

Contending Issues in the Niger Delta Crisis of Nigeria

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Dedicated to

To my Chocolate Mrs Ekene Gloria Ojkorotu and
my little angels Eloho and Kesiena

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Chapter I:

Understanding the Niger Delta Conflict: Matters Arising

By Dr. Victor Ojakorotu and Olaopa Olawale

Besides the period of colonial servitude, modern Nigerian political history began on the 1st of January 1914 with the amalgamation of the Northern and Southern protectorates (Akindele and Uwazomba, forthcoming). The fragility of the nation's take-off, as the historical antecedent, created Nigeria's socio-economic, cultural and political woes. Since then, the situation of Nigeria and Nigerians has largely remained that of a "fowl" and the "rope" which is always tension-ridden (Ibid). In other words, the Nigerian historical developments are better explained by the adage that says "when a fowl perches on the rope, it and the rope automatically become unsettled" (Ibid). This largely remains so till this moment in Nigeria's history as the various events portend particularly in the Niger Delta region.

A cursory analysis of all available data reveals a disturbing picture of the country that after four decades of independent existence or freedom from colonialism it has not known socio-political, religious and economic tranquility. One wonders why this remains to be so. The situation has been so disturbing to the extent that the Nigerian state as a phenomenon has become, according to Akindele and

Uwazomba (forthcoming; Human Right Watch, 2005), a kind of analytical robot to all analysts at critical points in time, with a Sisyphean-burden, thanks to planlessness, corruption, disunity, political thuggery and upheavals, injustice and other vices.

With reference to the problem in the Niger Delta, various analysts and policy makers who have nothing really at stake have chosen to look at this problem using in most cases distorting-analytical lenses. This, in most cases, has further compounded the problem. Each analyst seems to have his own conceptualization of the problem and proffered solutions. While a whole lot of these analysts existed and still exist within and outside Nigeria in nearly all strata of the society and, while their predispositions are permitted by the eclecticism and infinite nature of knowledge and its pursuit, Nigeria as a nation has continuously been at the receiving end in terms of concrete and painstaking identification of this problem and effective mechanisms for solving it.

Why has this remained to be so after many years of escape from the yoke of colonialism is deeply rooted in history. Since the country's fragile take-off on January 1, 1914, it has undergone series of political upheavals both in the hands of the military and civilians. These are identifiable in the experienced prolong military rule. Nigeria has had eight military and six and a half civilian governments, (including the current Yar'adua Government), if the aborted third Republic and puppet ING (Interim National Government) could be counted. In addition to this, the country has in its kitty an attempted secession; a

costly gory and fratricidal civil war; annulment of the freest and fairest presidential election in the history of her independent existence as a nation, series of religious, ethnic and communal violence.

In spite of the fact that we now have a 'stable' and 'fraudulent' democratic government in place, the country is yet to be freed from disturbing socio-economic, cultural and political developments. Today, it is innocuous to state that Nigeria is still without a properly consolidated political system. The reasons for this are obvious: pernicious theocratic traditions are holding sway; Sharia, whether political or Islamic is currently in vogue in total disregard of the constitutional provisions, courtesy of its fourth Republic protagonists and their apparent indifference to its current convulsive religious fanaticism in most parts of the country, especially in Jos this year, which is reminiscent of 1980 Kano Maitatsine riot, 1982 Bulunkutu riot, 1986 Ilorin riot, 1987 Kaduna riot and 1981 Bauchi massacre to mention only a few (Akindele and Uwazomba, *Ibid*).

There are also burgeoning ethnic militias (Odua People Congress, (OPC); Arewa People's Congress (APC); Egbesu Boys, Bakassi Boys, etc) everywhere; ethnic consultative fora (e.g. Ohanaeze Ndigbo. Afenifere, Arewa Consultative Forum, Yoruba Council of Elders, Movement for the Survival of the Ogoni People (MOSOP), Northern CWC, etc.. These disturbing indices have, in themselves, according to Akindele and Uwazomba (*Ibid*), been progenized by the Nation's payment of lip-service to national unity and; self-delusion about the

nation's unity which is better called "disunited unity" or a "fraudulent togetherness" occasioned by deliberate plastering of wounds through cosmetologized approach to national issues which, on its own has engendered "dangerous deformities" in the Nigerian polity.

The civilian administration in Nigeria through unpatriotic political actions and inactions is currently seemed to be heading into a traumatic and disintegrative course. This claim rightly finds a solace within the context of the spate of conflict in the Niger Delta region and the country's reaction towards it. What else can we expect in a country where (elected) officials of the highest law making bodies believe that the extermination of 20 million people is the only means and best option to resolve a conflict. In fact, Akindele and Uwazomba (Ibid) got it all when they assert that:

Nigeria is a country where amoral morality flourishes and where political marginalization is defined by pseudo or self acclaimed hereditary right of political power whenever there is a power shift as it is currently the case in Nigeria. Ours is a country where one geo-political location sees power shift as volitional and that, that, could be taken back at will if the rest of the country refuses to "play ball" or succumb to the age-long domination or playing of the second-fiddle political role. It is a country where innocent leaders of oppressed, alienated and exploited people are made to "pay unnecessary and avoidable supreme price" for struggling to better the lots of their people by

attempting to bring their plight to the policy agenda of government on the basis of justice and equity. It is a country where people including both the political and economic oppressors and the oppressed are afraid of discussing through a real constitutional conference (sovereign or not) the fundamental basis of our existence without any ouster clause.

Niger Delta is an area inhabited by about 12 million people with different cultures, languages and histories. They are united by their historical status in Nigeria and share a common identity as southern minorities (NDDC, 2004). Historically, the peoples of the area were at the forefront of minority agitation in the colonial and the immediate post-independence periods (Saro-Wiwa, 1992; 1993). Their situation has not changed as their demands and position in the Nigerian federation remain unaltered despite the different commissions that have been set up by successive administrations to look at the question of the minorities. What has exacerbated the problem of the Niger Delta is the question of oil (Agbese, 1993; *Business Day*, 2004; Dokubo, 2004). Oil, which is the mainstay of the Nigerian economy, contributing about 90% of the nation's foreign exchange earnings and revenue, is produced in the region. However, the Niger Delta region remains grossly underdeveloped, pauperized, marginalized, and largely a poverty zone (World Bank, 1995). The basic facilities and infrastructure of a modern society like potable water, electricity,

health care facilities, good roads, cottage industries and employment are lacking in the area (Taylor, 2007). It is this paradox and apparent tragedy of poverty in the midst of wealth of the Niger Delta people that forms the political economy of human rights violations in the area (Ibibia report; Oputa panel; Nkoro, 2005). Apart from the issues of the civil war and abandoned property, the *raison d'être* of human rights violations in the Niger Delta region has to do with the political economy of oil (Oputa panel, Ibid; Okafor, 1992). As noted by scholars (Iyoha and Adamu, 2002; Ukpevo, 1993; Chinedu, 2004), oil, which forms the live wire of the Nigerian economy, is largely produced in the Niger Delta. This issue of oil is also linked to the minority question and the perceived injustices that those groups and communities suffer in the Nigerian federation. The wealth derived from oil by the Nigerian federation is not reflected in the socio economic life of the oil-producing communities and their standards of living (Saro-Wiwa, 1992; 1993; Human Rights Watch, 2002). The Nigerian state does not have a coherent, consistent and just formula of recycling some parts of the oil wealth it accumulates back into the communities from which oil is produced. The period during which oil became the mainstay of the Nigerian economy coincided with the emergence of military rule with its logic of power centralization and economic control (Ibibia report; Oputa, Op cit). The rise of the military in power after the civil war saw a de-emphasis on the principle of derivation as a revenue sharing formula to other factors like population, need and even development (Oputa, Ibid). The implication of this is that what

oil-producing states got from the federation account was increasingly not commensurate with their contribution and sacrifices in producing it, since the bulk of the revenue was derived from the extraction of oil beneath their land. Apart from the increasing marginalization of the oil producing areas in revenue allocation in the federation, there is also the problem of ecological disaster and environmental degradation that oil exploration, hazards of oil spillage and gas flaring engender in those communities (Onduku, 2001; Iyoha and Adamu, 2002). Oil exploration and its poor management, as manifested in oil spillage, dislocates the economic life of the people as farming and fishing, the main occupation of the people in the area, are decimated, their environment polluted, and their water poisoned. On the environmental impact of oil exploration in the Niger Delta, the Civil Liberties Organization (CLO), a prominent human rights group in Nigeria, asserts that:

Today, the entire Niger Delta and coastal wetlands of Nigeria producing the nation's oil wealth is well known to be one of the most fragile ecosystems in the World. It has also been labelled the most endangered delta in the World. Demand for land is high being a densely populated region (Ojo, 1996).

While their environment and means of livelihood are undermined, little effort is made to recompense the Niger delta people with basic infrastructure of electricity, roads, schools, potable water, cottage

industry and employment. As such, wanton neglect and deepening poverty characterize the Niger Delta communities. A broad section of the elite in the Niger Delta believes that the injustices their people suffer are due to the fact that they are minorities in the Nigerian federation (Osaghae, 1995, Corporate Social Responsibility News, 2002). They accuse the major ethnic groups who control political power at the federal level of using oil wealth derived from the oil-producing region to develop their areas at the expense of the area from where the oil is gotten (Osaghae, Ibid). According to the Oputa report, two actors are accused as being primarily responsible for the deplorable condition of the Niger-Delta people. First is the Nigerian State, which seems not to have protected the rights of the minorities in the Niger-Delta and abandoned its primary responsibility of facilitating socio-economic development in the area. The second of the actors accused are the oil multinational companies engaged in oil exploitation in those communities. The report puts the allegations leveled against the oil companies as basically three. First is that they mostly operate below internationally acceptable minimum standards as their activities regularly promote oil spillage, gas flaring and other heinous side-effects that incapacitate the environment and affect the health and livelihood of the people. The second accusation is that the oil companies care less about the welfare of the local people from where they drill oil. They only give a token to the communities, which do not improve their standards of living. The third allegation is that oil companies often employ divide and rule tactics to cause disaffection

and conflict among and within communities through a divisive strategy of compensation payment. The oil companies are quite selective in terms of who they give “informal compensation or gratis” (CSRN, 2002). They may give to the traditional rulers in order to face-off the youths in a community, or to one community as against the other. The social injustice, neglect and poverty that constitute the lot of the Niger Delta people produced a series of contradictions. It led to the rise of ethnic and minority rights groups that demand for justice and fairness for their communities. From 1990 to 1999, there were no less than 24 of these minority rights pressure groups (Obi, 2002). The groups include the Movement for the Survival of the Ogoni People (MOSOP), Ijaw Youth Congress (IYC), Movement for Reparation to Ogbia (MORETO), Ijaw National Congress (INC), Egi National Congress (ENG), and Isoko National Youth Movement (INYM). Some of these groups have made various declarations and demands in order to call attention to the plight of their communities, and redirect public policy in order to promote fairness, justice and their fundamental rights and human dignity in the Nigerian federation (Ibibia report). These declarations include the Ogoni Bill of Rights, the Kaiama Declaration, Aklaka Declaration of the Egi people, The Oron Bill of Rights, the Warri Accord, and the Resolutions of the First Urhobo Economic Summit (Ekine, 2001). The reaction of the Nigerian State to those activities has been largely to unleash repression on the leaders of these groups and their communities. These ranged from the militarization of those

areas through military or police occupation, harsh laws to ban their activities, arrest and detention of activists, and harassment and intimidation of the people. Also, the state play communities against each other through its policies like the creation of local governments and the siting of local government headquarters or secretariat. It is believed that the state is not alone in some of those activities. The complicity of the oil multinational corporations is also alleged. All the actions of the government were seen to contradict most of the promises of the former President that his administration is out:

To heal the wounds of the past and quickly put the ugly past behind us so as to continue to stretch our hands of fellowship and friendship to all Nigerians for complete reconciliation based on truth and knowledge of the truth in our land (Obasanjo, 1999).

The President went to make his seriousness in moving the country forward through the maintenance of peace and genuine reconciliation by asserting that:

We want to reconcile all those who feel alienated by past political events, heal wounds inflicted on our people and restore harmony in our country. We want the injured and the seemingly injured to be reconciled with their oppressors or seeming

*oppressors. That is the way to move forward
(Obasanjo, Ibid).*

The above is not only the background and context of human rights violations, but the genesis of the protracted conflict in the Niger Delta region. These crises have become acute, insurmountable and intractable as it is being witnessed now in Nigeria.

The Nigerian State and oil multinationals have visited both ecocide and genocide on the Niger Delta region. The tragedy of the Niger Delta is already too well known to be recounted here. In all history, every people under such inhuman oppression ultimately took up arms to right wrongs. MEND has repeatedly and most eloquently articulated its demands which a well-meaning state should not hesitate to grant. Such contentious issues as adherence to the principles of federalism and resource control form the *raison d'etre* for MEND's struggle.

Successive Nigerian rulers have always been short-sighted, if not the Niger Delta debacle would not have been. The crisis in the region portends grave danger not just for Nigeria, but for Africa and probably the world. As the crisis escalates, the loss in human terms would aggregate a holocaust.

Why have things been so in Nigeria after forty-nine years of independence? Why is she in apparent ruins? And, what could be done to rectify the paralysis of will that has characterized her dialectical quicksand of history since her take-off as a nation?

This disturbing trend has gained momentum since the genesis of this fourth democratic experiment, a development which shows that our political class has refused to free itself from the manacle of political intolerance and immaturity which, among other factors, made it a ready captive of the military oligarchy in the past and, which will continue to make it so, unless there is urgent and permanent change of philosophy through committed moral rearmament. When evaluated against the background of the wherewithal and rationale of acceptable democratic culture, it is clear that the current events in Nigeria's Niger Delta region appear less favorable to an environment where a truly democratic governance could survive.

Generally, our politicians, majority of whom are "opportunists" and political-prostitutes", have not actually imbibed (as it should be) the spirit and etiquettes of democracy which has seen most polities to greatness and international prominence. Their stock-in-trade is anti-democratic brinkmanship and wanton destruction of lives and property as it is presently in the Niger Delta among others.

It is with this background that we introduce the reader to a collection of essays in this anthology with a multidisciplinary focus on the contending issues in the Niger Delta Crisis of Nigeria. Chapter 2 is on the Political Economy of fossil fuel in Nigeria where Lere Amusan posits that Nigeria's overreliance on fossil fuel as a main source of foreign exchange continues to expose the fragility of the state economy to the unpredictable gloomy global international economic relations. The need to maintain the skyrocketing prices of fossil fuel at

the international market without considering its impact on environmental sustainability is pertinent to the Nigerian government and the oil companies. As a result, no attention is being paid to the agitations of the oil bearing south-south geographical zone for a true federal system, among others. The paper then conclude that, unless government and the oil companies come up with holistic approach in solving the Niger delta impasse, with special reference to the 1957 Willink's Commission on Minority rights, Nigeria will continue to wallow in crises. Akpomuvire Mukoro on contending issues in governance and democracy at the local government level in Nigeria: some reflections on the Niger delta question in chapter 3 argues that the formal institutions of government have failed in the governance quest of the Nigerian state. And, that new vista of awakening has been brought to light that the indigenous non-governmental organizations abounding in our civil society and the communities possess the necessary qualities for fostering democratic governance in the Nigerian state. Thus, with reference to the Niger Delta region, it is until the communities and the people become more involved by becoming stake holders at deciding matters that affect their very existence and the constitution radically restructured that the teething problems of fiscal federalism, electoral fraud and money politics will becomes things of the past. Chapter 4 on Fishers of Men: The Political Economy of Kidnapping in the Niger Delta argues that both economic incorporation into the global economy and forced political marriage in

Chapter I: Understanding the Niger Delta Conflict: Matters Arising

a poly ethnic nation, have had tremendous negative impact on the Niger delta region in terms of the experienced underdevelopment, manifested in unemployment, poverty, absence of basic infrastructure and inequality. It then posits that the lack of attention to these impacts and agitations by the oil MNCs and the Nigerian state; the use of coercive apparatuses of the state; demand welfare from politicians who seem to neglect them; an expression of the general angst of unemployed youths against the rest of society and as a way of making a living albeit, criminally that provoke the emergence of militant youth groups that have found kidnapping as a veritable weapon to compel attention and wrest concessions. Chapter 5: Oil as a Source of Political Conflict in Nigeria: The Case of Ijaws. The major argument is that the failure of the Nigerian authorities to yield to Ijaws agitation for better life, and appropriately use the oil money to develop the Ijaws and the Niger-Delta generally to ease their situation led to various upheavals against the problems of social exclusion, development and environmental degradation, among others, facing the Ijaw people and its environs. Chapter 6: The struggle against exploitation and marginalization takes a historical survey of and implications of the uprisings and protests in Nigeria's Niger delta. This paper posits that government coercive use of force against the various revolts and protests have failed to check further protest and then advice that government should find a lasting solution to the crisis in order to avoid the Congo, Liberia or Rwandan experience. Ibodje and Allen in chapter 7: The political class and

intergovernmental relations in Nigeria examine the character of the political class in relation to intergovernmental relations. The linkage, from 1999 to date, appears to present a typology of federalism where communication of the orders of government is influenced negatively by the character of politicians. Fashionably, every federal system is unique in some way. So is the relationship of the orders of government. The question is, what is the character of the political class? How has it affected intergovernmental relations? It is argued here that the institutions for the management of intergovernmental relations in Nigeria lack institutionalization in many respects, resulting in the undue exercise of influence from higher orders of the political class on the lower orders of governments and their politicians.

Chapter I: Understanding the Niger Delta Conflict: Matters Arising

In Chapter 8: the Niger delta crisis: issues challenges and prospects Afinotan and Ojakorotu in detailed systematic manner, using secondary source, identified and analysed the major challenges posed by this crisis to the Nigerian State. It concluded that in spite of the continuing deterioration of the crisis into anarchy, terror and a revolving criminality, and the militarization of the region by the Nigerian state, the conflict can still be amicably resolved. It recommended among other things that the commitment of government to infrastructural development of the region and corporate social responsibility would bring enduring peace and stability.

Chapter 9 discusses the politics and policies of oil deregulation in Nigeria. The Implications and Policy Suggestions of these politics and policies are highlighted by Olaopa; Ogundari; Awoleye; and Siyanbola. The paper, relying on secondary data only, seeks to answer the question of whether petroleum product deregulation will serve as a panacea to the perennial problem of underutilization of the installed capacity of refineries and shortages in Nigeria. They posit that the necessary infrastructure and social framework to support deregulation policy were not put in place. Consequently, the policy was unable to successfully achieve its objectives. For the deregulation policy to be effective therefore, the study recommended, among others, that the country needs to undertake nationalistic policies driven by the developmental needs of the overall Nigerian economy

irrespective of the pressures of globalisation and the demands of the IMF and the World Bank.

Obagbinoko in chapter 10: The politics of interventionist policies and the Niger delta crisis in Nigeria, investigates the various interventionist policies aimed at tackling the dehumanizing condition of the Niger Delta people, the impacts and challenges of such remedial measures, both under the military and civilian rule. It is the opinion of the paper that such interventionist policies, rather than address the target issues, were rather instruments of profligacy and prebendal politics.

Finally, chapter 11 examined the politics of oil exploration and exploitation and how this has shaped the reactions of local people in the Niger Delta. Secondly the paper also unpacks the security contradiction that emanated from handling the crisis between the local people and the foreign oil multinationals operating in the region.

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Chapter II:

The Political Economy of Fossil Fuels in Nigeria

By Dr. Lere Amusan

Introduction

Nigeria received its political independence in 1960 from the United Kingdom (UK). Before independence and for a considerable period of time after independence, the state had depended on the metropole (the United Kingdom, UK) for economic, political and social developments. Fossil fuel was discovered in Nigeria by the Royal/Dutch Shell Company in the Niger delta in 1956 in Oloibiri. Commercial production commenced in 1958. Exportation of oil as the main source of foreign exchange and an instrument of foreign policy did not gain any prominence until after the civil war. The oil shock of the 1970s resulted from the Yom Kippur war that plunged the developed states into *beggar-their-neighbour* policy elevated Nigeria's role at the international system. It brought about the prominence of oil producing states in Nigeria into limelight. Though at the time, Nigeria was not a major participant in the international oil politics, but the quadruple in the prices of oil made Nigeria relevant in international relations calculations. Being a developing state, its mono-cropping subsistence agriculture did not allow the state to either have a major role to play at the global politics, nor did it allow

her to determine the political and economic calculation of the African continent until 1973.

Oil embargo imposed on the United States of America (USA) and The Netherland by the Arab states was a measure against their Zionism on the Arab-Israeli conflicts, which made the emerging oil producing states in Africa prominent. As Nigeria became a member of the Non-Aligned Movement, rhetorically though, the policy of equidistance between the marximalists' communist and minimalists' capitalist states started yielding some positive political and economic developments. The munitions received from the Eastern bloc during the civil war and the subsequent political understanding between Nigeria and the communist states did not radically change direction of trade. This was when the UK remained the only credible trading partner. The license accorded to SPDC gave the company more privilege over other oil companies that entered the Nigerian market after the civil war. Though oil multinational corporations (MNCs) such as Chevron (Gulf oil), Texaco, Mobil, Agip, British Petroleum (BP) and later Africa Petroleum entered the market as competitors for the exploration and production of oil, it is instructive to note that Shell remains the only credible oil company that determines the economic development and foreign policy of Nigeria till date.

During the colonial era, British government, through both carrot and stick diplomacies, dispossessed people of their land. The colonial

Chapter II: The Niger Delta Crisis: The Political Economy of Fossil Fuels in Nigeria

proclamation of 1900 and 1910 subjected the power of the emirs in the Northern Nigeria on the control of land to the wishes of the colonialists. By 1914, the amalgamation of the Northern and Southern Protectorate brought about the ownership of land and mineral resources found in them under the control of the government. This was concretised through the 1914 Mineral Act which was in operation till 1969. The Petroleum Act of 1969 replaced the draconian law of mineral exploitation without any responsibility by the oil companies mostly on the issue of environmental implications to the host communities.

To have effective control over the natural resources with more emphasis on the fossil fuel, government introduced the Land Use Decree in 1978NCs with their indirect means of controlling federal government. It was rumoured that the botched coup d'état against the Murtala/Obasanjo administration was orchestrated by the Shell petroleum in order to have total control of the finite oil resources. The Land Use Decree was used to take away the ownership of heritage land away from the people of Niger delta. Efforts by the oil producing communities to seek redress from the law court failed because the judiciary that was expected to maintain equity was part of the three arms of government which promulgated the Decree. For instance, the Delta State's Ivrogbo community's attempt to employ the services of the law court to demand compensation for environmental degradation in form of air pollution through gas flaring and oil spillage met a brick

wall as the court declared that the case was not within its jurisdiction (Omoweh, 1996: 40). When the oil producing areas could not employ the services of the law court to claim damages or restore the *status quo ante*, they resorted to the use of native intelligence in form of sending honey bees, taking hostage and other forms of illegal means to send messages to the oil companies and the federal government on the illegality of the 1978 Decree. Though after the oil companies would win court cases, they always pledged to compensate the communities involved or private individuals, but their promise always turned out to be vague or belated.

The activities of Oil Servicing Companies (OSCs), mostly Seismography Services Limited, are another area which the struggle against degradation and pollution of the environment has failed to capture. Because of the financial outlay of the Shell oil companies, the major focus of the restive youths in the Niger Delta is the government and the oil majors while the operation of the contractors, engage in the laying of surface pipes to transport crude oil to their terminal stations suppose to be area of attack. This would have sent a signal to the oil companies and the government to find a lasting solution to the problem in the South-South.

The crisis of ownership of the land between the government and communities on one hand and among various communities on the other makes the oil companies have their field days as the confusion

is the sources of their perpetual exploitation. The complexity in the activities of the oil companies and their shifting of blames of environmental degradation on the government remain unresolved. The people in the oil producing areas are alien in their land as the operations of the oil multinationals are beyond the comprehension of the locals. Even the government that claims to be in charge of the mineral resources only relies on the information provided by the oil companies. In most cases, as maintained by Bayo Olukoshi (1988, 1989) the complexity of the MNCs in the TWS continues to dwarf the capacity of the host state to control them.

Another area worth looking into is the need to have holistic look into the crisis of environmental pollution caused by the activities of the oil companies in the Niger Delta. Are we looking into the effects on the oil producing areas, which, according to the derivative allocation of resources, are always to the advantage of the South-South region (oil producing states)? The negative effects of the green house gases on the rest of the country are yet to receive academic interrogation. It is claimed that the effect of oil drilling in the Niger-delta is a major factor that has brought about a drastic reduction in the size the Lake Chad in the north-eastern part of Nigeria. This is not only affecting the livelihood of the farmers in the area, but also the flora and fauna and the gracing system, hence destabilization of the eco-system. Are we to call for damages from the federal government for these environmental effects? Or should the state government of the oil producing states

pay from their monthly allocation to cushion the effects of environmental hazard inflicted on the neighbouring communities?

The involvement of community and private individuals toward seeking redress from government and oil companies is full of contradictions. Majority of the pro-environmental friendly groups formed in the oil producing areas are with various agenda. While some want to be known in exchange for economic and political relevance, others really want to seek compensation for their perceived common land property confiscated by the oil companies through the federal government. The connivance between the Nigerian government and the oil giants in the oil bearing areas has caused the denial of the Niger delatans of three basic things- clothing, shelter and food - with little or no compensation (Akinsanya, 1980: 16-93). This is the major source of instability in the area. In some cases when government and oil companies engage in community development, the activities of politicians, retired military generals, local chiefs and civil servants from the area scuttle the efforts. This takes several forms among which is cornering all the proceeds meant for their community for their personal benefits. This obnoxious practice had in the past led to the killing of the four traditional chiefs in the Ogoniland that catapulted to the violent crisis between 1995 and 1998 in the political and economic developments of Nigeria during the Abacha military regime. The international focus on the plight of the Ogoni people

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through Ken Saro Wiwa at the international level brought about the inflicting of capital punishment on the 9-Ogonis, Saro Wiwa inclusive.

When the youths in the Niger Delta realised the economic and political ambition of their elite, they resulted into self help, though, with little resources and appropriate connection to air their views at the international environment. Extreme poverty and politics of exclusion of these youth coupled with the international economic relations, which is not in favour of the TWS made them to take law into their own hands since the government is no more trusted in guaranteeing human security. "Of all the strategies deployed by the youths to hold Shell (and other oil companies and their OSCs) to ransom...the halting of new explorations was the most effective way to save the land from further pollution" Omoweh, 1996: 43). Employment of some of the youths, who are also members of the militant group, unknowingly, serves as field workers in the area as intelligence for the unemployed ones, who usually strike without being caught by the armed forces, police, army and navy, deployed by the federal government to protect the installations of the oil companies. For likely solution to this problem, government should endeavour to resist the 1957 Willink's Commission recommendations on the rights of the minorities in Nigeria.

This paper is divided into 7 sections. Section 1 introduces the whole problem while section 2 examines Nigeria's political economy of oil.

Section 3 looks into the mutual relationship between oil MNCs and the Nigerian government. This part focuses on the various ways the two adopted to entrench unsustainable development in Nigeria on one hand; and how the people of the Niger delta continue to live in misery despite their invaluable wealth of fossil fuel. Section 4 is the continuation of section 3. It interrogates various enabling environments Nigerian governments had put in place to encourage oil MNCs activities in the Niger delta. Section 5 concentrates on the need to implement the Willink's Report of 1957. Nigeria's government unwillingness to do this on one hand and the plight of the south-south minorities in the Eastern part of Nigeria brought about what is known as unilateral independence proclamation of the Isaac Boro movement in 1960s. The penultimate section looks into the crisis of environmental degradation and the inputs of Ken Saro Wiwa towards globalization of Niger delta impasse. The last section, 7, concludes, and proffers some useful recommendations for the development of oil industry and the Niger delta.

The Political Economy of Oil in Nigeria

The discovery of oil in the Niger delta of Nigeria could be termed as a mixed blessing for the state. It is a blessing because it elevates the position of Nigeria at the international level. This is in form of embarking on aggressive dynamic foreign policy as it was during the unilateral recognition of the MPLA as the sole representative of the

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Angolans (Obasanjo, 1990: 124-125; Garba, 1986: 133; Fawole, 2003: 90-91). It was also termed to be a boon because the provision of basic infrastructural amenities such as good road, pipe borne water, electrification of villages that were left by the colonial lords as an area of no importance to their economic ambition felt government presence. On the elevation of the standard of living of the people, it could be said that the Gowon government, through the introduction of Udoji award provided Nigerians with the opportunity to play around, and, the tourist sector experienced some boom. At the continental level, Nigeria was able to promote the establishment of some regional and sub-regional organisations. The ECOWAS, though partly formed because of the lesson learnt during the Civil War in the state, it was largely formed because of the increase in the foreign exchange realised from the sales of crude oil. The Nigerian Trust Fund (NTF) established within the African Development Bank (ADB) aimed at promoting the leadership ambition of Nigeria in Africa. The \$80 million capital base released to the ADB was aimed at elevating the economic development of less developed member states. The signing of the Lome 1 Convention was at the instance of Nigeria hegemonic position caused by the overnight economic well being of the state; assumption of leadership role within the African, Caribbean and Pacific (ACP) concretised government Africa's *manifest destiny* to lead the continent; and the need to promote the development of the Blacks in Diaspora. As much as Nigeria was able to garner some prestige from

the African continent and within the African in the Diaspora, the oil boom of the late 1970s turned Nigeria to a beggar of some sort, as it indulged in borrowing binge to finance the running of the government. Therefore one could say that the availability of fossil fuel in Nigeria turned to be a curse for several reasons discussed below.

The traditional sources of foreign exchange such as agriculture, mining (solid minerals) and import substitute industries suffered in the hand of every government in Nigeria from the 1970s. This was immediately after the Yom Kippur War in the Middle East that brought about the quadruple increase in the price of crude oil at the international market. Overreliance on the finite unsustainable crude oil brought down the government and the same led to political instability as the coup d'état experienced in the country were attributable to the need for the military to share from the fuel dollars. The major players in the fossil fuel business, the MNCs wielded enormous power so much that the host states could not control their activities at will without boomerang effects politically and economically. This brought about the employment of divide and rule in the Niger delta, which eventually led to the incessant crises in the region that have in turn, aggravated the state's underdevelopment.

Divide and Rule: Unholy Alliance between the State and the Oil Companies

The federal government and the oil companies embarked on divide and rule tactics. Ethnic rivalry in the south-south is commonly employed. Federal government, in March 1997, through the governor of Delta State (Colonel John Dung) embarked on this system when a local government headquarters was moved from Ijaw territory of Ogbe-ijoh to itsekiri town, Ogidigen. The move was counterproductive because both the Ijaws and Itsekiris were unhappy about the development; it eventually led to vandalization of properties. The masterminded crisis among the Okrikas, Adonis and Ogonis by the MNCs led to the split of the Movement for the Survival of the Ogoni People (MOSOP) into splinters of groups of which some of them were in favour of government and oil companies' positions. The traditional rulers, portfolio contractors for oil companies, servicing companies and the Niger Delta Commission were the major target of the restive youths who considered their activities as antitheses to the future of their unborn children. On the other hand is the role of informants played by the *fifth columnists* in the provision of information to the government security agents about the radical youths. Despite that, the youths were able to have their ways in form of kidnapping, vadalization of oil installations and in some cases killing of the oil workers. This development forced some of the companies' activities to

close down in Isoko and Ogoni lands in the late 1990s. The impact of this was a drastic reduction in oil production of about a third of total capacity. The result? Foreign exchange plummeted and the same encouraged the state to borrow more from various international financial institutions. Exogenous western dominated financial conditionalities therefore expose the fragile economy to the control of the West the more.

Of note is the mutual suspicion between the oil companies and the federal government in the provision of basic amenities for the people of the Niger Delta. The joint partnership between the oil companies, mostly Shell and the federal government shifted all the cost of the venture on the oil companies. The thinking of the government was that the oil companies would provide all the financial and technical costs of the venture. Also worthy of note is the belief of the oil MNCs that since they pay both rent and royalties, it is the duty of the government to provide basic human security for its people. This led to mutual suspect and shifting responsibilities from one end to the other. In some instances when the oil companies, like any other multinational corporations, display philanthropic roles, their economic objectives are always taken into consideration. Their community development roles are usually lopsided and not really fit into the need of the people. Schools and pipe-borne water construction, for instances, in the heavily polluted areas without enabling environment for its people to engage in production of goods

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and services amounted to misallocation of resources. The school facilities, if provided and equipped with western capitalist books, would only promote liberal economic system, which is a gap between the Nigerian environment and the oil majors. The establishment of farm settlement and the eventual production of cassava were meant for the SPDC workers while the communities around the farm were not allowed to benefit from the stems and tubers produced in the Isoko community. Also pertinent to note is the fish pond in some part of Delta State. Fish and fingerlings from farms were not meant to satisfy the locals, rather those who benefit were the families, high chiefs and the oil companies' cronies outside the area of production. Workers that were employed were either from the family of the existing workers or representatives of the traditional chiefs who were the chief beneficiaries of the oil proceed in form of unexecuted contracts and outright bribes to perpetrate economic exploitation of the oil bearing region in the country.

Frustration experienced from the hanky-panky practices of the state and oil MNCs led to the Isaac Boro uprising that eventually led to the declaration of a Niger Delta Republic in February 1966. Though this was short lived, it served as a precedent for the Ken Saro Wiwa and Isokos uprising against the national government and oil companies. Shell Oil Company provided logistics for the federal government soldiers to quell the perceived treason and felony punishable under the law of the country against Isaac Boro's secessionist bid. What

shell did in the 1960s in a bid to consolidate its grip on the economy of Nigeria was later repeated in 1995 when security bills would be picked by the company on behalf of the Federal government in the Niger Delta.

During the MOSOP uprising against the oil companies, the Shell Petroleum international met in London and The Hague in February 1993 to decide what to do on the scale of crises in the Niger delta. The communiqué issued at the end of the meeting called for close monitoring of the activities of the MOSOP with special focus on Ken Saro Wiwa. The worry of the Shell, resulting from the *Ogoni Bill of Rights* presented to the federal military government with some element of secession arm-twisted the Abacha government to hand down capital punishment on the MOSOP leaders in November 1995 (Osaghae, 1995: 326). With the import of the Shell towards the economic development of Nigeria and a major source of foreign exchange earnings, the government went into alliance with oil MNCs in order to neutralise the MOSOP and its leaders. Series of means were adopted to ensure free flow of crude oil to the international market. Crises among ethnic groups such as the Ogonis, the Andonis, the Okrikas and the Ndokis were severally sponsored by the federal government in connivance with the oil companies. This takes several forms such as financial compensation to an ethnic group against others. Also, provision of employment opportunity in form of security to secure oil installations in neighbouring villages is sometimes used

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to pacify the minorities in the region. The rationale behind this was to cause disunity on the *modus operandi* on the struggle against the government on the issue of environmental degradation. In some instances, the military incursion in the villages suspected to be under the influence of the landless aggrieved people would be attacked under the guise of ethnic crises. The acclaimed Andonis and Ogonis clash over fishing and territory was debunked by late Professor Claude Ake who was of the view that the relationship between the two groups was complementary rather than competitive (Maier, 2001: 101). He claimed that the Andonis needed Ogoni market for their survival; and that their age-long relationship would neutralize possible crisis that could disrupt their commercial activities. Also of note was series of allegations against the elites in the region, among which was that they were enriching themselves against the wretched people of the unemployed youths. The ability of the Military government to infiltrate the rank and file of the MOSOP where the minimalists and maximalists were identified was another strategy adopted both by the oil companies and the government.¹

Nigerian state was ready to repress the civil society in exchange for exclusive control of oil resource (Obi, 1999a: 57). In an attempt to further unsustainable development in Nigeria, a special task force code name Rivers State Internal Security Task Force was instituted and headed by Lt. Col. Paul Okuntimo who worked directly with the state military governor to destabilize the whole region. The need not to

offend the oil companies made the federal government set up this task force to ensure unperturbed flow of crude oil. The state governor, an influential Lt. Col. Dauda Musa Komo, agreed with Okuntimo and the Shell company to promote instability in the Niger delta in order to neutralize anti-government and anti-Shell movements in the Niger delta. In carrying out this assignment the Shell petroleum agreed to pick the bill of the exercise. It was also agreed that the troops to carry out the operation would "be paid the same rates as received by the Nigerian contingents to the West African peacekeeping force in Liberia, ECOMOG (Ogoni, 1996: 96-97). Earlier Lt. Colonel Komo made it clear to the people of the Niger delta, as quoted from Osaghae (1995: 333), that:

They don't have the monopoly of petroleum in Nigeria and therefore cannot make demands that other (oil-producing) communities are not making. I admit...that there seems to have been an apparent neglect of the areas...by previous administration. But I think looking for ways to address this neglect cannot justify any community taking the law into its hands.

The aftermath? Political instability caused by the economic motive of the oil multinationals, and the federal government caused more state of insecurity. Many communities in the oil producing areas were left unprotected by the state's security. This brought about jungle justice

of the state of nature of Thomas Hobbes. This situation led to a call for re-colonization of the region by the masses based on the view that when the United African Company (UAC) was active in the Oil Protectorate, there were job opportunities because of the labour intensive commercial activities of the company. The capital intensive nature of the companies where the expatriates outnumber the indigenes and the fact that the sub-contracting jobs are too technical to leave in the hands of Nigerians brought about resentment and hatred against the oil companies. Similarly, the fact that the award of scholarship to Nigerians by the oil companies does not guarantee them to be absorbed in the managerial level of the companies for security concern compounds the more the hatred and resentment. In some cases when the Niger deltans had been employed to the services of oil companies at managerial level, the employee would be children or candidates of the traditional chiefs, who hitherto continue to benefit from the oil spoil. Also allowed to pick employment by these oil MNCs are the products of the prestigious American and European university institutions such as the Harvard, Yale, Oxford and Cambridge. These are the people that have been politically socialized with western political, economic and socio-cultural values. It is observed that some pipeline sabotage recorded by the oil companies were said to have been caused by the information given to the militants by the junior oil workers employed in the Niger delta. Nigerian government can go extra miles in a bid to satisfy the wishes

of the oil companies; if not for other reasons, but at least to receive unperturbed rent, royalties and political stability support as discussed below.

Government initiatives to promote Oil Multinationals' exploitation in the Niger Delta

As the spinal cord of the Nigerian economy from 1970s, every government in country, as discussed above has always liked to find a catholicon to the restiveness of the people of the Niger delta to ensure unperturbed flow of fossil fuel to the international market. The 1969 Petroleum Act gave the oil multinationals a blank cheque to protect the state's oil without a need to consider the environmental effects of their activities. "Continued atrocities to our people and their wicked reluctance to improve the lot of the people they were bound to be associated with for long" (Maier, 2000: 124) and environmental degradation of the Niger delta, with emphasis on the Ogoni land brought about the formation of an Integral WXYZ movement (the Movement). Also formed was the Movement military wing, Niger Delta Oil Council (the Council) with the aim of forcing the oil companies to pay for damages perpetrated in the region.

Federal government, going by the insurrection in the Niger delta realised the need to concentrate on the development of the area

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through other means such as supporting political and economic development of the educated and political elites in the region. To this end, Oil Minerals Producing Areas Development Commission (OMPADEC) was established by the Babangida regime in 1988. The broad objectives of the Commission are among others: To elevate the living standard and hasten development of the oil bearing areas of the Niger Delta. Some scholars of oil politics in Nigeria such as Professor Egosha Osaghae were of the view that the formation of OMPADEC was the best approach to solve the environmental degradation caused by the activities of the oil companies. As it later turned out to be, the Commission was only meant to further economic exploitation of the region and to inflict punishment through security harassment on the restive youths who were perceived to be agent of the masses. The first executive secretary of the Commission, Mr. Horsefall was a product of security school whose mandate was to use both diplomacy and repressive means to gain support of the masses in the Niger Delta. The award of contracts to the traditional rulers, retired military officers and seasoned contractors were only to gain support both for the elongation of the Babangida regime beyond 1993 on one hand, and to keep the youths under total incapacitation against the oil companies. Because of the need to gain support of the *conflict merchants* (politicians and traditional rulers), many of the contracts awarded were left unexecuted and the Commission and the Federal government could not challenge their inability to do this. Throughout

the existence of OMPADEC, it was known as the most fraudulent Commission established by the Babangida government as majority of the contracts awarded by it turned out to be elephant projects. This could have contributed to a position of the majority of the Niger delatans that "although oil pollution can be cleaned up, the pollution of the community cannot." This point to the level of corruption where millions of dollars from the government and the oil companies over the years on dubious schemes and on compensation ended up in the pocket of the elite that would never stay in the community, but could be found in the cities of Abuja, Lagos and Port Harcourt. All the projects embarked upon by government and the oil companies did not focus on poverty alleviation nor solve the problem of landless people in the region

As political succour for the suffering masses of the oil producing states in the country, the Obasanjo government came up with a bill sent to the National Assembly in June 1999; almost a month he got to power in a bid to solve the Niger delta crisis. His intention was to address the lapses of the OMPADEC and replace this with Niger Delta Development Commission (NDDC) with capital outlay of \$500 million as reparation for environmental damage to the region. Expectedly, the people of the oil producing areas were sceptical about this development and pass this gesture as another means of enriching a few elites within the communities. In November of the same year, Obasanjo's waterloo came with the Odi massacre, which received

international condemnation by environmentalists and human rights organizations. Against democratic principles, the government sent soldiers to maintain peace and order in Odi village in the oil producing area. This was as a result of incessant clashes between security forces and bandits. The result of this development was razing down of the whole village, which aggravated the helpless conditions of the internally displaced people. Mostly affected were the women and children exposed to torture and rape in the hands of the Nigerian soldiers.

In a phantom bid to satisfy the masses in the Niger Delta, Shell Petroleum in conjunction with the World Bank, initiated a study, Niger Delta Environmental Survey (NDES). This was to study the environmental situation in the oil producing areas with special focus on Rivers, Balyesa and Delta States. Moreover, the act of vandalization that is prevalent on the oil installations by the oil companies is equally begging for recognition . The terms of reference of the study according to Omoweh (1996: 48) "were not to address land pollution and general degradation of the environment." The choice of Gamaliel Onosode was an intentional act by the oil company, Shell, as the industrialist was a regular customer of various international financial institutions in entrenching underdevelopment in Nigeria. He was also considered to carry out the \$100 million primary data collection for a foreign consultant to analyze. The choice of the two companies was not accidental, but because they were

conversant with the rule of the game. That is, they would follow the directive of the oil MNCs. The choice of a preferred candidate/consultant to research on what Noreena Hertz called environmental and social audits (Hertz, 2001 : 165) was aimed at coming up with a well-tailored research outcome in favour of the Shell operation in the Niger Delta. This is not unique to the Shell and other oil companies in Nigeria. The same is applicable to MNCs such as Nestle and Exxon Mobil in order to promote their business interests and further their image laundering (Hertz, 2001: 184-186).

Another step taken by the oil companies to entrench their activities in the Niger Delta was the Shell conception of Clean Nigeria Associate (CNA) in conjunction with other eight major oil companies with the NNPC. The idea was to guide against oil spillage at the terminals. This was as a result of about 500,000 barrels of oil lost to spillage by Shell in 1982.

The implications of oil MNCs' operation in the Niger delta have subjected people of the area to casual labourers, who only have to depend on daily jobs paid less than \$1 a day. After the completion of such project, the family would go back to the *status quo ante*. In order to make both ends meet, some children that are supposed to be in school would end up in housekeeping job while their mother and adult female children would find themselves in the cities of Lagos, Abuja, Port Harcourt and Kaduna as sex workers. This is mindless of

the hazard involved in unsafe sex. If the Nigerian government had religiously adhered to the need to focus on the Niger delta as a special area for development, conflicts in the region would have been averted.

Niger Delta as a Special Area within Nigeria

When George Dashwood Goldie Tubman stepped into Nigeria to continue British economic imperial ambition, he signed treaties with local chiefs in the Niger delta with the aim of controlling the oil palm production through the UAC in 1879. To the understanding of the chiefs in the Oil Rivers Protectorate, later known as Niger Coast Protectorate, the agreement of protection entered into with the British Crown did not automatically merged them with a new nation-state without their consent. This was the basis of the 1957's Sir Henry Willink's Commission on Minority Groups. The Commission did not subscribe to the granting of a nation-state status to the Minority in the Niger delta, but instead called for "the declaration of the Ijaw country as a Special Area," with the aim of having a confederal or at best a true federal system of government. The Balewa government, to some extent adhered to the recommendation of the Commission when

he treated the Niger delta as a special area between 1960 and 1966. This could have led to the support Isaac Boro and his Integral WXYZ gave to the Federal government during the failed coup d'état perceived to be Igbo's inspired ambition. The Niger Delta Oil Council called on the oil companies to look into the issues of sustainable development as part of their area of concentration. The Council also demanded damages to be paid as compensation for their damaged cash crops and economic trees destroyed in the course of their operation.

The introduction of unitary system of government by the Aguiyi Ironsi military government after the January 1966 coup d'état brought about the agenda of the federal government in having effective control over the state mindless of the heterogeneity of the *state-nation*. The fear of the majority and their need to feed on the resources of the minority ethnic groups from the south-south was envisaged by the Willink Commission. The struggle to seek redress through the court of law and political movement on the case of the Niger delta did not receive the blessing of the federal government was believed to be an intentional act of the Hausa/Fulani influence on the need to cart away the resources of the south-south for the development of the North. Attempt to use derivation formula in revenue sharing and introduction of special treatment to the oil bearing communities to cater for the heavily polluted environment and the denial of the people of the area of their traditional occupation has not been properly addressed in holistic way (Obi, 1999b: 49). The oil spillage, which

destroyed both cash crops and fishing are the major impacts of the activities of the oil companies of which Shell bears the bulk of the responsibility.

Boro later died during the Biafra war. His bid to liberate the minorities of the south-south from the perceived Igbo domineering ambition caused by the amalgamation of 1914 remained a mirage. After thirty years of Isaac Boro's attempt to liberate the minority groups in the Niger delta, Ken Saro Wiwa, erstwhile darling of the federal government who turned against the Abuja government in order to seek reparation for the carted away resources of the area continued the struggle. His intention of having a loose federal government or better still an independent state from Nigeria changed the politics of fossil fuel in Nigeria through his Ogoni Bill of Rights.

Ken Saro Wiwa and Changes in the Oil Politics in Nigeria

The battle to challenge the federal government and oil multinationals, mostly the SPDC, became the focal point of environmentalists in the Niger delta region. The initiative, as mentioned above started with the Isaac Boro movement against the environmental degradation and landlessness caused by the activities of the oil companies with the enabling environment created by the federal government without due regard to the plight of the poor masses in the region. The need to declare a state within the Nigerian state as mentioned earlier brought about the security hardware provided by the Shell Company to the

federal government in order to quell the insurrection. After almost thirty years without any appreciable voice for the Niger delta people, Ken Saro Wiwa, who worked for the state government in different capacities started to wage war against the federal government and the oil multinationals in order to curb the rate of environmental degradation caused by the finite resources exploitation in the oil bearing region of Nigeria. He and his MOSOP were very popular, and Maier (2001: 81) has these to say about the movement and Ken Wiwa:

"For a while MOSOP represented the most cogent opposition force to (the federal government and the oil multinationals, shell in particular in Nigeria). As Ken Saro Wiwa became the darling of Greenpeace, International PEN, the Sierra Club, the UN Working Group for Indigenous People, even Western corporations with a conscience such as the Body Shop, Foreign film crews produced sympathetic - some said unquestioning - documentaries with melodramatic titles such as *The Drilling Fields, Delta Force, and the Heat of the Moment*. Saro Wiwa was showered with international tributes ranging from the Right to Livelihood Award, honouring those who work "for the survival of mankind," to the

Hellman/Hammett Award of the Free Expression
Project of Human Rights Watch."

Condemnation of poor human rights records of the Abacha regime and lack of transparency in the undemocratic system of government put in place, together with an attempt to transmute the military government to a civilian one made the MOSOP popular. Despite the economic interest of the Western states, mostly, the UK government, it was the intention of the London to get rid of military involvement in politics in Africa of which Nigeria was one of the area of concentration. The need to have a fair share in the oil resource was well articulated in one of Saro Wiwa columns as quoted from Maier (2001: 90) that:

"The government...must pay royalty to the landlords for oil mined from their land and the revenue allocation formula must be reviewed to emphasize derivation. Citizens from the oil-bearing areas must be represented on the Boards of Directors of oil companies prospecting for oil in particular areas and communities in the oil-bearing areas should have equity participation in the oil companies operating therein. Finally, the delta people must be allowed to join in the lucrative sale of crude oil. Only in this way can

the cataclysm that is building up in the delta be avoided."

One major problem associated with this demand is the question of who should represent the masses in the oil companies. Is it the traditional chiefs or the contractors who were elite or the retired/serving military officers who did not know the problem faced by the rural poor in the oil-bearing areas? An answer to this, as discussed above, begs for rigorous academic scrutiny. A few Niger delatans that were able to receive western education were able to secure job with government at the federal, state and local government levels. Because of the arrangement and unwritten understanding between the major oil companies and the community leaders, cronyism continues to be the order of the day. Uneducated youths are not qualified to go into oil business either as member of the Boards or as managers. They are not qualified to export oil because of the financial commitment and possible government connection.

After Ken Wiwa was hanged, it was the opinion of the oil companies and the federal government that instability in the Niger delta would be at bay; most especially with the option of going into exile by some of the leaders of MOSOP. Contrary to this, Mittee Ledum's forceful exit from Nigeria was a continuation of attacking the federal government and the Shell oil companies. After November 1995, Shell faced series of international condemnation from Scandinavian states and South

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Africa on the one hand, it was also accused of making blood money by the civil societies in the western world and some African states. For instance in December 1995, the African National Congress (ANC) organised a boycott of Shell service stations in South Africa, but with no success. It was countered by aggressive advertisement in Southern African newspapers between November 1995 and March 1996. This was coupled with a campaign to raise awareness about Shell's philanthropic development projects. The advertisement disproved the involvement of Shell in the killing of the environmentalists, and stressed that Shell Nigeria PLC was not to be regarded in the same way as Shell in South Africa. It emphasized that the killings were an internal affair of Nigeria, and had been carried out by the Abacha's government without consultation with South Africa's Shell Petroleum (Inegbedion, 1997: 207).

The military and the civilian governments after the death of Ken Saro Wiwa were of the view that the crises in the oil producing region would be abated as a result of the total clamp down on the MOSOP. Instead, new wave of insurrection erupted because of the unsustainable policies of the national government and the oil MNCs' parochial un-holistic approach to the environmental and unemployment problems in the area. Politics of ransom cost crept into the history of oil production in Nigeria. The oil MNCs and their OSCs realised that the rate of kidnapping was on the increase because of the restive ambition of the youths who believed that the only language

understood by the major stakeholders in the Niger delta is to make a living out of holding people hostage. The oil companies therefore came with the inclusion of ransom cost in the cost of production in their joint ventures with the federal government through the NNPC. With the help of their parent states' diplomatic missions and the traditional chiefs in the oil bearing region, negotiation would be organised without direct involvement of the Nigerian government where huge sum of fund would be paid to the militants in exchange for the release of expatriates. Eventually, it is the government that would pay for this cost.

Conclusion

Having looked into the causes of the present crises in the Niger delta region with special reference to the impacts of the federal government and the oil multinationals, one could recommend some options to alleviate the present wood into which the economy of the state has been plunged. The need to introduce true federalism as against unitary government in practice is long overdue. In the First Republic (1960-1966) Nigeria federal system was well stipulated by the Independence and Republican Constitutions where the sphere of influence of the Federal Government were well spelt out. The introduction of unitary government by the military government from 1966 coupled with the urge to retain some uniformity in the

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governance of the military to hasten reconstruction immediately after the Civil War aggravated the crises in the oil bearing region. All the Commissions set up by the federal government to see to the development of the *special areas* according to the recommendation of the Willink's Commission of 1957 remain a paper work. Until the application of this Commission's recommendations are religiously followed, the region will remain a keg of gunpowder for the Nigerian state.

Another area that has refused to attract the attention of scholars is the activities of the OSCs. They are the major contractors of the oil majors in Nigeria. Their activities are more than what the oil companies are contributing to the underdevelopment of the Nigerian state, and environmental hazard posed to the oil producing areas is enormous. Because they are the major supplier of inputs for the exploration and drilling of fossil fuel, whatever their roles in the region should attract the attention of government environmentalists. Therefore, it is needed to have a way of controlling their activities rather than leaving them to the care of the oil MNCs.

The thesis of philanthropic roles of the oil companies, which include building of schools, health centres, issuing of scholarship and compensation payments for damaged crops and oil spills only aggravate instability and corruption. The oil companies should come up with a plan of action for the oil bearing areas and the neighbouring

villages that are affected with the environmental impacts of their activities. Employment of divide and rule where a village will be armed against another in order to maintain an interim stability is like postponing evil days to the detriment of long term solution to the problem. In addition, the grassroot development rather than top down approach of every government in Nigeria should be reconsidered. The formation of the Ministry of Niger Delta is a welcome idea, at least to solve all the lapses of the Commissions such as the OMPADEC and the NDDC that turned out to be sources of confusion and corruption to the advantage of a few elites who hardly know where the shoe pinches the downtrodden masses in the villages.

The high rate of unemployment among the youths in the region turned out to be a veritable source of instability and tools in the hand of oil companies. The need to establish vocational training and quality sustainable development plan is long overdue, as an idle hand is the haven of all evils.

There is a need for the Nigerian government to diversify the economy of the state. This is needed considering the policy position of the main trading partner i.e. the USA, position on the alternative energy. The Barrack Obama government intention to engage in other sources of energy to power the economy of the US is a direct economic sabotage for the Nigerian state. Obama's decision to source for the fossil fuel within America will no doubt reduce the price of oil at the

international market. The implication of this, though Nigeria protested through its missions in the US against the Washington decision, is the perpetuation of economic dislocation as Nigeria failed to address economic development through holistic approach. The Gulf of Guinea (GoG) Security initiative from the US on which Nigeria relies on for the security of the oil rigs and the total protection of oil multinationals are now to be handled by the Nigerian government. The threat of terrorist attack by the Islamic fundamentalists and the bid for Nigeria to rejoin the OIC are contradictions which the militants could cash in on. The need to diversify the economic base of Nigeria with introduction of some degree of protectionism will elevate the economy of Nigeria. Though, it is contrary to the tenets of the WTO. In achieving this, there is a need to bring back economic diplomacy as introduced by the Babangida/Ike Nwachukwu government in 1986. The present diplomacy of consequences is nothing but an acceptance of diplomatic failure by the Yar' Adua's government.

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Chapter III:

Contending Issues in Governance and Democracy at the Local Government Level in Nigeria: Some Reflections on the Niger Delta Question

By Dr. Akpomuvire Mukoro

Introduction

By the constitution being the supreme authority of a state, the Nigerian Nation is made up of three layers of government at the federal, state and local government levels. Specifically, it was the second republic constitution of 1979 that gave constitutional recognition to local government authorities as third tier agencies of government. The constitution (1979), section 7, sub-section 1 stated that:

The system of local government by democratically elected local government councils is under this constitution guaranteed; and accordingly, the government of every state shall ensure their existence under a law which provides for the establishment, structure, composition, finance and functions of such councils.

In the same token, the 1999 constitution section 7(1) speaks of local government as did that of 1979. Looked at critically, the 1999 constitution under which Nigeria's present democracy is operated, while the states can delegate specific powers to local councils, they cannot without being in contravention of the constitution, derogate from the prescribed list. Also, in matters of finance, the state governments can only make provision for additional or supplemental funds to local governments since all the state Houses of Assembly could do was to give legal recognition to the prescriptions of the National Assembly. Any deviation from this course could incur the wrath of the federal government withholding state's share of revenue allocated to local government, as was recently the case in the month of April 2004 with Lagos and four other states that created new local government councils within their territory and jurisdiction. One of this was Bayelsa state in the Niger Delta region.

If we accept that a constitution is a statement both of the fundamental objectives and directive principles of state policies aimed at prescribing how society can be organized to the best advantage of all, then we must realize that the rule of law and democracy are closely related. The rule of law not only implies that there is a legal order which is binding upon the state but also that specific definite principles also guarantee their being applied justly. Logically therefore, and arising from the provisions of the 1979 and the 1999

constitutions concerning local government, we may have to ask these questions;

- (1) Who does the guaranteeing that section 7(1) speaks about?
- (2) What does it mean to talk of democratically elected local government councils?
- (3) How democratic are the existing local governments?

If local government is believed to be an institution provided for in the nation's constitution, then both the fundamental objectives and directive principles of the constitution should be supported by institutional structures that works (Dudley 1981:131). The two constitutions (1979 and 1999) were fashioned by the military. The military even had written into the constitution, decrees which it had passed, thereby conferring on the decrees the status of a constitutional enactment, which could not be altered except by the process of a formal constitutional amendment (Bennett, 1984:5 – 15). In the cases of Sierra Leon under Siaka Stevens in 1967 and Ghana under Kofi Busia in 1979 who inherited power from the military respectively, they had their constitutions changed immediately they (elected civilian's) got into power. The Nigerian constitution which is a product of the military has become too immutably. It paints a picture that speaks of the fact that, though the nation is ruled by civilians, it is not practicing democracy. This is because, the created institutions, which should become the medium of expression of its tenability, are

imperfectly (problematically) operating (Agozino and Idem, 2001). The constitution although appears federal in name, it is centrist and inflexible in operation. This is the reason why it must be subjected to a national overhaul where all stakeholders would have an input.

In a true federal constitution, all the tiers of government should be autonomous and co-terminous, where local governments have the right to exist as an independent, but also a partner in the governance process. The goals envisaged by the Nigerian state for its local government have beautifully been crafted on paper. For example the 1976 nationwide local government reform prescribed for local governments the following;

- (a) Make appropriate service and development activities responsive to local wishes and initiatives by devolving or delegating them to local government representative bodies.
- (b) To facilitate the exercise of democratic self-government close to the local levels of our society and to encourage initiative and leadership potential.
- (c) To mobilize human and material resources through the involvement of members of the public in their local government.
- (d) To provide a two-way channel of communication between local communities and government (both state and federal).

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The report went further to state the functions which local governments are expected to perform to be those;

- (a) Which require detailed local knowledge or efficient performance.
- (b) In which success depends on community responsiveness and participation.
- (c) Which are of a personal nature requiring provision close to where the individual affected lives (1976 reform).

To be very specific, the fourth schedule of the 1999 constitution spelt out the functions of local government to amongst other things involve;

- (a) The consideration and the making of recommendations to a state commission on economic body on;
 - i. The economic development of the state, particularly in so far as the area of authority of the council and of the state are affected, and
 - ii. Proposal made by the said commission or body.

Other very categoric functions according to the constitution covers the collection of rates, Licenses, parks, cemeteries and destitute homes, refuse and night soil disposal, outdoor advertisement, public conveniences, control of sale of liquor amongst several other functions.

When the nation's statute books and reform efforts are critically examined, local governments are portrayed as true representatives of grassroots democracy. But as Barber (1982) has observed, they are characterized by "capricious selection of minor improvement and major impairments". The process of its operation and the constitution itself should provide for that atmosphere where autonomy and true democracy reigns. This position is in line with member states of the United Nations who meet in April 1996. They identified the problems confronting local governments in many developing countries as very critical (U. N.; 1996). They opined that 'local governments that have real power can more effectively address local interests as well as exercise a check on operations at the higher levels of authority'.

This paper hinges its argument on the fact that local government system in Nigeria has all along not been democratic. It goes on to point out that the persisting problems in the Niger Delta region is a fall out of operating a faulty federal system which is not only centrist but also defective.

Explanation of Terms

Three major terms comes to mind prominently in the body of this paper. They are Democracy, Governance and Local Government. Attempt is made here to explain these terms in the context in which they were used in this paper.

Democracy

“Aristotle”, as translated by Middlesex (1986), while speaking about democracy in the Fourth Century, described democracy as a form of government where power is held by the mass of the people. Modern students of politics would disagree with this position because it did not take cognizance of the growth of population. In a Greek democracy, all the adult men except slaves, met to decide policy. There was no election of members of the legislature, since every citizen was a member. The factor of number and population has made this concept impossible today such that the power to govern i.e., to make and carry out laws must be entrusted to a few. There remains however, the power to choose, criticize and change or control the government. It is the position of this power which determines how modern democracies should be classified. Based on this position, this paper draws extensively from the basic tenets provided by Nyong’o. (1993, 217 – 218), as conditions for recognizing a true democracy. These are;

- (1) Formation of a political community by free citizens having the obligation to obey, by their own active consent, rules and law that govern them.;
- (2) Establishment of this system of government through a process in which all individuals participate on the basis of equality,

either directly as free and sovereign citizens or indirectly through their representations;

- (3) Ensuring the moral, intellectual, social and material development of every individual and social group that is part of the political community, thus avoiding any sort of discrimination that may introduce any inequality, political oppression or economic exploitation based on gender, caste, race, ethnicity, colour or any other social category;
- (4) Distribution of public goods and reward on criteria that every citizen, qua citizen, can achieve;
- (5) Making sure that the governors are controlled by the governed and that this system of control and accountability can only be subjected to change through a plebiscite in which all citizens participate or through a principle of majority decision on which all citizens concur.

Drawing from the above listed criteria, it becomes acceptable to argue that democratic societies are governed by the rule of law and the respect for inalienable human rights. This is what John Locke in his government by consent and as discussed by Cranston (1984, 67 – 80), captured as:

The whole trust, power and authority of the civil ruler is vested in him for no other purpose but to be made use of for the good,

preservation and peace of men in that society
over which he is set...

Governance

The term means the exercise of political power to manage the affairs of a nation. The usage of the term covers both the measurable aspects of services delivery and the more fundamental aspects of political responsibility. Two very important areas are in reference here. These are the aspects on;

- (a) Improvement in public policy outcomes and
- (b) Implementation by all stakeholders of a set of principles and processes by means of which appropriate public policies will be designed and put into practice.

The main elements of governance according to Adamolekun (2002:3) are 'rule of law, freedom of expression and association, electoral legitimacy, accountability and transparency and development oriented leadership'. While governance should be seen as concerns over the effectiveness of a state's institutional arrangements, decision making process and capacity for implementation, democracy expresses popular sovereignty, equality and representativeness.

Local Government

Local government is used here in the context of central governments deconcentrating or decentralizing management responsibilities and resources to established institutions at the provincial or municipal (local) levels. This act of decentralization involves the ceding of specific powers, functions and resources by the central government to sub national level government units. These sub national level government units are independent and have a legal status enshrined in a country's constitution. In Nigeria for example, the federal government gave a very good definition of local government in its 1976 National Reform exercise. However, the definition given by Whalen (1976:28) is most appropriate here. Whalen defined local government as;

A given territory and population, an institutional structure for legislative, executive or administrative purposes; a separate legal identity, a range of powers and functions authorized by delegation from appropriate central or intermediate legislature, and within the ambit of such delegation, autonomy including fiscal autonomy.

The values enunciated in the postures adopted above, defines democracy and contributes to the development or operation of good governance.

Theoretical Framework

Recent political, social and economic indices highlight in very clear terms the fundamental weaknesses in the process of governance and democratization at the local level in Nigeria. A perusal of the landscape paints two very contrasting pictures. On the one hand, it paints a picture of modernity while at the other hand; a picture of traditionalism is casted. This is what Peter Ekeh (1975:91 – 11), referred to as existence in two different publics. One being the primordial community to which we owe allegiance and the other is the colonially contrived nation – state from which we are detached, without moral commitment and from where we can prey and if possible benefit the primordial community.

This study adopts Fred Riggs theory of Prismatic society to discuss the issues at hand. From there, the theorem of polycentricity is picked on to proffer solutions for the way forward. The theory of prismatic society is peculiar with developing societies such as ours. It regards such societies as transitional because of the shift and changes experienced in the form of social differentiation. There are two main points in the social fabric: the traditional societies functionally diffuse

social structure and the functionally differentiated social structure of an advanced civilization (Riggs 1964). By the laws of optics, designating the initial stage is fused or absolutely undifferentiated. While the final stage is diffracted or highly differentiated. The transitional stage, which is of interest here, is 'prismatic'. At the prismatic stage, individual structures undertaking autonomous functions cannot yet be determined. None of the decisive structures can be understood without regard to the constant reactions of the other structures on one another. Accordingly, structural specializations and, as yet, mixed fields exist side by side in developing societies (Konig 2003:454 – 455). The entire pattern of influence in a prismatic society thwarts the basic idea that an adequate administration will make it possible to bring about intended social and economic changes. As the contradictory forces of transition converge in the institutions of a prismatic society, the chance of realizing a planned change vanishes.

A fundamental tenet of the policycentric theory is that there is a deliberate fragmentation of authority among diverse decision centers. Each of the centers serves as 'necessary conditions for maintaining a stable political order which can advance human welfare under rapidly changing conditions' (Ostrom 1993:43 – 68, Olowu 1995:25). Polycentric Governance demonstrates that the unidirectional copying of advanced societies model of governance have very limited influence

in developing societies. Experiences of community institutions in Nigeria have shown resilience and a tendency to meet the challenges of providing for the good life, conflict resolution and the protection of lives and properties. It is in this light that polycentrity is taken here as the means towards understanding the various ways through which local communities, groups and associations manage the resources abounding in their territories, to the survival and benefit of all.

Issues in Retrospect

(A) The creation of Local Government

In the earlier part of this paper, it was argued that the rule of law and democracy are closely related. Therefore, the laws of a nation serve as the continual and primary medium of communication which may even authorize a citizen, if necessary, to contradict the political power. The constitution (1999), upon which the present democracy is anchored, is filled with a lot of gaps and omissions. The reasons being that it was the military that mid/wived its birth. Also, the constitution believed too much in the American model. The contradiction here is that while the American constitution has evolved over time and gone through several amendments, that of Nigeria has only mimicked the American model without paying attention to the peculiar nature of the Nigerian society especially hotspots like the Niger Delta. An account by Olowu (1995:20) has it that such countries like Kenya, Cameroon, Sudan, East, Central and some of West Africa nations with federal

constitution had certain aspects of their constitution legislated out of existence so as to tailor it to suit internal demands.

The Federal military government by decree No. 24 of 1999 promulgated the 1999 constitution into law. The constitution came into force on 29 May 1999. Section 3 subsection (6) of the constitution provides for a total of 774 local government and Area councils. It is therefore clear that the number of local government's area is set out in the constitution. Section 7(1) of the constitution provides that "the system of local government by democratically elected local government councils is under this constitution guaranteed ...'

It is important to note that what is guaranteed is the system and not the number, names and area of local governments as set out in the above earlier quoted sections of the constitution. The implication of this is that section 7(1) provides for the existence of local governments in the sense that at all times and unless the constitution is amended, Nigeria must always be organized and exist as a federation made up of specific number of local government areas. The constitution does not permit the creation of local government based on the inevitability for it.

Significantly, the second part of section 7(1) says that "the government of every state shall, subject to section 8 of the

constitution, ensure their (local government councils) existence under a law which provides for the establishment, structure, composition, finance and functions of such councils'. Instructively, section 7(2) provides that "the person authorized by law to prescribe the area over which a local government council may exercise authority shall ... define such area as clearly as practicable ...". Arising from the pronouncements of section 7(2), these questions have to be asked;

- (a) Who is the person or what institution is authorized by law to prescribe the area over which a local government may exercise authority,
- (b) What necessitates the prescription over an area to become a local government,
- (c) Should section 7(2) be considered as the provision under which local government can be created?
- (d) What role has ownership of resources on the creation of local government?

The constitution is clear when it said in section 8(3) that the state house of Assembly has the responsibility for passing a bill for the creation of new local government. Section 8(3) to section 8(5) gave eight very vital hurdles for the state house of Assembly to cross. The eight hurdles is for each state house of Assembly to make adequate returns to both the Senate and The federal House of Representatives.

It is not enough for the state house of assembly to just pass a bill for the creation of new local government.

The bottleneck here is that after the state house of Assembly would have done their homework based on the legitimate demands of the people, the National Assembly still has to pass an Act making consequential provisions with respect to the names and headquarters of the new councils. Rather for the constitution to have used the phrase 'creation of more local government Areas', it should have said 'recommendation for creation; because the National Assembly may decline to approve the new Local Government Areas proposed by the states. The way the issues of local government creation is at the moment, it is only the federal government that can confer legitimate recognition to new local governments through the Act of the National Assembly. The argument can be made that right now, the state houses of Assembly have the power only to make recommendations or proposals to the National Assembly for the creation of new local government councils. This is where the federal might comes into bad usage. Because, senators and representatives from the Niger Delta Region constitute a tiny minority in the National Assembly, their voices are hardly heard. Worst still, majority of the people who find their way to the centre are products of a fraudulent electoral process/system. They therefore lack the credibility and voice to represent the people creditably. Such is the situation with the

Nigerian Nation, especially as it affects the highly marginalized people of the Niger Delta.

The constitution is too ambivalent concerning issues of local government creation. While local governments are placed as the responsibilities of state governments on the one hand, the Federal government takes overriding powers of creation, finance and policy (Top – down policy process). The problem really has its foundation in the political and historical evolution of Nigeria. First, colonial rule was philosophically and organically elitist, centrist and absolute. It bequeathed on independent Nigeria's psyche; hierarchy, compliance and discipline with the absence of responsiveness, participation, and accountability. This led to the loss of internal sovereignty. It became clear that both the traditional (natural) rulers and the new elite (nationalists), became collaborators with the colonialists. Therefore, at the departure of the colonialist, the new power block had no problems with taking control of power. This attitude is reflected in Nigeria's ways of doing things. Olowu (1995), bemoaned that colonial rule promoted the concentration of political, administrative and supportive infrastructures in a few hands. In doing this, the true essence of democracy being participation, rule of law, accountability, transparency, free and fair elections etc., were jettisoned. In the making of laws and in matters of governance, it is these few individuals that hold sway. In leadership, they are there, so is the

political and economic control of the nation. A true constitution must and should evolve from participation, fairness, flexibility and wide consultation (Bottom up process).

(B) Resource Control and Autonomy

The idea of local government autonomy does not mean absolute independence for the local authorities. Since according to Adejumobi (1995:283), 'such an action will amount to dual sovereignty in a nation, and the constitution of a state within a state, which to say the least is undesirable'. However, the idea of autonomy in the opinion of Gboyega (1981:134 - 158), means the 'extent to which local governments are free from the paternal control of state and federal government in the management of local affairs'.

A true democratic local government with evidence of autonomy in the views of Ojofeitimi (1992), should exercise powers of decision - making, revenue generation and financial matters, staff matters and administrative responsibility. Adejumobi (1995), was even more candid with his opinion of autonomy. He said that local autonomy requires that the local governments must have the power to take decisions independent of external control within the limits laid down by the law. It must have sufficient resources, particularly finance to meet its responsibilities, to create posts, appoint and dismiss its

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officers. Other areas of autonomy emphasized by him concern the administration of service free from direct interference from external superior authority and the ability to recruit its political leadership through the electoral process, and ensure the democratic character of the system of local government.

Although, autonomy is demanded for the local government, it has to be subjected to the other two (federal and state) levels of government for the simple reasons of balancing, equalization, security and stimulation (Olaloku, 1979, 109 – 110, Davey, 1971:45 – 50 and Maxwell, 1969:67). But the leadership of the Nigerian political and economic turf has always treated local government as servants or as field extension of state bureaucracies, instead of as partners in progress. The reason for this attitude can be interpreted to arise from the ingrained mentality of force and domination inherited from the British colonialist and the psyche, which military intervention in politics has generated.

The underlying demand of federal systems of government, to which Nigeria belongs, ensures that each political sub-unit of a sovereign state should possess the constitutional guarantee to operate independently within the state. But as a member of a National body, each unit or level of government should remain co-ordinate and interdependent with one another within the national scheme of things

or nation (Wheare 1963:183). Matured democratic societies practicing federalism according to Vincent (2002:32)

have somehow managed to evolve a satisfactory balance among the federal, state and local tiers of government and the sharing of the available resources among them to fulfill the respective functions prescribed for each tier in their countries constitution.

This exercise operates in the spirit of equity, justice and fairness in a polity that aspires for progress, stability, peace and egalitarianism within its human community.

Judged from the inchoate state of democratic governance and the veil of prismaticism over the Nigerian nation, the operation of federalism has become fraught with a lot of problems. Fiscal policies in Nigeria has been used indiscriminately to alter the allocation of resources which has resulted into the promotion of inequality of wealth, opportunities, injustice and a lack of fairness amongst the federating units. This is even more particularly bad concerning the Niger Delta people (region).

Having expressed the above opinions, what should concern every true federalist is the question of the impact of a given revenue allocation

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structure on the nature of Nigerian federalism. Since it is federalism that created the need for revenue allocation, it is appropriate to worry about what a revenue allocation system does to a nation. Take for example, the recent clamour, court cases and political tension generated over resource control mounted by the South/South Governors of oil producing states of Nigeria. The oil producing states are laying claim to natural resources located both onshore and offshore which the sharing formulae have wholly allocated to the central government. This, critics have argued have broken faith with the letters of true federalism. By the principles of derivation, owners of resources must have a fair share and say over resources abounding in their territories. Igun (2008) captured it succinctly when he said “in the years immediately following independence when Nigeria relied mainly on cash crops such as groundnuts and cotton (for the North), cocoa (for the west), and palm oil (for the east), the allocation was one hundred percent to the generating region”. But this situation changed considerably when earnings from crude oil became massive and thus over-took earnings from agricultural products. According to Igun, ‘the ruling elite from the three dominant group connived, using the levers of federal political power to alter the formula to favour them and deny the indigenes of the Niger-Delta oil bearing communities’. The Niger-Delta which is the centre of Nigeria’s multi-billion dollar oil industry is one of west Africa’s most underdeveloped and violent regions. Though the region is the source of more than 90% of Nigeria’s foreign

earnings, its people are among the poorest in the country (Punch Newspaper 12, November 2003).

Also, in the month of April 2004, the federal government decided to withhold allocation to the states that created new local government claiming that the exercise was illegal. If the principles of fairness, equity, derivation, decentralization and consultation which are the hallmarks of federal systems have been well applied, the local governments would not have been going cap in hand begging for hand-outs from the federal government. In such situations, the owners of particular resources or endowments have to be put in knowledge and made to participate on how their God given resources should be excavated, explored and expropriated. Anything short of this will continue to generate heat in the polity, create discontent and strife and encourage secession from a system that has become a pariah. One major reason underlying the creation of local government is funding. The Niger Delta States obviously have the financial muscle. But the majority ethnic nationalities in Nigeria will for all time stand against the Niger Deltan's whenever the benefits and advantage of oil resources comes to the front burner.

Nigeria is a vast and very rich country. There are whole arrays of resources wasting away in the underbelly of many communities. But the federal government and the states to some extent, have arrogated

to themselves the power of sole ownership of these resources, thereby depriving the original owners of benefiting from what rightfully belongs to them (see Orubu et.al, 2002, 56:113). By the time local governments and the communities are made to participate and share from the exercise, there will be less tension, and development will be based on available resources, prudence and need.

(C) Leadership and Control

As major player in the family of public government;

the importance of local government lies in the fact that it is the means by which the people can provide services for themselves, can take an active and constructive part in the business of government, and can decide for themselves within the limits of what national policies and local resources allow, what kind of service they want and what kind of environment they prefer.

The above statement by the Royal Commission on local government in England (1966 – 1969:10 – 11), shows the utilitarian extent to which local government is desired. However, the pursuit of all the above listed aspirations is determined to a very large extent by the quality of leadership. It was Tamuno (1989:20) who said that;

History, over a long span of time and space, helps one to conclude that a decisive factor, in the conduct of nation-states, multi-ethnic or not, federally governed or not, is the human element: particularly, at the level of leadership. Compared with this primary factor, all other elements associated with the instruments or system of government assume secondary or complementary role.

Scholars and public commentators in Nigeria share a common view that the problem of Nigeria is that of leadership (Achebe: 1993, Orewa: 1997, Ake; 1981, Adamolekun: 1983). Given the under-developed nature of the Nigerian economy and the ruralness of most Nigerian communities, the local governments are very often the first, and in most cases, the only contact with the modern state apparatus. Invariably, the local councils represent the only formal instrument for the provision of social and developmental amenities. Unfortunately, the pristine role that local government is expected to play has eluded the people particularly those in the Niger-Delta. Added to the general failure of our centralized system of government (Wunsch and Olowu 1995) and the crisis of governance, is the absence of dedicated, effective and principled leadership. The project of establishing a specifically western form of political domination has not succeeded in

Africa because of the colonial legacy. Ake (1993:13), commented that 'what the colonizers of Africa established in the cause of the state project was not so much a state in the western sense as an apparatus of violent repression'. Continuing, Ake observed that most of the nationalist leaders who came to power at independence decided to inherit the colonial state rather than transform it in accordance with nationalist aspirations. This isolated them and they became increasingly dependent on force to suppress a population that was inclined to revolt against their betrayal and unimpressive performance in office, a performance now epitomized by an economic crisis so deep that it has become life threatening. The interpretations that can easily be given for this kind of failure of leadership, according to Selznick (1984:22), '... result from an inadequate understanding of its true nature and tasks'. On the realm of leadership, what is common to them is power and the interest which it serves in terms of capital and resources accumulation in order to continue to be relevant within the political system. Critically speaking, Nigeria has become a predatory state where power is based not on the usually recognized broad public support, but on force or coercion. According to Igun (2008), this is complimented by 'the support of a narrow kleptocratic self-seeking elite'. The elite, especially the opportunistic few collaborators from the Niger Delta region, encourages the exploitation of both public and private resources for the gain of themselves through institutionalized practices by which oil resources and crude oil are controlled and

stolen to grease the functioning of an intensive machinery of rent seeking political patronage and bare-faced oppression/suppression etc.

Logically, the argument can be advanced that beginning from the 1950's when attempt was made to democratize local administration into modern participatory form of grassroot self government, the exercise was vitiated by the Omniscient powers of the regional parties. An account by Dudley (1981:110 – 111) has it that at the end of the 1950s;

... not only had the initial structures been changed, but party political pressure to have local authorities function as voting machines for ruling parties had led to most elected council being suspended and in their place, "caretaker committees", composed of government nominees, substituted. Local participation had been made to give way to direct administration by the state government ministries.

By 1975, this pattern had barely changed because at the grassroot, government remained as remote and removed from daily concern of the people as ever. In the circumstance, it was difficult to attract, retain and develop the kind of leadership that would bring about and

sustain grassroots transformation. A situation that is still persisting today in the Niger Delta region.

It was the 1976 reforms and the 1979 constitution that gave expression to local government as the third tier of government with specific functions, source of funding and defined boundaries. The constitution however created some loopholes by subsuming local government under the control of the state government. Politicians of the second republic (1979 – 1983), effectively subverted this autonomy given local government thus resulting into myriad of leadership problems. First, it was the dissolution of councils and their replacement with management committees based on political patronage, instead of conducting fresh elections into the offices (Akesode, 1988:100). Next in line was the proliferation of local governments without regard to guidelines and regulations for their creation. Also, the issue of usurpation of functions and illegal transfer of funds by state governments from local government councils was rampant. There were situations that most of the states hardly paid the 10% internal revenue due to local government to them. To sum up the activities of local government for this period, Adejumo (1995:285) said that;

... between 1979 and 1983, the local authorities were lacking in power, responsibilities and resources. They also lacked a democratic character

and were largely ineffectual and subordinated. Such a system may not qualify as local government, but simply local administration.

In the political history of Nigeria, local governments have been provided with more respite under the military than under civilian leadership. It was the military regime of General Buhari (1983 – 1985) that introduced remarkable changes to the system of local government administration through the Dasuki Committee. The work of this committee was continued by Ibrahim Babangida (1985 – 1993), although under a different guise. The kernel of Babangida's 1988 local government reform was based on two premises. First, it was to enhance local government autonomy through the boosting of its revenue, political and administrative capability, and secondly, to democratize the system of local government (Adejumobi, 1995). Following this were elections into local government councils in 1988 and 1991. Also, new local governments were created and the constitution was amended to give the existence and creation of local government a federal dimension. This new outlook only favoured local governments in the three major ethnic regions and not the Niger Delta.

A resounding contradiction that one may claim concerning military leadership, over local government, is their (military) undemocratic

nature and their strive to decree democracy into local governance. Throughout the military era, state governments routinely withheld and unilaterally reduced from statutory allocation to local councils while local officials were summoned at will and given marching orders by federal and state military authorities. Also, elected councils were frequently dissolved and in their places, appointed civil servants as sole administrators. The verdict given by Olowu (1979:164 – 167) whether we are considering local government under the military or under civilian leadership still bears relevance even in present day situations. He argued that 'local governments have neither become democratic nor are they sustainable...'. Local governments, as of today have not fared any better.

The Polycentric *Raisons d'être*

The earlier part of this paper has pointed out that the polycentric governance theorem will form the fulcrum upon which a recommendation for the sustainability of local government in Nigeria should be founded. The reason for this is founded on the fact that the western models of governance copied by the Africa states on attainment of independence have turned out to be formal instrument for the centralization of power which in large part has turned out in fiasco. Ake (1990:12), commented that 'one of the most important paradoxes on the African situation is that the state is at once

inordinately powerful and pitifully irrelevant'. This translates to mean that African states governance posturing tend towards over centralization. In the views of Wunsch and Olowu (1995), the centralization of governance leads to these calamities, viz; political failure, institutional failure, economic failure, financial/fiscal failure and administrative failure. Over – centralization breeds corruption, inefficiency and a host of other social problems. Olowu (1995:20 – 21), gave a clear picture of what a centralized state looks like.

The central state collects all the most important and buoyant tax resources and makes only very little available to sub-national organs which are transferred via grants on a sporadic rather than regular and systematic basis. The result is not only waste and corruption in central level of governments but inability of lower-level government to increase or even maintain available infrastructures. In addition, the struggle to control the central government becomes a life and death struggle among the political leadership including the military. Might inevitably becomes right, and all norms about right, morality of government actors, legitimacy become luxuries which are easily expended.

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Ake (1993:15) was even more vociferous when he said “The real problem is that the public which is being served and the state which embodies it is at best rudimentary. It does not quite seem like a concrete universal but a disorderly aggregation of particularities”. He went further to state that the situation has been kept so by a state which have turned society into its enemy, politics into warfare, and by so doing, thrown up political formations which have displaced it as the primary focus of political allegiance.

Although, the 1976 nation wide local government reform has largely been eulogized as a major watershed in the history of local government management, scholars such as Adediji (1997), has observed that it is an unwanton act of illusion to ever imagine that a country as heterogeneous as Nigeria can make a success of a uniform system of local government. Uniformity, according to him ignores the difference in history, culture and modes of social organization of the various communities in a heterogeneous polity and by so doing sets local governments apart from their people. In another forum, Adediji and Otite (1997:7) argued that the 1976 local government reform broke with the observance of the federal principle. They therefore recommended for;

Creating structures and designing policies and programmes that serves the interest of all and contributes optimally to the development process.

The line of argument being pursued in this work is that there exist in our local governments and communities, informal institutions that have been resilient over the years. And that these bodies should be empowered and incorporated into the mainstream governance mechanism. These informal institutions arose as a result of the failure of the centralized state. These informal institutions have common homogeneity, speaks the same language and share common aspirations. It is in these informal bodies that people direct their energy to collective self realization through common enterprises by which the community seeks to reproduce itself at increasingly higher levels of spiritual and material well-being. It is here that people cooperate, sacrifice and work for a better society, combating crime, improving health care, building schools etc. As people give to the communities, so it gives to them. Ake (1993), sums it up when he said that 'it is to these local polities that people turn to for security, emotional support and social welfare. These polities are highly participatory and operate on the principle of consensus building'.

The rationale in this position is that a recognition and empowerment of these grassroot institutions will form the building block upon which the superstructure of the nation's democracy is built. Olowu (1995:23) argued; "Democracy is about self governance and these

informal institutions ought to be the building blocks of the new African democratic polity”.

In the analysis of this new paradigm shift in governance, I will not pretend to ascribe origin ability of any portion of it to myself. I have taken into knowledge, the views of Vincent Ostrom (1987), Wunsch and Olowu (1990, 1995) Akin Mabogunje (1995: 1 – 13) Ake (1990, 1993) and the works of the ‘Research Group on local institutions of the Obafemi Awolowo University, Ile-Ife, Nigeria.

In the introduction to indigenous governance system in Nigeria, Olowu and Erero (1977:1 – 2) averred that;

The formal structures of government in Nigeria have increasingly become a fiction in governance. The services they provide have declined sharply in quality and quantity. On several respects, these services are no longer being delivered by government agencies.

Flowing from the failure of governmental structures is the development of alternative institutional structures for providing essential services either in terms of security, improvement/maintenance of roads, water facilities etc. (Olowu and Erero 1997).

In another medium, Olowu (1995:23 – 24), gave reasons why he believed that local or indigeneous institutions are relevant for the development of a national governance model. According to him, these informal organizations are closest to the people. People feel more responsibility towards it than governmental structures. Also, the mass of Africa's people live in the countryside. They rely on informal political institutions to make demands, process them and make the system work their way. The third point rests on the fact that cultural pluralism and multiple systems of governance within the commonwealth rather than the construction of unitary political system that is imposed, is much more preferred in human communities. Fourthly, there should be a deliberate attempt at decentralization. This will give opportunity to minority groups, parties and viewpoints while building or planning for the national scheme of things. A final prescription by Olowu is that the polycentric self governing paradigm will allow for each of these informal institutions to grow and mature, articulate a system of rule of law and identify the boundaries of various communities of interest. According to him, polycentric political system consists of many autonomous units, which are formally independent of one another and act in ways that take account of one another. These units interact through processes of co-operation, competition, conflict, conflict resolution, and consensus building. What matters really is the decentralization of

power and authority and empowerment of the sub-regional units. (Otitte and Albert: 2004).

Conclusion

This paper has been able to point out that the formal institutions of government have failed in the governance quest of the Nigerian state. A new vista of awakening has been brought to light that the indigeneous non-governmental organizations abounding in our civil society and the communities possess the necessary qualities for fostering democratic governance in the Nigerian state. What is hanging in the balance and constituting a barricade is the policy challenge for a programme of institution building from the bottom of society, i.e. the community levels to be developed and made to form the foundation for governance at the local level and in the larger society. The implication of this with reference to the Niger Delta region, is that communities and the people will become more involved by becoming stake holders at deciding matters that affect their very existence. This will move Nigeria away from its present position of rule of might to that of rule by right and consultation. When the people gets involved in the actual machineries of governance, the teething problems of fiscal federalism, electoral fraud and money politics will become things of the past. A commentator puts it barely that ‘the

indigenes who govern oil bearing states must be made accountable to the people to use funds allocated for actual development of the region instead of the current looting and pillaging of the state coffers' (Igun:2008).

Mabogunje (1995:11), asked two very pertinent questions while concluding his work. His first question was "What do we know about the traditional institutions of local governance in different parts of the country"? Second, "In what form have these institutions survived and in what ways have they been modified or are being modified to make them more functionally appropriate to present circumstance"? A ready answer I may want to provide is that the nation should be able to appreciate, evaluate and capture the activities of the indigenous institutions and build them into our laws and statutes. To start with, according to Erero (2000:56),

The process of reconstituting order in the larger arena called Nigeria would entail having communities or representatives of the diverse communities in Nigeria meeting in congress or in a sovereign National conference to craft institutional mechanisms in constituting what might be referred to as local, state/regional and federal government.

The bottom line of my position is that the constitution has to be radically restructured to derive from the collective wisdom of the people. Its present state, composition and method of operation is

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depriving the nation of the intrinsic benefits that civil societies, associations, local groups in our formal local government structures, contribute to the governance process of the nation.

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Chapter IV:

Fishers of Men: The Political Economy of Kidnapping in the Niger Delta

By Dr. William Ehwarieme

Introduction

During the last quarter of 2005, the struggles of the ethnic minorities of the Niger Delta for a reasonable share of development within the majority ethnic groups- dominated Nigerian federation which began just before independence in 1960 but which became intensified since the 1990s with demands for increased share of oil revenues, control of resources and remediation of the environment, degraded by five decades of rapacious exploration and exploitation of oil and gas, entered a new and critical manifestly political phase when the Movement For The Emancipation Of The Niger Delta (MEND) took hostage nine workers of Wilbros, an oil servicing company and demanded the release of Alhaji Mujahid Asari- Dokubo, leader of the Niger Delta People's Volunteer Force (NDPVF) who had been arrested by the Federal Government on September 21, 2005 on treason charges as a precondition for their release. Before this watershed event, youths in various communities had kidnapped oil workers over breaches of Memorandum of Understanding (MOU) by oil companies , such as when 16 oil workers including a Yugoslav were kidnapped from a vessel, Seabulk, owned by an oil servicing company with Shell

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Petroleum Development Company (SPDC) on December 24, 2004 at Amatu, Ekeremoh Local council of Bayelsa State over SPDC's breach of an MOU and also , when Mr. Ivan Roso, a Croatian was taken by militant youths at the Shell Sea Eagle floating crude oil production facility on December 26, 2004 over a similar breach by the same company. Youths from Odioma Community in Brass Local Council of Bayelsa State had earlier, on November 18, 2004, shut down and occupied SPDC's 8,000 barrels a day flow station over violation of an MOU by SPDC. Following the Wilbros workers' kidnap, especially since early 2006, militants and criminal gangs have been blamed for hundreds of kidnappings involving the payment of ransom, thereby, turning what began as a political weapon into a veritable economic activity and a new occupation for unemployed youths in the Niger Delta.

In addition to expatriates, especially oil workers, who are classified as category A, by the kidnapers because of their high ransom value, victims have included Nigerian oil workers, family members of political office holders and wealthy Nigerians in category B and others in category C. Apart from the foreign staff of oil companies, the list includes expatriate staff of the German road construction giant, Julius Berger who were picked up in Port Harcourt while working on the East-West Road; Professor Nimi Briggs, former Vice Chancellor, University of Port Harcourt and Chairman, Rivers State Electoral Commission who was abducted from

his home in the University; Chief (Mrs.) Elizabeth Idisi, wife of the Delta State-born Chief Executive Officer (CEO) of Lonestar, an indigenous oil servicing company who was abducted from her home at night in Port Harcourt; Mrs Daukoru, wife of former Petroleum Minister and now king of Nembe Kingdom in Bayelsa State, Edmund Daukoru, kidnapped from her restaurant in Port Harcourt; and Elechi Amadi, the aged writer who was picked up from his home in Port Harcourt. In Delta state, the father of the Secretary to the State Government (SSG) Dr. Ifeanyi Okowa who was abducted from his home in Agbor while relaxing after church service on a Sunday is one of the most prominent cases. In Bayelsa State, victims have included Hansel Seiborugu, 70 year old mother of Wernipre Seiborugu, Speaker of Bayelsa State House of Assembly and Pa Ebebi, father of Bayelsa State Deputy Governor, Chief Simon Ebebi. In Edo State, between January and April 2009, no fewer than 12 people were abducted including an aide to the State Governor, the wife of a serving Commissioner and a retired Army General, Major-General Peter Ademokhai who was abducted on Thursday, April 23 from his riverside farm in Ovia North East Council of the state. (The Guardian, Saturday, April 25, 2009, P.3).

In most of the cases, the kidnappings usually ended without any casualties after a ransom is paid. However, there have been a few fatalities. For example, in Edo State, two kidnapped victims, a popular transporter, Godwin Ajere and a Benin-based millionaire and owner of

Alpha Furniture Company, Mr. Osazee Ebhuonmwan were found dead days after their abduction. In Port Harcourt, Rivers State, an 11 year old girl was shot dead while feebly trying to prevent the abduction of her younger sibling and in Akwa-Ibom state, the body of the 23 year old daughter of the Chairman of Abak Local Council, Mr. Aniedi Udo was found dumped in front of her school, College of Agriculture, Obio Akpa two weeks after her abduction and after her father had reportedly paid 10 million naira to the kidnappers.

Apart from the kidnap of a Canadian, Mrs. Ann Julie Mulligan who was on a Rotary International exchange visit to Nigeria in Kaduna, all of the cases of kidnap occurred in the south, particularly the oil-rich Niger Delta region and all the Nigerian victims who are non staff of oil companies are Niger Deltans. This regional character, the variety of the targets and sometimes inexplicable death of some of the victims have complicated attempts to understand the phenomenon and spurned sundry theories. For example, while it is easy to associate the kidnap of the Wilbros staff and similar cases for which militant Niger Delta groups like MEND claimed responsibility to the Niger Delta struggles, it is difficult to understand those cases in which the victims were killed even after ransom had been paid. It is similarly hard to understand why expatriates engaged in the construction of roads that would benefit the region could be kidnapped, leading to the abandonment of the projects as was the case following the kidnap of the staff of Julius Berger which made the

company to relocate from the region and the contract re-awarded to another company about two years later. It is even more difficult still to understand why innocent Niger Deltans who are neither wealthy nor involved in governance or the oil industry should be victims. Thus, following the kidnap of Elechi Amadi, Professor Wole Soyinka, the Nobel Laureate expressed concern over the identity and motives of the kidnappers when he asked whether kidnapping was in furtherance of the Niger Delta cause or done to discredit the cause.

The popular view, particularly in government circles is that the phenomenon of kidnapping is attributable to sheer criminality, and, worried by its tendency to undermine security and stifle legitimate economic activities, various governments within the region have moved to check it with Rivers and Imo States prescribing the death penalty for any culprit. The efficacy of such measures are however doubtful for at least two reasons. First, the imposition of the death penalty for armed robbery following an unprecedented upsurge in its incidence at the end of the Nigerian civil war in the 1970s has neither eliminated nor led to any significant reduction, rather it has merely encouraged robberies with increasing violence and fatalities which goes to show that deep rooted social problems cannot be eliminated by treating them as mere incidence of criminality that would disappear with the imposition of draconian penalties as deterrents. Second, and more importantly, the measure is doomed because it derives from a shallow and ahistorical understanding of the problem.

Criminality or whatever else that could be the reason for hostage-taking and kidnapping is in need of explanation. Why for instance has criminality as a means of livelihood suddenly ceased to take well known forms such as armed robbery or sea piracy and taken on the character of occupational shift in which the youths have been transformed from the age-long tradition of fishing in the numerous rivers and creeks in the region into 'fishers of men'? What are the political, social and economic forces involved in this transformation? These are the central questions addressed in this chapter which relies on the rich extant literature on the Niger Delta, numerous newspaper reports and field work in the region during my one year sabbatical leave in 2006 at the Niger Delta University (NDU), Wilberforce Island, Bayelsa State.

The rest of the chapter is devoted to a brief historical review of the political economy of the Niger Delta in the section which follows. Section 3 deals with the oil economy, politics and kidnapping while section 4 is the conclusion.

Location and Brief Review Of Political And Economic History Of The Niger Delta

The Niger Delta has been defined as:

Comprising the area covered by the natural delta of the Niger River and the areas to the east and west, which also produce oil, covering approximately 25,900 square kilometres with a northern boundary

located close to the bifurcation of the Niger River at Aboh, while the western and eastern boundaries are around the Benin River and Imo River respectively. (Environmental Resources Management Limited [EMRL], 1997).

Defined in this strict geographical sense, the area would be made up of six states namely, Edo, Delta, Bayelsa, Rivers, Cross River and Akwa Ibom. The land area however, extends to cover 75,000 square kilometres and includes three additional states namely, Ondo, Imo and Abia for purposes of delineating oil producing areas under the Niger Delta Development Commission (NDDC) Act. This chapter adopts the latter definition of the Niger Delta because kidnapping has also been prevalent in the three states, although most of the cases have occurred in the six core states particularly Rivers and Bayelsa. For some purposes in this chapter, core Niger Delta would be used to differentiate the six from the three states.

The Niger Delta has been described as “mostly a flat, low-lying, swampy basin criss-crossed by a dense network of meandering rivers and creeks” with four broad ecological zones which are, “from the coast inland, the coastal sandy barrier ridge zone, the mangrove swamp zone, the freshwater swamp zone and the lowland rainforest zone.” (UNDP, 2006:44). This naturally makes fishing and agriculture the traditional occupation of the people. Differences in the ecological zones however, necessitated some forms of occupational specialization. Thus, while the people in the lowland rainforest zone

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are predominantly engaged in agriculture, those in the coastal zone are predominantly fishermen, with those in the mangrove swamp and freshwater zones engaging in a little of agriculture alongside fishing. This variation resulted in a good network of social and commercial relationships among the people which were originally mutual and peaceful as was the case between the predominantly agricultural Urhobos and their Ijaw and Itsekiri fishing neighbours in Delta State before European imperialism and colonialism brought about conflict among them since the late nineteenth and early twentieth centuries. (Ikime, 1969)

The story of the region's contact with Europeans which dates back to the fifteenth century and which culminated in colonial rule in the early twentieth century is beyond what could be repeated in this chapter. Fortunately, it has been richly documented by scholars and shown to have had a very profound impact on its political economy. (Crowder, 1966; Dike, 1956; Ekundare, 1973; Igbafe, 1979; Ikime, 1980; Ryder, 1959, 1969; Ofonagoro, 1979). It suffices to mention here however, some specific ways in which that contact affected economic activities as well as social and political relations. First, it engendered occupational change when, as a result of the Europeans' demand for slaves, Niger Deltans were transformed into fishers and hunters of men. Second, new crops like cassava and rubber were introduced, which altered land use. Third, following the abolition of slave trade and the commencement of legitimate trade essentially in

palm oil, agricultural production became increasingly oriented towards the satisfaction of external interests; new forms of economic activities emerged in response to European demands, for example, forestry; a new class of indigenous merchants emerged and Europeans began to build factories in the region. Of course, the region also became a market for the products of European industries thereby radically altering consumption patterns. Finally, the most profound impact yet is in the political arena when, as a result of imposition of colonial rule at the beginning of the twentieth century, the small but independent pre-colonial social formations in the Niger Delta were constituted as part of the new nation, Nigeria which came into existence in 1914 as a result of the amalgamation of the Southern and Northern Protectorates by Lord Lugard. This singular act led to the loss of independence of the various pre-colonial nations and introduced ethnicity in the relations among them in the face of inter-ethnic struggles for scarce socio-economic resources. (Nnoli, 1978). In 1939 when the country was reorganised into three regions-North, East and West –dominated by Hausa-Fulani, Igbo and Yoruba respectively, the people in the eastern and western halves of the Niger Delta became minority ethnic groups in Eastern and Western regions respectively. From then till the end of colonial rule, the cry of marginalization was unabated. It reached a crescendo just before independence, necessitating the setting up of the Willinks's Commission to inquire into the fears of the minorities. Although the

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Commission did not deem it necessary to accede to the request for the creation of separate states for the people, it nevertheless recognized the difficulties posed for the areas' development by its difficult terrain and recommended the creation of a special development agency which gave rise to the Niger Delta Development Board (NDDB).

Constitutional and political developments in the country in the 1940s up till the mid 1960s which gave increasing autonomy to the regions and saw the formation of region-based political parties that formed governments controlled by members of the majority ethnic group in each region were to further accentuate the marginalization of the Niger Delta people and region within the emergent Nigerian federation and economy in which each of the Western, Northern, and Eastern regions was blessed with major government revenue yielding agricultural products- Cocoa, Groundnut/cotton and Palm oil respectively. Marketing Boards were established for each of these crops the control of which by the regional elites provided opportunities for primitive capital accumulation. Incidentally, with the exception of palm oil produced in the rain forest zone, the crops from which the bulk of government revenues were derived were not the ones for which the larger part of the Niger Delta was naturally well endowed. Consequently, such traditional occupations as fishing were not encouraged and could therefore be engaged in for subsistence and local exchange only. Unfortunately, this source of local employment even if only for survival and minimal income

generation has come under serious threat since the emergence of oil, first drilled in 1956 from Oloibiri, a small community then in Eastern Region but in present day Bayelsa State. The full impact of oil, its attendant oil economy and politics on occupational change are what we direct our focus in the next section.

Oil, the State, Politics and New Forms Of Survival.

Of all the factors that have affected the economic life of the Niger Delta, none has had a more profound impact nor produced as much contradictory effects on the physical environment, society and polity as oil. Since 1937, when the Anglo-Dutch oil Company Shell D'Arcy (now SPDC) began prospecting for oil, the environment has been experiencing systematic degradation. Following the discovery and drilling of the first oil well in 1956 and subsequent first export in 1958, has been the influx of other oil Multi-National Companies (MNCs) including Chevron, Texaco, Mobil, and Agip as well as numerous oil-serving companies. Since the 1970s, the Nigerian state has also become a major player in the oil industry through its agent, the Nigerian National Petroleum Corporation (NNPC) which is into joint venture arrangements with the oil MNCs. Apart from a substantial portion of the land that has been taken over by the vast network of pipelines criss-crossing the entire region, different aspects of the operations of the oil industry such as exploration, drilling, export, refining and marketing have been associated with specific forms of environmental problems and effects on traditional

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occupations of the people. In all, it is now well established that seismic activities associated with oil exploration, flaring of associated gases in the process of producing oil, spills of crude oil during drilling and ruptured pipes in the course of transportation to export terminals and refineries through pipelines, as well as the discharge of noxious effluents into water bodies from the refineries and drilling activities have been some of the ways through which the air has been polluted, land degraded and rivers contaminated. The rupture of pipelines carrying refined products to depots across the country has also resulted in fires occasioning thousands of deaths as in Jesse, Delta State in year 2000. Thus, apart from tragic disasters and harm to human health, the oil industry has produced negative effects on the ecosystem with substantial destruction of arable land and aquatic life which has made farming and fishing more difficult and less profitable.

Besides, traditional occupations have been negatively affected by the social and psychological crises created by oil. In spite of the harm done to the environment, it is still possible to engage in some forms of traditional occupations. For example, during the floods, I found that it was possible to catch fishes at one's door step in Wilberforce Island. Yet, all of the young people interviewed would not be involved in any of farming or fishing. Their reason was that it was not as lucrative and prestigious as jobs in the oil companies. They also pointed to their peers in politics, who, even as Local Government councillors could parade much wealth. Some said that their parents,

who had been engaged in these economic activities before they were born, had nothing to show for it. One, a graduate of Political Science, wondered why anyone would expect him to become a local fisherman after he had taken the pains to acquire University education. But even with the best of efforts, every youth, school leaver or graduate from the Niger Delta could not have been engaged by the oil companies or the local, state or federal governments. Matters are however, made worse by the fact that there is no evidence of any deliberate efforts to address the issue of employment creation, income generation and poverty reduction in the region. Thus, there exists a large army of the unemployed, pervasive poverty and inequality in the midst of the enormous wealth from oil produced in the Niger Delta.

It is the dynamics of the oil economy and oil politics within the Niger Delta and the larger Nigerian polity that has helped to transform the army of unemployed youths into “fishers of men.” Oil turned Nigeria into what has been described as a *rentier* state and made rent seeking, which is unproductive activity to obtain private gain from public office, action and resources the behaviour code for almost all public officials at all levels of governance. Revenues were centralized and the formula for sharing the “national cake” as the huge revenues from oil has come to be regarded among the constituent states of the Nigerian federation ceased to be an emphasis on the principle of derivation which was the vogue when agricultural products produced by the majority ethnic groups were the mainstay of the Nigerian

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economy. From 100 per cent at independence in 1960, it came down to 50, 45, 20, and as low as 1 per cent in the 1990s. This meant that less of the oil wealth has been available for the development of the Niger Delta. Consequently, the region ranks low in Human Development Index (HDI) with a score of 0.564 especially when compared with other oil producing regions of the world such as Saudi Arabia with a score of 0.800 in 2000 or the United Arab Emirates, Kuwait, Libya, Venezuela and Indonesia which in 2003, achieved scores of 0.849, 0.844, 0.799, 0.772 and 0.697 respectively. (UNDP, 2006:15). Similarly, there has been a “general neglect of infrastructure, often rationalized by the difficulty of the delta’s terrain”. (UNDP, 2006:16).

The ironies of suffering in the midst of plenty as a result of the use of oil revenues to develop other parts of Nigeria to the neglect of the region has been well captured by Ibeanu (2008) as “affluence and affliction”. According to him, oil from the delta:

.... Will pay for the next meal of millions of Nigerians and it will also orphan hundreds of Nigerian children who will lose their parents in the inferno taking place in the Niger Delta presently. Many Nigerian leaders will smile to the bank tomorrow because of their access to the devil’s excreta, while millions of other ordinary Nigerians in the creeks of the Niger Delta will drown in it and have their livelihoods wiped out by oil spillage and reckless discharge of effluents of crude oil mining and refining into a fragile ecosystem. (Ibeanu, 2008: 16-17)

The paradoxes of the Niger Delta which accounts for upwards of 80 per cent of Nigeria's foreign exchange earnings and about 70 per cent of government revenues have also been well established by the facts that:

Life expectancy is falling in an age of blockbuster oil prices. Energy availability is poor in a region that provides one-fifth of the energy needs of the United States. The delta needs to import fuel despite producing over two million barrels of crude oil per day. There is an almost total lack of roads in a region whose wealth is funding gigantic infrastructural development in other parts of Nigeria and expensive peacekeeping activities in other parts of Africa. (UNDP, 2006:25).

In fact, the Niger Delta has been aptly described as "a region suffering from administrative neglect, crumbling social infrastructure and services, high unemployment, social deprivation, abject poverty, filth and squalor, and endemic conflict". (UNDP, 2006:25).

It is in the process of reacting to the foregoing conditions that the Niger Delta has become a region at war with itself, the oil MNCs and the Nigerian State and it is within this context that kidnapping has emerged both as a political weapon and a means of economic survival. This stage was not arrived at by sudden flight. Just before independence, the people presented their fears to the colonial government, demanding a state of their own but it was thought that the creation of the NDDDB was the solution to the development

problem of the region. Since then other development agencies have been created with no significant improvement. They include the Oil Minerals Producing Areas Development Commission (OMPADEC) in the 1990s by the General Ibrahim Babangida military regime; the Niger Delta Development Commission (NDDC), created by an Act of the National Assembly in 2000 during the Chief Olusegun Obasanjo civilian administration; and the Niger Delta Ministry recently set up by the Umaru Musa Yar' Adua's administration. Significantly, it was the failure of the Nigerian state and the NDDC to live up to its developmental expectations after independence that prompted Isaac Adaka Boro and his collaborators to found the Niger Delta Volunteer Service (NDVS) and to declare a Niger Delta Republic at 6.30 pm on February 23, 1966.(Boro, 1982).The republic was short lived and Boro was to die in the Nigerian-Biafran war. But the struggle continued with emphasis shifting to the oil MNCs.

In their engagement with the oil MNCs, the people initially adopted peaceful means of registering their protests over environmental degradation and making modest demands for compensation. Iyayi (2000), cited in Ikelegbe(2008) identified nine community relations strategies of the oil MNCs in Nigeria namely; silence, denial, defiance, co-optation and payment of money to selected community leaders, involvement in community projects, divide and rule, blaming the victim, promotion of false consciousness and violence. Of these nine, it is only through their involvement in

community projects that the oil MNCs could address some of the developmental needs of the people. But from empirical evidence on ground, this has been minimal. They have always argued that they had paid the necessary rents, royalties and taxes to the Nigerian state whose duty it is to provide roads, water, electricity and other basic amenities. More often than not therefore, the oil MNCs have appealed to the Nigerian state to use its coercive apparatuses to harass the people. The worst case in this regard is perhaps to be found in the relationship between SPDC and the Ogoni people led in a peaceful and highly intellectual and internationalized organization, the Movement for the Survival of Ogoni People (MOSOP), whose leader, Ken Saro Wiwa was judicially murdered by the General Sani Abacha military junta in 1995 against pleas by the international community. In November 1999, Odi, a community in Bayelsa state was completely wiped out by the Nigerian military on the orders of President Olusegun Obasanjo.

The failure of peaceful methods, or more appropriately, violent response by the Nigerian state and oil MNCs to the peaceful methods of groups protesting oil-induced environmental degradation and demanding development, resource control or self determination, led to the emergence of militant groups and more combatant modes of engagement in the second half of the 1990s, especially after the killing of Saro Wiwa. These include the Aleibiri Demonstration in 1997 designed to prevent SPDC from further operations in the area after it

refused to clear a major oil spill which occurred in the Aleibiri Creek on March 18, 1997 and which adversely affected economic activities like fishing and made the bad drinking water worse. (Ibeanu, 2000: 5-6). Also, between 1998 and 1999 the Egbesu Boys of Africa engaged various agents of the Nigerian state in battles over one demand or another. Others include the Asari-Dokubo's Niger Delta People's Volunteer Force (NDPVF) and the most sophisticated of them, the Movement for the Emancipation of the Niger Delta (MEND) whose faceless spokesman, Jomo Gbomo disseminates information about its activities through the internet. The formation, organization and activities of the major militant groups have been very well documented by Ikelegbe(2005). Similarly, Eseduwo(2008) has several documentary evidence the link youth militancy to state violence.

Incidentally, the wave of militancy coincided with the return of party politics in May 1999 after about sixteen years of uninterrupted military rule. This has been linked to the fact that politics is a do or dies affair because access to state power is the surest route to wealth. As Ake (1996) puts it, politics is like warfare. Consequently, politicians armed unemployed youths to assist them rig elections and after the elections the weapons were neither retrieved nor promises made to the youths fulfilled. Ever since then, they have been using the guns to fend for themselves, swooping on the families of politicians and innocent citizens. This accounts for the criminal

element in the series of kidnappings that have rocked the region since 2005.

From the foregoing, it is clear that militancy and violence were introduced into the Niger Delta struggles as a result of the violent reaction of the oil MNCs and the Nigerian state to peaceful protests and demands for environmental justice and development commensurate with the resources extracted from the region as well as the political use of unemployed youths as thugs during elections. This is borne out by the targets, reasons and demands attached to the kidnap cases as shown in the following table culled from the Police Crime Diary of the Bayelsa State Police Command.

Table 1: Police Records on Some Cases of Kidnapping/Hostage-Taking/Sea Piracy in Niger Delta

S/n	Nature of Case	Date Reported	Location of Cases	Militants Involved	Hostages/Victims & Their Origin	Date Released
1.	Kidnapping	03/03/04	Biseni Bayelsa (BYS)	32 Militants	13 hostages	08/03/04

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2.	Hostage-taking	19/12/05	Peretoru BYS	24 Militants	42 Hostages	03/01/06
3	Hostage-taking	15/01/06	Swali, BYS	48 Militants	14 Expatriates & 1 Nigerian	23/02/06
4	Sea Piracy	19/02/07	Sagbama BYS	9 Sea Pirates	6 Policemen	19/02/07
5	Militant Attack	10/05/07	Otueke, BYS	Faceless Militants	16 victims	23/05/07
6	Kidnapping	25/05/07	Akassa, BYS	40 Militants	9 Expatriates of TEXACO	08/06/07
7	Kidnapping	31/07/07	Amarata, BYS	14 Militants	11 year-old Boy of a member of BYHA	04/08/07
8	Kidnapping	08/08/07	Gbarain, BYS	11 Militants	Mother of the Speaker of BYHA	22/08/07
9	Kidnapping	18/08/07	Akassa, BYS	23 Militants	Mother of the Speaker of BYHA	07/09/07
10	Kidnapping	08/10/07	Odi, BYS	Commander Pius Group	1 Nigerian	15/10/07

11.	Kidnapping	15/10/07	Southern-Ijaw, BYS	Unknown	1 Nigerian	15/10/07
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Source: Culled from Police Crime Diary, Bayelsa State Command in (Eseduwo, 2008:503)

From the table, we find that three of the cases, that is, serial numbers 7-10 representing 27.2% of the cases were those in which the victims were family members of politicians who were members of the Bayelsa State House of Assembly (BYHA) and the one reason for the kidnaps was “welfare of militants”. This represents the category with the highest number of cases and reflects the reality across the region. Although it is the cases that affect the oil industry and especially those which involve expatriates that seem to attract more attention, more of the cases of kidnappings in the Niger Delta have been of members of the political class and their families who are indigenes of the region. It is also significant to note that the common grouse is the militants’ welfare which means that the members of the families of politicians were kidnapped in order to extort money from the politicians who live in islands of comfort in the midst of impoverished folks some of whom were used as ladder to ascend to office. While the foregoing facts point to the use of militants as political thugs as one of the reasons for the transformation of unemployed youths into kidnappers, they also reveal that increasingly, the angst of the youths are being directed at their fellow Niger Deltans rather than the Federal Government and oil companies.

This implies an awareness of the roles the elites from the region are playing in the underdevelopment of the area.

The table also shows that an equal number of two cases representing 18.1% each concerned oil companies and ransom, that is, serial numbers 1 and 6; and serial numbers 10 and 11 respectively. Only one case, serial number 4 was directed at agents of the Nigerian state, policemen and for reasons of lack of legitimate source of livelihood. This, taken together, with the two cases in which two Nigerians were kidnapped for ransom, and, in fact, the three cases where the welfare of militants were the demands, underscore the crucial role of unemployment in the emergence of the phenomenon of kidnapping.

Finally, from the table, we observe that another three cases or 27.2% of the cases, that is serial numbers 2, 3 and 5 involved patently political demands. While the first of these relate to a local issue, the impeachment of the Speaker of the House of Assembly and the Governor of Bayelsa State, the rest two were directed at the Federal Government. Serial number 5 was actually a protest against the Federal Government's detention of former Bayelsa Governor, D.S.P. Alamiyesigha after his escape from detention in London over money laundering charges and subsequent impeachment. However, the one which is not only political but also more directly related to the Niger Delta struggles and one consistent with the new trend which began in 2005 with the Wilbros staff kidnaps, is serial number 3 in

the table. In this case, 14 expatriates and 1 Nigerian were held, not in return for ransom, but the release of one militant arrested in Port Harcourt by agents of the Nigerian state. One important implication of this case and similar cases is that it draws attention to the role of state actions and responses in the emergence and perpetuation of violence and kidnapping.

Conclusion

Kidnapping in the oil rich but impoverished Niger Delta region of Nigeria is a product of political and economic factors and forces deeply rooted in the country's history. From being a source of slaves and industrial raw materials and a market for products of European industries since around the fourteenth century, the Niger Delta became part of a British colonial entity in Africa called Nigeria in the second decade of the twentieth century. Both this economic incorporation into the global economy and forced political marriage in a poly ethnic nation, have had tremendous negative impact on the region that have been accentuated by half a century of rapacious exploration, drilling, refining and marketing of crude oil as well as by the intense political struggles associated with the allocation and utilization of the huge revenues from oil among the ruling class across the various ethno-geographic regions in the country.

Specifically, three areas of severe impact are the local economy, the physical environment and power relations which have translated into underdevelopment, manifested in unemployment, poverty,

absence of basic infrastructure and inequality. Efforts by the people of the Niger Delta to get the Nigerian state to address the issues started two years before independence in 1960 and initially consisted in innocuous requests and agitations for creation of separate states for them but became more decidedly requests for environmental remediation and demands for access to more of the oil revenues for the development of the region, especially since the late 1990s. Fortunately, the first request has been largely met as a result of the exigencies of keeping the country together in the face of the Biafran secession in 1967 and by the coincidence of the Niger Delta request with the objective interests of Nigeria's majority ethnic groups. It is in connection with the latter two that both the oil MNCs and the Nigerian state have shown less than good faith, using the coercive apparatuses of the state to provoke the emergence of militant youth groups that have found kidnapping as a veritable weapon to compel attention and wrest concessions.

Kidnapping has also become a popular means by which unemployed youths demand welfare from politicians within the Niger Delta who may have dumped them after arming and using them as political thugs in the series of elections since the return to civil rule in 1999 after about 16 years of military rule. It has also become an expression of the general angst of unemployed youths against the rest of society and as a way of making a living albeit, criminally. There also exists a possibility that some kidnappings may have been

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orchestrated by agents of the Nigerian state as a way of discrediting the militant movements committed to getting a better deal for the region. In all, the underlying economic and political causes of kidnapping are revealed by the analyses of the targets and nature of demands of the kidnappers.

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Chapter V:

Oil as a Source of Political Conflict in Nigeria: The Case of Ijaws

By Dr. Esekumemu V. Clark

Introduction

The political process in Nigeria has undergone a series of changes since independence in 1960. Since the amalgamation in 1914 of both Northern and Southern Protectorates by Lord Lugard, the political landscape has always fluctuated as a consequence of the forced amalgamation of the separate and distinct political communities for the geopolitical and economic interests of Britain. The result of this fluctuation has been conflagrations which have characterised the body politics of the country since the amalgamation. Indeed, six years after independence, the First Republic (1960-66) was overthrown by the military and subsequently the institution of a military regime, including a bloody civil war from 1967 to 1970. In 1979, the military regime under General Obasanjo, reconstituted the Second Republic under the civilian leadership of Shagari which was eventually hijacked again by the military on December 31, 1983, subsequently culminating in four successive military regimes under General Buhari (1983-85), General Babangida (1985-93), General Abacha (1993-98) and General Abubakar (1998-99). The latter on May 29, 1999,

reconstructed the Fourth Republic under the democratically elected civilian administration of President Obasanjo.

Thus from all these indications, one can ascertain that the failure of the political system has been the inability of the political elite to follow through on the principles of the liberal democracy which were strongly entrenched in the Willink Commission of 1958. Among others, the power elite fails to recognise and redress the concerns of ethnic minorities raised in the Willink Commission preceding independence. The ruling elite also failed in contributing to poverty reduction despite the enormous oil revenues made from the 1970s. Such concerns had led to restiveness among the Nigerian population. In the 1960s, for example, the Ijaws sounded the alarm over the issues of development, environmental degradation and political representation. But both of the then regional and central governments had failed to pay fuller attention to their concerns, despite the pollution of their land from oil exploration and exploitation as well as oil revenue, which was not fairly used to develop the Niger Delta to ease their situation. Hence, the failure of the Nigerian authorities to take appropriate steps to tackle these problems led in 1966 to Ijaw Youth's revolt led by the late Isaac Adaka Boro.

The "Ijaw question" has become an intricate issue for past Nigerian leaders, including the current President Obasanjo, over the reconstitution of oil resources, i.e. wealth and power shifting to Ijaws

and other minorities in the oil-producing region. Until very recently, when the 'on-shore' and 'off-shore' decree was abrogated, it was a political issue between the executive and legislative arms of the present administration under President Obasanjo. While commending the present political leadership that came to power on May 29, 1999, for implementing the 13 percent derivation fund policy approved by the Abacha regime for oil producing states, attention should also be focused on the Niger Delta Development Commission which was set up by this same administration in 2002. It should be noted that the activities of the Niger Delta Development Commission are not tuned to the yearnings of the Niger Delta People for speedy environmental and human development. The Commission is perceived as an instrument of distraction aimed at blackmailing the Niger Delta people into silence while the process of the marginalisation of the oil-producing minority groups continues. Meanwhile, the aim of the paper is to explore the case of the marginalisation of the Ijaws in the current socio-economic and political formation, and the underlying objectives of the 1998 Kaiama Declaration. The paper sheds some light on the country's historical experiences since the 1960's in order to buttress our subsequent discussion and understanding of the complex post-colonial politics in Nigeria.

The Historical Experiences

The Nigerian state that succeeded the colonial state in 1960 was mired, from its inception, in a myriad of problems and issues which were unfinished businesses before the colonial administrators' exit. Those shortcomings in the colonial arrangements such as the ethnic minorities' concerns well documented in the Willink Commission Report, federal structure, etc., however, were not critically examined and were inadequately addressed by the post-independence elite. Thus those post-colonial elites who assumed political power at the central and three regions, respectively, were more interested in concentrating power, including a disproportionate share of the country's wealth in their ethnic base or regions than really working towards building a nation-state where all ethnic groups will be fairly represented at both federal and regional levels. However, the political rivalry between the three main ethnic groups, the Hausa, Yoruba and Ibo to have a piece of the cake at the national level was indeed one of the crucial factors which led to the demise of the First Republic from 1960 to 1966 (among others, see Dudley 1973; Clark 1991; Amuwo et. al. 1999). In addition, the politics of domination and social exclusion practiced by the main ethnic groups in the North, East and West led to the marginalisation of minorities such as the Ijaw, Urhobo, Isoko, Itsekiri, Edo and others to be fully engaged in the political process and other endeavours not only in their regions but also at the national level.

Indeed, the Willink's report had demonstrated the concerns of ethnic minorities such as the lack of development and social exclusion confronting the Niger Delta which it referred to as the 'Ijaw country'. This should be given top priority in development and the problems addressed accordingly. The report noted that the Niger Delta is remote from the central government and not to be left behind. The state should focus on developing it to enable the inhabitants to benefit from the gains of independence. In any case, successive Nigerian governments have so far failed to heed and follow up on the aims of the report. One can argue that one of the weaknesses of the Willink Commission's report was that it failed to make a recommendation for the creation of more regions in the country before independence, despite the fears expressed by the minority ethnic groups over human rights and domination in the new formation. Recent developments have buttressed such concerns as the last two military regimes, including the present political leadership which deployed the security forces against the Ijaws and other minorities in the Niger Delta, leaving many innocent civilians killed because they questioned the rationale of the injustices of government policies concerning development and human rights aspects in the Niger Delta. Ken Saro-Wiwa and other Ogonis were victims of the Abacha regime in 1995. On 26 November 1999, President Obasanjo also deployed

the army against Ijaw Youths at Odi in Bayelsa State, leaving more than 300 innocent civilians dead.

Meantime, the lack of policy articulation by the leadership to follow through and put into perspective the recommendations of the Willink Commission led to demands by ethnic minority groups for participation and more representation at both regional and national levels. In 1963, the Midwestern part of the old Western region of Nigeria governed from Ibadan decided to opt-out after a vote of referendum which overwhelmingly decided for a 'yes'-vote. Thus in 1964, a fourth region was created in the country known as the Midwestern region^{1[1]} with its capital and seat of administration based in Benin-City, in order to pacify the concerns of minority groups under the Yoruba dominated Western region. One can argue that the delinking of Midwest from the Western region was only made possible because of the internal Action Group (AG) crisis in 1962, which pitted Chief Awolowo's led section against Chief Akintola's factions of the Western region's government at Ibadan. The Northern People's Congress (NPC)-led federal administration, in coalition with the NCNC at the national level, worked to make it possible to create the new region out of the Western region. The NPC and the NCNC cooperated in seeing that the Midwest was created out of the West, while, despite the minority problems in their own regions, both political parties had

failed to pay critical attention to their ethnic minorities' demands for the creation of more regions in the North and East, respectively. In fact, however, the creation of more states became possible only when the military intervened in politics on 15 January 1966. As the country was heading towards a civil war in 1967, General Gowon decided to create 12 states out of the former Northern, Eastern and Western regions. His strategy was to weaken the Ojukwu regime based in Enugu in its power struggle with the federal regime strengthening his support base in the rest of the federation.

Certainly, the inability of the political leadership in the First Republic to apparently analyse and adopt appropriate steps to resolve a myriad of problems such as the ethnic minority fears, the 1964 workers' strike, the general elections of 1964, and the AG leadership crisis from 1962, all lead the country into political instability and abyss (see Clark 1991). To take one example, the unsettled AG crisis led to the imprisonment of chief Awolowo in 1963 and subsequently to the split of the AG under Awolowo's supporters and the followers of chief Akintola, the Western region's premier. The final result on the crisis was to hold Western regional election to settle the issues of the regional primership between the AG led by Awolowo's followers and the NNDP founded by the incumbent premier Akintola in 1965. The inconclusive elections, which some commentators claim was rigged by the NNDP, led to civil-strife. More than 665 people were killed, and

properties worth millions of dollars destroyed (among others, see Clark 1991). It has been argued that the failure of the federal to impose order in the crisis-torn region, eventually triggered the first military intervention in the country's political process. In extant literature had shown different reasons why the army supplanted the civilian leadership in 1966. Correspondingly, there are two main reasons why the Federal had failed to intervene in the West to end the crisis. (1) The NPC-led federal government was a political ally of the NNDP-led government in the Western region; and (2) the federal had been criticised previously for reacting too soon in early 1962 in declaring a state of emergency. This occurred when the AG crisis began by appointing an Administrator to the region, thus fuelling the situation by encouraging some of the protagonists to refuse to seek a peaceful solution to the crisis.

Perhaps the federal government, under the leadership of Balewa, had expected to see whether the political leadership, including the Obas and chiefs in the West, would be able to find amicable solutions to the political upheaval that had engulfed their region.

Moreover, in 1964-65, the Tiv uprising led by Joseph Taraka, the leader of the UMBC against the NPC-dominated government of the Northern region, which was particularly focused on destroying a minority political party seeking social justice in the region in order to

improve the quality of life of people in the area.^{1[2]} The UMBC was also an allied of the AG whose aggressive campaign strategy the NPC feared (see, e.g. Amuwo 1999).^{2[3]} The security forces, including the Mobile Police Force (Flying Squad 2) based at Ikeja-Lagos was then deployed several times into the Tiv area (now part of Benue State) to help end the riots.

In January 1966 the Ijaw Youths revolted in the Niger Delta part of the Eastern region. Then political leadership deployed the security forces, including units of Mobile Police Force from other parts of the country against the Ijaw Youths. The leader of the revolt Boro and others were arrested and charged for the crimes of treason against the state. The Ijaw Youths declared the Riverine state in the Ijaw area of the Niger-Delta was to remain within the Nigerian Federation. Their objective was to rectify the injustices facing the Ijaw nation in the country. Such a challenge was seen by the new military leadership as an affront against the authority of the military government headed by Major General Ironsi and its agenda of a unitary system of administration. In addition, Boro's revolt began two days earlier against the civilian administration of Balewa when the army seized power on January 15, 1966. However, the Ironis' regime was overthrown in a Northerner's organised coup on July 29, 1966,

and eventually led to an attack against Southerners, especially the Ibos in the Northern region, as well as the political tussle between Ojukwu and Gowon over the issues of human rights and security of Ibos within Nigeria. Indeed, Ojukwu failed to recognise and critically examine the concerns of the Ijaws in the East in 1966, over issues of marginalisation, human rights, security, development, pollution etc., when Boro raised them. The leadership in the Eastern region articulated such justifications, among others, in the dismemberment of the Eastern region on May 30, 1967 from the rest of Nigeria.

In short, the Willink Commission report's main principles such as rule of law, human rights, democracy and development are yet to be fully integrated into the Nigerian society, where minority groups are still being marginalised in socio-economic and political formation. The consolidation of democracy is still an uphill task and the high expectations of the independence era had given way to frustration and disillusionment among the people in the country. As eminent Nigerian historian Professor Tekena N. Tamuno notes: Steadily, disillusionment followed the dreams of the Willink Commissioners over early realisation of liberal democracy.¹⁴¹

The Ijaw Question

The Ijaws are a separate and distinct nationality inhabiting the coastal region, mainly in the Niger Delta, including Akwa-Ibom, Edo and Ondo states. There is a belief that Ijaws were the first inhabitants of the territory of the present Nigeria. They are the fourth largest ethnic group in Nigeria. Their traditional occupation is fishing.

Meanwhile, the economic situation since the 1980s and the deliberate policies of the past Nigerian governments in neglecting development and the environment in the Niger Delta, despite the goose that lays the golden eggs, which feeds and powers the country's economy, flows beneath the surface mainly in that area. It has been argued that for more than three decades there was no concrete strategy mapped out by the central government regarding the creation of jobs and the reduction of social exclusion in the Niger Delta, where there is ample evidence of a large impoverishment among the local communities as a consequence of the oil exploration and exploitation.

The area is polluted. For example, the livelihood of the Ijaw local communities had been gravely affected because of the oil exploration and exploitation which had and still is polluting waters, fish, wildlife, and creating barren land as well as gas flaring causing a health hazard in the area. True, fishing and farming, the main occupations of the local communities are no longer economically viable and sustaining as a consequence of mass oil exploitation.

Pollution is affecting fishing and drinking water. The barren land has contributed to a reduction in agricultural productivity growth. In addition, people have been forced to move from their villages as a result of oil corporations' activities in these places. Again, there is inadequate or non-existent infrastructure in these local communities. Indeed, there are no good roads, many places have no health centres, few schools, no transports or federal institutions in these places. For example, in the village of Batan where oil was found more than thirty years ago, there is not a single state infrastructure, the only primary school was built with the local community efforts, despite the fact that oil from the village contributed US \$ 380,000 every day to the country's economy (IHT November 12, 1998). In any case, such problems seriously facing the Ijaw communities were referred to by Boro in the early 1960s. But successive Nigerian administrations had failed to pay fuller attention and sought immediate ways to put in place a fast-track measure to tackle the issues of social exclusion, development and environment long-simmering in the body politics of the country.

In fact, the most recent case of Ijaw Youths occupying some of the oil installations, thus reducing production by more than 700,000 barrels out of the country's 2.3 million barrels per day, has really demonstrated the seriousness of the appalling conditions in the oil-producing region of the country. The Izon (Ijaw) people, among

others, have been at the forefront of the struggle to rectify the injustices by non-violent means and to find an amicable solution to the problem. In the mid sixties the late Boro, a chemistry student at the University of Nigeria, took the then Federal Government under the leadership of Balewa to court. The charges brought against the government were: (1) oil revenues were not used for the development of the oil-producing local communities; (2) issues of environmental problems facing the oil-producing region as a consequence of the oil production by the multinational oil-corporations; (3) education; (4) poverty reduction; and (5) political participation at both regional and national levels, should be addressed by the Nigerian government. The court had failed to redress the problems because of the pressure from the government. Indeed, the inability of the court to provide legal recourse to the grievance led to restiveness in the Nigerian Delta. In January 1966, Boro and other Izon students declared the Riverine State^{1[5]} and took control of the oil fields in the Ijaw areas. The Nigerian military seized power on January 15, 1966, thereafter it crushed Boro's revolt and he was sentenced for treason against the state by the military under the leadership of Major-General Ironsi. However, in 1967 Boro was released by General Gowon^{2[6]} and subsequently joined the Nigerian army and was killed in action during

the Nigerian civil war. General Gowon who had emerged as the new military leader after General Ironsi was overthrown in a military coup on July 29, 1966. Indeed, one can argue that the military hijacked Boro's revolt. What should have happened if the late Major Kaduna C. Nzeogu had headed the military regime after the January 1966 coup he led? Will he have chartered a new course for the country's history? Will he really have made concessions over issues of human rights, sustainable development and the creation of the Riverine State to Boro? However, these would be an interesting basis for further investigation into the country's evolving political history.

Meanwhile, in the 1990s the demands on the last three military leaders, General Babangida, General Abacha and General Abubakar to redress the injustices reached a high point. The failure of these leaders to recognise the seriousness of the situation and to take steps to mitigate the problem of unemployment among the youths, for example, was not a top priority. Such inaction by the leadership rekindled the 1966 Ijaw Youth's revolt. The Ijaw youths occupation of oil installations and fields prevented oil corporations from doing their work in order to draw the attention of the military leadership and the Nigerian public to the conditions of impoverishment in the Niger Delta. Such action by the youth led to a reduction of oil production and exports, consequently causing a loss of millions of dollars of foreign exchange earnings. The military leadership response was to

deploy security forces to root-out the youths from the oil installations enabling the oil corporations to continue operating. Thus, in the process of the security forces trying to dislodge those armed youths, casualties were sustained by both sides.

The leadership has also used tactics such as divide-and-rule politics, i.e. pitting two or more ethnic groups or towns against each other in order to weaken their bargaining position vis-à-vis the government. A most recent example of this occurred between the Ijaws and Itsekiris over the local government headquarters of Warri South West that from the very beginning had been located at Ogbe-Ijoh an Ijaw-town. These headquarters moved later to Ogidegben, an Itsekiri-town for no apparent reason, with the support of the military government. The problem led to a bitter conflict between the Ijaws and Itsekiris, many people were killed and properties worth millions of dollars were destroyed. Despite the gravity of the situation, the military leadership had failed to take a constructive approach to resolve it peacefully. The underlying rationale as to why the leadership hesitated to act on putting an end to the ethnic clashes was to keep the conflict simmering so that the attention of the local communities will be detracted from the most contentious issues of oil revenues, development and environmental degradation severely affecting the Niger Delta. However, the issue of the headquarters had

been resolved with a law passed by the House of Assembly relocating the headquarters from Ogidegben to Ogbe-Ijoh.

True, the security forces have committed all sorts of crimes, including raping of women in the Niger Delta (see, e.g. *The Guardian*, November 12, 1999, pp 24 - 25, Lagos). Such attitudes by the security forces led to a revenged attack against them by the youths, including the recent killing of 12 policemen. Consequently, it caused President Obasanjo to use the army against the Egbesu youths at Odi that left many civilians killed as well as wanton destruction of the town. Meanwhile, literature is abundant on how some African leaders and dominant groups have used the security forces against their political opponents and other ethnic groups, to enable them to stay in power and as such perpetuate the existing status quo^{1[7]}. As regards Nigeria's political terror institutionalised by the military leadership against ethnic minority groups, Richard Joseph notes Ogoni militants perceived the Nigerian state as reflecting a tight circle of causation: oil wealth financed a federal structure, controlled in turn by specific communities, whose representatives were able to determine public policy and allocate national resources to maintain their material advantages and political sway.^{2[8]}

The Kaiama Declaration

The underlying rationales of the December 11, 1998 Kaiama Declaration by Ijaw Youths were the problems of social exclusion, development and environmental degradation, among others, facing the Ijaw people and its environs. True there were more than four decades of exploitation and the failure of the Nigerian leadership to pay fuller attention to their predicament despite Boro's warnings of the 1960s. During the deliberations, many problems and issues were identified. They include^{19]}

- "That the quality of life of Ijaw people is deteriorating as a result of utter neglect, suppression and marginalization visited on Ijaws by the alliance of the Nigerian state and transnational oil companies.
 - That the political crisis in Nigeria is mainly about the struggle for the control of oil mineral resources which account for over 80 % of GDP, 95 % of national budget and 90 % of foreign exchange earnings. From which, 65 %, 75 % and 70 % respectively are derived from within the Ijaw nation. Despite these huge contributions, our reward from the Nigerian State remains avoidable deaths resulting from ecological devastation and military repression.
 - That the unabating damage done to our fragile natural environment and to the health of our people is due in the main
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to the uncontrolled exploration and exploitation of crude oil and natural gas which has led to numerous oil spillages, uncontrolled gas flaring, the opening up of our forests to loggers, indiscriminate canalisation, flooding, land subsidence, coastal erosion, earth tremors, etc. Oil and gas are exhaustible resources and the complete lack of concern for ecological rehabilitation, in the light of the Oloibiri experience, is a signal of impending doom for the peoples in Ijawland.

- That the principle of Derivation in Revenue Allocation has been consciously and systematically obliterated by successive regimes of the Nigerian State. We note the drastic reduction of the Derivation Principle from 100 % (1953), 50 % (1960), 45 % (1970), 20 % (1975), 2 % (1982), 1.5 % (1984), to 3 % (1992 to date), and a rumoured 13 % in Abacha's 1995 undemocratic and unimplemented Constitution.
- That the violence in Ijawland and other parts of the Niger Delta area, sometimes manifesting intra and inter ethnic conflicts are sponsored by the State and transnational oil companies to keep the communities of the Niger Delta area divided, weak and distracted from the causes of their problems."

As implied above, the huge problem confronting the Ijaw nation and its environs certainly led to the Kaiama Declaration, which strongly affirmed that Ijaw people should take over control of their

own natural resources and judiciously manage them so as to prevent wasteful use, depletion of resources and environmental problems, as well as jobs, which in turn create and reduce social exclusion in the Niger Delta, which had been neglected for years by the Nigerian authorities. In order to realise the fundamental objectives, aims and goals the Kaiama Declaration states^{1[10]}

- “All land and natural resources (including mineral resources) within the Ijaw territory belong to Ijaw communities and are the basis of our survival.
- We cease to recognise all undemocratic decrees that rob our peoples/communities of the right to ownership and control of our lives and resources, which were enacted without our participation and consent. These include the Land Use Decree and The Petroleum Decree, etc.
- Ijaw youths and peoples will promote the principle of peaceful coexistence between all Ijaw communities and with our immediate neighbours, despite the provocative and divisive actions of the Nigerian State, transnational oil companies and their contractors. We offer a hand of friendship and comradeship to our neighbours: the Itsekiri, Ilaje, Urhobo, Isoko, Edo, Ibibio, Ogoni, Ekpeye, Ikwerre, etc. We affirm our

commitment to joint struggle with the other ethnic nationalities in the Niger Delta area for self-determination.

- We agreed to remain within Nigeria but to demand and work for self-government and resource control for the Ijaw people. Conference approved that the best way for Nigeria is a federation of ethnic nationalities. The federation should be run on the basis of equality and social justice.”

The Kaiama Declaration referred to the predicament of the Land Use Decree (1978), the Petroleum Decrees (1969 and 1991) and the National Inland Waterways Authority Decree No. 13 (1997) etc., all of which have put the Ijaw nation and its environs at a very disadvantaged position within the Nigerian Federation. Such legislations promulgated by the Nigerian government as the Kaiama Declaration states, that “Ijaw people have been robbed of their natural rights to ownership and control of their land and resources”. Indeed, the respective decrees which were enacted, opened up the Ijawland to uncontrollable oil and gas exploration and exploitation by the transnational oil corporations without paying more attention to the negative effects of pollution and environmental degradation that are devastating the area. It went further to stress that these decrees were promulgated without the consents of the local communities or even put to a referendum to be decided by those whose lives, resources, land etc. were being gravely affected by such legislations. As the

Declaration notes, such decrees “which were enacted without our participation and consent” could be interpreted as a violation of our basic human rights and existence by the Nigerian authorities. Consequently, the Nigerian state need for hard currency will be least interested in subjecting itself to such rigorous approval from the local communities over the various decrees which were enacted to underpin and facilitate oil and gas exploration and exploitation at the detriment of the local communities. One can argue that had the local communities been consulted before such enactments they would have definitely opposed the government, because their lives, land and resources, among others, were systematically being destroyed by the ongoing rate of oil exploration and production activities in the Niger Delta.

Indeed, the Kaiama Declaration places greater emphasis on the principle of peaceful coexistence among the different ethnic nationalities with respect to the most recent intra-inter ethnic and religious clashes in Nigeria. It explicitly and implicitly posits that “Ijaw youths and peoples will promote the principle of peaceful coexistence between all Ijaw communities and with our immediate neighbours, despite the provocative and divisive actions of the Nigerian state, transnational oil companies and their contractors”. More importantly, the promotion of the notion of peaceful coexistence between the Ijaw nation and its neighbours is a very encouraging step

that would lead to a reduction of tensions in these places. Indeed, it will lead to confidence building measures, mutual trust, conflict transformation and for a lasting peace between the Ijaw and Itsekiri, Ilaje, etc. who have had serious clashes in the past years over local government issues, land and resources, among others. In addition, the Nigerian state must and should now begin to promote the principle of peaceful coexistence between the different ethnic and religious groups in order to put an end to the ongoing ethnic and religious conflicts which could seriously lead to the fragmentation of the country.

The Declaration spells out that the security forces had been responsible for all kinds of brutalities, including crimes as well as aiding and abetting the oil companies in their destruction of Ijawland through oil and gas exploration and production activities. Actually, to protect these oil companies the security forces have and still are using extrajudicial methods leading to the killing of innocent civilians in the Niger Delta. The Nigerian authorities had applied the law of rule instead of the rule of law in dealing with local communities' issues concerning poverty, human rights and sustainable development. The oil companies have accused local communities of sabotages of oil installations, including damages to oil pipelines. It has been argued that the multinational oil corporations, especially Shell had abused the ineffective Nigerian environmental legislation regarding oil and gas

exploration and exploitation by failing to introduce, change and use new materials, i.e. flowlines. However, they continue to use, among others oil pipelines which are more than thirty years old. This is one of the main reasons why the oil pollution is more frequent in the Niger Delta (see e.g. Frynas 1998; Frynas 2000). Consequently, the Nigerian authorities had failed to demand that the oil companies in their oil exploration and production activities must maintain and observe existing norms of international standards such as in oil operations in Europe and North America. Why has the Nigerian state behaved in such a way? Correspondingly, there are three answers^{1[11]} to the question:

- 1 the urge to earning hard currency by the leadership and the possibility open for looting, for example, over US\$ 12 bn from the Gulf War windfall was unaccounted for under the Babangida regime;
- 2 partnership with Shell as such endorsing its actions regarding failure to meet international legal environmental standards; and
- 3 the lack of concern about the depletion rate of oil mineral resources compared to most other oil-producing countries where stark measures are in place to prevent depletion of oil resources, per se.

With respect to oil spillages, gas flaring, blowouts, etc. which are gravely damaging the ecosystem in Ijawland, there have been no strong policy responses from the Nigerian state and the oil companies to tackle such problems confronting the Ijaw people. Among others, investigations of oil spillages by the Nigerian government had not involved concrete steps to sanction those oil companies who were responsible for such irreparable damage. But the Nigerian authorities had always colluded with Shell, for example, to point fingers at the local communities as the main perpetrators. According to the Kaiama Declaration, “We are tired of gas flaring, oil spillages, blowouts and being labelled saboteurs and terrorists”.

However, Nigeria to remain a political entity is imperative. As such, the Kaiama Declaration reaffirmed that the unity of Nigeria and Ijawland will remain an integral part of the Federation. The Declaration has gone further to stipulate that “The Federation should be run on the basis of equality and social justice”. Thus it emphasizes the effective participation of the respective ethnic nationalities in the socio-economic and political formation that is emerging in the new Nigeria since the military disengaged from politics in May 1999. Certainly, the country has yet to truly reflect its federal character, among others, in employments and appointments to federal positions. Hence, in the new Nigeria for there to be a durable peace, stability and prosperity the principles of equality and social

justice should be the bases of building and underpinning foundations in the transformation of the Nigerian society in the 21st century. However, the federal character principle has been distorted in its application in Nigeria. Its fundamental objective was to achieve a balanced and ordered society since formal independence was gained in 1960. Instead, it led to unbalance power where some groups had manipulated and used it to buttress and enhance their sectional or regional interests at the detriment of others. As Professor John A.A.Ayoade posits

The operation of the federal character in Nigeria has given more powers to the politically superior groups thus creating a wider power disparity between the strong and the weak. The politically weak are subjected to double jeopardy, a situation that is patently antithetical to national integration.^{1[12]}

In the meantime, the Ijawland produces the bulk of the petroleum and thus 70 % of the country's foreign exchange earnings. Despite the enormous contributions from the Ijawland there is not a major infrastructure or development project in the area. One can argue that oil revenues have not been fairly distributed to cover costs of pollution, health problems, social infrastructure, living conditions, damage to biodiversity, etc., all being severely suffered from by the Ijaw people. However, revenue allocation principle has and is still a

contentious issue in the body politics of the country. Since the Phillipson Commission (1945) which indeed had recommended the derivation principle on Nigeria's fiscal federalism, many other revenue allocation systems had been authored or put in place (among others, see Mbanefoh and Egwaikhide 1999; Adesina 1999; Olowononi 1999; Obi 1999). The derivation model was applicable until crude oil had become the principal source of the country's foreign exchange earnings. When oil became the main source of hard currency earnings, and was largely found in the region of minority groups, it became a source of concerns for the main ethnic groups because it lead to a reconfiguration of wealth, including power towards the ethnic minorities (see, e.g. Mbanefoh and Egwaikhide 1999). Certainly, to prevent such a scenario the main ethnic group who wielded political power, had decided to adopt a new revenue allocation formula from which they are benefiting a disproportionate share of the oil revenues at the detriment of the oil-producing ethnic minority groups. Mbanefoh and Egwaikhide (1999) argued that the oil produced, for example, has been in the regions of the main ethnic groups, yet the derivation principle remained the same formula used since 1945 in the country's fiscal system.

Moreover, the Aboyade Technical Committee on Revenue Allocation in 1977 and the submission of the Minority Report of the Okigbo Revenue Allocation Commission in 1981, respectively,

recommended the abrogation of the derivation principle. It thus led to the demise of the derivation principle in the country's fiscal policy.

Hence, the principles of land mass, equality of states and population, among others, are devices being used today for revenue distribution without taking into consideration the severe effects of pollution that are damaging the oil-producing region and perpetuating the marginalisation of the Ijaw people. These people are bearing the brunt of the negative effects of oil exploration and exploitation. Indeed, their ecosystem and biodiversity are being systematically damaged. In addition there is a depletion of those finite resources and fresh water is being contaminated.

Conclusion

The federal should endeavour to resolve the crisis in the Niger Delta peacefully instead of adopting Macchiavellian tactics which could become costly for the Nigerian state.

Indeed, the Kaiama Declaration drew attention to the loopholes in the Nigerian system, as contributing factors to the country's unabated problems. However, the manner in which the federal character principle was practised has had distorting effects.

However, a most comprehensive policy must be formulated to reverse the predicament in the Niger Delta. Efforts should be focused on development, job creation and reduction of poverty in order to improve the living conditions in the area. Also, a strategy of

conserving and managing these finite resources so as to avoid their depletion, and a plan for tackling environmental degradation should be adopted and made a top priority issue of the federal in years ahead. Such a policy will prevent the waste, massive exploration and exploitation of resources and thus reduce the pollution in the Niger Delta.

In the final analysis, the rule of law, human rights, democracy, good governance, development and environmental sustainability must be promoted and aimed at ensuring peace, stability and prosperity in the country.

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Chapter VI:

The Struggle Against Exploitation and Marginalization: A Historical Survey of and Implications of the Uprisings and Protests in Nigeria's Niger Delta

By Dr. Laz Etemike

Introduction

The Niger Delta, Nigeria's oil belt, is home to much of the oil and gas reserves and the oil industry. There were 349 drilling sites, 22 flow stations and one terminal in the early 1990s. (World Bank, 1995) and about 10,000km of pipelines, 10 gas plants, 3 oil terminals and 1,500 oil producing wells by the mid 1990s (Egborge, 1999). As at 2007 there were over 600 oil fields, 5,284, on and off shore oil wells, 10 export terminals, 275 flow stations, 4 refineries and an LNG project (Lubeck, Watts and Lipschutz, 2007:5). It has been reported that the Niger Delta and its crude oil had a proven reserve of 17.8m barrels and natural gas with proven reserve of 2.5×10^2 M by early 1998. Crude oil reserves as at 2000 were estimated at over 30 billion barrels.

Oil, as expected, has not brought prosperity, better living conditions and government attention and development. Rather, it has been accompanied by instability, insecurity, conflicts, violence, crime,

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and social tensions. The Niger Delta is characterized by the absence of infrastructure, social services, non-oil industries and even petroleum products. There is widespread neglect, social and economic underdevelopment. The region is one of the least developed in the nation. It has only 2% of the Federal roads and less than 30-40% of settlements have electricity. In some areas, existing primary health care facilities serve as little as 2% of the population. Educational facilities are inadequate in most communities. There is huge infrastructure underdevelopment. The prices of petroleum products are of the highest in the country. There is endemic poverty (NDES 1997a).

According to Ikelegbe (2004:490-516) rather than attract development, oil has actually devastated and underdeveloped the region. Oil exploration and exploitation has led to family, intra-communal, inter-communal and inter-ethnic feuds, conflicts and wars. The oil economy has disinherited and dislocated the local people who are dependent on the primary economies of farming, fishing, and hunting. The region has been laid prostrate by massive oil based environmental degradation. As a regime of massive oil spillages and gas flares, their activities have destroyed or devastated enormous land and water which has led to soil fertility loss, agricultural decline, forest loss, fisheries decline and biodiversity depletion (Ikelegbe, 2008).

The region which only receives little resources as derivation based resource flow from the federation account had its resources decline from 50% in 1966, to 45% in 1970, 1% in 1979, 2% in 1982, 1.5% in 1984 and 3% in 1992. It was only increased to 13% in 1992. As Ikelegbe (2004: 490-916) has noted, the import of trickle resources flows from the Nigerian state and the oil companies and the consequences of gross degradation and socio-economic dislocation has been massive poverty, unemployment and malnutrition among the people. These have led to frustration, restiveness, anger, bitterness and aggression against the state and the oil companies. This paper therefore reflects on the various uprisings and oppositions against the state by the people of the region.

Opposition against the state and oil companies

The Niger Delta historically has been a protest prone zone, the protests not unconnected with the innate will of the people to resist oppression, exploitation and servitude. The likes of Jaja of Opodo and Nana of Itsekiri, are established cases of resistance to imperialism, domination and exploitation. Being a major economic gateway in colonial as well as post-colonial periods, the tendency for regime exploitation and marginalization is always there. The use of brute force and coercion have been deployed both in the past as in the present to silence opposition against the state. All the same the suppression of one agitation did not discourage others from opposing

the state rather it has gradually embolden others to join in the struggle. This therefore starts with the Isaac Boro led opposition.

1) The Boro-led Niger Delta Volunteer service (DVS) - 1966

The principal focus of Boro's Niger Delta Volunteer Service (DVS), which was launched in February, 1966 was to create a State of the Niger Delta people in order to address the human and infrastructural development problems of the area (see Omotola, 2006: 17). Boro's struggle was a follow-up of several other failed peaceful agitations of the chiefs and politicians of the area in search of a state. Prominent amongst such movements were Ijaw State Movement, Rivers Chiefs and Peoples Conference led by Chief Harold Dappa Biriye e.t.c, which were nipped in the bud by politicians from preponderant ethnic nationalities in the Nigerian State. Most of such agitations were even pre-independence and at best only received a listening ear of the British Government, which led to the constitution of the Minorities Commission popularly known as the Willinks Commission of 1957. The commission reported in 1958 that:

*"The needs of those who live in the creeks
and swamps of the Niger Delta are very
different from those of the interior... it is not
easy for a government or legislature
operating from the inland to concern itself or
even fully understand the problems of the
territory where communications are so*

difficult, building so difficult, building so expensive and education so scanty in a country which is unlikely ever to be developed”.

Most importantly, the Willinks commission concludes that “a feeling of neglect and a lack of understanding was widespread”... a case made for a special treatment of this area. This area require special treatment because it is poor, backward and neglected. (Willinks Commission Report, 1958).

The failure of the Nigerian Government after independence in giving the desired attention to the development of the Niger Delta region in spite of its enormous contributions to the wealth of the country stimulated Boro’s dream for self-determination. As Boro proclaimed thus; “the Ijaws as may be seen from the list of Nigerian tribes were thus pronounced victims of a woolly administration. Year after year we were clenched in tyrannical chains and led through a dark alley of perpetual political and social deprivation. Strangers in our own country! Inevitable, therefore, the day would come when we shall fight for our long denied right to self-determinism”. Boro therefore saw independence Nigeria as a country besieged by all known social vices ranging from tribalism, corruption, avarice, marginalization, oppression political killings, falsehood and patron – clientelism to electoral malpractice. It was against this backdrop that

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Boro mobilized his Niger Delta Volunteer Service against the Nigerian Government in a war of liberation and declared a Niger Delta republic on February 23 1966 (Boro, 1982). Boro and his group were finally subdued by the forces of the federal government.

2) Saro-Wiwa-Led Movement for the Survival of Ogoni people
(MOSOP) 1992

After about three decades of the fall of Boroism, another revolutionary movement called MOSOP led by Ken Saro-Wiwa sprang up from the Niger Delta region. Saro-Wiwaism unlike Boroism that was widely described as guerrilla warfare, started on the premise of intellectual warfare through constructive criticism and dialogue by way of demands and protests against the exploitation of the Ogoni land by Shell and the Nigerian Government. Earlier in 1990, the Ogoni people of Rivers state had formally organized themselves in the form of a Bill of Rights. The Bill is made up of twenty points.

The Ogoni people in sum demanded amongst others, the political self-determination for themselves, the right to control and use their economic resources to develop Ogoni land, payment of reparations by government of Nigeria and petrol-businesses, compensation for the pollution and destruction of their living environment, as well as the right to protect the area from further degradation. Copies of the Bill were submitted to all appropriate quarters and published in several dailies without violence. After two

years of fruitless waiting for the Nigerian Government and multinational companies to come up with policies to address the issues raised in the Bill. The Saro-Wiwa's Movement for the survival of Ogoni people (MOSOP) was formed to reinforce the aims and objectives of the Ogoni Bill of Rights. The MOSOP rolled out its agenda in earnest on November, 1992. Some of its high points include: (i) the passing of a resolution that gave Shell Petroleum development company of Nigeria a 30-day quit notice. (ii) that by the first quarter of 1993, the "March" of January 4 and the "vigil" of March 13 have been accomplished. During the "big March", Saro-Wiwa declared thus, "the Ogoni people in Rivers States publicly reassessed the Bill of Rights which they presented to President Babangida and the Nigerian nation.

In furtherance of the struggle, Saro-Wiwa's MOSOP took their message beyond the shores of Nigeria to United States in New York. The movement was accorded the much-needed international attention after presenting its case. Thereafter, MOSOP returned to Nigeria with endorsements from international environmental groups such as Green peace and the London Rainforest Action Group. Unfortunately the Nigerian Government ignored all its pleas. Instead, the Nigerian government official resorted to the harassment of the leaders of MOSOP with its security agencies.

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It was at this point that MOSOP felt it had exhausted all peaceful means to achieve their set objectives and resorted to a confrontational approach.

Other movements of lesser aggressive disposition in the Niger Delta existed side by side MOSOP. "These movements were ostensibly formed by younger generation of elite who wanted to renegotiate the existing social contract within the context of the present political economy of the Delta area. The targets of the struggle are the multinationals, especially shell and the state.

3a) The Aleibiri Demonstration of 1997

It was a demonstration of over ten thousand youths from across the oil-rich Niger Delta. The high point of the demonstration was to stop Shell Petroleum Development Company (Nig.) from operating in the area. The choice of Aleibiri as the centre for the demonstration was informed by Shell's refusal to clear a serious oil spill that occurred in Aleibiri Creek on March 19, 1997.

3b) The Egbesu Wars

This took centre stage in the region between 1998 and 1999 through the amorphous tactics sustained from the Aleibiri Declaration in a modified form by bearing an identity called "Egbesu Boys of Africa". In this era, core oil bearing states were in perpetual unrest as the Niger Delta youths became more aggressive in attacking oil

installations and oil workers as they were more emboldened and courageous due to their consciousness of being impervious to the bullets of the Nigerian State Security Force.

3c) The Asari-Dokubo's Niger Delta People's Volunteer Force (NDPVF)

This came up with the aims and objectives on November, 2004. Asari-Dokubo's struggle was predicated on the fundamentals of justice and equality, truth conscience, logic and facts, love for humanity and sanctity of life (NDVF Handbill, 2004). His main objective was to challenge injustice and inequality prevalent in the Nigerian State. Asari-Dokubo's NDPVF came up gallantly and protested against what he perceived as the Nigerian government did not care about the area in spite of the more than 80% revenues derived from the area and the concomitant adverse effects on the livelihood of the people due to large scale petroleum production activities. Asari concluded that if the people of the Niger Delta do not take up arms and fight the Federal Government, they would remain poor and become poorer in future. Alhaji Mujahid Asari-Dokubo was however arrested in November, 2005 and released in June, 2007.

3d) The Kaiama Declaration of 1998

This was a fallout of the success of the Egbesu Boys encounter with the then Military government of Bayelsa State and as such, a more elaborate protest and agitation for resource control within the Niger Delta region ensued through the support of more enlightened

youths. This was the driving force of the grand convention of Ijaw youths in Kaiama, the hometown of late Major Isaac Jasper Adaka Boro to reassess the position of the Ijaw ethnic nationality in the Nigerian Federal State on December, 11, 1998. At the end of the meeting, an open letter was addressed to the government of Nigeria and multinational companies operating in the area, requesting for more local control of oil revenues and better environmental practices. This document was known as “Kaiama Declaration” which gave the Government of Nigeria up to December 31, 1998 to respond positively to their demands. However, the Federal Government responded negatively to the demands of the Ijaw youths (Ekanem, 2000).

3e) The Jomo Gbomo-Led Movement for the Emancipation of the Niger Delta (MEND)

Amongst other faceless militant groups is one of the groups that have claimed responsibility for cases of kidnapping and hostage-taking. In a statement issued by Gbomo (2006:16), he owned up an attack and destruction of Agip installations in Brass, Bayelsa State. In this words:

Today December 7, 2006 from 0600 hrs – 0800hrs, fighters of the movement for the emancipation of the Niger delta, attacked and destroyed the Agip installation in brass ... This attack was in pursuance of our pledge to halt crude oil exploration from Nigeria.

MEND's major demands were as follows:

- i. That Asari-Dokubo be released unconditionally,
- ii. That DSP Alamieyeseigha be also released.
- iii. Payment of compensation by shell to communities affected by its spillages.
- iv. That the Niger Delta people be allowed to control their resources.
- v. That all prisoners of the Niger Delta origin hold by the Nigerian government on account of fighting for justice in the Niger Delta be released.

The Complexity of the Niger Delta Problem

The present spats of kidnapping and insecurity in the Niger Delta could therefore be traced to the history of agitation against the Nigerian state and its collaboration with the multinational companies to exploit and marginalize the peoples of the region. That the actions of the past has degenerated to the level of criminality is an indication that the Nigerian state, its people and its ruling elite have failed to appreciate the problems of the region and to find lasting solutions to these problems. It simply imply that uptil now what government has done are mere palliatives, that did not touch on the main existing problems.

On the other hand the level of criminality going on in the Niger Delta is condemnable. One do not cut his nose to spite his face while

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government is being blamed for such criminality some certain class of people in the Niger Delta have just taken advantage of the situation to fraudulently enrich themselves by collaborating with government and the oil companies. In most cases the good intentions of government are rubbished by them as they fail to deliver to the region what government had provided fund for. These classes of persons have also encouraged, supported and assisted criminality and such perpetrators of the act in the region. This is because they benefit from the crisis that continue to make them relevant. Unfortunately government has failed to unmask them or recognize their falsehood and hypocrisy.

The criminals and kidnappers on their own part are making fortunes out of the act. Putting a stop to it means cutting off their source of income. This of course they will resist.

The complexity of the situation is that the criminals, the collaborators who incidentally are closer to government would make sure that the status quo remains. The crumbs from the national cake would go to them. The question then is how do we convince these fortune hunters to abandon their trade? How do you also make government to ignore them? Government should therefore shoulder the responsibility of creating the complex nature of the Niger Delta crisis.

Ross (2004) had remarked that mineral-producing countries have the highest risk of violent conflict when affected peoples have low

income levels. The elite class apparently has contributed in impoverishing the peoples of the region. This perhaps explains Piero Gheddo's view that in the third world, there has not yet occurred the birth of a new class with a more progressive spirit (see Offiong, 1980:47). This situation has ultimately affected the nature of Nigerian democratization and democracy, for which it has been described as warped.

Conclusion

The struggle against exploitation and marginalization is an age old activity. History is replete with such struggles. This work only captured the little opposition by the Niger Delta against the Federal government of Nigeria. The frustrations among the people have led to restiveness anger and bitterness. The implication is that the crisis might escalate to march those of Congo, Liberia, Chad or Sudan if steps are not taken to solve the Niger Delta problem. A stitch in time saves nine. The Federal Government's use of coercive force will only bring about further resistance and opposition.

The Federal Government should therefore be sincere in its desire to tackle the Niger Delta crisis. While avoiding palliatives justice and fairness should be the guiding principles.

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Chapter VII:

The Political Class and Intergovernmental Relations in Nigeria

By Samuel W. Ibodje and Fidelis Allen

Introduction

Introduction

As a discursive category, the political class is often conceptualized negatively in the case of Nigeria. This is no fault of the scholar, nor political analyst, seeing that many things have gone wrong with the political class over these past years since independence was attained. This paper examines the character of the political class in relation to intergovernmental relations. The link, from 1999 to date, appears to present a typology of federalism where communication of the orders of government is influenced negatively by the character of politicians. Fashionably, every federal system is unique in some way. So is the relationship of the orders of government. The question is, what is the character of the political class? How has it affected intergovernmental relations? It is argued here that the institutions for the management of intergovernmental relations in Nigeria lack institutionalization in many respects, resulting in the undue exercise of influence from higher orders of the political class on the lower orders of governments and their politicians.

The Political Class

The political class, in the context of Nigeria, refers to elected representatives, civil servants, political appointees and so on (Genieva, W, 2005). It is important not to think of the political class only in terms of office holding politicians. Robert Putnam (Putnam, R.D, 1976) has used the word political elite to mean the political class, which he defined as those with more power than others. Power, in the sense of ability to influence directly or indirectly politics and state activity.

Following from its activities since 1999, understanding the political class in Nigeria as an emerging social category without positive bearing on society has become imperative. It is sort of an emerging group who want to see themselves as professionally but with hidden interest of seeking to capture state power as a means of accumulating wealth. In the more developed federal democracies of Canada and the United States, the political class represents a social class, professionally but seek to secure state power with which the society can be the ultimate beneficiary.

The political class is motivated by the wealth accruing to the state from oil. This notion can hardly be challenge when the picture of the do or die character of politicians is considered. The consequent violence, reaching record level, in forms of assassination of political

opponents and practice of *thuggery*¹ can only send out messages of a group of people deeply in search of satisfying selfish private interest different from that of the society or mass of citizens.

The political class is cultic. This aspect of its character, points directly to the irrationalities and continuities directly linked to the nature of the colonial political economy of Nigeria as with several other formerly colonized territories. It is therefore no wonder that many decent Nigerians who would have probably had interest in electoral politics have distanced themselves because of the cultic nature of politicians. Society is affected negatively in the way politicians have recruited supports by force of arms and maintained such support by force as well.

They are insensitive and unproductive. Sensitivity to the welfare needs of citizens is far on the agenda of the political class. In the more advanced federal systems, orders of government engage in productive ventures in the spirit of development. Besides, the political class lack democratic values and culture. They were trained in the tradition of military politics, characterised by the use of force against the opposition. Indeed, according to Cyril(Obi, C, 2004), these crop of politicians were fast-tracked into politics without any experience.

Most importantly, the political class lacks the civic culture, which is indispensable for democracy. Citizens also lack this civic culture. The

¹ *Thugs* are predominantly jobless youths who are mobilized by politicians to provide informal security for them and rig elections. Usually they are armed with guns to

lack of a civic culture in a democracy has necessitated the use of violence. This situation has real implications for formal decision-making.¹

Intergovernmental Relations

Fundamentally, intergovernmental relations refer to the communication of orders of government in a federation. It assumes the need for interdependence among or between the orders of government. However, the patterns of intergovernmental relations vary markedly among federal countries (Richard, S.2004). There is no one single way to classify, describe or organize systems of intergovernmental relations in federal countries because none can actually capture all the nuances. The operation and practice of intergovernmental relation may differ along the following lines, the degree of formal institutionalization, the extent to which they are decision-making in character, and the degree of transparency that exist in their operations (Cameron, D, 2004). Apparently, relations among orders of government in any federation depends on the society, constitutional regime, governmental institutions in which they are part of and the domestic and external factors that define the life of the country at a definite time. These factors have explained international

intimidate and whenever possible eliminate opposition actors.

¹ It is worthy of note that if the culture of discussion, tolerance, respect for rights among politicians, the use of violence becomes inevitable. This is because they cannot compete within legitimate liberal atmosphere and win in such political competitions. The implication is that these politicians will disregard formal decision making centres such as the structures of intergovernmental relations.

governmental relations in Canada, United States of America, Australia, South Africa, Germany and so on. In all of these countries, a political class, shaped by the nature of their society, constitutional regimes and generally governmental institutions in which they are part of as well as domestic and external conditions have come to define the pattern of intergovernmental relations.

The Nigerian Case

Discussion of intergovernmental relations in the case of Nigeria will be limited to federal-state, state-state, federal-local and state-local. It is significant to note that federalism in Nigeria, though highly contested as a federation, was not a product of citizens' consensus through a constitution written by the people for themselves. It was the product of the dominant political class at a definite period in the colonial history of the country. Entrenched constitutionally as a federation in 1954 with strong regions, Nigeria has drifted to a federation with very strong central government. This drift has been explained by the nature of societal forces of ethnicity and advent of the oil economy on which the governments today have come to depend for the bulk of their revenue.

This section of the paper, therefore will focus on how the political class has related with the political system to determine the extent of formal institutionalization, decision-making characters and transparency of structures of intergovernmental relations in Nigeria since 1999.

At the level of federal-state relations, the federal and state executives have common forum where matters of national interest are discussed. The forum however lack statutory backing, which means that decision-making procedure is lacking and can be manipulated by a powerful federal executive president. Since 1999, party affiliation and ethnicity have shaped the relevance of this forum. For instance, the political class, of the state governorship extraction, more often than not have behaved or related with the federal government according to the whims and caprices of the Peoples Democratic Party, PDP. The PDP dominates the National legislature and is the ruling party in the federal executive and more than half of the state executive and legislative arms. The National Assembly and state lawmakers are also influenced by the ruling political party. Recently, the forum of lawmakers in Nigeria met in Port Harcourt. It was manipulated to informally endorse the candidature of an aspirant to the presidency in 2007. One thing that is very clear about the forum of federal and state executives is the lack of substantive influence of outcomes of such forum on the federal and state governments, society and welfare of citizens. The 1999 constitution of the Federal Republic of Nigeria, in the tradition of military regimes, was not written by Nigerians for the benefit of Nigerians. It was written by the military oligarchy to perpetuate military regimes in Nigeria. Contrastingly, practice of intergovernmental relations in Canada takes the form of First Ministers Conference, FMC, Annual Premiers' Conference, APC, Ministerial Council and Meetings of Officials.

Intergovernmental relations within the executive between the state and federal governments between 1999 and now has intermittently been conflictual. Matters over revenue distribution, especially over on-shore/off-shore dichotomy were decided by the judiciary when the Federal executive went to court to challenge continuous claim of state executives from the Niger Delta to revenues accruing from off-shore oil extraction.

Decisions at the forum of federal and state executives also lack transparency. The three major ethnic groups in Nigeria, Hausa-Fulani, Ibos and Yorubas have the majority in the distribution of states and local governments. They utilize that advantage in every formal or informal gatherings of government representatives to push forward their common interests against those of the minorities. Expecting objective decisions free of ethnicity is therefore out of place. At the level of state-local government intergovernmental relations, the political class at the state executive contrive informal and formal meetings essentially to map strategies of extracting party loyalty and effective sharing of state resources. In Rivers State, serving state executive members such as the commissioners, who may have sponsored the election of chairmen or appointment of local government sole administrators in the case of pre-election local government administration of 2003 extract money in return from these chairman from monthly federal allocations. This is made easier because of the constitutional status of the local governments as the

creature of the state government. The status of these local governments as tier of government in the Nigerian federation is questionable under the 1999 constitution. They cooperate with state government at all levels as a consequence. In routine administration, policy and party issues, this cooperation is reflected. Unfortunately, this cooperation has shown to be negative on the general welfare of citizens.

At the level of Federal-local government, much have been in the area of finance. The federal Government funds the Local Governments through allocations from the Federal account. As commonly noted, he who pays the piper dictates the tune. This was very true of the relationship between the centre and the local governments until the time the state governments took over the responsibility of receiving on behalf of the local governments.

Conclusion and Recommendations

Apparently, the character of the political class has been projected into all present structures of intergovernmental relations in Nigeria. That means that even if the federal executive president is pro-development as can be observed over the past couple of years since 1999, the problem is the opportunity of failure through the negative and anti-democracy behaviours of most of the politicians, serving or desiring elective office. The intergovernmental structures are therefore weak due to manipulative tendencies of dominant political class from

ruling political parties. This has meant lack of institutionalized intergovernmental relation structures.

Recommendations

1. The present executive president and legislature should ensure decent management of set of elections scheduled to hold in April 2007. That election should present fairness devoid of fraud and violence as a way of effort to make outcomes more acceptable, which is also the point of departure for any legitimate government capable of engendering accountability.
2. Amendment of the 1999 constitution to include the strengthening of existing and establishment of more structures of intergovernmental relations.

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Chapter VIII:

The Niger Delta Crisis: Issues Challenges and Prospects

By Dr. Afinotan L.A. and Dr. Victor Ojakorotu

Introduction

The area which is described as the Niger Delta region of Nigeria lies between latitudes 4^o and 6^o north of the Equator and 4^o and 8^o east of the Greenwich. It comprises the states of Akwa Ibom, Cross River, Edo, Imo, Rivers, Bayelsa, Delta, Abia and Ondo, making it coterminous with all of Nigeria's oil producing states. Stretching over 20,000km² of swamp land in the litoral fringes of the country, it embraces one of the world's largest wetlands , over 60% of Africa's largest mangrove forests, and one of the world's most extensive. (Eyinla &Ukpo, 2006;114).

Comprising mainly of a distinct aquatic environment which embraces marine, brackish and fresh water ecosystems, it encompasses the most extensive fresh water swamp forest in West and Central Africa, and manifests an intricate network of creeks, rivers, streams, swamps, braided streams and Oxbow lakes, besides a stretch of flat and fertile land mass.

In this picturesque basin lives a kaleidoscope of ethnic nationalities which include among others, the Ijaw, Itsekiri, Urhobo, Ikwere, Andoni Efik, Ibibio, Kalabari, Okrika, together with sections of the

Yoruba and Igbo. Among these, the Ijaw seems by far the largest. In this region also lies Nigeria's over 35 billion barrels of proven oil reserves,(Ibid) besides an even larger deposit of natural gas. The region also accounts for over 80% of Nigeria's Gross Domestic Product and represents the economic jugular of the country.

Here in this intricate network of creeks and braided streams also lies the operational bases of a plethora of ethnic militia and insurgent groups of various kinds, with differing goals and objectives ranging from nationalism and freedom fighting to criminality and terrorism. This region is therefore Nigeria's hot bed of ethnic violence, terrorism and insurgency. But in the midst of unchecked violence and a revolving criminality, together with the resultant widespread anxiety to douse tension and appease the militants, the real issues seem to have been forgotten, and prescribed solutions rendered puerile.

This paper sets out to revisit and highlight the real issues involved in the struggle, and to analyse the true challenges that confront the Nigerian State. And deriving from this, to point out some ways to an amicable solution which alone can form the foundation for a genuine reconciliation, and sustainable development and peace through corporate social responsibility.

Conceptual Clarification

It is pertinent at this stage, to attempt a clarification of two important concepts which are germane to the understanding and explication of

our current problematic. These are the concepts of sustainable development and corporate social responsibility.

SUSTAINABLE DEVELOPMENT

The concept of sustainable development is related to the need for the institutionalization of best business practices by companies, corporations and sundry business concerns as well as governments in processes of production, distribution and consumption, *vis-à-vis* their economic, socio-political and environmental spheres of activity. According to World Development Report (2003;14), sustainability is an evolving framework. It stated that societies will continue to transform over time and since significant social stress and crisis is likely to lead to a breakdown in the development and preservation of all assets, inter-generational well-being is bound to be jeopardized (*Ibid*). Thus for any given technology and knowledge resource base, there are some utilization rates that cannot be sustained (*op.cit*). It is therefore necessary for such unsustainable rates to be highlighted as a guide to corporate decision makers who may thus be enabled to change their course towards sustainability (*op.cit*).

Sustainable development has therefore been described as that development that meets the needs and aspirations of the present generations, without compromising the ability to meet the needs of future generations (Agagu, 2008:4). Sustainable development strategy may therefore be seen as facilitator for balancing the conservation of nature's resources with the need for industrial and technological

development and advancement (*Ibid*). Put differently, it connotes the capacity to improve the quality of human life while living within the carrying capacity of the supporting eco-system (*op.cit*).

CORPORATE SOCIAL RESPONSIBILITY

The concept of corporate social responsibility embraces the notion that organizations have moral, ethical and philanthropic responsibilities in addition to their usual responsibility to earn a fair return for investors, and comply with the law (Carrol and Bucholtz 2003; 36). It requires corporate organizations to embrace a broader view of their responsibilities to include not only stock holders but also stake holders.

The concept is closely related to the call in the 1960s and 1970s by civil rights movements and environmentalists as well as consumer societies for large scale business organizations to take on greater responsibilities. It is based on the idea that corporate organizations should: 1. Cease to cause societal problems. 2. Start to participate in solving societal problems. In this perspective, business organizations were expected to; apart from paying attention to business related responsibilities such as equal employment opportunities, product safety and the environment, also voluntarily participate in solving societal problems, whether they had caused the problems or not. Corporate social responsibility requires that corporations should go beyond their economic and legal responsibilities, and embrace new

responsibilities related to ennoblement of society. This is the prevailing view in much of the world today.

Some Basic Contextual Considerations

The armed struggle, internecine conflict and insurgency in the Niger Delta, all of which have been subsumed under the general term; Niger Delta crisis may be seen in three basic dimensions. As has been mentioned earlier in the paper, the Niger Delta region is a *pot-pouri* of ethnic nationalities. These ethnic groups while subscribing to a general interest in the development of the Niger Delta nevertheless manifest inclinations towards more specific primordial interests. The bloody Ijaw-itsekiri war for instance cannot be understood within the framework of environmental degradation or oil exploration in the region. It is therefore necessary to classify the real issues involved in the conflict.

First among these is the Ijaw national struggle for self-determination. This is a struggle that was spearheaded in the 1960s by the late Ijaw patriot, Isaac Adaka Boro. This struggle is on-going, and is aimed at building a strong and independent Ijaw nation. This is perhaps the spirit behind the Kaiama declaration, the formation of the MEND, as the military arm of the Ijaw national congress (INC), and the unity and co-operation among the various militant groups whose membership are drawn almost exclusively from the Ijaw nationality.

The second dimension relates to the various bands of criminal cult gangs established, encouraged and funded by political godfathers and dedicated to the theft of crude oil, kidnapping for ransom, assassination of political opponents various acts of brigandage and piracy in the creeks, and upon the territorial sea. These also have and maintain their political connections at all levels of government and the military. It was to the activities of these that the Governor of Rivers State referred when he lamented at the recent Vanguard Newspapers organized South-South legislative retreat on constitution review 2008, that;

The attempt by Militants to hijack the Niger Delta Struggle was proving increasingly counter productive to the region's overall interest, as their indiscriminate killings, kidnapping activities and attacks on oil and other business facilities have made the entire area unsafe for legitimate business to thrive;...while the sustained campaign and struggle to reverse the prevalent injustice against Niger Delta people enjoys the support and blessing of most well-meaning people in and outside the country, any criminal variant of this, expressed in the form of militant activities, would certainly erode the nobility of the cause. (Alfred Briggs; 2008; 39).

In a communique issued in August 2008 by participants in a South-South legislative retreat on constitution review, the participants which included all State Governors in the Niger Delta stated that;

The retreat received the agitation for justice and equity in the Niger Delta and condemned the corruption of genuine agitation by criminal elements that minimize the aspirations of the people through kidnapping, hostage taking and armed robbery, as these are acts that are destroying the economy of the region. These criminal acts distract from the just struggle for better access to the resources of the region, as hoodlums with no idea of the nature of the problems in the zone are latching on the legitimate struggle to cause mayhem which are in the main, counter-productive to the cause of the Niger Delta (The Vanguard, August 15, 2008).

These hoodlums are by no means the only groups that are latching on the legitimate struggle for development in the Niger Delta. The various Ijaw based militant groups are doing the same thing for the attainment of political goals.

The third dimension in the struggle consists of those who are genuinely concerned with the struggle for the actualization of a truly developed Niger Delta, free from poverty, degradation, unemployment, environmental pollution, economic and socio-political alienation,

disease and squalor. These are of course neither militants nor insurgents. They are mainly members of the intelligentsia, political and economic elites, as well as enlightened traditional institutions. But most especially the enlightened middle class citizens of the Niger Delta. There is therefore no militant or military wing of the true Niger Delta Struggle. According to Governor Uduaghan of Delta State;

I have always emphasized during our meetings in Abuja that whatever they want to do...please do it on the basis of ethnic nationality because there is no one who speak on behalf of the Ijaw man. Neither can another ethnic group speak on behalf of the Isoko, Urhobo, Itsekiri, Efik, and Ibibio". (The Nation, Sept 25, 2008).

There is no doubt that all the ethnic nationalities in the region are equal stakeholders in the Niger Delta imbroglio. Yet there is no militant group collectively put together by these nationalities as a bloc, and no militant group manifests a representative profile, as virtually all the active militant groups are almost exclusively Ijaws, which within this context can speak for no one, or fight for no one but themselves. The genuine and true struggle for economic and socio-political emancipation of the Niger Delta peoples therefore, is yet to assume a militant posture.

Conceptual Framework for Analysis.

In the specific situation of our current problematic, the quest for emancipation which lies at the heart of the Niger Delta struggle, is not as yet directed towards secession or excision from the Nigerian State but merely a protest against criminal neglect, marginalisation, oppression and environmental degradation as well as economic and socio-political hopelessness, and in one word, *frustration* in the oil bearing and contiguous communities of the Niger Delta. Our preferred organizing device for this analysis therefore is the frustration – aggression theory.

THE FRUSTRATION – AGGRESSION THEORY

The basis of the Frustration – Aggression theory is found in the works of John Dollard (a psychologist) and his associates, in their pioneering work on the subject, and in the later research work carried out by Leonard Berkowitz. (Dollard et al, 1939) Political Scientists who have employed this approach as a general basis for the explanation of political violence are, among others; James C. Davios, Ted Gurr, Ivo and Rosalind Feierabend, and Douglas BWY. (Midlarsky, 1975; 29).

This theory presents the idea of relative deprivation as a perceived disparity between value expectation and value capabilities. Or the lack of a need satisfaction defined as a gap between aspiration and achievement. (Ibid). Simply put, when there is a gap between the level of value expectation and the level of value attainment, due to lack of capability to establish a congruence between both levels,

tension builds up due to the pressure of an unfulfilled aspiration or an unsatisfied urge or need. This when not arrested in time leads to frustration. Frustration when it builds up, leads to the rising up of suppressed emotions of anger which is often directed against the party considered to be the source of deprivation of satisfaction. This strong emotion finally finds an outlet through aggressive and invariably violent disposition towards the environment. The armed insurrection against military and civilian targets in the Niger Delta, by militant youths, directed against government and the foreign oil companies is viewed in this perspective. The fact that frustration invariably leads to aggression is already amply demonstrated in the Middle East by Palestinians against the State of Israel, in apartheid South Africa by the ANC and other liberation movements, and in Northern Ireland by the IRA, among so many others.

One is not unmindful here of the problems and limitations of the frustration – aggression thesis, such as the fact that an aggressive response to frustration may be dependent upon the individual's level of tolerance. Or the fact that frustration need not lead to aggression or that aggression need not always be negative and violent, but could also be positive and constructive. Howbeit, it is an established fact that frustration does produce a temporary increase in motivation, and thus lead to more vigorous responding (Bandura and Walters, 1963; 135). And this is perceived to be of sufficient generality to provide a basis for the explanation of virtually all forms of aggressive behaviour, including political violence.

The Niger Delta Crisis: The Issues

ENVIRONMENTAL DEGRADATION AND POVERTY ESCALATION

Before the advent of commercial oil production in the Niger Delta nearly fifty years ago, the region was essentially a pristine environment which supported substantial subsistence resources for the mostly sedentary populations. These included among other things, medicinal herbs and barks, fish and shrimp, crabs and clams, wood for energy and shelter, as well as a stable soil for farming and habitat for exotic wildlife. There was the Delta elephant, the white crested monkey, the river hippopotamus, as well as a colorful array of exotic birds, crocodiles, turtles and alligators. The region also accounted for a large percentage of Nigeria's commercial fisheries industry. (Eyinla &Ukpo, 2006; 116)

Oil prospecting activities however are associated with the destruction of vegetation, farmlands and human settlements to allow for seismic cutting lines. Severe environmental hazards associated with this activity include destruction of fish and some other forms of aquatic life, both marine and freshwater around the prospecting sites. Noise pollution and vibration from seismographic blasting also affects buildings, fence walls, wooden bridges and access roads. When the impact occurs, as has become routine in the Niger Delta, there is usually no attempt to rectify the damages done to the environment, health and social well-being of the people and ecosystem. No compensation whatsoever is considered (*Ibid*).

Oil drilling operations further pollute the underground water. Through a variety of unethical practices in drilling, more fish and fauna are destroyed, farming and fishing grounds polluted by toxic waste materials. Also in the production process, waste water which are discharged from major production terminals and other contaminants like Sludge from storage tanks, oil debris, gaseous pollutants and sanitary wastes. More of these toxic wastes are released into the already heavily polluted environment during the process of oil refining, during which process several chemicals and pollutants such as Hydrogen Sulphide, oil and grease, ammonia and toxic heavy metals are discharged into the environment (*op. cit.*).

The process involved in petroleum resources distribution also include disruption of the sea bed by dredging activities for pipeline installation beside malfunctioning flow stations and other oil installations. Sedimentation also occurs along pipeline channels, besides pollution from tank washing, deck drainage and loading operations. The routine destruction of environmentally sensitive regions like the lowlands, wetlands, fish pond and farmlands are the regular feature. Also involved in this is general land degradation and loss of soil fertility.

In addition to these are the problems associated with the oil spillage caused by blow-outs, corrosion, equipment failure, operational error and pipeline vandalisation. Other causes of oil spillage include weakness of legislative control of, and enforcement of regulations, the callous nature of the operations of oil companies which are often shrouded in secrecy. According to Eyinla and Ukpo (2006; 118)

It will be correct to indicate that the greatest single environmental problem associated with the petroleum industry in contemporary Nigeria, result from off-shore and on-shore oil spillage.

It is estimated that in over 40 years of oil exploration and production in Nigeria , over 60,000 spills have been recorded, and over 2,000,000 barrels were discharged into the regions eco-system from oil spillages alone between 1976 and 1996 (*Ibid*). In 1997 and 1998, shell petroleum company (SPDC) spilled 106,000 from its installations at Jones creek alone. In January 1998, Mobil recorded its worst spillage at the Idoho off-shore site which spread within 30 days from Akwa-Ibom to Lagos (*op. cit*).

Within the first months of 2008 alone, Nigeria recorded 418 cases of oil spills. According to the Minister of Environment, Mrs. Halima Alao;

This portends a great danger to us as a nation, and particularly to the environment and the social and economic well being of our people. (Vanguard, Oct. 29, 2008; 5).

This is however a gross understatement of the severe implications of oil spillage to the region. According to Eyinla and Ukpo (*Op. cit.*). There are several specific impacts of oil spills relating to the destruction of wetlands. These include loss of fish, crustaceans and other aquatic resources, loss of livelihood through loss of fishing grounds and gears,

wildlife migration, destruction of farmlands, reduced agricultural productivity and yield, displacement of inhabitants, spread of water borne epidemics, to mention a few. All of these translate to hunger, grinding poverty and disease where there are neither hospitals nor herbal remedies which have in the mean time been rendered impotent by oil production.

In addition, the innumerable gas flares which dot the Niger Delta landscape waters produce heat and light on a continuous basis, day and night. Not only can fish and fauna not breed under such conditions, they are also forced to migrate to more suitable waters elsewhere in the West African coast. Gas flaring is also associated with atmospheric and thermal pollution and the depletion of vegetation and wild life. According to Eyinla and Ukpo (Op. cit):

Damages to buildings, acid rain formation, depletion of floral periodicity, discomfort to humans and danger of pulmonary disease epidemic are other environmental problems arising from gas flaring. The soil, rivers and creeks of Niger Delta, which used to be alkaline in nature 17-40 years ago, have now, become dangerously acidic.

FAILED EXPECTATIONS

In line with socio-economic practices in oil bearing communities worldwide, but especially in more advanced civilizations, discovery and exploitations of oil was always a welcome development for the

inhabitants of such communities. The hope and initial excitement in the Niger Delta that they would automatically be entitled to benefits that come with being oil producing communities, was therefore legitimate . Oil discovery has brought hope that civilized and modern infrastructure such as electricity, pipe borne water , primary and secondary schools, well-equipped hospitals, better and more modern equipments for exploitation of the region's fish and fauna, will become available. There would at last be roads leading through and linking the communities with the rest of the country.

There was also the expectation that as oil companies begin to carry out their operations and implement the ideas embodied in their corporate social responsibility, more people would have the opportunity of gainful employment. But in the context of prolonged denials and frustrations, neither the oil companies nor government seem to have come to terms with these pervasive social expectations.

One of the most debilitating disappointments was with human capital development. In order to get basic education, the youth have to leave their homes in the creeks to live with relatives and friends in communities upland, most of who often treat them as servants or even beggars. When they eventually get education to tertiary levels, most of them are unable to return to their homeland except as aggrieved and embittered citizens. They had in the process witnessed how the resources of their ancestral lands are exploited and carted away to develop other communities in the country, while their people

bear the brunt of this official theft in the form of environmental degradation, political disenfranchisement, social dislocation and economic despoilation

They are forced to witness how oil companies provide state-of-the art facilities for the comfort of their employees, most of whom are foreigners to their land, without adequate consideration for the needs of their hosts, even when doing so is relatively cheap and feasible. They are for instance, only willing to build roads, if such would open-up new and lucrative oil fields. They are able to generate electricity to power their numerous sites within the communities, without bothering to link their immediate hosts to the same grid, even when it is cost-effective to do so.

Confronted by the stark realities of unemployment in their homelands even after getting education abroad, there seems to be only one choice open to them- take and sell the resources available, directly from the pipelines if necessary. Hence the incidence of pipeline vandalism, illegal bunkering, and their local imperatives of gun running , cult-gang building and militancy as defence mechanisms .Eyinla & Ukpo, (Op. cit, 20) put this succinctly;

*A popular stand-up comedian once placed the entire scenario...in satirical perspective when he insisted that youths are up in arms against government and multi-national oil companies...because they are tired of being told that **“something good is in the***

pipeline” for them. Rather than wait any further for those promises to materialize, the youth are taking it upon themselves to break open oil **pipelines** in order to redeem the benefits promised! (emphasis mine).

Political Subjugation and Internal Colonialisation

One of the major political attractions of the oil revenue in Nigeria is that, it brings huge advantages and opportunities to those who hold the reins of political power, and through its hostility to those excluded from it, systematically and effectively disenfranchises the *hoi-pol-loi*, stripping them also of basic human rights. Since state officials manipulate and monopolise oil policy and revenue to the exclusion of others especially the oil bearing communities, frequent frictions and disagreements become inevitable.

By giving the government the impression that they are victims of lawlessness in matters where they are themselves the *Casus Belli*, the companies are surreptitiously and deliberately contributing to the appalling human rights situation in the Niger Delta. Through the provision of logistical and infrastructural support to the coercive arms of government, they clearly demonstrate that as far as the oil region is concerned, the infrastructure of oil and repression are closely linked in such a way that power and repression flows simultaneously from both the barrel of the gun and the barrel of crude oil (*op.cit*, 28).

Chapter VIII: The Niger Delta Crisis: Issues Challenges and Prospects

Perhaps nothing typifies the state of socio-political subjugation of the Niger Delta peoples better than what has come to be known as the “privatization of the state”. This phenomenon is evident in; the large number of military and Para-military personnel guarding oil facilities, prerogative of oil companies to request the military and the police to quell community disturbances, and turning their areas of operation into garrisoned enclaves (*op.cit*). Through creating excessive concern about security, the oil companies reinforce coercion, and violent subjugation.

The communities complain about government attitude of treating the region as a colonial enclave, whose resources they plunder with impunity. They decry the use by political elites, of their oil resources to develop other regions of the country, to the total exclusion of the lands of the oil producing ethnic minorities. And this form of internal colonialism, they find intolerable and unacceptable.

The Challenges

The grave implications of continued conflict in the Niger Delta may be better appreciated against the background of the fact that, from historical experience, the Nigerian nation and especially the Niger Delta have had a prolonged familiarity with social struggle against colonial rule. The Niger Delta militants are drawing from this experience in prosecuting the current phase of confrontation with the Nigerian State. Like the struggle against colonialism, the present

phase of the crisis has incubated over long periods of unaddressed grievances and disenchantments among communities in the region.

Today, emphasis is shifting from mere bread-and-butter issues to serious questions by the people of the region, regarding their status, role and place within the larger Nigerian polity (Ukeje, 2004). Their agitations have provoked trenchant clamours for greater fiscal allocation and resource control, fiscal federalism and minority rights. These agitations are also leading to more pungent questions about citizenship, rights, duties and obligations and the moral circumstances under which these could be challenged, negated, withheld or even jettisoned (Eyinla & Ukpo; *op.cit*). The fact that government can no longer extract voluntary obedience from the citizens, as exemplified by the visible presence of soldiers on “internal peace enforcement” in the Niger Delta, points to a moral crisis of authority and a serious problem of legitimacy for the federal government, in the region.

Unfortunately, the state has lost its claim to the monopoly of violence, given the fact that the ethnic groups and individual communities in the region have illegally acquired sophisticated weaponry and trained militia that sometimes overwhelm and make mockery of government forces. There is an increasing fear and concern about the widespread availability and indiscriminate use of weapons and ammunitions by militant communities, cult groups, hoodlums and gangsters. With such weapons, the pre-disposition to use brute force to settle even the

smallest disagreements is significantly enhanced. Long years of military rule, and the propensity of politicians to rig elections and intimidate opponents through violence, have also infused a sense of impunity into society such that violence is now considered as a continuation of politics by other means (Soremekun, 1995).

It is also important to note that militant youth movements are mostly drawn from a growing cesspool of illiterate and unemployed youths whose attraction to violence is in pecuniary benefits and the social elixir such acts bring, especially as many of their leaders are highly educated, literate but unemployed. With the growing consciousness about the various causes of their disempowerment, youth actions have begun to provoke serious inter-generational crisis, as they are seen by the elders as irresponsible, reckless, vulgar, rebellious and dangerous. Meanwhile the youths perceive the elders as self-centered, greedy reactionary and treacherously pro-establishment (Eyinla & Ukpo, *op.cit*).

Besides, many of the oil communities are moving away from their previous informal, isolated and ad-hoc social mobilization, to more formal, assertive and collective grassroots actions (*op.cit*). The crisis of legitimacy is engendering a new generation of social tensions, that have now involved politically established cult groups and gangsters who are unleashing naked violence on rural and urban communities alike. In this way, and because of government's apparent inability or lack of political will to address these issues, the Niger Delta region is fast turning into a gangster's paradise (Ukeje,2004).

Government had on its own part taken some measures to address the problems of the region. The Babangida administration had set up the oil minerals producing areas development commission (OMPADEC). But the commission failed to achieve its objectives due to allegations of corruption and mismanagement. Then the Niger Delta Development Commission, (NDDC) Act of 1999. The commission has since set to work, and built schools in the creeks without roads leading to them, and sufficient number of qualified teachers to teach in them. It has built jetties in several communities and provided fishing gears to catch fishes that have since migrated from the region due to gas flaring or been completely decimated by oil spills. The NDDC has indeed provided pipe-borne water in several communities in the creeks, most of whose inhabitants have been decimated, or have been sacked by inter-ethnic wars and political violence, while many others have been kept away from the water ways due to piracy, criminality and oil spills.

What all of these translate to is that the measures taken by the government in the past have failed to adequately address the problems of the Niger Delta. The failure of the government to effectively compel the oil companies to obey the various laws put in place to guide their operations, such as the laws on gas flaring, oil spills and environment pollution does much to discredit government's efforts and question its sincerity.

In addition, the problems of infrastructural development, unemployment, human capital development, hostilities between oil communities and companies, inter-communal and intra-communal conflict, the problem of land tenure, displacement of persons, inadequate compensation, poverty, crime and collapse of traditional social values, are all challenges the government must be prepared to accept in order to restore confidence and re-establish its authority and legitimacy.

Furthermore, government must begin to address the latest warning on the impending danger of oil E&P activities in the Niger Delta, that if care is not taken, the entire region may eventually be submerged under water on account of unpleasant climatic changes (*op.cit*). In this region it was estimated that a total of 850km of coast line could be vulnerable to sea level rise. If this happens, the lives of over 10 million inhabitants would be in grave danger.

Finally, government must accept the challenge to reassert its authority in the region. It must deal decisively with the criminal gangs now terrorizing the region to pave way for infrastructural development and constructive engagement with the true representatives of the people. In this regard, many political godfathers who arm and pay cult gangs to terrorize political opponents and rig elections, or intimidate rival ethnic groups must be reined in by government. And the ever rising tide of corruption in high places must be seriously addressed, and effectively checkmated.

THE PROSPECTS

The major prospects for conflict resolution and positive change in the Niger Delta region rest in the number of factors identifiable within the framework of fortuitous circumstances still within the control of the parties to this conflict: First is the fact that the ethnic groups of the Niger Delta are really not yet at war with the state. The warring militants are basically Ijaws fighting for goals that are not really congruent with the Niger Delta problem, and criminal cult gangs, both of which are merely exploiting the economic and socio-political crisis for private and primordial ends. What this means is that the Niger Delta struggle is yet to assume a really violent coloration or involve an armed struggle by the people of the region against the state.

Second, is that all ethnic nationalities in the region favour dialogue and negotiation as a means of resolution of this conflict, and will be willing to shift grounds on some issues like total resource control, at least in the short run. This leaves room for negotiation and a very important window of opportunity for conflict resolution. Third is the proposal of government to create at the federal level, a Niger Delta ministry to cater exclusively for the people of the region. Although how the government intends to achieve this without the enabling law is still unclear, but the proposal has been received with an open mind by the people and does present very good prospects for mutual understanding and reconciliation.

Fourth is that there are positive signs that the oil companies in the region, are beginning to embrace the doctrine of Corporate Social Responsibility, and are becoming more positively engaged with some of the communities in their areas of operation. The on-going sittings of the River State Truth and Reconciliation panel has provided a window of opportunity for frank and open public discussions on the issues involved between the oil companies and their hosts. Fifth is that, all the governors of the region had convened a South-South Governors forum which met in Yenagoa on Friday the 21st of November 2008, and came out with a resolution to deal collectively with the criminal cult gangs operating in the region (*Nigerian Tribune, November 22, 2008*). This is a giant step in the right direction.

Sixth is that, there is at last some signs of serious effort on the part of government to address the problem of gas flaring in some parts of the region. The 5.9 billion USD Escravos gas to liquid project (EGTL) in Delta state is the first of its kind in the region. The essence of the EGTL is to stop gas flaring (*The Nation; Nov 21, 2008; 2*) This will go a long way not only to assuage community fears and anxiety, but also provide jobs for unemployed youths of the region.

Seventh is that the country's constitution does not set a ceiling for the derivation formula of revenue allocation. The current 13% being paid to the oil producing states is the constitutionally prescribed minimum. It does not therefore require a constitutional amendment to review the formula upwards to the 50% being demanded by the region. This is feasible and can be considered by government.

Eight is the window of opportunity provided by the proposed 15-year Niger Delta regional development plan. If the Seven-point agenda of the Yar-Adua administration is faithfully implemented within the context of this plan, it will indeed represent a beacon of hope for resolution of the Niger Delta crisis in a relatively short time.

Recommendations and Conclusion

In the current circumstances the most urgent need of the peoples of the Niger Delta is security of lives and property on land, in the creeks and in the waterways. The government must act decisively and urgently to deal with the various criminal gangs and militia groups, and re-establish its authority through complete military pacification of the region. The militant groups must be made to lay down their arms, and piracy, armed robbery, political assassination and sundry societal ills tackled ruthlessly. The restoration of peace and security alone will pave the way for government to address the genuine grievances of the people of the region. This must be enforced quite firmly, uncompromisingly but objectively.

This must then be followed by a sincere and constructive engagement of the people to dialogue with the government and oil companies. True representatives of the region can be mobilized through grassroots consultation and community involvement. This should steadily lead to granting them an authoritative voice and a sympathetic ear on matters affecting their lives. This would precipitate over time a

gradual restoration of a sense of belonging and partnership. This should be complemented with a sustained drive to expand human and social capital, which are basic ingredients for beating swords into plowshares. For the attainment of these objectives a complete re-orientation and change in the attitude of government and oil companies towards host communities, is a *sine qua non*.

It has been observed elsewhere that the most feasible economic plan would be one that calls for an integrated development in the mould of a marshal plan for the region. (Isiguzo, 2008). The NDDC master plan seems adequate, but the plan for its financing has over the last few years continued to blow in the wind. This must be redressed.

Oil and gas companies operating in the region should be encouraged and if necessary, compelled to comply with international best practices to ensure the protection of natural habitats through uncompromising implementation of the demands of the doctrine of corporate social responsibility. The policy on gas flaring should be firmly implemented.

The provision of basic infrastructure in the Niger Delta is a *sine-qua-non* for sustainable development in the region. A single double carriage way running from Lekki peninsula through Ogheye at the mouth of the Benin river and Koko to join the East-West road to Yenagoa and Port-Harcourt will do much to open up the region to private investment. This has been done in Epe and Lekki. It can also be done in the Niger Delta.

In order to stem the tide of agitation for absolute and total resource control the principle of derivation should be reviewed from the current 13% to 50%, and the on-shore-off-shore dichotomy eliminated. The off-shore waters and continental shelf are the legitimate farmlands of the littoral communities and this fact should be acknowledged and respected.

Finally, adequate compensation should be paid wherever there are oil spills and the pollution cleared within stipulated time. If these measures are taken to address the issues already highlighted in this paper it may be possible in the long run to achieve peace, co-operation and mutual co-existence. With corporate social responsibility genuinely embraced by all parties concerned, swords can and will be beaten into plowshares, and lasting peace and sustainable development will return to the hitherto troubled Niger Delta region.

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Chapter IX:

The Politics and Policies of Oil Deregulation in Nigeria: Implications and Policy Suggestions

By Olawale Olaopa, Ibikunle Ogundari, Mike Awoleye, and Willie Siyabola

Introduction

According to Iromantu (1999), the economic depression of the late 1930s with its deep and severe consequences coupled with the revolution in the Union of Soviet Socialist Republic (USSR) led to a situation where governments, that hitherto had no business in running enterprises, dabbled into business. The first attempt in this regard in Nigeria was the introduction of the Structural Adjustment Programme in 1986 and later with the promulgation of the Privatization and commercialization Decree No. 25 of 1988. The Federal Government outlined the objectives to include improvement of the efficiency and reliability of the operations of the companies, reduction of their dependence on the national treasury for operations, promotion of the share ownership by Nigeria citizens in productive investment which hitherto were owned wholly or partially by the Federal Government and lastly to broaden and deepen the Nigeria capital market (Elumilade, n.d).

Nigeria is blessed with abundance of natural resources, most especially hydrocarbons. It is the 10th largest oil producer in the

world, the third largest in Africa and the most prolific oil producer in Sub-Saharan Africa. The Nigerian economy is largely dependent on its oil sector which supplies 95% of its foreign exchange earnings (Asanhwe, 2000). Over the last couple of years, the Nigerian oil industry has become known for the phenomenon of petroleum product scarcity resulting in long and unending queues at petrol stations and rising costs of production input and operations for all other sectors of the economy.

The government felt that this is a result of a number of risks associated with the petroleum product exploration and refining activities in the country besides the external influences. The said risks associated with investment in the oil sector in Nigeria were grouped into three main categories via political activity and civil unrest, border disputes and government under funding (Odiase, 2005). There is also the continuing problem of corruption within the system.

In April 2000, the Nigerian government set up a committee to investigate reform in the oil and gas sector with a focus on deregulation and privatisation of Nigerian National Petroleum Corporation (NNPC). The government believes that this would ensure efficiency in the industry and end the perennial problem of petroleum scarcity in the country. Under the privatization programme seven subsidiaries are to be sold. These are all downstream companies and include the four refineries, the Eleme Petrochemicals Company Ltd, the Nigerian Petroleum Development Company and Hyson Nigeria Ltd.

Deregulation of the downstream energy sector, even up till now, remains a stated government aim which it is pursuing with vigour even at the risk of allowing local petrol prices to rise to international levels. Many Nigerians, however, regard oil as a gift from God and their natural right to enjoy on its being the cheap, a position the government has dismissed as unrealistic and is forging ahead to implement despite the public outcry (Oduniyi, 2000).

In November 1999, Obasanjo announced that the market for petroleum prices would be deregulated and that this would offer the country debt relief. According to him, all petroleum prices would be fully deregulated and domestic crude allocation to the NNPC would be paid for at export parity with immediate effect. Its implementation led to an immediate effect on pump prices. Since then, the Nigerian people led by the National Labour Congress waged a running battle with government for reconsideration but to no avail.

There is an impressive objective and level of privatization and deregulation activities across Africa and Nigeria in particular, as well as compelling evidence from other developed and developing countries that privatization is viable and capable of injecting dynamism into previously dirigisme economies (Jerome, 1999). However, empirical evidence indicates that the anticipated benefits of the programme are yet to be felt in Nigeria, most especially in the oil industry. Most surveys revealed that privatization and deregulation programmes are narrow in scope, subject to policy reversals and extremely limited in

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impact as measured by any criteria (Adam, 1994; world Bank, 1995; Ariyo and Jerome, 1999). The high expectations by those who touted privatization and deregulation as the panacea to all economic ills are tampered by a new sense of realism. This is also acknowledged by the World Bank (World Bank, 1995; White and Bhatia, 1998).

The above notwithstanding, professionals, policy makers and economic planners alike, tend to hold the view that the policies can yield substantial benefits in terms of greater efficiency, renewed investment, budgetary savings and the preservation of scarce resources for the improvement of public finance (Obadan and Ayodele, 1998). Thus, given the various debates about the desirability and even the inevitability or otherwise of the programme as a major tool for meaningful and sustainable economic reform, this paper seeks to probe into the necessity (ies) for privatisation and petroleum product deregulation in Nigeria; investigate whether petroleum product deregulation as proposed by the federal government of Nigeria will serve as a panacea to the perennial problem of underutilization of the installed capacity of Nigeria's refineries and shortages in Nigeria and if all the necessary infrastructure and social framework to support deregulation policy were put in place. This is with a view to recommending appropriate policies for the effectiveness of the deregulation and privatization policy in the oil sector.

History of oil Exploration in Nigeria

The history of oil industry, scholar Jean-Marie Chevalier (as cited by Odiase, 2005) has observed, is the history of imperialism. In 1956, Shell British Petroleum (now Royal Dutch Shell) discovered crude oil at Oloibiri, a village in the Niger Delta, and commercial production began in 1958 (New Oil Stake, 1973). These developments changed Nigeria's relationship to the global capitalist order. Previously, Nigeria had been mainly a producer of cocoa, groundnuts, and other agricultural items. These goods, representing the country's major source of external revenue, were exported principally to the West.

As the exploitation of oil resources continued in the post-colonial era, Nigeria became increasingly reliant on oil, and its reputation as an agricultural producer disappeared. To effect a total influence over the oil resources and revenue, the then Obasanjo military government promulgated the Land Use Decree, which vested the ownership of land and its resources on the Federal Government. The state and communities from which these resources were exploited and which suffers the consequences were effectively edged out. Oil revenue now accounts for 90% of Nigeria's export earnings (almost \$300 billion in the past 40 years) (Olojede, 2004). But the country has been ruled for much of its post-colonial existence by one of the world's most flagrantly corrupt political elites. In fact, a recent UN study estimates that individual Nigerians, in a country with annual per capita income

of about \$300, have salted away more than \$100 billion in foreign personal bank accounts (Ibid).

Today, there are 606 oil fields in the Niger Delta, of which 360 are on-shore and 246 off-shore. These have been parceled out to the oil multinationals for extraction. Also, over 3,000 kilometers of pipeline lie across the landscape of the Delta, linking 275 flow stations to various export facilities. The Nigerian state operates a joint-venture agreement with the multinationals, which in turn pay the federal government royalties running into hundreds of millions annually (Ibid).

In turn, reliance on a single source of revenue distorted the relationship between successive (mostly military) regimes in the country, and the citizenry. Oil exploration introduced an entirely new element into the structure of the Nigerian state - internal predatory elite that saw the new commodity as God-sent and so saw itself as unaccountable to the communities that produced it. This lack of accountability has continued in the post-colonial period. It has been argued that, the discovery of petroleum in commercial quantities, and its emergence as the primary fuel of the Western industrial economies, combined to ensure that the post-colonial Nigerian state did not cultivate its own citizenry nor did it put into place appropriate infrastructure that would have helped to create local wealth and provide a strong local tax base for its operations (Taiwo, n.d). As for the wealth derived from oil exploration, both the Nigerian state and

the multinational oil companies believe that what they owe the oil-yielding communities is minimal, and that even this must be given at their own pleasure.

Nigeria's revenue allocation formula legally provides that the country inject part of the revenue from oil royalties into the oil-yielding communities. But the communities only receive revenue from on-shore oil deposits, which account for less than 10% of total oil deposits. (The off-shore deposits are much larger than onshore deposits, and exploration is more limited off-shore.) Historically, the communities have received only 3-5% of the on-shore revenue. The Obasanjo government has now increased the share of on-shore revenue, but only to 13%.

Some people in the oil-yielding communities see the oil multinationals as potential stakeholders in the development of the region. Back in 1983, for example, the Inspectorate Division of the state-owned Nigeria National Petroleum Corporation (NNPC) noted the environmental problems caused by the activities of the oil companies in the Niger Delta. The Inspectorate described it as "the slow poisoning of the waters of this country, and the destruction of vegetation, and agricultural land by oil spills which occur during petroleum operations." "Since the inception of the oil industry in Nigeria," it continued, "there has been no concerted effort on the part of the Government, let alone the oil operators, to control the environmental problems associated with the industry."

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The impact of these conditions on oil-yielding communities has been devastating. As *Tell* magazine captured it in one of its editions in 1993 thus:

What [the Niger Delta people] used to call upon for their livelihood and well-being has been wrecked for eternity by the coming of oil and its exploitation by the Nigerian state. They cannot fish because marine life has been flushed out, they cannot hunt because the game fled a long time ago, thanks to the oil hunters and their land no longer yields good harvest.

The destruction of 'flora' and 'fauna' has been compounded by endemic poverty, the absence of basic social amenities, and at best primitive health and educational facilities.

Why has the Nigerian government failed to address these problems? This, according to some observers, is so because it has been totally at the beck and call of the multinationals. The Niger Delta debacle is a classic case of collusion between international finance capital and a corrupt and morally derelict state. "The Nigerian government has no power," as asserted by Oronto Douglas of Environmental Rights Action (ERA), based in the oil-refining city of Port Harcourt. "Power lies with the oil companies." Soremekun, echoes Douglas' view by positing that: "The Nigerian state is a shell, and Shell [the Anglo-Dutch giant] is the Nigerian state."(Adebanwi, Op cit).

Few places better illustrate the desperation of the locals than Oloibiri, where Nigeria first struck oil in 1956. The country's first oil boomtown has seen its population drop to perhaps 500 from an estimated peak of about 10,000 in the 1970s (Olojede, Op cit). Deep in the Niger Delta, today it looks like a ghost town. Its mud streets are empty and almost no one is employed, save those harvesting the skimpy offerings from polluted creeks, from which residents also draw water for cooking, drinking and their daily ablutions. The single health center has long since closed. Electricity does not exist, and anyone who could has already moved away.

Among those left behind is 70-year-old Sunday Foster Iningite, the senior chief lamented the situation and his experience at Olobiri while mourning the hollowing out of his hometown when he claimed that:

Not one of my children is here; there is nothing for them," said the chief. "They sucked the oil until it was dry in the 1970s, then they abandoned us. Now, like cocks, we scratch the ground for a living." (Ibid). But while Oloibiri has fallen harder and faster than most communities - many of which never rose to begin with - it is hardly exceptional.

Iningte's description and position was supported by Adeka Inemo, a local environmental activist who runs the Niger Delta Resource Center when he claimed that when he claimed that: Olobiri is the total representation of what the Niger delta are facing and that "Once you've seen Olobiri, you've seen us." (Ibid).

Evolution of the Concept of Oil Deregulation in Nigerian's Oil Industry and Its Many Dimensions.

Deregulation is the lifting of certain government controls (such as price control) on several aspects of a specific industry, in this case the oil industry. Under the Oil Deregulation policy, government does not interfere with the pricing, export and importation of oil products, or the establishment of retail outlets (petrol stations); storage depots; ocean-receiving facilities; and refineries. People can put up these installations practically wherever and whenever they want. In the case of retail outlets, they can even be set up beside or across the street opposite each other. Provided of course the owners/operators of these installations and facilities notify and give prior notice to the relevant government agency and the location of these installations and facilities conform to the zoning laws of the local government unit concerned.

Large business establishments and government corporations can also import their fuel requirements without securing any permit from

the government; they just have to inform the relevant agency. They can also choose any local or foreign supplier to provide these requirements. Should they choose a foreign supplier, they can import their requirements directly from this foreign supplier.

In a deregulated environment, corporations such as the National Electric Power Authority (NEPA), now known as Power Holding Company of Nigeria (PHCN), would bid out its fuel requirements for its power plants. This would provide basis for competitive offers thus enabling PHCN to purchase its fuel requirements at lower cost and subsequently price electricity from its fuel-fired power plants at lower cost to the consumer.

The government is dead-set on implementing a package of International Monetary Fund (IMF)-endorsed price reforms, which would raise gas prices by eliminating domestic fuel subsidies (Owen, 2004). Yet the vast majority of cash strapped Nigerians for whom low gas prices are currently the only economic benefit they enjoy, adamantly oppose the move, claiming it would impoverish them. They see price increases as another kickback to local elites and foreign oil companies. Indeed, a steadily climbing global price and the implementation of the deregulation policy in Nigeria have necessitated repeated domestic oil price hikes.

With Obasanjo's government persistence with the reforms, the result has been domestic turbulence; the Nigerian Labour Congress

(NLC) and civil society groups launched a series of paralyzing strikes, with more promise at every increase. As the world's seventh-largest oil producer teeters on the brink of complete shutdown, President Olusegun Obasanjo continues to treat union leaders with more contempt. Although economic reforms may benefit Nigeria's economy in the long run, the government has undermined its case by ignoring domestic opposition. Indeed, civil society may be correct to question the IMF's presumption that privatization and deregulation alone necessarily lead to poverty reduction.

The most recent boil over of anger over the implementation of the downstream deregulation policy by the world's 7th largest oil producer nation occurred in November/December 2004 (Oduniyi, 2004). Following a September 23, 2004 increase of Nigeria's domestic retail oil price by 23%, the NLC in collaboration with the civil society called on the government to rescind on the increase failing which it would embark on a strike action. The groups gave the government two weeks ultimatum at the end of which it said it would embark on a one week warning strike failing which it would begin an indefinite strike action (www.newsinformant.com).

And the paralysis did come. A four-day general strike in the West African giant (which boasts a quarter of Africa's population) and Africa's oil giant, left the rejoin frozen and pushed world oil prices to a record level – a harsh reminder that threats to global economic stability can emerge from relatively neglected quarters. The strike also

called into question the prevailing orthodoxy from international financial institutions that economic reform and poverty-reduction go hand-in-hand.

Oil, Politics and Fiscal Federalism in Nigeria

Nigerians like seeing themselves as the “greatest nation,” “hope of Africa,” and “hope of the black race.” It is more a declaration of intent or celebration of potential, than a statement of fact. It is a triumph of hope that defies sad reality (Odiase, 2005). Somehow the country never quite manages to live up to its own self-proclamations. But, however, tired and tested “the sleeping giant” and her inexhaustibly hopeful peoples continue to dream that one day, the country will, *a la* Martin Luther King Jr.'s exasperated dream about America, “live up to the true meaning of its creed!” (myhero.com). From all intent and purposes, the country and the peoples' dreams remain an enduring “great notion!”

Over the years it has been a compelling wonder to many pundits, sympathetic and unsympathetic observers, why the country continues to stand and weather all kinds of foretold collapse and imminent catastrophe. It is neither at war nor is it at peace. And at the moment it is not a military regime and it cannot be described as a democracy without huge qualifications either.

It should not be difficult to understand what makes the country tick. The political economy is built around “the Black Gold” - oil. For

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as long as it continues to flow the country will be kept together by hook or crook. The struggle for bitterness and acute value placed on political power is to enable the various competing cliques and sub-cliques within the political and military elite to get more and more of the proceeds from oil for their own class and self-promotion.

Both by nature's selection and deliberate political engineering, Oil remains essentially a resource that is predominantly found in areas occupied by National minorities on the Niger Delta area. The logic of Nigeria's center-centric Federalism is simple: What cannot be claimed as the exclusive monopoly of the big Three (i.e. Hausa-Fulani, Yoruba, and Igbo political elites) belongs to everybody. But what belongs to them individually is theirs (Odiase, Op cit). That is why the country operated a more balanced federalism in the immediate post-independence period with powerful regions controlled by the three dominant groups, which were dependent on agricultural commodities. As Oil gained importance and became the main source of national revenues the near con-federal consensus gave way to a virtual unitary state (AbdulRahaman, 2003).

This process was aided and by prolonged military rule. No military can function without a clearly defined command structure and commandism. Thus the current situation where the center continues to divide and rule unchallenged by breaking the country into more states. And at state level every village wishes, with time and oil still flowing, to become a local government. The theory is that government

will be closer to people at the local level the smaller the unit of administration. But in practice this has not been the case (Ibid).

There are many reasons why this has not been achieved. The main one has to be the fact that none of these mushrooming layers of administration can sustain itself through taxation or production from the people they purport to serve. They are distributive units for Oil money.

Before Oil, the citizens had a sense that they were the producers of the wealth of the country and therefore believed that government must be accountable to them. As a tax based economy it was vulnerable to protests and popular pressures. That is why the colonial period and Nigeria's first republic recorded scores of tax riots and popular actions by dominated classes. With oil, given that even the people from whose land and shores the black gold is pouring out have no contribution to its production, the margin of accountability is criminally low and in most cases non-existent.

In a country where the notion of "tax payers money" has been rendered meaningless outside of the comparatively small population of civil servants, declining workers in industry and manufacture and others in formal employment whose taxes are deducted at source (against their wishes), the democratic demand that proclaims "no taxation without representation" is rendered meaningless.

The attitude of government officials, in the view of Odiase (Op cit), can be summarized thus: who are these taxpayers who want

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representation? Consequently, simple democratic demands have become privileges dispensed by the governing elite as and when they please. Democracy becomes a hollow shell to legitimize oligarchic politics of greed and naked opportunism. The leadership has contempt for its people and acts so in the most brazen way. This then explains why an otherwise “democratically elected” President could sit idly by pleading “deregulation,” “market forces” and “liberalization” and increase the price of fuel on the eve of Nigeria's (In)dependence anniversary as the government did in October 2003.

While Nigerians desire focused and result oriented economic direction, the administration of General Obasanjo by sheer paradox holds the view that market liberalization through the policy of deregulation is the way out of the economic downturn. The claptrap about deregulation is becoming a recipe for chaos, lawlessness and derogation of government's minimal responsibility to guarantee human security for its peoples.

For a government that came about as a result of Nigerians' undiminished desire for a government of their choice, the Obasanjo regime has wasted all the good-will and it is today compared poorly with the sadistic regime of late General Sani Abacha. Irrespective of whether the comparism is popular or not, right or wrong, the fact that otherwise well-meaning and respected Nigerians and the majority of grassroots people have spoken these views, tells more about the depth

of despair that the country has sunk to than Nigerians' love for autocratic rule. The general mood is that the immediate past President does not listen and his government does not care. Tragically, the people do not expect the government to care anymore and now expect the worse. There is now a dangerous indifference from both the government and the people.

Besides the issue of labour and civil society resistance to the entire question of liberalization of the oil sector, there is an even more critical battle that the government has to deal with. It is the issue of agitations for resource control by states and communities from where crude oil is being exploited. For more than a decade, the oil-yielding communities have been agitating for an increased share of oil revenue, along with control over resources and an end to environmental pollution. Under both military and civilian regimes, the government has responded to the agitation with undisguised severity. The current crisis contains the ingredients for another civil war, which could break up the Nigerian federation.

The struggle of the oil-yielding communities to redress this untoward situation has led to bitter conflict with the central authorities. Specifically, the Niger Delta has been in turmoil since the 1990s. What started as a limited, non-violent agitation in the delta states for an increase in their share of the oil revenue accruing to the accounts of the federation, has now escalated to a sustained, determined, and increasingly effective military attack by sundry delta

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militias on oil installations and production in the region. Local and Foreign oil workers are being regularly kidnapped by the militias for ransomed money which is used for the procurement of arms. The substantial presence in the region of the Nigerian Army and other security forces has had no effect in deterring the militias from destroying vital oil installations and blocking some oil exports. There is some evidence that personnel of the armed forces often collude with the militia and are, themselves, involved in the wide spread lucrative oil bunkering in the troubled region. Daily, some 100million barrels of oil are being shipped out illegally from Nigeria.

Most of the foreign owned oil companies, including Shell, the largest, have being forced by the militia to shut down some of their oil wells and cut production, as well as oil exports. It is estimated that because of the instability in the region Nigeria is now losing some 750 millions barrel of oil export daily, about a third of its oil production and exports. That represents an estimated annual loss in revenue to Nigeria of over \$20 billion. Oil exports still account for about 90 per cent of Nigeria total exports and foreign exchange earnings. Angola is reported to have overtaken Nigeria as the largest oil producer in Africa, with foreign oil investors preferring to invest more in the Angolan oil field. New oil fields in the Sudan, Equatorial Guinea and Cameroon offer increasingly better alternative prospects to the foreign oil companies as new sources of supply, at a time when global demand for oil and oil prices are increasing rapidly.

The response of the federal government to the agitation for more oil revenue by the oil producing states has being largely military. A few direct interventionist agencies, such as the Niger Delta Development Commission (NDDC), funded directly by the federal government, have been established to promote the economic development of the region, still one of the most backward in Nigeria, despite its oil resources. But the NDDC, itself a cesspool of graft, has had very little impact on economic and social development in the region which, despite its oil wealth, has one of the worst infrastructure in Nigeria. The oil companies, for their part, set up several projects, including provision of basic infrastructure, scholarship schemes, and community-relation units through which community members could express their needs. Yet the oil companies have continued to deny responsibility for the ecological destruction. This is attested to by the assertion made by Brian Anderson, Shell's managing director at the time that "We totally reject accusations of devastation in Ogoni land or Niger Delta. This has been dramatized out of proportion."

In any case, as far as the communities are concerned, these efforts are insignificant given the billions of petrodollars that are extracted from the soil. This assessment applies also to the civilian regime of President Obasanjo. The most significant step taken by his government, the establishment of a Niger Delta Development Commission (NDDC) has come under a hail of criticism. Ben Naanen,

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a leading Ogoni patriot and scholar, has referred to the NDDC as a monumental distraction, which may do no better than its institutional predecessor, OMPADEC, in achieving its development task. The current Ministry of Niger Delta, created by the President Sheu Musa Yar'adua's administration, has equally generated hot criticism concerning its ability to solve the problem it was created to solve.

Equally, the military efforts of the federal government to contain the conflicts have failed largely because the crisis is political, rather than military. What the militias, with the support of the people of the region, are asking for is the complete control of their resources or, at least, 50 per cent of it in the sharing of the oil revenue. At the political reform Conference in 2005 the oil producing states were offered 19 per cent of the oil revenue, up from 13 per cent, but their delegates turned this offer down as totally inadequate. That deadlock has remained unresolved. Currently the federal government gets over 51 per cent of the oil revenue, the 36 states some 35 per cent, and the over 700 local government less than 15 per cent, down from the 20 per cent previously allocated to them. Five per cent of the revenue due to the local governments was recently inexplicably deducted and added to the shares of both the federal and state governments.

Over time, the struggle in the Niger Delta has become bound up with the overall struggle in Nigeria for demilitarization of governance and the expansion of political space. With the military's retreat to the barracks in May 1999, expectations have risen that the deprivation of

the Niger Delta peoples will come to an end. Unfortunately, these hopes are getting more forlorn. If the experience of Odi, an oil-rich community that was scattered by the military on the order of president Obasanjo due to stiff protest about the unbearable environmental problem resulting from oil exploration activities, is any indication, bleaker days may still be ahead. Irrespective of who is in charge, whether military or civilian, the state apparatus in Nigeria appears rigged to undermine the struggle of the oil-yielding communities for control of their resources.

Yet the future of the Niger Delta struggle remains a critical part of the yet-unanswered national question in Nigeria - the question of whether the Nigerian federation will remain intact. Its resolution will revolve around such related issues as the continued existence of the country, domination by particular ethnic groups, how to organize the federating groups, formulas for power-sharing, the military threat, and so on. The redressing of historical wrongs in the Niger Delta will not be an isolated event, but rather a gradual process animated by dynamics within the entire Nigerian system - that is, if the region does not convulse into another round of wholesale violence. The daily buffet of violence served by the youths of the area to protest the present arrangement, and the vigorous campaign by the governors and leaders of the oil-yielding states for total control of their resources, both on- and off-shore, may lead to a deeper crisis.

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"The fuse on the Niger Delta is very short," says fisheries expert Chris Allegoa, an Ijaw (the largest minority group in the area). "All of these explosions throughout the Delta are just mini-explosions. There could be a big bang." And if the Niger Delta explodes? "Nigeria," Allegoa says, "goes with it." (Adebanwi, 2001).

To understand and appreciate the anger and frustration of the nine oil producing states it is necessary to go back to the origins and subsequent negation of fiscal federalism in Nigeria. Before independence in 1960, and after five separate commissions on revenue allocation, it had been agreed by Nigeria's political leaders in 1958 that the sharing of all revenue was to be based on the two principles of derivation and need. Both the premier of the Northern Region, the Sadauna, and that of the Western Region, Chief Awolowo, had insisted that, for the purpose of revenue allocation, the principle of derivation was to be given primacy. On his own part, the premier of the Eastern Region, Dr. Nnamdi Azikiwe, had emphasized need. In other words, each of the three regions had insisted on the principle it considered favorable to it, with the Northern and Western region opting for derivation as the main factor for the sharing of federation account. The major exports then were cocoa (West), groundnut (North), and palm oil (East). Oil had not then become the main stay of the economy and its major exports.

The 1946 Richards Constitution had introduced a system of fiscal federalism by which each administrative unit was expected to be

financially self-sufficient, while making a contribution to meeting the cost of the central government. In 1958, shortly before independence, the chick commission Report, like others before it, recommended revenue sharing based on 50 per cent derivation, 30 per cent to the regions, and only 20 per cent to the federal government. At the same time the marketing boards were regionalized and their reserves distributed (46 per cent to the west, 33 per cent to the north, and 21 per cent to the East). In 1964 the Binn Commission reduced the share of the federal government to only 15 per cent, and increased allocation to the regions by 5 per cent making it 35 per cent. It should be emphasized that this revenue sharing formulae, based largely on the principle of derivation, was accepted by all the regions and considered fair. But beyond that, it encouraged economic competition among the regions as well as the enhancement of financial self-sufficiency.

This was the fiscal situation until 1966 when the military seized power in Nigeria. Over the next 30 years that the military were directly in power or, indirectly through their civilian surrogates, they destroyed the fair and orderly revenue allocation system established by the British colonial government, with the complete agreement of Nigeria Political leaders at independent in 1960. The Gowon military regime began in 1970 with Decree 13 which reduced by 5 per cent the revenue shared on the basis of derivation. In 1976-79 the muritala/Obasanjo regime further reduced by 20 per cent the revenue

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distributed on the basis of derivation. In 1981 the shagari civilian government made a further reduction of allocation to the states by another 20 per cent. Money distributed to the states on the basis of derivation fell from 50 per cent at independence to only 5 per cent to total revenue. The Buhari/Idiagbon military regime of 1984-5 further reduced this to 1.5 per cent.

For all practical purposes these developments, under military rule marked the end of fiscal federalism in Nigeria, as the states became so utterly dependent on the federal government that their right to self determination became meaningless. The states, now increased to 36 plus the FCT, were too weak and in no position to complain as the military governors posted there, mostly non-indigenes were appointed by the military postings. This implied that they were there simply to carry out military orders and policies even if these were not in the interest of the states and contrary to the essence of fiscal federalism.

It is useful to note that all the military head of state that destroyed the fair system of revenue established by the British at independence were almost without exception, from non-oil producing states. The military established a system of government that was plainly tribal in structure and that was complete negation of both political and fiscal federalism. What was even more absurd was that this system created a situation in which the oil producing states became victims of tribal colonialism, and were made to finance the system itself. States that did not produce any oil at all received

directly, or indirectly, more revenue from the oil sector than any of the oil producing states. It was a classic case of internal colonialism.

This was, roughly, the situation until in 1999 when the new Constitution, for the first time, after decades of relentless exploitation of the oil producing states, conceded 13 per cent of oil revenue to the nine oil producing states. This change was a response to the increasing and violent agitation of the people and militia of the oil producing states for a greater share of the oil revenue accruing to the federation account. But this increase is considered by the oil producing states as too little and too late. They are now asking for true fiscal federalism based on the principle of 50 per cent derivation at independence, or total control. But the situation has changed. There are 27 states that produce no oil but share in the oil revenue, and there is little or no support among these states, or the ruling PDP, for the idea of reverting to the principle of 50 per cent derivation. Without the oil money many of them will simply be unable to adequately perform.

The argument being advanced in some quarters, particularly from the states that produce no oil, that the governments of the oil producing states are wasteful and mismanaged their vast oil income has some validity. A study by the Centre for Advanced Social Studies (CASS) in Port Harcourt published that about N3.1 trillion get to the nine Niger Delta State from the federation accounts. The Study also concluded that despite this vast income the region had a per capital

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income lower than the national average of \$280 per annum and that, in terms of delivery of health, education and other social services, these states were the most backward in the country. To a large extent the political leaders in these states are responsible for the large scale graft that has made economic and social development in the region difficult, if not impossible.

Whichever reason adduced by the government of non-oil producing states, the fact still remains that the situation, as appalling as it is, cannot be used as an excuse or justification for denying the oil producing states a fairer share of the total national revenue. There is a clear case of injustice here and a nation cannot be built or survive on rampant injustice. The federal Government that gets over 51 per cent of the total oil revenue is even more wasteful, as are the state and local governments. Almost on a daily basis there are press reports about huge federal financial scams, running into billions of naira. But no one in the federal government has used the argument to call for a reduction in the share of the federal government in the federation account. And there is no doubt that the northern establishment that has refused to give way on this issue would take a different view if the oil resources were in the North. But by a quirk of nature most of the oil is from the part of Nigeria that has little or no political clout to make good its demand.

Oil revenue, and the manner it is shared, is vital for the peace and stability of this country. The struggle for the control of oil resources

was partly responsible for the bitter and bloody civil war in Nigeria and foreign involvement in it. It also accounts for the long period of military rule in Nigeria during which the military corruptly enriched themselves with the oil money at the expense of the nation. There is an increasingly danger of foreign intervention in the delta situation. France that once worked actively for the disintegration of Nigeria has now offered the federal government naval assistance. Not to be left out, the British too have offered training facilities for federal forces in the region, ostensibly to protect foreign oil installations there. The Africom military project of the US is also designed to ensure America's uninterrupted access to Nigeria's oil resources. The US intervened in Iraq for control of Iraqi oil, and not because of the false claim that saddam Hussein possessed weapons of mass destruction. Iraq did not pose any military threat to the US.

It is a shame that after nearly 50 years of our independent the federal government is even thinking of seeking military assistance from foreign powers. This is a dangerous trend as it could turn this vital region of Nigeria into a cockpit of big power rivalry for control of Nigeria resources.

Political Economy of Deregulation Policy

In order to benefit from the immense advantages of deregulation and privatization policy programme as highlighted by different scholars, some conditions have to be present and fulfilled.

These pre-requisites, among others, are tagged as strategy for success and are highlighted by Verr (1999) as follows:

- (i) Defining the broad extent of deregulation privatization;
- (ii) Stating clearly the political, economic and social objectives to be achieved;
- (iii) Establishing clear guidelines or criteria for valuation; the choice of public enterprises for privatization and for the choice of buyers;
- (iv) Selecting techniques and, as necessary, their sequence appropriate to the policy objectives to be attained and the needs of the public enterprises to be privatized; creating confidence in the process, for example by starting with privatizations with a high prospect of success; promoting effective corporate government, for example through the participation of “core” investors;
- (v) Ensuring transparency and accountability in the privatization process and using competitive bidding to the fullest extent possible;

- (vi) Mounting a programme to promote public awareness of the value of privatization to the economy so as to contribute to the building up of a broad-based consensus;

- (vii) Building marketing up front in each privatization operation in order to stimulate potential interest among investors and thus to enhance the value of the public enterprise to be privatized; remembering that, apart from “small privatizations” no two privatizations are the same;

- (viii) Promoting popular participation in the privatization process through the allocation of a proportion of corporate shares to small investors (“popular capitalism”) or through mass privatization;

- (ix) Addressing the concerns of employees by paying particular attention to their acquired rights, compensation measures for retrenched workers and to employment protection and job creation measures;

- (x) Promoting employee participation in the privatization process through the allocation of a proportion of corporate shares, as reflected in the special provision of 10% equity to employees of the privatized entity;

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(xi) Addressing the concerns of consumers through appropriate regulation of privatized monopolies and machinery to handle consumer complaints;

(xii) Taking steps, for example by specifying conditions in sales agreements, in order to prevent abuses such as unauthorized transfers to third parties of privatized enterprises immediately after their divestiture;

(xiii) Defining the role of foreign participation with regard to large-scale or strategic enterprises;

(xiv) Providing for safeguards (such as the use of golden share”) in strategic enterprises in order, for example, to prevent hostile takeovers; and

(xv) Establishing mechanism of procedures for monitoring the progress and results of privatization, including compliance with commitments made by private investors.

These notwithstanding, it will also be highly necessary to create a supportive enabling environment, including favourable macroeconomic conditions, a well functioning legal system and adequate financial markets and institutions for private sector and enterprise development (Elumilade, Op cit). Above all, there must be the political will from the leadership to support the programme considering the severe resistance it is bound to receive from the bureaucrats (Ibid).

All these issues which are involved in the planning for successful deregulation and privatization are synoptically summarized and outlined by Usman (1999) as government commitment and articulation of its roles and objectives, planning for success, establishment of an appropriate legal and regulatory framework, organizing for privatization, planning for mass, or widespread, participation and planning for the financing of privatization.

However, given the aims, rationale and benefits of deregulation and privatization as highlighted by the federal government, it is imperative to examine how realizable these benefits are and to what extent has the policy been able to eliminate the seeming poor performance of the oil sector.

On the basis of the market failure theory and in spite of several economic rationale, Galbraith (1978) and Samuelson (1983) doubt the efficiency of the market system (privatization) in managing and

equitably allocating resources for national development. According to these analysts, the limitations of the price system can only be checked using regulatory devices such as:

- (i) Private activity regulations;
- (ii) The subsidization policy; and
- (iii) The strict ministerial controls: which the theories do not allow to function.

Stressing the cut-throat advertising and other promotional efforts subsumed in the privatization programme, Samuelson (1983) describes the system as “a mechanism which involves coercion via the allocation of goods to those who can afford their equilibrium prices”. These criticisms may not be a blanket rejection of privatization and deregulation as Friedman (1962) responds to the criticisms using the weaknesses of the public sector such as:

- (i) The impediments and difficulties in controlling huge public organizations which most PEs stand for;
- (ii) The difficulties in assessing public programmes;
- (iii) The slowness of government bureaucracy; and,

- (iv) The inefficiencies which political considerations can breed and also the lapses associated with the framework of the public sector (Ayodele, 1999).

A balance of these arguments and counter arguments has tended to limit Nigeria's reliance on government and the tendency to raise its incentives towards the policy. These notwithstanding, one can still present some arguments about its implementation in Nigeria

To start with, deregulation and privatization strive well in a country with developed and strong money and capital market (Elumilade, Op cit). Despite the fact that the Nigerian stock exchange is seem to be matured now as a result of the increased participation of banks in the foreign exchange market, the activities on the exchange are still on a low level while Nigeria remains grossly under banked. Besides, large proportion of Nigerian citizens especially the rural dwellers do not have access to banking facilities while services offered in urban areas also need to be improved (Ibid). There is progressive decline in citizens' real income since the oil market collapsed and recession struck in 1981, this is also coupled with the high uneven distribution of income. The extent of income inequality in Nigeria has been properly documented in the literature (Oladunni, 1999; Awoseyila, 1999; Balogun, 1999; Osinubi, 2005). The implication of all these is mass poverty. The spill-over effect of mass poverty is low

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purchasing power of the people. Hence, there will be few people available as buyers of shares of the privatized companies leading to the purchase of shares by the few riches and that the privatized companies could be taken over directly or indirectly by the foreigners especially where the few rich citizens are not interested in the purchase of shares and the poor ones constrained by mass poverty.

In addition, the simultaneous pursuit of the objectives of deregulation and privatization such as improving efficiency and competition, reduction of public deficits, cash generation, widening of the ownership of economic assets and elimination of political interference is not easy to achieve in a pluralize country like Nigeria. On the one hand, the goal of widening share ownership could lead the government to under price the share of public enterprises on the stock market which may hurt its cash generation while on the other hand the exclusive focus on the sale of public enterprises with the deficit reduction objective in view could mean the neglect of other option especially widening the ownership of economic assets (Elumilade, Op cit). Hence, some of the needed pre-condition for privatization and deregulation are not easily obtainable in Nigeria, thereby making the policy a difficult task.

Also, it should be noted that the existence of competition in the industries in which public enterprises operate is an important condition. Unfortunately, this does not hold in Nigeria. A critical examination of Nigerian economy shows that competition is very low

due to limited capacity of private sector which emanates from mass poverty as earlier analysed (Ibid). Also, effective regulation is lacking given the various rigidities and distortions in the Nigerian economy which prevent efficient functioning of the market system. Given this, it may be difficult for deregulation and privatization policies to be effective in Nigeria.

For privatization to be effective there is need for transparency and accountability in its execution and implementation. It has been claimed that the sales of enterprises should be made transparent by adopting competitive bidding procedures; developing objective criteria for selecting bids and creating a clear focal point with minimal bureaucracy to monitor the overall programme. In Nigeria, lack of transparency and accountability are the major problems facing our economy. For instance, it has been consistently claimed that the number of barrels being produced can still not be ascertained. Abuses and corruption are the main reasons for the poor performance of the oil sector and public enterprises. Since these evils are still prevalent in Nigerian economy, there is no doubt that they will affect and hinder the privatization and deregulation exercises. For instance, in Guinea and Poland, lack of transparency in privatization policy implementation has halted its execution and caused backlash respectively. In this regard, the capital market has a significant role to play in the privatization process (Ajisafe, Saibu and Adedokun, 2005). This is so in that utilizing the stock exchange enhances the credibility

of a privatization programme as the procedure for divestment is often seen as transparent, being subjected to the disclosure and listing requirements of the market (Ndanusa, 2000).

Apart from abuses and corruption which has permeated the Nigerian economy, another political factor that impedes the ability of deregulation and privatization policies to achieve their laudable aims and objectives is that many Nigerian leaders lack the knowledge or have limited capacity to foresee the complexities involved in deregulation and privatization process. Deregulation and Privatization programmes are complex and huge operations which require careful preparatory work and good management on the part of the government. Many preparatory work including a detailed analysis and classification of the sector/public enterprises to determine which need to be divested, settlement of labor related matters, proper evaluation of these enterprises and sector need to be put in place before deregulation and privatization policies can help in increasing the efficiency of the sector/public enterprises. All these have been taken for granted in Nigeria and they have constituted the major reason for the inability of the policies to achieve their aims resulting in various crises.

For instance, under the corrupt military dictatorships of the 1990s, the country's refineries gradually decreased operation, eventually necessitating the import of refined petrol for domestic consumption. The windfall of receipts from recorded high oil

prices was thus squandered on imported petrol. Today, the country's own refineries have gone to seed, thanks to the corrupt contractors who were charged with their repair. A recent report estimated that at least US\$400 million has been pumped into rehabilitating the refineries in the last six years. That money vanished with no trace of enhanced capacity.

Government efforts to privatize the facilities out of trouble are progressing slowly. In order to encourage more international interest, President Obasanjo considers it essential to raise fuel retail prices to a commercially attractive level, at which point the market will take over the supply problem. Supporters argued that this policy is already beginning to pay off, with a consortium of domestic banks recently announcing plans to build a new 12,000-barrel-per-day facility in Niger-Delta Cross River state.

In summary, government involvement in the downstream sector of the Nigerian petroleum industry, over the past quarter of a century have led to predictable failures (Braide, 1997). These include:

- low capacity utilization of Nigeria's state-owned refineries and petrochemicals plants in Kaduna, Port Harcourt, and Warri;
- sorry state of disrepair, neglect, and repeated vandalism of the state-ran petroleum product pipelines and oil movement infrastructure nationwide, the collateral damage of

institutionalised corruption, with the frightening emergence of a local nouveau riche oil mafia that controls, and coordinates crude oil, and refined petroleum products pipeline sabotage, and theft ("illegal bunkering") nationwide;

- insatiably corrupt military Task Force operatives that assist diversions of both crude oil and petroleum products, and large-scale cross-border smuggling of petroleum products.

All these are the root causes of the protracted and seemingly intractable severe fuel crises that have bedeviled the country relentlessly for close to a decade now.

As expected, public opinion about deregulation in Nigeria covers a wide spectrum, and cuts across all sides of the argument. Some Nigerians hold the view that deregulation cannot be complete, whether in the downstream sector of the Nigerian petroleum industry, or indeed, in any other sector of the national economy (Aret, 2001).

However, for some, deregulation is seen as desirable in freeing government of its concurrent control, and involvement in the businesses of refining, importation, and distribution of refined petroleum products in the Nigerian market. In their opinion, the deregulation of the petroleum industry in Nigeria should be

implemented in phases, so as to enable the state-owned monopolies to regain efficiency, before their full privatisation.

Another school of thought strongly believes that the Nigerian petroleum industry must not be liberalised, or deregulated, or privatised completely, for whatever reason, and that the status quo should remain, maybe, with some minor fine-tuning made, "here and there", to improve efficiency, as appropriate, "in the overall national interest" (Braide, Op cit) Essentially, this is the implied position of the NLC and civil society.

However, some others insist that complete deregulation, including the total, and final dismantling, unbundling, and subsequent wholesale privatisation of all state-owned petroleum businesses, should proceed without further delay, with maximum despatch, for the continued, and meaningful survival of the Nigerian petroleum industry in the 21st century. In short, for such Nigerians, the benchmarks of globalisation, not nationalisation, dictate the tempo of the new world order in international petroleum market transactions.

Since the early days of the on-going transition from military dictatorship to reasonable democracy, the Federal Government set up a team, led by a technocrat in the Presidency, Mr. Funsho Kupolati, to explain certain key issues of liberalisation, and to counter the arguments of those opposed to the notion and concept of deregulation of the downstream sector of Nigeria's petroleum industry.

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Typically, the scope of discussions covered during the "enlightenment campaign" included such issues as the burden of subsidies on the national treasury, the strain of financing Nigeria's state-owned petroleum businesses, intra- and trans-ECOWAS smuggling of Nigerian petroleum products, the relative market prices of petroleum products in the ECOWAS sub-region, vis-à-vis their prices in Nigeria, licensing of private refineries, the need to break the monopoly of NNPC, and the general benefits of deregulation.

Regardless of the assertion about the ultimate inevitability of the deregulation of Nigerian petroleum industry that have been the reactions of the government-sponsored "enlightenment campaign", the question that bothers people's mind is whether the reform and its process is necessary and justified.

The government has maintained that oil sector reform is one of its core policies and it will not be deterred from going ahead with it. In an address sent to national workshop on Trade and Unionism and Industrial Democracy, organised by PENGASSAN, President Obasanjo posited that 'the deregulation programme was part of his government's reform agenda for the downstream oil sector, with the objective of opening it up to private sector participation (Gurdian, 2001)

When eventually the reforms in the downstream sector are successfully executed, said the president, a lot of benefits would accrue among which are:

- Eradication of petroleum scarcity that has bedeviled the country in the past;
- Elimination of the monopoly of state Corporation following licensing of new entrants that can invest heavily in the sector;
- Providing employment opportunities for teeming school leavers;
- Assisting in freeing the system of the petroleum products subsidy syndrome which has the capacity of preventing the government from channeling the country's scarce resources to provide infrastructure that would in turn boost the nation's economy;
- Establishment of private refineries that are capable of making the nation self-sufficient in crude oil refining.

Obasanjo noted that government's efforts to re-engineer the petroleum industry had produced expected resistance from stakeholders including organised labour in the country, leading sometimes to industrial disputes. According to the President in his speech read by his Special Assistant on Petroleum Matters, Alhaji Jafar Paki:

Since we have here present at this workshop, membership of the various unions who are primary stakeholders in the petroleum industry, I wish to seize this opportunity to urge that we

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show utmost restraints in our attempts to provide alternative viewpoints on the reforms being carried out in the economy generally and in the industry in particular.

Obasanjo urged collaboration and understanding between government and PENGASSAN members by saying that:

we need to employ dialogue, understanding and create avenues that can facilitate dispassionate round-table discussions capable of narrowing down some perceived differences between Government and the organized labour in the country. I am convinced that labour has the inalienable right to struggle for the betterment of the welfare of its members. However, such commitment to workers' welfare should be fought for within the precinct of the law of the land while being mindful of the socio-economic dislocations such an action could cause. It would gladden my heart to have a labour that would be ready to proffer reasonable but realistic alternative viewpoints that would assist us in the process of nation-building.

The president stressed that the guarantee of security and functional social services, was necessary to enable the government to attract even more foreign investors to do business in the country. According to him:

As many of us are aware, in the last couple of years one of the major tasks that this Administration has set is attracting massive inflows of foreign investment. However, apart from providing infrastructure, we should realize that we also need to ensure that incessant industrial disputes that have become an issue in recent past are reduced. One fact we should note is that our country is in competition with other nations in terms of wooing genuine investors and no reasonable entrepreneur would wish to establish in a country plagued by industrial unrest.

Labour unions and civil society groups, however, smell a rat regarding the stated objective. The deregulation policy, in the opinion of Labor, will benefit marketers and government coffers while devastating most other sectors in an already-inflationary economy. If consortiums are already preparing to build new refineries, why was it necessary to announce a further 25-percent price increase? When ordinary citizens see the limousines driven by state officials cruise to the front of lengthy filling-station queues, they conclude that high

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prices is another way in which they are forced to subsidize the lifestyles of the privileged.

The rows over the deregulation imbroglio have lurched from stalemate to stalemate in a series of general strikes. The conflicts have left numbers of citizens dead. Is there any hope for compromise?

While the opposition issues remains, labour and civil society harbours a greater disdain for government. Labour particularly charges that the government is unwilling to discuss the alternatives that it has designed. In addition, they charge that the government does not employ tact in communicating its points but rather talks down on opposition and brand them unpatriotic and ill motivated. The then NLC president, Adam Oshiomole corroborates this when he was addressing the journalists that "Every time we come to the government requesting dialogue on the issue, they ignore us, and the only time they will negotiate is when we threaten a strike."

The union leader adds that the NLC's own economic team has developed plans for a partial deregulation, which would see both the public and government cushioned from the worst spikes, but that the administration refuses to discuss the alternative plan.

President Obasanjo's government has been notably combative on the issue from the outset. He consistently squanders valuable opportunities to persuade Nigerians of the merits of its case by introducing the policy without warning or consultation. Thus more than the effect of the rising prices, a major problem is the mode and

manner the government often employs in its policy formulation and communicates such to the Nigerian people.

Now, rather than dialogue with labour and civil society groups on the merit of its policy and expected outcome, the government introduced a new bill seeking to break up the NLC, limit the right to strike, and foster the creation of new alternative union bodies. Although the Legislators watered down the proposed bill, conscious of the NLC's popularity, the government at that time secured a controversial High Court ruling making it illegal for unions to strike over anything other than pay and working conditions.

Labour and civil societies see contradictions in the government's refusal to dialogue with them but were quick to offer the olive branch to ethnic militia who take up arms. For instance, when self-appointed warlord Alhaji Dokubo Asari threatened "all-out war" against multinational oil companies operating in the Niger Delta, he was flown straight to the capital – on a Presidential jet – for talks. What message does this give a frustrated public, shown by surveys to be losing faith in Nigeria's democratic institutions, as to the relative merits of peaceful versus violent action?

If the problems were domestic prices, the question that arises would be; why are strikes often aimed at Nigeria's oil exports? Expert holds that because Nigeria as a country is benefiting from near record oil revenues, but not its people, who are suffering from a steep rise higher prices, by interfering with its most lucrative industry, strike

leaders hope to force President Obasanjo to back down from the increases in Nigeria's retail oil price.

Often times, the issue therefore transcends the oil prices. Strike leader, Adams Oshiomhole of the Nigerian Labor Congress (NLC) had said: "We are now challenging the Obasanjo government for ignoring the Nigerian National Assembly and its stated concerns about oil deregulation."

He adds: "Obasanjo would rather use Nigeria's limited resources for investment in industry and infrastructure than for subsidizing retail oil prices. But in a country where two-thirds of the population lives on less than a dollar a day, people are more concerned with the struggle for survival than their future."

Donors and multilateral lenders have taken the government's intransigence as a sign that the administration is really prepared to push through the reforms, despite the political risk. A British government development official in the Nigerian capital reportedly notes approvingly that Obasanjo is "really serious about this economic agenda," in which the elimination of fuel subsidies is part of a wider plan to put the country's finances back on a sound footing for the future.

In whichever case, the consequences are dire not just for Nigeria and Nigerians, but also for the international community, most of all the United States of America, being the fifth largest importer of Nigeria's oil exports.

“This strike - if successful - has the potential to yet again raise U.S. retail oil prices,” says Bernard Perlstein, Editor, Newsinformant, referring to October 2004 strike.

The high-priced oil in an oil-producing nation may sound peculiar, but the problem is traced largely to the Nigeria’s refining capabilities, which much like their other industry, is so inefficient that it is actually cheaper for this large oil-producer to import refined oil on the global market.

Conclusions and Policy Recommendations

Like every policy measure, deregulation will not be without costs. A cost-benefit analysis always forms a sound basis for adopting a particular policy measure, and one believes that, in this case, the benefits of deregulation peels off into insignificance compared to the costs. The most obvious cost of deregulation is spiraling price increases for transport, to food, to cement, to rent, and so on. This chain of price increases is inevitable since, in economics, everything affects everything else, however remotely. Oil is, of course, a unique commodity and its effects are expected to be more pervasive. Although government officials have argued that this scenario has not presented

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itself and will unlikely not play out, but rather expects a one-time jump in overall inflation, which needs not become perpetuating, the reality has been far from this predictions.

It is obvious Nigeria has joined the bandwagon of petroleum product prices deregulation without first putting in place the necessary infrastructure and social framework to support the policy. It is unfortunate the situation continues to persist against the expressed wishes of the Nigerian people and in the face of the social and economic dislocation it has resulted because of the deep-seated vested interests that have captured the petroleum industry in the country.

The downstream sector today is characterised by all manner of arbitrariness and favouritism. Throughout charges continue to be imposed on consumers by the NNPC even when pipeline supply of products to depots across the country has virtually ceased for years. Major marketers continue to be granted financing charge on the pricing template, even when products are supplied to them on credit and dealers lift products from them on the basis of advance payment. Favoured independent marketers continue to act as middlemen between the NNPC and other independent marketers, with the favoured ones earning a premium of as much as N3 per litre funneled through them. It is the final consumers that bear the burden of these ridiculous charges and mark-ups.

Policy Recommendations

Rather than deregulate universal consumer commodities such as petroleum products prices so heavily, the government should deliberately increase the income tax threshold making the tax system more progressive and, therefore, pro-poor. This could be achieved through the reduction of assets concentration, unequal distribution of power and unequal access to educational and income earnings opportunities etc. in order to make the policy effective.

Objectives of the deregulation and privatization policies must be clearly stated and honesty, dedication and accountability must be directed at the implementation of all stated objectives. Proper education and enlightenment programmes are very necessary for both the leaders and the citizens on the nature and complexities of deregulation and privatization policies for proper understanding.

The country needs to undertake nationalistic policies driven by the developmental needs of the overall Nigerian economy no matter the pressures of globalisation and the demands of the IMF and the World Bank. This is because of the peculiarities of different nations' economies. Rising energy prices hurt the productive sectors of our economy. The country's endowment of oil should be used to provide comparative advantage for these sectors so that they can compete, provide employment and ensure the long-run stability of the national economy.

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It is instructive that China, which is the fastest growing developing economy in the world today, has achieved this feat by internal home-grown policies. For example, China has resisted all pressures by these international financial institutions to float its currency. This has not prevented the massive inflow of foreign direct investment which continues to play a major role in the unprecedented growth of the economy.

It is unlikely that the violence in delta region will be brought to an end by federal military blustering and posturing, or through seeking foreign military assistance. It will have to be resolved through a dialogue, not necessarily another summit, with all interested parties, preferably by the National Assembly. It should now take the lead in ending this unjust and unfair fiscal system through the appropriate legislation. The oil producing states should immediately be offered an annual graduated increase of 5 per cent to bring the principle of derivation to a maximum of 40 per cent over a period of 10 years. This will force the non-oil producing states to look inwards for the additional revenue they will now need to make up for the short fall in their revenue. As for the federal government it should not get more than 20 per cent of the total oil income.

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Chapter X:

The Politics of Interventionist Policies and the Niger Delta Crisis of Nigeria: Impacts and Challenges

By Clement Odiri Obagbinoko

Introduction

Nigeria's post-colonial constitutional arrangement granted extensive powers to the regions; making them effectively autonomous entities and the revenue arrangements ensured that the regions had the resources to carry out the immense responsibilities.

Under the 1960 and 1963 constitutions, a true federal system made of up of strong states or regions and a central or federal government with limited powers was instituted. Thus the following features are worth noting.

1. Each region had its won separate constitution, in addition to the federal government constitution.
2. Each region had its own separate coat of arms and motto, from that of the federal government
3. Each region established its own separate semi-independent mission in the U.K headed by 'Agents General'
4. The regional government powers i.e where any matter was not allocated to the regions or the federal government, it automatically became a matter for regional jurisdiction.

- 5.** There were separate regional judiciaries and the power of the Regions to establish , not only High courts, but also Regional Courts of Appeal.
- 6.** The Regions had their own separate electoral commissions for regional and local government elections. However, the chairman of the Federal Electoral Commission was the statutory chairman of the state commission.
- 7.** The revenue allocation system under the 1963 constitution was strictly based on derivation. (Sagay, 2000: 9-10)

This was the setting before the discovery of crude oil in commercial quantity in the early 1970s. and since then revenue sharing formula has been subjected to numerous alterations and modifications. Intriguingly, shares of the state governments out of allocable revenues in any given year or period was determined by the volume of the revenues to be shared, (not the volume of revenue derived), and the sharing formula structure of the Nigerian federation at that point in time. (Philips, 1980:159). Consequently, revenue sharing pattern became so inconsistent, rash and irrational. For example, up to 1966 and particularly between 1954 and 1959, the principle of derivation was the major criterion of revenue sharing among the states/regions. But by 1975, the derivation principle has disappeared and given way to another improved system.

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At this point the shenanigans of the three dominant ethnic groups of the Yoruba, Hausa/Fulani and Igbo became blatant. So much so that the foundation for the economic independence of the regions which was laid by the 1960 and 1963 constitutions became obliterated in the 1970s when crude oil replaced cocoa, groundnut and coal as Nigeria's foreign exchange earner. The obtrusive invasion of Nigeria's political landscape by the military only catalyzed the efforts of the three major ethnic groups to short change the Niger Delta Region in terms of revenue sharing formula.

Indeed the adoption of the twelve state structures by the military administration of Yakubu Gowon marked the renaissance of militarism in Nigeria's body politic. This in turn translated to the adoption of a unitary structure of governance in Nigeria. What this portends is that a Federal Republic was now governed as a unitary state. Perennial trips to Aso Rock to solicit for funds intensified since state budgets were tied to allocations from the federation account (Obagbinoko, 2008:221). On the other hand, between 1966 and 1975, when the twelve states replaced the former three regions, cocoa and most other Nigerian agricultural products tumbled at the export market, and crude oil became the single most important domestic and export product of Nigeria. Intriguingly, the revenue allocation schemes were changed to give greater emphasis to need (proxied by population) and state equality; the principle of derivation was thus reduced in emphasis. (Philips, 1980:166)

This development not only marked the dawn of the neglect of the Niger Delta region but also the beginning of disenchantment and discontent of the people of the region. At a time when the region was expected to benefit immensely through massive development of human resources and infrastructures, the region became *fair game* and was subdued and subjugated by *centrifugal forces*. The fiscal relationship between the centre and the periphery, according to Tamuno (1995:24), resembled the roles of a householder and a housekeeper. With this scenario, the stage was now set for a persistent myth of a Hobbesian Niger Delta, characterized by Gang wars, cult killings, kidnapping of oil workers, hijacking of oil tankers, violent occupation of oil installations, armed robbery, election violence and communal conflicts (Ibeanu, 2006:1). The reaction of successive governments was to embark on series of interventionist policies. The question now is, to what extent have such policies proved successful? This forms the basis of this study.

Interventionist Policies in the Niger Delta: An Evaluation

In the preceding analysis, we have been able to capture the picture of the events that culminated into a marginalized and neglected Niger Delta Region, occasioned by a flagrantly degraded ecology and environment with the attendant poverty of the inhabitants of the region which has over the years led to frequent violent agitations and social disorder. These agitations have either

taken the form of a well articulated mass action such as the KIAMA DECLARATION of the All-Ijaw Youths Conference of December 1998 and the ASABA DECLARATION by South –South governors and legislators (Darah, 2001:20-21), (which in fact heralded the struggle for Resources Control), or the form of organized crime of hostage taking, kidnapping, mindless killings and irrational destruction of oil installations.

Of great concern really is the level of response and reaction on offer by government to the plight of the region especially with respect to the overall development of the region on one hand and the dousing of the escalating violence and militancy in the region on the other. No doubt, some measures were taken in the past to redress the inequality and injustice suffered by the Niger Delta Region. What is doubtful is the effectiveness of such remedial measures. For example, in the first post-independent development plan, the Niger Delta Development Board was set up to focus attention on the development problems of the region. Worthy of note is that as much as the Board was charged with the responsibility of carrying out a systematic survey of the possibilities of the area as a whole for the production of rice, timber and fish, it had no executive powers to implement programmes (Niger Delta Development Act 1962).

With the failure of the Niger Delta Development Board to achieve its purpose by 1976, the Board was transformed into the Niger Delta Basin Development Authority. With the establishment of

this body it became clear later that it was a ploy by the political power elite to also extend the 'special treatment'

in the Niger Delta to the rest of the country because ten other River Basin Authorities were created across the country by the River Basin Decree of 1976. (Faniran, 1977). Again the Niger Delta Basin Development Authority as conceived could not have met the needs of the Niger Delta people, more so by 1976, the oil companies involved in production and the devastating effects of their activities had become a source of concern to the local communities. The Niger Delta Basin Development Authorities was thus a mere façade (Sada, 2000:5).

During Nigeria's Second Republic of Alhaji Shehu Shigari (1979-1983) a paltry 3½ % of revenue allocation was allocated to the oil producing areas of the Niger Delta. This was after Prof. Ambrose Alli, governor of the then Bendel State recorded a landmark victory in a legal battle with the federal government over revenue sharing formula in 1980. In an effort to pacify the Niger Delta Region, the military government of General Babangida that came on board in 1985, established the Oil Mineral Producing Areas Development Commission (OMPADEC) by Decree No. 23 of 1992. The Commission, like the Niger Delta Development Board, failed mainly due to under funding which has been perceived as a deliberate attempt by the Federal Government to withhold funds meant for the operations of the Commission. (Sada, 2000:10). There was no visible and laudable attempt by the military administration of General Sani Abacha to

remedy the crisis in the Niger Delta. Although, the creation of Bayelsa State along side Ekiti, Abia and three other states in the Northern part of Nigeria was perceived to mean an antidote to the Niger Delta problem, the execution of Ogoni born Environmentalist, Ken Saro-Wiwa and eight others in November 1995, proved a major setback in the Abacha campaign to address the Niger Delta problem.

One of the latest in the series of attempts by government to address the injustice in the Niger Delta is the establishment of the Niger Delta Development Commission (NDDC). The establishment of the commission was consummated by the enactment of the NDDC Act of 1992. The activities of the Commission which has been under a critical appraisal, has revealed the perfunctory approach and non-committal attitude of government towards addressing the problem of the Niger Delta Region.

For example, the refusal of president Obasanjo to assent to the NDDC Bill until it was vetoed by the National Assembly, the suit by the Federal Government against the 36 states and the consequent judgement of the Supreme Court on Resource Control elicited a lot of misgivings as to how genuinely committed the federal government is to the development of the Niger Delta Region. This misgiving is reinforced by the fact that the master plan for the region was submitted to the federal government barely two months to the end of Obasanjo administration (Ajakaye, 2007:1-2), six years after the enactment of the NDDC Act.

Midway into the Obasanjo regime, a military option was introduced to tackle the raging spate of criminal violence and militancy that has become so integral to restive Niger Delta. This was the establishment of the Joint Task Force (JTF) code named, 'Operation Restore Hope', a machinery the Yar'Adua government has since inherited.

The extant civilian administration of Musa Yar'Adua, has also made some rather hazy and ambiguous effort to demonstrate government's commitment to resolving the Niger Delta problem. One of such efforts was the setting up of a Committee on Conflict in Niger Delta. Another was the setting up of a Niger Delta Technical Committee aimed at compiling past reports on the region.

Perhaps the most remarkable measures taken so far by the Yar'Adua administration is the establishment of a Ministry of Niger Delta Affairs; a perceived mark of sincerity on the part of government to adopt a more serious antidote to the Niger Delta crisis. However, the appointment of Chief Ufot Ekaete, as the minister in charge of the ministry portends problems since the ministry and whoever heads it are not likely to enjoy the best form of support from some of the opinion leaders of the region.

It should however, be noted that the activities of the intervention agencies that were empowered to address the developmental needs of the region have left much to be desired. As

Oparah (2008) noted, building a few classroom blocks, tarring of a few kilometers of unused and unuseable roads and drilling one or two boreholes are merely scratching a deep wound on its surface. Much of what have happened in these agencies like the NDDC have been the fertilizing of a huge corruption complex that have targeted party roughnecks, space-fillers at party rallies and briefcase wielding accomplices of those in power for stupendous enrichment. Over-inflated contracts and those that were never never executed become the ready avenue employed by the NDDC to enrich these fringe elements that bear no direct impact on the resolution of an intractable problem.

Intervention Agencies and the Challenges of Achieving Peace and Sustainable Development in the Niger Delta.

The path to peace and sustainable development in the Niger Delta is no doubt fraught with a lot of challenges, most of which have started crystallizing. In other words, the handling of the development challenges of the Niger Delta Region has been a major challenge for decades. Much of the challenges is a function of the nature of the struggle itself on the part of the people and civil society groups in the region. It also has to do with the response of the state to the various agitations within the region. It is believed for example, that the struggle has taken on a more vicious dimension for the last one decade especially under the last administration of Olusegun Obasanjo. This was the era when various militant groups

mushroomed; causing carnage in the area, in most cases beyond the imagination of those in authorities.

Nevertheless Ikelegbe (2007:461) is of the view that the response of the state to civil society militancy and confrontation has been high handed, suppressive, repressive, brutal, coercive and directed not at resolution but submission. This was aptly demonstrated by the military regimes of Babangida and Abacha and Obasanjo civilian administration. To this end, the military and repressive option has been utilized from the troop deployments and repression of Ogoni land in 1993 to the destruction of Odi Bayelsa State in 1999. The establishment of the Joint Task Force (JTF) also known as “Operation Restore Hope” is an evidence of the repressive stance of the state towards the Niger Delta struggle. This of course also brings to remembrance the sad ends of the champions of the region’s cause such as the late Isaac Adaka Boro and Ken Saro- Wiwa.

It should be noted that in the midst of all the struggle for a better Niger Delta, the region is entangled in the invisible web of several dimensions of rhetoric. Ibeanu (2006: 1-5), succinctly explains these rhetoric. According to him, there is the rhetoric of resource control where governments of Niger Delta states, particularly Delta and Bayelsa States, insist that Niger Delta people through their state governments have a right to a larger share of oil revenues. Since 1999 they have been pushing for an increase in revenue to the Niger Delta from the 13% of resources derived from each state to 50%. In

response, the federal side initially reacted by seeking to seize all revenues from off-shore oil production by excluding such revenues from the calculation of 13% derivation. This in some cases, cut the revenue accruable to some littoral states of the Niger Delta by as much as 80%.

A second reaction of the Federal Government to the rhetoric of resources control put forward by the Niger Delta has been to counter with the rhetoric of transparency. In doing this, the federal government consistently accuses state governments generally and Niger Delta governments in particular of being financially profligate. This is to the effect that a former Minister of finance, Mrs. Nenadi Usman, had to publicly accuse state governors of using financial allocations to their states to buy foreign exchange, which they then take outside the country. The federal government also insists that Niger Delta governments have generally misused the huge revenues they have been getting as a result of the 13% derivation.

The second dimension of the rhetoric of rights is the argument by Niger Delta governors that Niger Delta peoples have a right for better living condition than is on offer presently, and available data seem to justify this claim. Petroleum derived from the Niger Delta accounts for about 50 percent of Nigeria's GDP, 95 percent of foreign exchange earning and 80% percent of all budgetary revenues. This amounts to nearly \$20billion annually or about \$54 million daily. Compared to this enormous wealth, the social situation in the Niger

Delta presents a mammoth discrepancy and is generally worse than the situation in most parts of the country. Available figures show that there is one doctor per 82,000 people, rising to one doctor per 132,000 people in some areas, especially the rural areas. Only 27 percent of people in the Delta have access to safe drinking water and about 30 percent of households have access to electricity both of which are below the national averages of 31.7% and 33.6% respectively. Only 6% of the population of the Niger Delta have access to telephones while 70% have never used telephone. Poverty remains widespread worsened by an exceptionally high cost of living created by the petro-economy.

In response to the argument of welfare and right to development, the federal side counterpoises the rhetoric of peace and security, arguing that the main factor militating against the enjoyment of the right to development in the Niger Delta is violence perpetuated by the people in the Delta against themselves, oil companies and the Nigerian state. Repeatedly, examples of vandalization of oil installations, kidnapping of oil workers and communal conflicts are cited as antinomies of development.

Having discovered that most of the rhetoric spewing from the presidency were couched in hypocritical tenor, the region once again relapsed into an internecine strife and the disruption of the main oil business. This has taken the form of incessant inter-ethnic conflicts in the Niger Delta region which now poses a great challenge to the

development of the region. There is the persistent conflict between local communities and security, counterinsurgency and surveillance forces, which has led to many deaths, as in the widely publicized military invasion of Odi in 1999. Indeed, many communities in the Niger Delta still live under heavy military surveillance such as 'Operation Hakuri II' and 'Operation Restore Hope'.(Ibeanu, 2006). This situation has created a highly volatile creeks of the western Delta particularly in Delta State.

The trajectory of inter and intra-communal conflicts in the Niger Delta is also perceived as a threat to peace and sustainable development in the region. Example of such conflicts are the Ijaw-Ilaje conflict, the Ogoni-Andoni conflict, the Ogoni-Okrika conflict, the internecine conflict between the two Ijaw villages of Bassambiri and Ogbolomabiri in Nembe and the recurrent conflicts between the Ijaws, Urhobos and Itsekiris over the ownership of Warri. This trajectory of conflict is often linked with political conflicts. Contest for political power, which is expected to be free and fair, has become a major source of violent conflict in the Niger Delta. A good illustration is the spate of violent conflicts that engulfed the Niger Delta following the 2003 elections, which are believed to be linked to young gangs recruited and armed by politicians to fight their political opponents during the polls. This political conflict resulted in a spate of assassinations of important political figures of Niger Delta origin. They include Dr. Marshall Harry and Chief A.K. Dikibo.

The issue of environmental degradation in the Niger Delta is crucial to sustainable development and thus poses a grave challenge to the development of the region. Much of the damage caused to the environment is through gas flaring and oil spillages and there is overwhelming evidence to this effect. The average rate of gas flaring in the world is 4% and in Nigeria, over 70% of associated gas are flared. Nigeria has the notorious record of 25% of all gas flared in the world. It has also been placed on record that an average of one oil spill occurs every week in the Niger Delta. (<http://www.nigerdeltaawareness.com>.2008) And government disposition towards the issue of environmental degradation leaves much to be desired. There has not been visible commitment on the part of government to legislate against environmental pollutions and even where such legislations exist, their enforcement are usually a problem. For example, in the issue of gas flaring in the Niger Delta the federal government has not been firm on the need to finally determine the deadline for gas flaring.

Perhaps one reason why interventionist policies have failed to achieve their objectives in the Niger Delta is due to the fact they have suffered acceptability problem in the hands of the people who are suppose to benefit from such policies. With the diverse nature of the problems in the region, the various antidotes being sought do not go down well with the entire people of the region. This is why some would hail the establishment of separate Ministry of Niger Delta

Affairs, while some would condemn it as another conduit pipe to siphon resources. While the propriety of the creation of the ministry was in contention, it was another battle over who should head it. This feeling understandably, is derived from past experience where such bureaucracies are often perceived as political agencies rather than an interventionist agencies.

The task of developing the Niger Delta region is exacerbated by government's lack of sincerity and well defined policy framework for the region. This is rooted in the failure of consistent policies of coercive contention employed in the past, which rather deepen the crisis and have contributed to make it the seeming intractable problem it has assumed at present. The problem is compounded by the apparent lack of conceptual clarity of the Niger Delta crisis (which of course predates the present government) and which has been the reason why no noticeable progress has been recorded on the issue. Most Nigerian leaders like Obasanjo had a queer impression that the problem could be dealt with by merely maintaining illicit liaison with some of the region's governors. This obvious display of confusion and lack of clarity that had marked the Nigerian Government appreciation of the Niger Delta crisis has often misled it into adopting a futile approach that has proved more of a recipe for more crisis rather than an antidote to the crisis.

The current face-off between the Nigerian military and the Niger Delta Militants is an evidence of the fact that government keeps putting every feet wrong in its attempt to contain a mismanaged situation. From the ignorant to the witless deployment of brute and tactless force during the military era to the cunning and impervious diversion of attention from the real issues during the Obasanjo years; the present Yar'Adua government dithers from inaction to obvious confusion on how to contain a man-made crisis that would have been better managed if the country's leaders have adopted sincerity in dealing with the Niger Delta crisis.(Oparah, 2008).

Conclusion

From the preceding analysis, so far the prevailing scenario in the Niger Delta depicts deprivation and worsening social condition of the Niger Deltans; the ceaseless depletion of the environment occasioned by lawless and unregulated gas flaring and oil spillages that have destroyed both farmlands and aquatic life; mindless extra-judicial killings as showcased in the towns of Choba and Odi in 1999; the militarization of the region through the counterinsurgency operation of "Hakuri II" and the JTF and lack of government sincerity and well defined policy framework to tackle the Niger Delta crisis

The impression we get from the crisis situation in the Niger Delta region is that of government under-appreciating the crisis in the region. This is rooted in the fact that government seems to misread

the history, context and meaning of the struggle. This has also exposed government's confusion as to what the problem is all about. Consequently, no serious effort has been made to reach at the very fundamental problems and issues that stoke the Niger Delta crisis and much has been invested in fangling and sustaining fire-brigade panaceas. Government's deep frustration is palpable in its present posture but this is because it had not devoted genuine attention to knowing what the problem is all about.

Flowing from the above, it is canvassed that instead of initiating intervention policies that are more or less palliatives, government should evolve means and ways on how to adopt a sincere and holistic approach to the Niger Delta problem that would free any intervention from the corruptible influence and manipulations of politicians. The military option may be regulatory but definitely not an enduring approach to the crisis. The Niger Delta crisis is cyclical and war-mongering inclination cannot deal with it and mere setting up of a Technical Committee to compile past reports on the Niger Delta region amounts to a façade and may not be a convincing strategy either, since similar reports were not utilized in the past.

Governors and Legislators from the Niger Delta Region should desist from profligacy and justify the huge revenue that always accrue to them. The recent South-South Governors Forum held at the Tinapa Business Resort, Calabar could at best be a cynical approach to solving a grievous problem. Therefore the various state

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governments of the Niger Delta region, the NDDC and the Ministry for Niger Delta Affairs, to which over 1.5 Trillion Naira has been jointly appropriated in the 2009 budget should ensure the judicious use of the money by urgently addressing the infrastructural needs of the area. The Government and the presidency should eschew all forms of sloganeering of its policies because there lies much of government insincerity.

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Chapter XI:

Between the Politics of Oil Exploration and Exploitation, Oil Producing Communities' Reactions and Security Contradictions in the Niger Delta

By Egbadju Obukohwo Abraham

Abstract

This paper sets out to examine the politics of oil exploration and exploitation as a harbinger to the patterns of reactions of the oil host communities in the Niger Delta region on the one hand. On the other hand the paper seeks to identify and explain the element of security contradiction as applied in handling the crisis arising from the relationship between the oil host communities and the oil multinationals operating in the region. The paper relies largely on secondary sources of data in its analysis. The content analysis method of data collection is employed. The analysis of data is based on a review of existing literature. A careful analysis of segments of argumentations in the literature is linked with personal experience of the emerging trends in the area of study so as to capture the realities on ground and to order a balanced argument. It is revealed in this study that the politics of oil exploration and exploitation defines the character and dynamics of the reactions of the host communities and the production of the unending crisis in the Niger Delta region. This has in turn, affected the fragile security situation in the region. The Nigerian state in the pretext of restoring security in the area plays a conspirator role as it sponsored attack against its own people. The paper recommends a sharp review of the existing Nigerian laws relating to land use as well as to make provisions in the constitution to recognize the oil host communities as an important third-partner in the rail in the oil-business alliance.

Introduction

The importance of oil and its role as a major contributor to the economic growth and development of Nigeria cannot be overemphasized. Nigeria had become self-sufficient after her independence in the production of oil following its discovery at Oloibiri in the Niger Delta in 1956 (Watts and Lubeck 1983: 106). Since then,

oil has effectively replaced agriculture in revenue yield for the country. In fact, oil has turned the country into a mono-cultural economy; as the country has since relied on oil for her overall economic growth and development.

The oil in question is nature's endowment to the Niger Delta region of Nigeria. That means, the Niger Delta region is blessed with oil. Revenues from oil have brought about significant expansion to the Nigerian economy. However, due to oil policy and politics, the Nigerian government has not been able to use a fair share of the oil money to cause "adequate" structural development in the Niger Delta region; a situation which successive administrations in Nigeria have worsened due to their inconsistency, languid enforcement, and implementation of oil policy (Owolabi and Okwechime, 2007). Today, the oil industry and the people of host oil-bearing communities are enmeshed in serious crisis arising from the actions and inactions of the oil multinational corporations in the Niger Delta oil-producing region on the one hand and have expressed, and continue to express their grievances against the Nigerian state on the other hand.

The politics of land and the manner of acquisition of land for use by the oil companies lie at the heart of the unending crisis in the Niger Delta region. Land, from which the local communities derive the means of livelihood, is very scarce. Yet, for over four decades of oil industry activities in the region, the environment of the host oil-producing communities have been degraded, with little or no regard to

the negative effects on the rural populations. Oil spillage and gas flaring constitute the most serious forms of environmental degradation in the Niger Delta, because they pose serious threat to the livelihood of the oil-bearing communities. Oil spillage usually inflict human, environmental, and socio-economic hardship on the affected communities with long term or permanent damage to fish farms, farmlands, soil and water (Gbadegesin, 1998). In the end, the people of the region are left impoverished. This is where the people of the region are challenged to react to do or die.

The attendant crisis then makes severe implications for the security of the Nigerian state, the inhabitants of the region and their property as well as the transnational capitalist exploiters (the multi-nationals that carry out oil-exploration activities in the region). It is against this backdrop that this paper sets out to discuss oil politics in Nigeria and its implications for the uprising in the Niger Delta region, the area that produces the oil in question and how the crisis poses security challenge to both the Nigerian state and the inhabitants of the Niger Delta region. Oil politics for this paper is defined as the flexing of oil policy and legislation in relation to acquisition of land and its use for oil exploration activities as well as the conflict over who makes policies and determine who participates in the oil business, the limit of participation and how the revenue from oil is to be shared, when it is to be shared and to whom.

Objectives of the paper

The paper has the following objectives:

- 1 To examine the relationship between the politics of oil exploration and exploitation and the reactions of the oil producing communities in the Niger Delta region.
- 2 To identify and analyze the issues that lie at the heart of the reactions from the people of the oil-producing communities in the Niger Delta, how they react, and account for why they react the way they react.
- 3 To identify the psychological moment where the reactions by the oil communities reached the point of escalation and crisis level and to as well examine how the crisis in the region presents security challenges to the Nigerian state.
- 4 To analyze the basic element of security contradiction in the Nigerian state in relation to the Niger Delta oil-related crisis.
- 5 To make recommendations on how to break the vicious circle.

Significance of the assignment

This assignment is significant in the following considerations:

- 1 The Niger Delta issue has become very important and sensitive as oil has become inextricably linked with the National question in Nigeria in view of its strategic importance to the Nigerian political economy. There is need to contribute to discussions on the Niger Delta issue in this respect.

- 2 The issue of security is very crucial and is of national concern. This no doubt, demands rigorous academic and theoretical postulations that can be applied to make practical effects in the society. It is therefore essential as an attempt to bring into sharp focus the issue of security in Nigeria's oil-bearing communities and their implications for the nation-state project in Nigeria.
- 3 The Niger Delta issue has become a recurring decimal. There is need for academic embracement of the currency of the debate on the area with a view to keep the mind abreast with emerging trends in the politics of the Niger Delta and the Nigerian state and to explain them.

Methodology

The paper relies largely on secondary sources of data. The method of data collection used is the content analysis. However, effort is made to link segments of the literature based on a review of empirical studies related to the topic of study to current experience of emerging events in the area of study. The essence is to capture the realities on ground for a balanced argumentation.

Statement of the problem

The relationship between oil multinational companies' operations and their oil host communities has elicited serious crisis in the region. The crisis has been lingering and appears to defy the palliative solutions put in place. Thus, it portends serious security

challenges to the Nigerian state. The issues involved in the unending crisis in the Niger Delta are critical; and their effects, as events have shown, usually reverberate beyond the territorial boundaries of the oil-belt, with destabilizing consequences for Nigeria's political economy. What then constitute the critical issues and why have the issues defied lasting solutions? Security in the Niger Delta region is fragile. What is the manner of the Nigerian state's response to the issue of security in the Niger Delta in the face of emerging trends in the struggle by irate youths (militias) of the oil communities?

There have been attempts to trace the genesis of the Niger Delta crisis, the activities of oil multinational companies and how their activities have constituted pains and agony to the oil producing communities. The struggle and agitation of the people of the region have been voluminously treated in the literature.

However, there has not been much attempt to link the element of security contradiction as one serious factor that has aroused and increased the intensity to resort to approaches of violence in the struggle by the oil community irate youths as occasioned by the role of the Nigerian state in the matter. It is this gap that this paper attempts to fill. This is essentially important in the context of discussions on ways to finding a workable framework for restoring peace and security to the oil-related and crisis ravaged Niger Delta.

The place called the Niger Delta of Nigeria

The Niger Delta of Nigeria is situated in the central part of Southern Nigeria. It is located between Midwest and Eastern parts of Nigeria. The region is a heterogeneous, multi-culturally diverse area of 70,000 square kilometers (Saro-Wiwa, 1995:165; Tamuno 1999:51) with over 20 different ethnic groups including those of Ijaw, Itsekiri, Urhobo, Bini, Ukwuani, Ibibio, Efik, Anang, Ogoni, Igbo, Yoruba and Ogba (Dike, 1965:25, Ikime 1972; Onosode 2003). The Niger Delta is one of the largest wetland in the world comparable to the Mekong, the Amazon and Ganges (Manby 1999a:53, Onosode 2003:8). It is home of the most of the oil-producing communities in Nigeria.

Apart from being richly endowed with oil and gas deposits, the region is blessed with fertile agricultural land, abundant rivers as well as creeks, fish, forest and human resources. The Niger Delta is also supported by a complex bio-diversity and other biological and ecological features. Three distinct ecological zones predominate in the Niger Delta region. These are thick mangrove forests bordering the sandy coastal areas that in turn border the Atlantic coast. There are fresh-water swamps and lastly, the dry land (Owolabi and Okwechime 2007). The forests support most of the farming (CRP 1999:12).

The Niger Delta is spread across six states namely Bayelsa, Rivers, Delta, Edo, Akwa Ibom and Ondo. Over time, the region has enlisted Cross-River, Abia and Imo states (for political reason). Of the major ethnic groups in the region, namely the Ogoni, Urhuobo, and Itsekiri, the Ijaw (Izon) constitutes by far the Delta's largest ethnic

group with over 500 communities spread across the states. The Niger Delta has over 800 oil-bearing communities and has an estimated population of about 13million people (Kemedi 2003:7).

Some issues at the heart of reactions from the people of the region.

The Niger Delta region stands out as the treasure base of the Nigerian state. The Niger Delta provides over 80 percent of government's revenues, 95 percent of export receipts, and 90 percent of foreign exchange earnings (Owolabi and Okwechime, 2007:1-40). For over four decades oil industry activities in terms of building or construction of oil-related facilities such as refineries, petro-chemical plants, pipelines, flow stations, terminal, dual carriage ways and staff-housing estates have been carried out in the region. All these activities have put over-bearing stress on the available land in the region (Owolabi and Okwechime, 2007, Turner and Oshare 1993, Etu-Efeotor 1997, Manby 1999a). This created serious land crisis in the region.

Apart from the usual land crisis, oil-related activities have destroyed or degraded the environment, the land, the rivers and there are no corresponding efforts to plough back good amount of revenue being generated from the region to provide visible and durable structural development for the region. This placed huge socio-economic burden on the inhabitants of the region. Oil spillage and gas flaring are common but dangerous features of the oil industry

activities. The health of the local inhabitants of the region has been grossly compromised in the face of the harmful emission of the by-products of the oil exploration activities. Ken Saro-Wiwa was quick to point out the debilitating effects of pains and agony of the inhabitants of the communities where the oil exploration activities are carried out specifically in Ogoni land. According to him:

The Ogoni are embattled and imperiled since oil was discovered in the area in 1958, they have been victims of a deadly ecological war in which no blood is spilled, no bones are broken and no one is maimed. But the people die all the time. Men, women, children are at risk; plants, wildlife and fish are destroyed, the air and water are poisoned, and finally the land dies. Today Ogoni has been reduced to a waste land (1995:131).

From Saro-Wiwa's observation, the activities of oil exploration and exploitation in the Niger Delta region pose serious death-trap to the people of the region and the immediate oil-host communities in particular. It is the case that after carrying out the oil exploration activities with the attendant hazards, the inhabitants of the Niger Delta region face an uphill task trying to eke out a living. In such circumstance, the question of human and environmental security presents a precarious situation for the people in the Niger Delta

(Griffiths and O'Callaghan', 2002). This is the situation that the people had been contending with for decades.

Indeed, the negative effects of oil spills on the Niger Delta environment are untold and have been well documented (Idoniboye and Andy 1985; 311-314, Ikein 1990: 131; Taiwo and Aina 1991: 55-58, Oyebadejo and Ugbaja 1995:12-15, Ikporukpo 1999:15, Frynas 2000:158-162). For example Ikein (1990) and Manby (1999 a) observe that the incidences of water-borne and other types of diseases have been on the increase among the inhabitants of the Niger Delta region. The annoying aspect of the whole matter is that it seems that the multi-national oil companies operating in the region as well as the Federal Government of Nigeria are not convinced of the harmful effects and threats to the existence the inhabitants are passing through. It is the people's perception of government's feigning ignorance or its insensitivity of the Nigerian government and its allies (the multi-national oil companies) to their plight that has increased the intensity to take up fight against the "perceived enemies" to their comfortable existence and livelihood as a people – the Nigerian Government and the multi-nationals operating in the region. Therefore, no matter the perspective from which one views the situation of the reactions from the inhabitants of the Niger Delta region, the issue boils down to a people's struggle to ensure their existence. The approaches that the people of the region may have employed might be considered wrong or right in certain academic

circles. But the fact remains that the man who wears the shoe knows where it pitches. The people of the region have been left to their faith for a very long time. The few palliative measures put in place (short term of course) by the Nigerian Government to pacify the people of the region; such as in setting up of the various commissions including the Niger Delta Basin Development Authority (NDBDA), OMPADEC, NDDC and now, the establishment of the Ministry of Niger Delta Affairs by the incumbent Nigerian Government, only represent clever ploys by the Nigerian Government to dodge the real problem of the Niger Delta people, especially of the communities where the oil exploration and exploitation activities are directly taking place. The two issues at the heart of the struggle by the militants in the Niger Delta are simply stated – the problem of marginalization and that of structural underdevelopment of the area that produces the wealth that the life of this nation depends largely on.

The riverine parts of the Niger Delta region lacks good roads, good portable water, good health facilities, electricity, housing, educational facilities and employment opportunities in the area; whereas, the same people can see as they are very aware that the oil revenues generated from their area financed the huge expenditure on the provision of social and capital infrastructural facilities in the 1970s, especially in Lagos; then the construction of Abuja, the federal capital territory and for paying huge salaries to politicians at Abuja.

Yet, poverty level and unemployment in the region grows higher unabated (Manby 1999b, IDEA 2000, Eteng 1998:20). The people cannot feel secured in the midst of poverty and glaring deprivation. Therefore, to intensify efforts to confront the forces standing to deny them the full enjoyment of the proceeds from wealth in the region is expected, even if it delays. The approach does not matter. The approach will only matter if their lots have been improved and the hope for their human and socio-economic securities are guaranteed.

The people of the region are very much aware that most urban development in major cities in this country today, can be traced to the remote villages where oil gush out day and night. The struggle to be in political office in Nigeria now, is to gain opportunity to share in the oil money. But to make genuine plans to plough back a good percentage of the revenues generated from oil to develop these remote villages and make the inhabitants of the area live a minimum comfortable life seems not to appeal to the “collaborators” in the oil business in the area- the Nigerian Government and the oil multi-national companies. This is the crux of the matter. So, it does appear that the Nigerian state issues out as a corroborator and facilitator of international capitalism.

The Element of Security Contradictions in The Niger Delta

The crises in the Niger Delta have been that of land rights, and oil-related crisis. The crises have elicited serious national security challenges confronting the Nigerian state. This issue of security as it

concerns the oil crisis in the Niger Delta is problematic. The issue of security in the Niger Delta in relation to the oil exploration and exploitation on the one hand, and the reactions of irate oil-bearing community youths in the Niger Delta region is somewhat well captured by what Ibeanu (2005:25) describes as “a contradiction of securities”. Ibeanu has attempted to explain that the perception of what constitutes security to the state and the oil companies is markedly different from the perception that the people of the oil-producing communities have. While the state and the oil companies perceive security in terms of carrying out the oil exploration activities without being interrupted in any form; not minding the effects of their operations on the inhabitants of the communities in which they operate and the environment, the people of the oil-producing communities view security as the possibility and capacity that their livelihood and environment are not threatened or impoverished as a consequence of oil exploration activities in their area. At either level of operation of these contradictions, there are passions or sentiments attached. There is always a manifest-passion of the Nigerian state’s preference to ensure security of the multinationals wherever there was crisis between them and the local communities in Nigeria; and ignore sub-national passion. On the other hand, the local communities that produce the oil often evoke general sentiment of micro-nationalism.

It is fair to understand that the human security issue in the Niger Delta oil-crisis largely centres on the impact of oil industry activities on a people whose agro-based livelihoods are dependent on the environment (Owolabi and Okwechime, 2007). Again, it is the cardinal duty of the state to strive to promote the socio-economic development for the well-being of the citizens of the country and to protect them; wherever they are located within the country. Recent events in the Niger Delta crisis with regard to the struggle by the irate youths of the oil-producing communities involving attack by the irate youth of the Niger Delta on oil installations and hostage-taking and the sponsored reprisal attack by the Joint Task Force (Nigerian Government combined Military outfit) provides a platform for assessing and underscoring the politics and the basic element of security contradiction in the Nigerian state in relation to the Niger Delta crisis.

It is a sacred duty of the Nigerian state to protect the Nigerian citizens and ensure security of their lives and property, even in emergency situations. It is also incumbent on the Nigerian state to protect and ensure security of multi-nationals operating in Nigeria. But the protection of the citizens of Nigeria counts first. Therefore, conventional wisdom would suggest that where the protection and security of Nigerian citizens is at crossroads with that of multinationals, operating in Nigeria, the Nigerian government has a sacrosanct duty to ensure that the protection and security of the lives

and property of the citizens of Nigeria is uppermost. Regrettably, this has not been the case in Nigeria with reference to the crisis that has ensued between the oil host communities and the multinational oil companies.

It is possible to tag the emerging trends in the activities of irate youths (militants) in the Niger Delta region to be “criminal”. That might just be hypothetical. An understanding of the skewed federal system we have in Nigeria, and the repressive nature of the Nigerian state, appeals to reason that the possibility of expression of sub-national passions and agitation at one time or the other cannot be ruled out. It is instructive to recall that whenever there was a misunderstanding between multinational oil companies and their host communities in Nigeria, the Nigerian government has always sided the multinationals and has in each case sacrificed the security of lives and property of the Nigerian indigenes. This is why the multinationals have accustomed preference for inviting the security forces in Nigeria against the indigenes of Nigeria whenever there was a misunderstanding between the multinationals and the local communities in Nigeria. The truth again is that at any time the security forces has been invited, casualties and sacking of entire villages or communities bear witness. Owolabi and Okwechime (2007) provide representative cases that can be readily made reference to, to include: Iko-Shell clash (1987), the Oboburu-Elf clash (1989), the Umuechem Massacre (1990), the Uzere-Shell clash (1992), the Ogoni-

Shell clash (1990-1999), the Kaiama bloodbath (1998), the Odi and Choba killings (1999) and the Kokodiagbene, Kurutie, Okerenkoko, Oporoza-annihilation by JTF (2009). This may not be the end. For recent reports on Government's sponsored military attack against the Niger Delta protesters (see, Daily Sun, May 18, 2009 pp1&6, Vanguard, May 18, 2009, pp1&5, Vanguard, May 19, 2009 pp 1&5, Saturday Sun, May 23, 2009 pp 1, 11-14 & 46, Vanguard, May 25, 2009 pp 1&5, Vanguard May 25, 2009 pp 1&5, Vanguard, May 28, pp 1&5).

The Nigerian Government has not been able to justify the JTF military carnage in the Ijaw villages; even though it may be argued in some uninformed quarters that no responsible government should sit back and watch an important part of it, "a veritable cash cow" as the Niger Delta, impoverished into nothingness. The Federal Government's argument that it will not sit back and watch lawless groups hold it to ransom is porous. Here, again the question of security contradiction in the Nigerian state re-appears.

Concluding Remarks & Recommendations

The issue of oil exploration and exploitation and the crisis in the Niger Delta region of Nigeria has been lingering; especially against the backdrop of continued or renewed agitations by the people of the region over what they have often referred to as marginalization; underdevelopment of the region and indeed injustice suffered by the

region within the context of the Nigerian state. In this paper the place called the Niger Delta is identified. The activities of the oil industry in the region as evidences have shown, have elicited crisis between the host communities and the oil multinationals across time; thereby rendering the Niger Delta region fragile and volatile. The agitations or struggles by the people of the region for a better deal have been observed to have grown to the point of escalation, and thus causing grave security concern to the region, the multinationals and the Nigerian state in general. The escalation has pushed the Nigerian government to adopt approaches ranging from dialogue, to force as evidenced in the current crisis in the region. But there appears to be adamancy on the part of both the irate youths (militants) in the region and the Nigerian government to give up violent approaches in resolving the issue on ground. It is the argument of this paper that the problem of the Niger Delta has been clearly and variously stated; but successive Nigerian governments have shown insensitivity and insensibility to the plight of the people of the region. Successive governments in Nigeria have continually been avoiding the real issue on ground and pretending to be drawing master plans that they have no honest intention to implement for visible, social, economic and structural development of the region. It is also argued that government has attempted to only give mere palliatives to the region once there was one form of agitation or the other.

Government's best has not been good enough in the estimation of the Niger Delta people. They want more and are determined to fight, no matter the cost. But this will cost the entire region relative peace, with spill-over effects to the rest parts of the country in one way or the other.

It is the conclusion of this paper that the end to the oil-related crisis in the Niger Delta is not in sight yet.

Recommendations

To resolve the Niger Delta oil-related crisis and the security contradictions, this paper recommends as follows:

- 1 The Nigerian government should at all time assume and maintain a paternalistic posture. That way the government must be genuinely committed to the protection and security of Nigerians living in the oil producing region. Resorting to killing Nigerians in the oil producing communities whenever there was over-stretched agitation should not be considered as a good option at all; no matter the level of the local people's agitation. Already, the people and their land have been impoverished, they are poverty stricken and frustrated. To react, they way they are doing now should be expected.
- 2 There is need for the leaders in the oil-bearing communities to toe the line of honour to meet these irate youths and other

armed fighters in the region to reconsider their approach if only to reconsider time to see the effects of the steps to be taken by the Nigerian government to respond with all honesty and positively to the development need of the region. Most of the leaders in the region are ready – conspirators in the Niger Delta crisis and they feed fat from it. They need moral rebirth to toe the line of honour. All the stake holders must be ready to make sacrifices to resolve the problems facing the region.

- 3 There is need to review the Nigerian constitution to make provision for the inclusion of oil-bearing communities as stakeholders in terms of decision-making and control of the economic resources got from the region. This might be a long term solution, but there is need for it.
- 4 Laws and regulation to strictly protect the Niger Delta environment and ecology from further degradation should be made and enforced. Environmental protection agency set up should be granted more autonomy and empowered to enable it apply legal sanctions against non-compliant oil companies operating in the Niger Delta. In this light, state policies must aim at making oil companies more compliant to Nigerian Environmental Regulations, as well as to be more socially responsible to host communities.
- 5 Youth empowerment schemes, well packaged to commit the youth in the region and keep them busy from roaming about

idle-mindedly should be accorded priority in government's programmes for the region. Government could do this in conjunction with assistance of the oil multi-national companies operating in the region.

- 6 Obnoxious acts such as the land use act of 1978 should be revoked. That is one of the basic factors that tend to deny the people their rights to make claims to their land and which tend to deny the people's right of control over the resources that pertain to the land thereof.
- 7 Government and oil companies should devise regulatory mechanisms to ensure that allocation and compensation to the oil-bearing communities actually get to the people of the communities.

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