ operating in the region which have destroyed their primary source of lively hood-farming and fishing.

History has it that, the quest to harness oil and gas resources in the region started in 1908 when the Bitumen Cooperation, a German company commenced the first oil exploration work in the southern part of the geographical mass that became known as Nigeria today (Nwaomah, 2009).With the amalgamation of the southern and northern protectorates in 1914, the emergence of the Nigerian state and the enactment of the mineral Acts in the same year, the central government declared autonomy over oil resources within its territories subsequently licenses and leases were granted to British companies and individuals to explore oil by 1937, Shell was given the entire land space to prospect for oil.

The shell struck its first oil deposit in commercial quantity in Oloibori in 1956 and, thereafter, in Afam, Bomu, and Ebubu while the oil exports started in 1958 (Nwaomah, 2008).

Today, Oil and Gas remain central to the effective functioning of the Nigerian state, paradoxically the oil producing communities within federated Nigeria have benefitted the least from these oil wealth due to some factors such as lack of political will on the stakeholders involved, inadequate funding of projects, corruption etc. and the hazards associated with oil exploitation and exploitation in the region has crippled agricultural activities, thus exposing the inhabitants of the region to desperation in their bid for survival. According to UNDP report (2009), “Niger Delta is a region suffering from administrative neglect, crumbling social infrastructure, and services, high rate of unemployment, social deprivation, abject poverty, and economic conflict’. It is against this background that various attempts have been made by the leaders of the region calling for redress in various forms. These include the Ogom Bill of Right (1990), the Kaiama Declaration (1998) among others.

However, all these peaceful agitations hardly resulted in any positive response on the part of the government rather the agitation was met with state violence that resulted in the militancy in the region. For instance, the Movement for the Emancipation of the Niger Delta (MEND) and recently Avengers.
Oil and Sustainable Development in Nigeria

The early search for oil in Nigeria which was sparked off Shell D’Arcy exploration parties, and Anglo-Dutch consortium which had a sole right over the entire, in 1937, it was however resumed in 1946, when the war was over. However, in 1958, shell BP began commercial production and exploration of oil in “Oloibiri” at the rate of 5,000 barrels per day, it is noteworthy that in the following year this production rate had doubled. The sole right policy was abandoned and undivided exploration rights introduced to enhance involvement of other nationalities in line with the policy of moving the pace of exploration, in 1960s, Mobil, Gulf (now Chevron) Agip, Safrap (now Tolat) Elf, Tenneco and Armoseas, now Texaco joined in the search for oil, both onshore and offshore, with significant success.

It is noteworthy that majority of the oil companies listed above and some others are from Britain, the United State of America and France. According to Chevaillier (1980), the history of the oil industry is the dominant position of Britain in the Balance of Power equation of the world. Part of the last century assured her hegemonic position in the global oil network even after the second world war. Thus, Britain was relegated next to the United States. Therefore, the problem of under development in the Niger Delta in particular and Nigeria as a whole can be traced to the international character of the oil companies as we shall see later.

Interestingly, the balance of power between the Nigerian states and the local communities where these oil conglomerates are found largely favors the oil companies as informed by the mineral oil ordinance act and the petroleum profit tax ordinance, which play a vital role in the Nigerian political economy.

In his opinion, Obi (1997) indicates that oil revenue accounts for 95% export earnings and over 80% national income. Hence, the growth of oil revenue had enhanced significantly the activities of the Nigerian economy as the government was able to invest a large amount of revenue in building both social and economic infrastructure. In a World Bank country report (1990), it was shown that the expenditure of the Federal Government doubled between 1973 and 1974 and even doubled again between 1974 and 1975. It was very helpful to the government of Nigeria in prosecuting the thirty months Nigeria civil war without external borrowing.

In Nigeria, the operation of oil enterprise involved both private and public actors. The private actors are largely foreign oil transnational’s with few local oil marketers and intermediate actors, while the public sector actors involve various agencies of the state notably, The Nigerian National PetroleumCorporation (NNPC), Department of Petroleum Resources (DPR), etc. However from 1971, the Nigeria State stroke business collaborative alliance with foreign capital in the oil sector. Its equity holding in both ELF and AGIP in 1974 was as high as fifty-five percent. The Nigeria State linkage with oil has informed her description as a renter state. The reason being that with the discovery of oil, the existing agricultural and mineral exports like cocoa, palm oil, groundnut cotton, tin, coal etc. that had sustained the nation’s foreign exchange and contributed the larger percentage of her gross National products were abandoned.

This situation streamlined the percentage of those involved in the production of the national wealth. Therefore only very small groups of the citizen are actually involved in the production of the Nation’s wealth. Since the technology for oil exploration in completely in the hands of foreigners, it implies that the Nigerian states and its citizenry are relegated to commissioned agents. This situation which created a non – productive national revenue base triggered the growth of authoritarianism, political alienation of the citizens, flagrant corruption environmental degradation and conspicuous consumption to the neglect of national development. Thus, the promotion of underdevelopment alongside the authoritarian disposition of the state in Nigeria in general and the Niger Delta, in particular, can be understood in this context.

Nevertheless, the Nigerian had assumed firm control of the oil wealth in the Niger Delta area through a number of legal instrumentalities. Section 15 of decree 51 of 1969, the land use of 1978, section 40 (3) of the 1979 institution, and the 1999 constitution. It is evident that all these legislation had conferred monopolistic power on the federal government as collector and dispenser of oil revenues. In fact, the usage of the oil resources has been one major cause of serious disagreement among Nigerians. The benefits have not been even and equitably dispensed as oil from the Niger Delta ensured economic growth in Nigerian urban enclaves drive by the major ethnic group in the country, oil has only ensured the underdevelopment of the Niger Delta.

It is obvious, that Nigeria has mismanaged its oil resources and the monumental incomes. The government has failed to put in place a solid foundation on industrialization, with over eighty percent of her citizens driving between the poverty line.

The country has been reduced to a dumping ground with a ruling elite whose insatiable appetite for foreign products knows no bound. This was partly responsible for the huge debts in the early 1980’s and the subsequent imposition of the Structural Adjustment Program (SAP) by the Bretons Woods Financial institutions; IMF and World Bank which was adjudged to be a monumental failure in the country. In fact, an important concern on oil is the destruction of pre-capitalistic modes of production that had operated side by side.
with the capitalist mode before the discovery of oil in commercial quantities and formed the basis of the economic wealth and development initiative of the three regional governments in the first Republic.

The esteemed mode of production in Nigeria before the discovery of oil was one that was rooted in agriculture. In a sense, the agricultural mode of capital accumulation engendered democracy, accountability, transparency, and responsive governance with a drive for oil, all these changed.

The survival and continued hegemony of the ruling class to ensure an alliance with the oil cabal, despite the obvious knowledge that at the end the development of the country would be criminally compromised, is considered by them an economic sense. It is noteworthy, that the Nigerian ruling class has compromised and jettisoned the issue of best practices in the opinions of the oil companies such that oil spills and environmental pollution go on with reckless abandon.

It is such that the various factions of the Nigerian ruling class rather than check the oil companies are engaged in the struggle over the rents for the oil operation. In view of the glaring tendencies foisted by colonialism and the political dominance of the three ethnic groups; Yoruba, Hausa, and Igbo (to be), oil made the Federal Government the source or channel of socio-economic struggles, thus institutionalizing the tyranny of the major ethnic group and eventual under yoking of the dimities mostly in the Niger Delta area.

The Nigerian State and its ruling class had because more engrossed in the rent collecting activities and negating the need for development planning, sustainability and the issue of the development of the technology of labor. This prevailing situation engendered the struggle for, and control of power at the federal level which has become the major concern of political actions, with politicians seeking the “Political power” so that every other thing may fall in place judging from this scenario, it is not so surprising that the potential wealth of the Niger Delta has turned into an apparent poverty.

It is an undeniable reality that the greater majority of the Niger Delta people are living a bestial life because they are minorities and powerless in the face of the dynamic power calculus between the imperialist forces represented by the multinational oil corporations and the ruling oligarchy in Nigeria. The environmental degradation by the oil cabals in the Nigerian Niger Delta is made possible by the conspiracy of state officials and the absence of environmental friendly laws which is, in fact, part of the major attraction for the operations of the oil companies in Nigeria. The resultant effect was the destruction of the entire agricultural lifestyle of the people as oil spillage continues to make fishing, being the major traditional occupation of the people both terrestrial and aquatic flora. The federal ministry of petroleum resources report quoted by the constituents of the oil companies in Nigeria. The resultant effect was the destruction of the entire agricultural lifestyle of the people as oil spillage continues to make fishing, being the major traditional occupation of the people both terrestrial and aquatic flora. The federal ministry of petroleum resources report quoted by the constituents of the oil companies in Nigeria.

The publicity and tempo of the agitation for environmental justice increased in the region with the formation of the movement for the survival of Ogoni People (MOSOP) in August 1990; the November, 1995 hanging of Ken Saro-wiwa and eight Ogoni compatriots; the punitive expedition against the inhabitants of Odi in February, 2002; the formation of the famous Kaima Declaration in December, 1998. Other groups that were formed during these periods include the movement for the survival of Ijaw Ethnic Nationality (MOSIEN), Community rights initiative (CORiNiger-Delta women for justice (NDINJ), Chiicccoco movement, Ijaw national congress and. Egbeima National Congress and Niger-Delta Avengers and War Lords in most recent time. These groups have continued to criticize the government and the oil MNCs for the environmental degradation caused due to the oil exploration activities by the MNCs.

This situation in the Niger-Delta is well captured by Ken Saro-Wiwa in his presentation on why he championed the Ogoni cause,’’ in this way, I looked at Ogoni (Niger Delta) and found that the entire place was
now a wasteland and that we are the victims of an ecological war that is very serious and unconventional. It is unconventional because no bones are broken, no one is maimed. People are not alarmed because they can’t see what is happening. But human beings are at risk, plants and animals are at risk, the air and water are poisoned, finally, the land itself dies. Oil has brought nothing but disaster to oil people“ (Niger Delta) (Saro-Wiwa 1998).

what can be inferred from this, is the failure of the Nigerian government to address the development needs of the region and to address the environmental damage caused by the oil exploration activities of the MNCs, created a feeling of injustice for the Niger Delta people which led to the conflicts and insecurity in the Niger Delta region. It became obvious that the struggle is for an end to injustice, discrimination, exclusion, oppression, domination and exploitation, systematic destruction of the ecosystem, corporate, environmental and bad governance, a call for equitable federation of Nigeria’s economic policy. It is sad to note that since around 2005, the pattern of unarmed peaceful protests and demonstrations used by these groups against the unwholesome activities of the MNCs operating in the Niger Delta region has been shifted to a violent one by the armed groups like the movement for the emancipation of the Niger Delta (MEND), Egbesu boys, Niger Delta people volunteer force (NDPVF), and others to the extent that the whole region had become highly militarized.

The rise of groups like ‘MEND and AVENGERS’ is said to be traceable to the lack of space for peaceful opposition movements and the failure of the government and the MNCs in ensuring that the Niger Delta people enjoy the benefits of oil production (Chima, 2016). The response of the government to the claims of the oil-producing areas has been classified by Suberu (Suberu, 1996) into three forms: redistributive, reorganizational and regulatory state responses. According to Suberu, redistributive policies are state decisions that consciously dispense valued resources to one group at the expense of other claimants to state resources.

Reorganizational policies refer to state efforts to restrictive or reconfigure political or administrative institutions and relationships, in order to accommodate groups demands or strengthen the efficiency of centralized state power”. Regulatory policies entail the mandatory imposition of sanctions or restrictions on individuals or groups that are perceived to pose a threat to state cohesion and order. These included the creation of separate federal states in the Niger Delta viz Akwa-Ibom, Delta and Bayelsa states in 1987, 1991 and 1996 respectively (reorganizational policies) Omotola, (2007) the increase in the percentage of revenue allocation based on deviation from 1.5% to 3% in 1992 and 13% in 1999 (Osaghae, 2008).

The installation of his Excellency Dr. Good luck Jonathan, the former governor of Bayelsa state, an Ijaw man, as Vice-president in Nigeria in 2007, the establishment of development agencies as NDDB, OMPADEC, NDCC etc. have contributed in bringing a relative peace to the region. (redistributive policies).

The repressive response of the state includes the execution of Saro-wiwa and eight other Ogoni leaders in 1995 by the military government of Late Gen. Sani Abacha, the Umuechem Massacre of 1990 (African Concord, 1990 Seberu, 1996) the Ogoni genocide (The News May, 1993) the Odi Massacre of (Aghalino, 2009) among several communities in the Niger Delta. The protesters in these communities not only have their properties destroyed but were also killed, maimed, raped, displaced or forced into exile (Oshionebo, 2009, Ekine 2008). The local inhabitants see these as a form of repression to keep them minorities from voicing even the most moderate claims. These responses from the government and the oil MNCs elicited violence from the Niger Delta people in the form of kidnapping, hostage taking, bunkering and oil theft, pipeline vandalism, bombings, oil facilities Sabotage, destruction of properties and even killings of people in pursuance of the struggle.

**The Implications of oil-related crisis to the Nigerian Economy**

There is no doubt about the fact that Nigeria’s economy depends mainly on oil and gas which contributes 95% of the export revenues, 80 to 85% of government revenues, and approximately 32% of the gross domestic product (GDP) (World Bank report, 2016). Nigeria is the largest oil producer in Africa after Angola and among the top ten, globally. Its recoverable reserves were estimated at 37 billion barrels in (This Day Newspapers, January 1st, 2017).

Thus, the crises in the Niger Delta has huge negative effects on the oil exploration ranging from destabilization of oil installations, insecurity, and bunkers or theft causing big loses to the economy. However, the dwindling oil prices in the recent time has affected the revenue stream of Nigeria. This is because of the mono-economic system of the country. It is expected that Nigeria should diversify her economy and develop other sectors to buttress economic development.

**Conflict Management Strategies for peace and Sustainable Development in the Oil Producing States**

President Good luck Jonathan’s national Transformation Agenda for 2011—2015 Includes proposals for restoring hope and confidence in the people of the Niger Delta. His plan acknowledges longstanding issues and challenges that must be tackled: “Past development planning efforts have failed to adequately address the
The plan promises that “Government will intensify action on proper coordination of efforts of all stakeholders towards the realization of Nigeria Vision: 2020 and significantly enhance the living standards of the people” (FRN 2011, p. 106).

It is unprecedented in Nigeria’s history for a head, of state to develop a plan that gives so much attention to the Niger-Delta, and in such detail, for redressing the region’s high levels of poverty, unemployment, environmental degradation, and ethnic and communal conflicts. Proposed strategies and targets envisaged, set a high bar for regional development, and the plan is ambitious when compared with past performance. For example, an infrastructure investment of $19 billion over four years is proposed for roads, railroads, river ports, skills acquisition centers, land reclamation, and shore protection.

A social development program aims to halve poverty and unemployment, clean up half of the currently polluted sites, and minimize conflict and social tension. The plan also pledges to protect and conserve the environment by “matching economic goals with environmental conditions” (FRN 2011, p. 120). Meanwhile, the Amnesty Program initiated by former President Yar’Adua has also rekindled hope for change. Two years of fragile peace has demobilized and disarmed more than 26,000 youth. Practical education and training for all combatants are planned and, for most, is already underway. Yet, for these former fighters, full reintegration into society as productive law-abiding members requires a change, not only in their personal attitudes and behaviors but also in their socioeconomic environment. The Presidential Amnesty offers a historic opportunity to pursue a fresh development agenda by bringing relative peace and stability to the region.

However, any solution to the region’s problems will require extraordinary political will and mobilization. On the part of the government and other stakeholders, as well as massive investments in development, led by an active champion, working through able and well governed institutions, a process of implementation should be laid out to define the objectives, roles, and tasks of all stakeholders from the federal government down to each Niger Delta community.

This renewed effort may imply updating and revising the Niger-Delta Regional Development Regional Master Plan (NDDC 2007). Based on thoughtful research and extensive stakeholder input, the Master Plan can serve as a starting point for designing a comprehensive roadmap that goes beyond the current tendency to create lists of unrelated projects and initiatives for the Niger-Delta. Similarly, the institutional set-up for development in the region should be revisited. The fact that there are two key federal institutions established for this purpose-the Niger Delta Development Commission (NDDC, 2000) and the Ministry of Niger Delta Affairs (MNDA, 2009)—has raised questions about duplication of effort and the efficiency of their cooperation. The NDDC’s recurrent history of internal wrangling and financial impropriety has recently been assessed by a special presidential commission and found to hamper the quality and delivery of badly needed projects and commitment to executing the all-important regional Master Plan. The development of a broad framework for coordinating Niger Delta peace and development has been proposed by the government, civic groups, and donors.

Several forums have already discussed future prospects and plans for the region. Most of these consultations were held in preparation for a major Niger Delta Summit scheduled by the Yar’Adua Presidency in late 2007. Postponed several times throughout 2008, the Summit initiative was eventually abandoned and replaced by a regionally-driven Niger-Delta Technical Committee. Its thoughtful and thorough report consolidated fresh inputs in addition to highlighting recommendations from dozens of past regional studies and commissions. The governments promised White Paper outlining actions based on the report’s suggestions is still awaited. Meanwhile, in December 2009, key bilateral and multilateral donors to the Niger-Delta region presented to the government a Strategy Paper, which compiled their views on the way forward for the region.

The Strategy Paper proposed that an overarching framework should be created to coordinate the inputs of all public and private actors engaged in regional development (UNDP 2009). Under this umbrella, inputs from partners could be solicited to fast-track a program focusing on public infrastructure, social services, community development, and institutional strengthening. The following sections suggest the elements of a way forward rooted in the analysis of challenges facing the region, as put forward in this report. The chapter points to five key pillars on which a durable peace can be built: (i) promoting good governance and Political participation, (ii) safeguarding human security, (iii) ensuring well-being and development, (iv) protecting the environment, and (v) preserving livelihoods. In each section, the potential contributions of government, oil companies, development part.

Steps Towards Achieving Long Lasting Peace and Recommendations For Niger Delta
- Consult with all stakeholders on a broad regional development framework.
- Expand the capacity and confidence of communities to create their own futures by engaging them in the planning, implementation, and oversight of local projects.
- Improve access to basic health, education, and safe water supplies.
- Promote business solutions, large and small, for development.
· Create training and employment opportunities for youth.
· Tackle corruption through improved government structures and strengthened Watchdog institutions.
· Promote peaceful conflict resolution mechanisms through both traditional and Non-traditional systems.

Protecting the environment

a) Strengthen procedures for environmental regulation, Monitoring, and response. The causes of environmental damage in the Niger Delta weave a web of ominous failures. They start in the boardrooms with imprudent business priorities that favor production over environmental protection. They trickle down into the communities, where Regulatory disregard combines with illegal oil tapping and misguided actions by poor Villagers to worsen their already precarious surroundings. Ageing pipelines, unchecked Oil spills, continued gas flaring, and shoddy clean-up by untrained local contractors pose a constant threat to health, welfare, and safety. Solutions require the collective will and effort of industry, government, and citizens. The government must provide stronger guidelines and professional oversight over environmental performance. The national oil company (NNPC), as the majority shareholder of the large joint ventures, must agree to a financial and operational plan that values and incentivizes investment in pipeline replacement, remediation, and associated gas gathering for home and industrial consumption other than flaring. The major international Companies, who are the joint venture operators, have to set corporate environmental, guidelines, which are of international standards.

Securing Development and Peace in the Niger Delta

They have also launched innovative projects with partners in studies and bioremediation (IJNDP 2009). But they must also Set high environmental expectations from their staff and build measures of responsible Performance into their remuneration and career advancement. Corporate managers responsible for health, safety and environment should also cooperate with the government in setting stronger national guidelines for environmental impact assessments and environmental management plans. Meanwhile, civil society can work with communities on environmental education to discourage oil tampering or other activities that pose risks to safety and health. Above all, local leadership should facilitate rapid investigations of spills by joint inspection teams organized by the National Oil Spill Detection and Response Agency (NOSDRA) to ensure speedy remediation. A recent environmental study on the Ogoni area commissioned by the government from UNEP noted that measures to enforce prevention, mitigation, and remediation in the Niger Delta have not met international standards, corporate guidelines, Or national laws (UNEP 2011).

Undertake a comprehensive survey of industrial impacts on the human and physical environment: follow with a full remediation plan. A debate has been underway for the past two decades about industry practices and environmental, Impacts of oil exploration and production in the Niger-Delta. The thorough environmental assessment undertaken in 2009 and 2010 of oil-impacted sites in the Ogoni area led to a truer appreciation of oil pollution and its effects. Regrettably, apart from this report on the small Ogoni region, the debate about harmful environmental harmful acts in the Niger Delta has unfolded without the support of reliable and comprehensive scientific data. The UNEP findings, however, serve to underscore the urgent need for a fresh environmental review of the entire region. Such a study would deepen Understanding of the relationships between poverty, conflict, and degradation of the ecosystem. It would also serve as the basis for tackling the environmental and Economic Problems of the region. Specifically, a region-wide study should lead to a medium-term action plan for remediation of all areas adversely affected by the extraction of oil and gas and a program of recovery for human health and natural resources.

Consider the Creation of a broad for “Youth Works” scheme for the Niger Delta.

In the current Nigerian economy, job creation on a large scale cannot be left to market forces alone. Even with the provisions of the Local Content Law, the pace of job supply in the near term is unlikely to meet the employment needs of the thousands of ex-combatants or other unemployed and underemployed Niger Delta youth. Their underutilized intelligence and energy could be harnessed through a broad development, training and” Works” scheme. This large-scale development strategy could also incorporate existing training and entrepreneurial schemes which are appropriate. For example, a “transition to work” program of further education or subsidized apprenticeships and internships has already been envisaged under the Amnesty Program. The Ministry of Niger Delta Affairs has announced that it will support university studies and the NDDC has planned vocational training for 13,000 youth.

The ongoing youth and infrastructure programs in Delta State, the Bayelsa Youth Employment Scheme (YES), and the Rivers Youth Training and Business Development Program offer further local models. The military and other institution have established short-term youth camps focusing on values, confidence-building,
and reorientation. Government intervention, together with donor and private partners, could also draw inspiration from international models such as the Works Progress Administration (WPA) and related national development programs of Roosevelt’s “New Deal” that put hundreds of thousands of Americans to work on development and cultural projects during the 1930s. Nigeria’s 2011 elections, which activated and trained thousands of young ad hoc workers, have shown that youth can be effectively mobilized and will work with passion and commitment for a nation-building effort.

References