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# FUELLING THE FIRES: THE POLITICAL ECONOMY OF CONFLICT IN NIGERIA'S NIGER DELTA

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## DECLARATION

The author hereby confirms that this work or any part thereof has not been previously submitted to this or any other body in respect of any other award or for any other purposes. Further, all the thoughts contained herein are my own unless otherwise stated using the Harvard referencing style.

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## **ACKNOWLEDGEMENTS AND DEDICATION**

First and foremost I would like to thank God Almighty for the grace to reach the end of this process. I thank my husband, Franklin Masade as well as my family and friends for their love, prayers and support. I dedicate this thesis to them.

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## **ABSTRACT**

Many scholars today in both political science and economics disciplines agree on the broad arguments of the 'resource curse thesis' which suggests that reliance on large resource rents by the state often fails to bring about outcomes which benefit society as a whole. Thus natural resources constitute a kind of curse rather than of a blessed impetus for development. The literature presents three areas in which natural resources impact a state adversely; namely, economic outcomes, forms of governance and conflict proneness. With regards to armed civil conflict the theory suggests that the presence of abundant natural resources, in particular, fuels and mineral resources, increases the incidence, duration and intensity of armed civil conflict in a state. This thesis seeks fundamentally to explain the incidence and persistence of violent civil conflict in Nigeria's Niger Delta region from a political economy of natural resource abundance perspective. From the literature, I derive a number of testable hypotheses to explain the onset and duration of resource related civil conflict. In assessing these against the case I find that the resource-conflict relationship in the Niger Delta is primarily mediated not simply by greed or grievance as much of the literature suggests but also by critical governance failures when the state is considered as both actor and institution. Specifically within Nigeria's nominal democracy where power is decentralised but accountability is low, political elite spread arms through clandestine patronage networks thereby wittingly and unwittingly equipping potential rebellions. The question of what accounts for the resource-conflict link is not just academic as specific conflict trajectories imply unique policy responses in order to be appropriately addressed.

## List of Abbreviations

<b>ERA</b>	<b>Environmental Rights Action</b>
<b>FNDIC</b>	<b>Federated Niger Delta Ijaw Communities</b>
<b>HRW</b>	<b>Human Rights Watch</b>
<b>IYC</b>	<b>Ijaw Youth Council</b>
<b>JTF</b>	<b>Joint Task Force</b>
<b>LEEDS</b>	<b>Local Economic Empowerment and Development Strategy</b>
<b>LGA</b>	<b>Local Government Area</b>
<b>MDGs</b>	<b>Millennium Development Goals</b>
<b>MEND</b>	<b>Movement for the Emancipation of the Niger Delta</b>
<b>MOSIEN</b>	<b>Movement for the Survival of Ijaw Ethnic Nationality</b>
<b>MNOCs</b>	<b>Multinational Oil Corporations</b>
<b>NDBDA</b>	<b>Niger Delta Basin Development Authority</b>
<b>NDDB</b>	<b>Niger Delta Development Board</b>
<b>NDDC</b>	<b>Niger Delta Development Commission</b>
<b>NDES</b>	<b>Niger Delta Environmental Survey</b>
<b>NDHS</b>	<b>National Demographic and Health Survey</b>
<b>NDOPC</b>	<b>Niger Delta Oil Producing Communities</b>
<b>NDVF</b>	<b>Niger Delta Volunteer Force</b>
<b>NEEDS</b>	<b>National Economic Empowerment and Development Strategy</b>
<b>NEPAD</b>	<b>New Partnership for African Development</b>
<b>NESG</b>	<b>Nigerian Economic Summit Group</b>
<b>NGOs</b>	<b>Non Governmental Organizations</b>
<b>OMPADEC</b>	<b>Oil Mineral Producing Areas Development Commission</b>
<b>OPEC</b>	<b>Organization of Petroleum Exporting Countries</b>
<b>OSOPADEC</b>	<b>Ondo State Oil Producing Areas Development Commission</b>
<b>PNDRM</b>	<b>Pan Niger Delta Revolutionary Militia</b>
<b>QIP</b>	<b>Quick Impact Project</b>
<b>SEEDS</b>	<b>State Economic Empowerment and Development Strategy</b>
<b>UNDP</b>	<b>United Nations Development Programme</b>

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*The discontented represent a real threat to the existing order, and that order is also deprived of vital contributions to the project of creating prosperity for the commonweal[th]. Scarcity is the soil in which revolt is nurtured. Political violence deployed to maintain control over the dollars generated by oil wealth may work in the short term, but ultimately it defeats its own purpose. ... And that is why the malformed political order is dying.*

Okonta (2005: 208)

## **Chapter 1**

### **POLITICAL ECONOMY OF POST COLD-WAR INTRA-STATE CONFLICTS: AN INTRODUCTION**

The political economy of intra-state conflict as a research agenda attracted the considerable interest of academics from the early to mid-1990s (Malone & Nitzschke, 2004:2). In light of important shifts in the global and economic order following the cold war, some commentators have begun to refer to recent intra-state conflicts as “new wars” or “complex humanitarian emergencies” characterised by predation and increasing civilian casualties (Cramer, 2002a:1). Interestingly, conflict studies have, in recent times, been influenced not only by political scientists but quite notably by economists and in particular neoclassical economists (Pearce, 2005:152). Their somewhat untraditional intervention into the discipline was first brought on by the recognition that post-cold war conflicts were different to conflicts which arose in the context of that era and thus required new analytical approaches. Pearce (2005:152) describes post cold war wars as being:

*...about identity struggles rather than ideological ones; they employ new modes of warfare that aim to control and homogenize populations through violence and forced population expulsion; they are intra- rather than inter-state, yet are integrated into regional and global economic networks; and they are self-*

*financing through access to natural resources that generate income through illegal transnational trade flows rather than domestic exploitation*

During the cold war, rebel groups were typically financed by one of the superpowers or by proxies within the region seeking to strengthen their ideological block (Bannon & Collier 2003). With the end of the cold war and decline of external support, both governments and rebel groups have sought alternative sources of revenue to sustain their military campaigns; often relying on trade in legally or illegally exploited natural resources, smuggling of contraband and drugs, money laundering and the capture of diaspora remittances<sup>1</sup> to raise their own belligerent funding (Le Billion, 2001: 562; Ballantine & Nitzschke, 2003; Malone & Nitzschke, 2004:12). It is in part due to the observation of this self-financing quality of combat that a new focus on the economics of intrastate conflicts was prompted.

Secondly, the increased incidence and the particularly brutal nature of contemporary civil wars, drew wide spread interest in the analysis of these conflicts which were occurring mostly in low and middle income countries (Cramer, 2002a, 2000b; de Soysa, 2000, 2002). Inter-governmental and non-governmental development agencies have invested a great deal of resources into research on armed conflict with a view to formulating policy solutions and in the process have drawn development economists into the debate(Pearce 2005:152).

Given the central role of natural resources as a source of financing for belligerents, the term “resource wars” soon came to be widely circulated (Cilliers, 2000; Klare 2001; Renner 2002). Examples of these resource wars abound. In Africa, a civil war which

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<sup>1</sup> Diaspora remittances have been increasingly identified as a resource fuelling the conflict in Somalia much the same way natural resources would in other contexts (Reno, 2005: 127)

began as an anti-colonial struggle waged on for decades in diamond and oil rich Angola (Cilliers, 2000:1); an estimated 2.5 million people died in the course of the conflict and its violent aftermath in the resource rich Democratic Republic of Congo (DRC) (Renner, 2002:1); Liberia's rebel leader-turned-president, Charles Taylor, generated income from the export of rubber, timber, and diamonds to finance his violent insurgency and subsequent incursion into Sierra Leone (Malone & Nitzschke, 2004:3). Further a-field, during Cambodia's civil war the rebellious Khmer Rouge on the one hand and government on the other were reported to have raised an astounding \$220–390 million a year combined from selling high-grade timber on world markets (Renner, 2003:2). In Colombia, guerrilla forces and paramilitaries engage in the production and trafficking of cocaine, money laundering, kidnapping and extortion (Nitzschke & Studdard, 2005:224).

The political economy of resource conflicts as a research and policy agenda received considerable attention mainly because of the massive humanitarian price of these wars and their resulting economies which thrive on dealings with shady conflict entrepreneurs, various transnational corporations, arms brokers, transnational criminal networks, and corrupt governments, from amongst the world's commodity markets and major financial centres. It is now generally accepted that understanding the political economy of conflict is vital to improved conflict analysis and policy responses.

The literature on the link between natural resources and conflict identifies two relationships: 1) the resource scarcity thesis put forward by Neo-Malthusians and 2) the resource abundance or resource curse thesis argued chiefly by Neo-Classical economists. The Neo-Malthusian theory of resource scarcity and conflict, associated with Thomas

Homer-Dixon<sup>2</sup>, focuses on the connection between growing pressures on increasingly scarce renewable natural resources (e.g., arable land, freshwater, forests, and fisheries), caused in part by exponential population growth, and violent, mainly intrastate, conflict. Empirical and qualitative studies (Baechler et al. 1996; Baechler and Spillman 1996; Homer-Dixon and Blitt 1998; Kahl 1998; Homer-Dixon 1999; Klare 2001) have been used to demonstrate that population growth, environmental degradation, and natural resource competition have interacted on many occasions to produce or exacerbate civil and ethnic violence. These threats, it is argued, often outweigh traditional military threats to a country's security. Rogers (2002) suggests that the absence of clean air and water as well as deforestation could create conditions which, though not directly related to military security, can trigger economic decline, societal disruption, and thus conflict. According to neo-Malthusians, scarcity produces conflict in two primary ways. Firstly, resource scarcity induces elites to 'capture' resources, depriving powerless groups in the process. Another way in which scarcity is said to cause conflict is through its adverse effect on economic and social innovation. Homer-Dixon calls this the 'ingenuity gap' (1999:7). He argues that in resource poor countries scarcity acts as a constraint on socio-economic innovation keeping them poor and indirectly contributing to the resort to armed conflict.

Neo-classical economists on the other hand, identify resource abundance as a key factor in the onset and duration of conflicts, particularly intra-state wars. This view is embodied in the theory commonly known as the 'resource curse' thesis, a term originally used by Richard Auty in 1993. It at first referred to the paradox that countries with an abundance

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<sup>2</sup> See Homer-Dixon 1991 and 1994

of natural resources perform worse economically than countries without such resources. Economists claimed that reliance on abundant natural resources creates distortions that shift investment away from non-resource tradeable sectors of the economy which have the potential to accelerate economic growth thus shrinking those industries and making them less competitive on the international market (Corden & Neary, 1982). This economic manifestation of the resource curse is known as the 'Dutch Disease'. However, over the years, the resource curse thesis expanded to include explanations of the nature of politics and risk of conflict in resource-rich contexts. Broadly, the argument goes that a number of developmental pathologies caused by an abundance of natural resources greatly increase the likelihood of violent conflict or more precisely, that natural resources could lead to poor economic growth, authoritarian regimes and civil conflict. Further, access to natural resource financing potentially lengthens these conflicts (Ross, 2004b).

The question thus follows, which factor scarcity or abundance serves to better explain the link between resources and civil conflicts? Critics of the neo-Malthusian theory of scarcity claim that the relative importance of renewable resources is decreasing, due to modern and more efficient forms of production which ease the demands on them (Gleditsch & Theisen 2006: 4). Moreover, the decrease of commodity prices on international markets is evidence that resources are far from scarce. The neo-Malthusian response to this criticism is that while certain resources may be abundant globally, they are scarce locally and it is this local scarcity which triggers conflict. However, their critics go on to argue that trade and market mechanisms which motivates innovation and shifts in resources can lead societies to overcome local scarcities (Le Billon 2001: 564). Furthermore, population pressures on scarce renewable resources have often led to

improved environmental conservation in practice (Tiffen et al. 1994). According to 'cornucopians', chief critics of the scarcity-war thesis, resource scarcity and population pressure can result in socio-economic innovation and substitution, resulting in a more diversified economy, which in turn yields a more equitable distribution of power across society. Contrary to the pathologies which neo-Malthusians contend derives from resource scarcity, particularly in developing countries with challenges to good governance, it is in the interest of the elite of resource-poor countries to develop and exploit human capital, rather than try to accumulate scarce or non-existent resource rents. In which case, the probability of violent conflict decreases as human capital develops (e.g. through education, trading and manufacturing skills), the economy diversifies, and governance becomes more representative and accountable (Le Billon 2001: 564). In response to Homer-Dixon's ingenuity gap, a view which suggests that countries with scarce renewable resource endowments fare worse in terms of development de Soysa (2005:7) points out that neither empirical evidence nor economic growth theories support this hypothesis. It is in fact resource rich countries which perform worse economically.

Where resource scarcity helps bring about technological innovation, economic diversification, strong institutions and democratic government, de Soysa (2002:7) contends that abundant resources (both renewable and non-renewable), on the other hand, hinder incentives for innovation and thus yield unfavourable development outcomes for the majority. This occurs when the state becomes reliant on resource rents for income; leaving it with little incentive to invest in human capital or to innovate technologically. Auty (1998: viii), summarises this argument concisely when he states:

*The build up of produced capital and skills [in a resource-rich context] is slower than the successful resource-deficient economy. Overall, the inherently slower and less egalitarian growth trajectory of the resource-rich countries is intensified and the end result is usually a growth collapse. The collapse causes all forms of capital, including institutional, social and natural, to run down. Part of the explanation for the superior performance of the resource-deficient countries is that their Spartan endowment of natural capital acts as a constraint on government failure by placing a premium on the need to nurture scarce resources, including skills, institutions and social capital, and to achieve an efficient allocation of capital.*

The absence of incentives to generate sound social and economic policy as a result of reliance on natural resource rents in fact forces dependence on these rents. Political scientists and economists alike agree that reliance on large resource rents fails to bring about equitable state-society bargains characterised by outcomes which benefit society as a whole (de Soysa, 2002:7) thereby constituting a kind of curse as instead of a blessing (Auty 2001; Ross 1999; Sachs & Warner 2001). With resource rents firmly in their control, political elites have little inducement for social investment. Moore (2000:20-22) makes this case for states dependent on oil and mineral rents<sup>3</sup>. According to him, the adverse effects of a state not needing to tax its citizens include autonomy of the state from its citizens and an absence of incentives for civic politics; vulnerability to foreign attempts at state capture; a weak and opaque public service not geared towards revenue collection or service delivery; the vulnerability of an untaxed, unrecorded citizenry to subversive movements; and proneness to collapse in the event that resource rents dry up. Ballantine and Nitzschke (2003:4) appear to concur with this prognosis in their observations of Sierra Leone and the DRC, where they note the eruption of armed conflict was preceded by decades of plunder by self-serving state elite who intensified

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<sup>3</sup> He also argues that dependence on foreign aid appears to have similar effects on the recipients politics as does reliance on resource rents by removing much public expenditure from the budget and thus from legislative, or public scrutiny; and by reducing the actual scope for governments to control the (senior) public service, the best of which ends up being seconded to manage donor projects (2000:23-24).

socio-economic deterioration and institutional disintegration in both countries, which ultimately led to violent state collapse.

Vast and theoretically compelling literature on the resource curse presents a formidable challenge to the resource scarcity-civil violence argument. This paper seeks fundamentally to explain the incidence or onset and persistence of armed civil conflict in Nigeria's Niger Delta region from a political economy of natural resource abundance perspective.

Research on the resource curse also contains several studies showing that natural resource wealth is associated with the onset of civil conflict and influences its duration and intensity – that is, the number of combat-related deaths (Rosser, 2006:9). Thus in addition to and at times as a result of the undesirable effects natural resource wealth has on a country's economics performance and political outcomes, violent civil conflict also becomes more likely. Scholars have examined the causal mechanisms linking natural resource abundance and four dimensions of civil conflict: the onset, duration, intensity and type of conflict i.e. separatist or non-separatist. Political Economy analyses have recently proposed that presence of mineral resource wealth increases the incidence, duration and intensity of civil wars (Auty, 2005; Ballentine & Sherman 2003; Collier 2000a; Collier & Hoeffler 2000; Fearon & Laitin 2003; Ross 2003b, 2004a, 2004b; Karl 1997). Much of the literature has focussed on civil war defining it as a conflict which a) occurs within the recognised boundaries of a single state; b) involves combat between the State and at least one recognised rebel force; and c) causes at least one thousand combat-related deaths over some period of time, typically one year (Ross, 2002:9). However,

such a narrow delineation excludes the smaller-scale but significant stages of a conflict which may take place over a long period and exacerbate undesirable economic or political conditions that could in turn prolong strife and eventually lead to full-scale war. Instead of the more narrow term, civil war, I employ more generic terminology, '*civil conflict*' the definition of which has been adopted from Kahl's 'civil strife' (2006:30):

*...large-scale, sustained, and organized violent conflict within a country. This includes revolution, rebellion, insurgency...war, and sustained campaigns of terrorism [against the State]. It does not include smaller-scale or less-organized forms of internal violence, such as riots..., or international conflicts*

While scholars may agree that natural resource wealth leads to civil conflict, there is less agreement on precisely how the two are linked. At first, much of the earlier debate on the exact causal mechanism linking resources to conflict was focused on the 'grievance vs. greed' dichotomy, first introduced by Paul Collier and Anke Hoeffler (1998), researchers attached to the World Bank. This debate is best understood within the context of the wider discussion over the causes of civil war which has centred on two main arguments. The first reflects behaviouralist ideas and underscores the motives of rebel organisations. This view suggests that civil wars are caused by grievances over inequalities of wealth, limited political rights, environmental degradation, expropriation of land rights, forced migration, inadequate employment opportunities and unmet expectations regarding benefits of natural resources (Rosser, 2006:17). As the economic gap between the ruling class and the proverbial 'common man' widens and political access remains exclusive, frustration amongst marginalised groups deepens. Increasingly, political change is seen as the only avenue of satisfying the aspirations or expressing the grievances of the ruled. In the absence of a common political consensus -which cannot be sustained by largess and repression alone- violence becomes for many the principal or only route to economic

progress and political representation (Le Billon, 2001:567). Behaviouralist views which cite grievances as the driving force behind conflict have been proposed chiefly by political scientists such as Carter (2003), Regan (2003) and Stewart (2002). The second argument reflects ideas associated with the rational actor perspective, and highlights the economic incentives and opportunities facing rebel organisations. In contrast to the justice-seeking –behaviouralist- argument, it assumes that rebellions are caused by greed that is, rebel leaders and their followers are loot-seeking individuals who believe they can ‘do well out of war’ and simply use the discourses of grievance to justify their behaviour (Collier, 2000a). Following from this argument –often referred to as the ‘looting mechanism’- is the proposition that civil conflict is most likely when opportunities exist for rebels to fund their activities by extracting and selling resources or extorting money from those who do (Ross 2004b:40).

A number of scholars have argued that neither the grievance nor looting mechanisms alone are particularly helpful in understanding the onset of civil conflict in actual cases. Suggesting rather that civil conflict in resource rich countries is brought on, to varying degrees, by some combination of looting and grievance, instead of just one or the other (Ballantine, 2003: 260). Moreover, Ross (2004b), finds support for alternative greed-based mechanisms including the ‘foreign intervention’ mechanism (where resource abundance increases the probability of conflict by increasing the chances of foreign intervention to support a rebel movement) and the ‘booty futures’ mechanism (where resource wealth increases the chances of civil conflict by enabling rebel organisations to sell future extraction rights to the resources they expect to capture in order to raise funds to finance conflict). The latter mechanism, although discussed in brief in later sections, is

excluded from the final analysis primarily because it lies outside the scope of the study. Other scholars argue that resources affect conflict via state weakness or failures (Auty 2004; Fearon & Laitin 2003; Humphreys 2003; Pearce 2005; Reno 2000, 2002; Silberfein 2004; Snyder 2002).

A state-centric approach to explaining civil conflict maintains that high dependence on natural resources affects the state's capacity in ways that heighten the risk of internal political violence. Political approaches to this state-centric view perceive conflict to be the result of an erosion of legitimacy and effective governance caused by the inability of a state to monopolise force, maintain order within state boundaries, and provide public goods. According to those focusing on the economic factors in state failure, the systematic diversion of resource rents through corrupt patronage networks essentially creates the opportunity for armed conflict as control over these channels of wealth accumulation and distribution becomes contested (Ballentine & Nitzschke 2003:4). It is easy to see how these two approaches can be linked. In accumulating and controlling the distribution of rents, ruling elites in resource-rich contexts, tend to focus more on buying the support of the urban, more enlightened populace than on rural people who appear to pose a lesser threat to the status quo leaving substantial territories within the state with little or no government presence vulnerable to rebel recruitment and control (Ross, 2003:11). Leaders of rebel organisations often tend to be disgruntled former government officials or associates of ruling elite previously benefiting from patronage. In this way ruling elites may themselves create the environments and provide the means for their challengers to start up rebellions.

The question of whether state capacity, greed or grievance accounts for the resource-conflict link is not just academic. Implications from each entail quite different policy paths (de Soysa & Neumayer, 2003:1). Although highly influential among policy-makers, in the World Bank and other donor agencies, qualitative and quantitative studies have challenged the rebel-centric 'greed thesis' and its methodological foundations. Increasingly, research confirms that the resource-conflict relationship is primarily mediated by critical governance failures by the state - both as an actor and institution - (Nitzschke & Studdard, 2005:223). These failures include systemic corruption, economic mismanagement, patrimonial rule, privatisation of security etc that weaken states and make them more vulnerable to rebellion; that is, the state-centric view of conflict onset (Ballantine & Nitzschke, 2003:17). Nevertheless, a more comprehensive understanding of how economic and social dimensions can influence the onset, character and duration of armed conflicts is important to formulating the most holistic and effective policy interventions possible.

The state of affairs in Nigeria's oil producing Niger Delta region offers a unique opportunity for policy interventions against further intensification of the conflict. Violent conflict in the Niger Delta arose afresh in the early 1990s due to tensions between the Multinational Oil Corporations (MNOCs) and a number of Niger Delta minority ethnic groups who claimed they were being exploited. Social, political, inter and intra ethnic unrest persisted throughout the 1990s and appears to be escalating as of 2007 despite the transition into the new democratic dispensation ushered in by landmark elections in 1999.

Since Nigeria achieved independence from British rule in 1960, successive military and democratic governments have failed to deliver the most basic economic and developmental conditions to the peoples of the Niger Delta. The country is currently the tenth largest supplier of petroleum globally, and provides the USA with approximately one fifth of its oil. Despite the several hundred billion dollars worth of oil that has been derived from the region since 1956 when it was first discovered, the people of the Niger Delta remain desperately poor subsisting on less than a dollar a day.

A UNDP Report (2006) describes the Niger Delta, which accounts for upwards of 80 per cent of Nigeria's foreign exchange earnings, about 70 per cent of government revenues and nearly 40 per cent of total GDP, as a region of paradoxes. The report points to the irony of a region so nationally and internationally strategic and yet suffering from administrative neglect, crumbling social infrastructure and services, high unemployment, social deprivation, abject poverty, filth and squalor, and endemic conflict. There is nearly a complete lack of roads in a region whose wealth is funding gigantic infrastructural development in other parts of Nigeria. The UNDP has described the Niger Delta's human development situation as "appalling" and maintained that the region is unlikely to meet any of the Millennium Development Goal targets, except for school enrolment, by 2015 "or anytime soon after." Infant mortality in rural areas of the South-South geopolitical zone of Nigeria in which the Delta is located remains higher than in any other part of Nigeria (Human Rights Watch, 2007). The Niger Delta has also borne the massive environmental impacts of a poorly regulated oil industry. Every year hundreds of oil spills due to accidental damage, corrosion of aged pipes and sabotage spoil farmland and waterways. MNOCs persist in the environmentally disastrous practice of gas flaring in

spite of repeated promises to phase it out. Flaring has produced one of the best-known symbols of the region's problems, 'perpetual daylight', as the conflagrations light up the night sky for miles around them (ibid).

Now Nigeria's oil belt is embroiled in violent resistance against the State and the MNOCs in which youth are at the forefront. The official response of state repression and corporate violence has further engendered widespread violence, criminality, lawlessness and insecurity. Today the Niger Delta is characterised by intense hostilities, violent confrontations and criminal violence. It is pervaded by a proliferation of arms and organisations and government agencies employing violence from the Nigerian Armed Forces and corporate security outfits on the one hand to community, ethnic and youth militias, armed gangs and networks, pirates, cultists and armed robbers on the other hand.

An economy of conflict characterised by an intensely violent struggle for the capture of oil resources and its benefits, a thriving market of illegal trading of arms, crude and refined oil and more recently extortion through kidnapping of foreign oil workers, now exists. The Nigerian Economic Summit Group (NESG) estimates a daily theft of roughly 100,000 barrels of crude valued at about USD 2.8 million (Nigerian Tribune, 15 September 2003). Kidnapping for extortion has accelerated at an alarming rate since the first high profile case in September 2005 by the notorious militant group, Movement for the Emancipation of the Niger Delta (MEND). Various newspaper and security reports suggest that the practice has grown into a multi-million dollar business<sup>4</sup>.

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<sup>4</sup> See: 'Daily Champion (Lagos), 7 June 2007, Nigeria: Hostages - Militants Demand N150 Million Ransom, by Tony Ita Etim and Chinedu Wosu' (<http://allafrica.com/stories/200706070662.html>);

While it is quite clear even to the casual observer that profit driven self-interest is a significant factor in this crisis, a more careful inspection is required to determine when and how this trend affects the conflict. It is also evident that not all aspects of rebel behaviour, such as sabotage, has been directly motivated by personal gain; highlighting the existence of grievances as another contributing factor. The literature poses compelling arguments for greed, grievance and state failure respectively as the mediating factors between resource abundance and conflict. This thesis specifies and tests each of these theories against the case to ascertain if, when and how each of these factors manifests itself in the Niger Delta crisis. Identifying the nature of these relationships in this case is vital to assessing the aptness of policy interventions. A further objective of this study is to critically examine the policy response of government and evaluate its suitability. In attempting to isolate the potential disconnect between the actual problem and the solutions presently being applied, more effective policies may be formulated. Merely observing that the violence appears to be on the rise suggests that the present military approach is inadequate. The Niger Delta Development Commission (NDDC) established in 2000 by the immediate past president of Nigeria to redress the developmental failures of previous governments has had very limited success. I argue that the same remedy of accountability and transparency needed to kick start the Commission, are critical to ending conflict in the entire region.

Though I can make no generalisations from a single case study, this approach does help us to draw inferences about the salience of the intervening variables which link natural

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Daily Independent (online edition), 11 July 2007, Niger Delta: The Shame of a 'Kid-napping', by Mike Ikhariale (<http://www.independentngonline.com/?c=92&a=30296>); Stakeholder Democracy Network, September 5th 2006, Niger Delta Analysis: August 2006 (<http://www.stakeholderdemocracy.org/pdf/SDN%20Analysis%205th%20September%202006.pdf>)

resource wealth to civil conflict. For instance where certain scholars seem to have succumbed to the reductionism of greed versus grievance, case studies provide the opportunity to prove or disprove the validity of these theoretical ambitions. According to Ross (2002:6; 2004) some desirable properties of case studies, aside from attention to causal linkages, include accounting for variables not easily quantified, and sensitivity to case-specific factors creating a more accurate tool for policy interventions. Other scholars of the resource curse such as Pearce (2005) recommend a qualitative case study approach as well.

This particular case lends itself to such a study for a number of reasons. First, there is an ongoing debate<sup>5</sup> about which natural resources precisely evoke the resource curse but by most accounts oil matters (de Soysa 2000, 2002; Fearon & Laitin 2003; Isham et al. 2002; Leite & Weidmann 1999; Sala-i-Martin & Subramanian 2003). According to empirical studies testing the resource curse thesis, dependence on resources wealth-measured as the per centage of resource exports to GDP-rather than simply the existence of resource wealth is crucial to poor development outcomes including the increased risk of civil conflict (Nitzschke & Studdard 2005:223). Dependence on oil revenues is a main feature in Nigeria's economy.

Third, the country has gained strategic significance globally due to the political and social instability that threaten Middle East oil supplies. Further Nigerian oil is classified 'light sweet crude', because it requires very little refining, this makes it a particularly valuable on the international markets. In 2002 the US State Department declared that Nigeria and

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<sup>5</sup> See Rosser (2006), 'The Political Economy of the Resource Curse: A Literature Survey', Institute of Development Studies, Working Paper 268 for an excellent exposition of the various strands of the Resource Curse debate

all other African oil imports were considered a "strategic national interest". Two years later a set of events referred to by analysts as 'the Nigerian Oil Crisis' help drive up petroleum prices worldwide<sup>6</sup>. That crude production has decreased by 547,000 barrels per day or 18 per cent<sup>7</sup> of Nigeria's normal operating capacity goes beyond a national issue; more so since the onset of the Iraqi war.

This thesis focuses on events in the Niger Delta following the start, in 1999, of Nigeria's most recent effort at democratisation. This period has seen a distinct change in the nature of civil conflict in the region; counter intuitively the conflict seems to be deepening as opposed to responding to the expected increase in openness and rule of law under democracy. The situation in the Niger Delta raises serious questions about the character of Nigeria's democracy. Is democracy simply the devolution of power, resources and access to a wider political class or must accountability and transparency be tied in with these changes for a system to be truly democratic?

Data for this study is derived from secondary sources. These include books and journal articles, country reports by independent observers and aid agencies, government policy papers and sections of the Nigerian Constitution as well as newspaper reports and internet based sources. My method of data gathering is therefore largely by critical content analysis.

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6 See Answers.com. 'Nigerian Oil Crisis' (<http://www.answers.com/topic/nigerian-oil-crisis>)

7 Reuters (online). 17 Jul 2007. 'Shell pipeline on fire in Nigeria after protests', by Estelle Shirbon (<http://www.alertnet.org/thenews/newsdesk/L17313688.htm>)

8 While some reports (Hamilton et al. 2004) claim that between 1999 and 2004, conflict related deaths in the Niger Delta reached the 1000 a year mark these numbers remain unconfirmed by official or other established sources

Finally, as per the above definition of civil war generating one thousand battle related deaths a year, the Niger Delta conflict is still relatively low intensity<sup>8</sup>. Studies such as the present one could serve the important purposes of uncovering methods to diffuse the conflict and avert it escalating into a full on civil war.

The analysis proceeds as thus. Chapter two begins with an overview of the resource curse thesis and its foundations. Following this, I draw out a set of general, falsifiable hypotheses of conflict mechanisms from the literature; stating the observable implications of each hypothesis, that is, what we would expect to observe in the case if a hypothesis holds true. These observable implications are neither too general nor specific in order to reduce false deductions. In chapter three I describe the case in some detail. Testing the case against the hypotheses previously derived, the thesis establishes the presence or absence of the observable implications of each conflict mechanism; analysing the results to determine the factors responsible for the onset and persistence of civil conflict in the Niger Delta. Juxtaposing this analysis with the Nigerian government's response, I interrogate the effectiveness of policy interventions to the conflict in chapter four. By identifying the catalysts and facilitators of civil conflict in the Niger Delta I hope to draw attention to the ways in which official policy interventions crucially miss the point. This study focuses principally on government's reaction or contribution to the crisis. Although the role of MNOCs is considered this is mainly when they act in alliance with the Nigerian government<sup>9</sup>. Finally, I conclude by summarising my arguments and recommending a more constructive direction for policy interventions than is presently

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<sup>9</sup> For a discussion on the role of MNOCs in the Niger Delta and their relationship to their host communities see: Zalik, A. (2004) The Niger Delta: Petro Violence and Partnership Development, *Review of African Political Economy*. 101, 4: 401-424; Frynas, G. (1998) Political instability and business: focus on Shell in Nigeria. *Third World Quarterly* 19(3):457-478

heard within the Nigerian government's discourse on the issue as well as indicating important areas for future research.

My aim in this thesis is not to test the validity of resource-conflict hypotheses but simply to specify them and explore their plausibility in this case. In my conclusion, however, I raise some of the criticisms of the resource curse thesis as a whole. Nevertheless, my arguments are based on the premise that the resource dependence-civil conflict correlation has already been established by previous empirical work. What I attempt to do here is describe the causal mechanisms which link the variables and to show if and when they occur in the Niger Delta. Although it represents an area of research that may soon gain greater significance, I do not include external or foreign intervention in the scope of this study. At present and from my perspective, the only foreign players of note in the Niger Delta conflict are MNOCs whom I treat with respect to their alliance with the Nigerian Government.

## CHAPTER 2

### THE RESOURCE CURSE AND CONFLICT MECHANISMS

Until a few decades ago, abundant natural resources were generally accepted as a plus for development. During the 1960s, economists and development theorists alike argued that a wealth of natural resources would help developing countries make the leap from underdevelopment to industrialisation (Rosser, 2006:7). The logic remained essentially the same through the 70s and much of the 80s when economists maintained that funds realised from the sale of natural resources could be invested in building domestic markets (Rosser 2006). By and large natural resources were seen as a blessing.

Then in the late 1980s, a growing number of scholars began to challenge this position. The emerging body of literature asserted that rather than being a blessing, plentiful natural resources (especially particular types of natural resources), could in fact have a negative economic, political and social outcomes. Broadly the argument goes that a number of developmental pathologies caused by an abundance of natural resources greatly increase the likelihood of violent conflict or more precisely, that natural resources could lead to poor economic growth, authoritarian regimes and civil conflict. Poor economic performance of some oil exporters as well as the proliferation of civil conflicts amongst mineral rich countries has lent credence to this thesis and the idea that natural resources are bad for development is now commonly accepted (Lane & Tornell, 1995; Sachs & Warner, 1995; Karl, 1997; Auty, 1998; Collier & Hoeffler, 1998; Ross, 1999; Robinson et al, 2002; Isham et al, 2003; Dunning, 2005; Humphrey, 2005).

The literature on the resource curse consists of three strands. One group of scholars have focused on the relationship between natural resource abundance and economic performance. The second sub-group examines the relationship between natural resource abundance and political regimes; and finally a third group links natural resource abundance to the onset, intensity and duration of violent civil conflict. The economic foundations of the resource curse rest largely on a number of aberrant mechanisms jointly known as “Dutch Disease”. Fundamentally these distortions shift investment away from non-resource tradeable sectors of the economy that have the potential to accelerate economic growth, thus making them less competitive (Corden & Neary, 1982). Discussions of the political effects of resource wealth have been framed by the rentier state model (DiJohn, 2002:2). The core of which states that rentier state rulers in depending on resource rents instead of taxes, function in isolation from their citizens and are more likely to engage in predatory behaviour and adopt authoritarian forms of rule. These two manifestations of the “curse” lead to considerable societal grievances which in turn supposedly ignite violent conflicts (Ross, 2003a) Some scholars also suggest that the mere presence of valuable resources provides sufficient impetus to fight as political entrepreneurs cooperate to capture resources for their personal enrichment (Collier, 2000; Collier & Hoeffler, 2000). Finally, there is the school-of-thought that state failure is largely responsible for creating the opportunity for viable challenges to its authority and monopoly on the use of force (Pearce, 2005; Silberfein, 2004; Reno, 2000).

This chapter outlines the resource curse hypothesis by describing its economic and political foundations. Following this, I examine the natural resource-conflict relationship

proposed by the third sub-group of scholars to determine whether measurable conflict mechanisms can be derived to test the case.

## **ECONOMIC FOUNDATIONS**

Quite a number of studies have been carried out linking natural resource wealth with poor economic growth and particularly the abundance of specific types of natural resources. As earlier as the 1980s researchers found that countries abounding in mineral resources grew more slowly than those that did not within sub-Saharan Africa (Wheeler, 1984). Mineral exporting countries, particularly those exporting oil, experienced negative economic growth during the boom years of 1971 to 1983 (Auty, 1993). In their seminal study, Sachs and Warner (1995), using sizable data sets, found that natural resource wealth was negatively correlated with economic growth. Other scholars have gone on to show that per capita incomes of resource-poor countries tended to be significantly higher than those of resource-rich countries between 1960 and 1990 (Rosser, 2006: 13).

Beyond poor growth, further studies have presented evidence which indicate that other economic problems experienced by resource abundant countries include poor agricultural growth, increased resource dependence, inflation, low levels of saving, high unemployment, high external indebtedness and susceptibility to resources price shocks from international markets (Rosser, 2006:14). Because of their under diversified economy, resource-rich countries are less likely to export manufactured goods than resource-poor countries (Wood & Berge, 1997). Resource abundance is also associated with worse poverty and low human development records in general (Ross 2003a).

All of these studies offer various theories and hypotheses to explain the empirical evidence. This section of the chapter presents the most influential of these hypotheses.

One of the most prominent explanations for the negative relationship between natural resource wealth and economic growth is the Dutch Disease model. This model was first developed by Corden and Neary (1982). The model assumes that there are three sectors in the economy namely the non-tradeable sectors, the booming tradeable sector and the lagging or non-booming tradeable sector<sup>1</sup>. Tradeable goods are said to have export or import potential. The prospect of their being traded abroad sets them in constant price competition with substitutes from overseas. The booming tradeable sector refer to natural resources particularly mineral resources while lagging tradables refer largely to manufactured goods. Conversely, the non-tradeable sector either because of their nature or due to high transportation costs per product unit, high tariffs or other restrictions cannot easily be traded abroad. Examples of non-tradeable goods are housing, electricity generation, transport, various services etc<sup>2</sup>.

According to Corden and Neary(1982), a natural resource boom draws capital and labour away from the manufacturing sector causing production to shift away from manufacturing. This process is known as direct-deindustrialisation. However, the move, especially of labour, may not be all that significant in the case of highly technologically driven resource extraction such as with oil and natural gas. Deindustrialisation can also

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<sup>1</sup> The terms “booming tradeable sector” and “lagging tradeable sector” are reminiscent of the natural resource boom of the 1970s and were sourced from wikipedia at [http://en.wikipedia.org/wiki/Dutch\\_disease](http://en.wikipedia.org/wiki/Dutch_disease). Warner and Sachs (1997) who also develop a Dutch Disease model simply use the terms “tradeable natural resource sector” and “tradeable non-resource sector” respectively

<sup>2</sup> Source : <http://www.mre.gov.br/cdbrasil/itamaraty/web/INGLES/economia/comext/benscom/index.htm>

occur indirectly when windfalls from natural resource exports increase the demand for non-tradeable goods and services thus moving capital and labour from manufacturing to the non-tradeable sector. In summary, when natural resources are abundant, tradeable production shifts from manufacturing to resource extraction and capital and labour move to the non-tradeable sector to meet demand. Moreover, resource booms could result in an appreciation of the real exchange rate making non-resource tradables less competitive on the international market, further retarding growth within the sector.

The shrinking of the manufacturing sector or deindustrialisation is detrimental to economic growth mainly because manufacturing is characterised by positive externalities on innovation and education (Sachs & Warner, 1997).

Another negative effect of resource wealth on the economy is its tendency to encourage overspending on white elephant projects. Firstly, governments of resource-rich countries tend to increase public spending during boom periods, then are forced to borrow to keep up spending during bust periods for political expediency. The combination of inefficient investment and excessive indebtedness reduce economic performance over time (Wibbels & Goldberg, 2007).

The result of resource abundance is an undiversified economy dependent on a sometimes volatile sector (Wibbels & Goldberg, 2007). In the case of mineral resources particularly hydrocarbons, the sector is highly capital intensive, employs few people, relies on imported inputs and massive chunks of the income generated is either repatriated by multinational organisations or expropriated by corrupt government officials. Of course the implications of this extends beyond poor economic growth figures to low levels of

human development for most people living in resource rich countries. These conditions exacerbated by unfulfilled expectations from the natural resource boom could generate grievances which may in turn build up to violence.

In the final analysis, however, most economist agree that many of the problems associated with deindustrialisation or the Dutch Disease could easily be resolved using various policy tools (Rosser, 2006: 14) thus allowing abundant natural resources to be a catalyst rather than an impediment to economic growth. Historical<sup>3</sup> and contemporary<sup>4</sup> examples of resources rich countries that have been developmentally successful abound; indicating that poor growth and all the other negative economic outcomes are not inevitable. The evidence these cases present has led many researchers to conclude that there are various political factors which mediate between resource wealth and negative economic outcomes; these political factors influence policy choices.

Nevertheless, poor economic performance if it translates into poverty and low standards of living, as is the case in many resource rich developing countries, could lead to violent uprisings as the masses seek to express their grievances. Such conditions also make it easier for entrepreneurs of violence to recruit members into their rebel organisations (Ross 2003).

## **POLITICAL FOUNDATIONS**

Another sub-group of the resource curse literature focuses on the possible political factors referred to above. The political arguments for the resource curse arose to fill in the gaps

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<sup>3</sup> E.g. USA

<sup>4</sup> E.g. Botswana and most Middle East countries

which economics alone could not explain. These studies began to address the kind of regimes or governing systems that are likely to occur in resource-rich countries as well as the policy choices that may emerge. A number of them have shown that natural resource abundance is linked to low levels of democracy, slow or failed transitions to democracy (Wantchekon, 1999) and authoritarian rule (Jensen and Wantchekon, 2004). In particular, Ross (2001a) after observing the trends in 113 states between 1971 and 1997, found that:

*'a state's reliance on oil or mineral exports tends to make it less democratic; that this effect is not caused by other types of primary exports; that it is not limited to the Arabian peninsula, to the Middle East, or to sub-Saharan Africa; and that it is not limited to small states'.*

Scholars in essence began to suggest that the main problem with natural resource abundance is not that it leads to economic dependence on natural resources, deindustrialisation and unfavourable terms-of-trade but that it creates rents and incentives to amass those rents. Rents can be defined as the income derived from nature<sup>5</sup> as opposed to income derived from innovative production. Rosser (2006) also defines rents as "excess earnings above normal profits". The existence of resource rents greatly increases the prize of state control thereby promoting harmful behaviour known as rent seeking - that is, the attempt to gain access to or control over rents (Coolidge & Rose-Ackerman 1996)- by political elites and/or social actors.

According to Ross (2003a) natural resource abundance and thus rents could affect governance in three ways namely corruption, state weakness and poor accountability.

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<sup>5</sup> Source [http://en.wikipedia.org/wiki/Rentier\\_state](http://en.wikipedia.org/wiki/Rentier_state)

## **Corruption**

Corruption is the use of public power, position or resources for private gain. While private individuals and low level public officials engage in corrupt practices to bypass bureaucracy, controls and taxes, most scholars of the rentier model agree that members of the political elite or ruling class are the major culprits in this respect (Coolidge & Rose-Ackerman 1996). Ross (2001b), for instance, argues that when governments obtain windfalls from a resource boom, political elites acting rationally, will seize the opportunity to either directly divert the rents created by the booms or gain control over the right to allocate them – a process he calls ‘rent-seizing’ (Ross 2001b).

There are two threats which drive corruption amongst the ruling class. The first is insecurity of income and the second is insecurity of political position. Volatility of resource prices internationally, means that future incomes are not guaranteed. Case studies have shown that fluctuating resources prices expose resource dependent countries to economic shocks, which interfere with regular budgeting procedures, breed corruption and leave state agencies vulnerable to political influence (Ross, 2003a:8). During such uncertain times political elite focus on seizing the highest amount of rents possible in the short-term (Rosser, 2006) making all other objectives including developmental ones subject to rent-maximisation. The state’s behaviour, in such cases, is described in the literature as predatory.

However, in a situation where resource booms are perceived to be persistent i.e. resource prices are not in jeopardy of falling, the prize of remaining in power increases. Under these conditions it has been shown that instead of focusing on long-term developmental

objectives, political elite in countries with poor institutions are likely to use resource rents to influence elections and buy support for their regime via patronage networks (Robinson et al, 2002).

### **State Weakness**

Natural resource revenues can potentially, weaken governments – making them less likely to resolve social conflicts and meet other developmental objectives.

This can happen in at least two ways. The first leaves state bureaucracies less effective. One of the biggest problems with natural resources, highlighted by the rentier model is their ability to provide governments with ‘unearned’ income i.e. funds derived from oil or mineral revenues instead of taxes from productive industries. In resource-poor countries government is strengthened through the process of extracting taxes from the population and putting them to efficient and effective use. The capacity of a state could be measured in these terms. In the case of a resource dependent country, the state often fails to regulate the economy, promote private investment, production or economic growth; relegating itself to merely being a distributive agent (Rosser, 2006:15). As Luciani (1987), quoted from Rosser (2006:16) says, rentier states do “*not need to formulate anything deserving the appellation of economic policy. All [they need] is an expenditure policy*”. Karl (1999), who refers to such oil producing states as ‘petro-states’, observes that resource dependent states in the absence of constraining institutions not only foster distributional disputes amongst political elite but also tend to become more centralised, less democratic and less able to mediate social conflicts thus increasing the risk of civil war.

A second route by which natural resources weaken the state is by compromising its territorial control (Ross, 2003a). Resource booms have the propensity to reduce bureaucratic capacity by engendering reliance on unearned income. Weak bureaucracies are prone to losing touch with the grassroots and more so rural areas (DiJohn, 2002:4). Natural resources, particularly mineral resources tend to be concentrated in specific regions. Often and especially in developing countries, these regions are typically rural and remote where government's presence as felt in an extractive capacity or not at all. Land claims in these resource rich regions -more so when barriers to accessing and profiting from resources are low, i.e. when resources are 'lootable'- become highly valuable (Ross, 2003a; Kahl, 2006). Unfortunately in the absence of government authority to enforce or protect property rights or where such government is not even perceived as legitimate, disputes are largely settled by extralegal often violent means. The use of violence necessitates the formation of organisations such as criminal gangs and militia units (Ross, 2003a). Shared grievances tend to ease local recruitment into these organisations. In the end, 'rebel' groups on many occasions are funded by greedy members of the political elite and entrepreneurs of violence exploiting rent-seeking opportunities.

### **Poor Accountability**

Governments in resource abundant countries are able to rely on resources rents for revenue and thus have little need to develop their taxing capacity and thus a reciprocal relationship with its citizens (DiJohn, 2002). In the absence of taxes, the citizenry only weakly demand representation in government. In this way accountability and the

development of democratic institutions can be delayed. Further, government officials are able to isolate themselves from proper scrutiny and garner support for their rule by using largess and patronage to thwart the formation and campaigns of independent social groups calling for change.

According to some researchers, a lack of social capital caused by the presence of natural resources also results in poor accountability. Scholars posit that in the presence of resources rents, the ruling class can afford not to develop other sectors of the economy as alternative means of raising revenue. In the process political elite are able to ward off the formation of other sources of social and economic power such as labour, the middle class and industrialists, who might challenge their position and policies. The absence of such forces of course reduces the demand for increased spending on education, trade unionism, democracy and social justice (Wibbels & Goldberg, 2007).

A third hypothesis about poor accountability is that governments in resource abundant countries have more money to spend on the military which is used to effectively quell dissent and repress opposition. Democratic transitions in such countries are often compromised as the incumbent after buying as many votes as they can, often uses state security agencies to influence the remaining election outcomes. We see that reduced accountability leaves governments the opportunity to behave in predatory ways.

## **LINKING NATURAL RESOURCES AND CONFLICT**

The preceding sections have described the economic and political consequences of the resource curse, this section outlines various mechanisms by which these consequences

could translate to civil violence. The occurrence of violent confrontation between civil groups and state forces requires certain sufficient and necessary conditions which I describe here as motive and opportunity respectively.

Motive refers to justifications or reasons each actor may possess or declare for engaging in violent conflict. From a rational actor perspective, we can assume that prevailing conditions convince those who opt for violence that it is the less costly option or at least will yield greater returns than the status quo. The economic and political motivations for civil violence have been detailed above. Here I summarise the most salient of these points.

First, economic activity in resource abundant countries tends to be dominated by the export of natural resources. Thus nearly all sources of income and employment presently and for the foreseeable future are resource related making access to resources or resource control a matter of survival and severe competition (Gagne, 2005:1). In an ailing economy where alternatives sources of livelihood are few, hostilities easily build up between competing social groups who may perceive the returns to be greater than the costs of conflict. State bureaucracies are weakened by resource dependence and predatory rulers who offer poor and often biased mediation over disputes and sometimes precipitate their degeneration into violence.

Secondly, resource dependent economies are prone to shocks or busts caused by a crash in resource prices determined internationally. These shocks are likely to be followed by a sharp drop in public spending, massive job losses and degrading infrastructure exacerbated by insecure elite engaging in more aggressive rent seeking. Under these conditions the rich may ironically get richer while the poor become even more desperate.

Grievances generated by the actual and perceived loss of status may trigger a revolt amongst the populace against government and its ruling class.

Even in times of plenty, that is during resource booms, corrupt practices by plundering political elite may create a backlash of potentially violent protests by segments of the population. As discussed previously, political regimes in resource rich countries are often authoritarian. So where protests may otherwise have passed peacefully, repressive governments tend to respond with undue force to quash opposition. State sponsored coercion tends to enforce feelings of government illegitimacy and engender violence as the only means of political expression and economic survival (Gagne, 2005). More so when such opposition comes from a distinct social group such as members of a particular ethnic group or communities from which natural resources are derived. These communities may share a sense of deprivation caused by environmental degradation, expropriation of land rights, forced migration, inadequate employment opportunities etc (Rosser, 2006:17). Further, beliefs that the control and benefit of natural resources extracted from their land are inherent rights may lead to agitation for economic and political autonomy.

Finally, some scholars (Collier 2000; Collier & Hoeffler, 2000; de Soysa, 2000; Ross 2004b) have argued that greed and not grievance may constitute motivation for the use of violence to secure resource rents. This group suggests that various alliances may be formed with the criminal intent of accessing resource rents for self enrichment independent of the state. They may do this by directly extracting resources or by extorting rents from those who do (Humphreys, 2005:511).

However, upon reviewing civil wars in a large number of developing countries, including resource rich countries, Ballantine (2003:260), surmises that:

*'Economic incentives and opportunities have not been the only or even the primary cause of these armed conflicts; rather, to varying degrees, they interacted with socioeconomic and political grievances, inter-ethnic disputes, and security dilemmas in triggering the outbreak of warfare'.*

In other words, she suggests that civil violence in resource abundant countries are motivated, to varying degrees, by a combination of greed and grievance and not simply one of the two. On the other hand, Weinstein (2005) argues that in the event of conflict over abundant natural resources, opportunistic or greedy rebels crowd out ideological or grievance motivated rebels. The conditions under which grievances over the mismanagement and appropriation of resource rents by looting elite are most potent, also present the perfect cover for opportunistic political entrepreneurs to acquire rents illegally. Collier and Hoeffler (2005:626) summarise Weinstein's finding succinctly in concluding that:

*Weinstein's killer result is that "grievance rebellion" becomes infeasible when "opportunistic rebellion" is feasible. Hence, in precisely the conditions under which we might most expect "grievance rebellion"—and indeed might even hope for it—it is least able to occur. Grievance rebellions are not suppressed by effective government; they are crowded out by other types of rebellion that contaminate the recruitment process. A rebellion started by idealists in the context of valuable natural resources becomes swamped by opportunists as it expands.*

I define 'opportunities for violence' as factors that enable agents to organise and form a significant political force. Opportunities refer to the conditions that effectively reduce constraints to cooperation or encourage collective action amongst individuals seeking to challenge the status quo.

Views which reflect the rational actor perspective suggest that civil violence is most likely where opportunities exist for opposition groups to fund their activities. An abundance of resource rents presents this opportunity. Chief proponents of this argument, Collier and Hoeffler (2005:629), remain agnostic about the motivations or goals of rebels which in any case become evident in the course of the conflict (Humphreys, 2005:512). Their main concern is the opportunity or feasibility of embarking on a violent campaign against government. Resource rents provide the essential funds needed to recruit, train, accommodate, feed and pay fighters as well as to obtain arms and disseminate propaganda.

Secondly, the characteristics of the resources in contention determine the opportunities available and hence the nature of violent opposition which is likely to occur. Specifically, 'point resources' which are concentrated in a certain area and require capital-intensive extraction are more likely to cause conflict than diffuse resources which are wide spread (Auty, 2000:6) because these are often owned and largely enjoyed by only a few. Seizing control of point resources from the hands of government could prove to be extremely valuable. Similarly, lootable resources are more likely to produce conflict than non-lootable resources because they can be relatively easily extracted and sold by militant groups. Nevertheless, rents can be raised indirectly from non-lootable resources by extortion via kidnapping of foreign company officials or threats of vandalism and sabotage. Le Billon (2005) argues that distance from the seat of government or the capital also influences the nature of violence that may emerge. Diffuse resources which are located near the capital will lead to mass protests while diffuse resources far from the capital are vulnerable to organised crime or organised rebellions. On the other hand, point

resources located near the capital are likely to result in a coup attempt but when located far from the centre of power violent protests are intended to drive out government presence and resources related businesses and may be associated with secession. Proximity to porous national borders out of which resources can be sold and rents generated further enhance the prospects for conflict.

State weakness or outright failure provides a number of favourable opportunities for armed conflict. Many developing countries have seen a decline in mortality, while fertility has remained high. This trend produced youthful populations in many countries, often referred to as 'youth bulges' (Urdal, 2006:6). Urdal has argued that youth bulges may increase the risk of organised forms of political violence, such as internal armed conflict. As a result of economic decline, a mass of unemployed youth especially young men (Hudson & den Boer 2004) represent a readily available recruitment base for rebel organisations as they face unemployment, greater access to higher education with limited employment opportunities, lack of political openness, and crowding in urban centres (Goldstone, 2001; Cincotta et al., 2003). Collier, (2000a) proposes precisely this when he claims that a relatively large youth population may reduce recruitment costs due to the abundant supply of fighting personnel with low opportunity cost or simply nothing better to do. According to Collier, rebellion is feasible at a micro-level only when the potential personal gain from joining is so high and the anticipated costs are so low that rebel recruits will rather join a rebellion than pursue other income-earning opportunities.

Secondly, state failure defined by the state's inability to monopolise force is precipitated by the extra legal exploitation of economic opportunities by the ruling class and itself

generates opportunities for armed conflict. These kinds of personal interventions into markets by rulers creates what Reno (2000) has described as 'shadow states'; the systematic diversion of public rents by insecure leaders through corrupt patronage networks to take advantage of economic interests and coercively protect their tenuous hold on power (Reno, 2006: 26). These activities entwine political power with informal and clandestine markets (Reno, 2005:134) creating 'shadow states' which in turn become fair game to political entrepreneurs; former allies easily and quickly turn into opponents when the stakes are high enough. Rulers, no longer able to maintain control over these channels of wealth accumulation and distribution, undermine state security agencies and threaten national security by fragmenting the use of coercion when they inadvertently equip potential challengers. This trend is further heightened in a post-cold war context where arms are more readily accessible than in previous periods (DiJohn, 2002:4).

Finally, shared identity may form the basis for rebel mobilisation. In the case of 'point resources' where natural resources are exclusively located in certain region occupied by a group bearing a distinctive social identity, identity based mobilisation is highly likely. Such groups often represent a relative minority and as a result have limited avenues to influence non-violent political outcomes. Quite frequently this identity is based on social or kinship bond such as ethnicity or religion but some scholars have argued that 'horizontal' socio-economic or political status may also form common ground for rebel mobilisation (Ballantine & Nitzschke, 2003:3). Ethnic mobilisation tends to be secessionist in nature (Ross 2004b).

## CONFLICT MECHANISMS

This section discusses twelve testable hypotheses about mechanisms linking natural resource wealth or dependence to conflict. I consider two dimensions of conflict namely, the onset of conflict and its duration.

The debate about the onset of resource related conflict has consisted of two main arguments. The first of these rests on the choices of individual actors in the conflict. This rebel-centric argument suggests that armed actors are motivated either by greed or grievance. Those advocating a grievance thesis (Auvinen, 1997; Auvinen & Nafziger, 2002) reflect behaviouralist views while mechanisms emphasising greed or economic incentives derives from the rational actor perspective (Rosser, 2006:17). The other side of the debate about the onset of conflict takes a state-centred approach which suggests that civil conflict is borne out of state (or policy) weakness or in some cases functional state failure as opposed to the greed or grievances of individual armed actors. The behaviouralist category which cites grievance as the driving force behind conflict has been proposed by political scientists such as Carter (2003), Regan (2003) and Stewart (2002). On the other hand, the former rebel-centric hypothesis -based on greed- has been championed by economists, of whom Collier (2000a; 2000b; Collier & Hoeffler, 1998) is the most prominent. Scholars such as Auty (2005), Reno (2000; 2005), Pearce (2005) and Silberfein (2004) take the state-centric approach to resource related conflicts.

The twelve hypotheses (eight on onset and four on duration) are listed in Figure 1 and taken from the various scholars' accounts of resource based civil conflict. Although, these scholars have not always been explicit about the causal mechanisms they suggest, I

have specified each in a directly testable model. I adopt this useful technique (and indeed a number of the models) from a paper by Ross (2004b) titled, ‘How do Natural Resources Influence Civil War? Evidence from Thirteen Cases’; where he also uses the case study methodology. Some of the mechanisms I specify are related, as with Ross, none are mutually exclusive and they in fact often manifest simultaneously.

Although I discuss all twelve models in this section, five hypotheses will not be tested in the subsequent chapter. Hypotheses 2, 4, 10 and 12 are not relevant given the scope of the study and nature of the case, while hypothesis 7 has not been sufficiently specified in the literature by its proponents.<sup>6</sup>

**Table 1: Hypothesised Causal Mechanisms**

<b>Hypotheses on Onset of Civil Conflict Mechanisms</b>	
1	Looting of resources → start up costs funded → civil conflict
2*^	Futures contract awarded → start up costs funded → civil conflict
3	Resource extraction → grievances → civil conflict
4	Resource wealth → foreign intervention → civil conflict
5	Resource wealth → incentive for state capture/secession → civil conflict
6	Resource wealth → elite rent-seeking → civil conflict
7*	Resource dependence → economic collapse → civil conflict
8	Resource dependence → state weakness → civil conflict
<b>Hypotheses on Duration of Civil Conflict Mechanisms</b>	
9	Looting by weaker side → conflict financed → prolonged conflict
10*^	Futures contract by weaker (stronger) side → conflict financed → prolonged (shortened) conflict

<sup>6</sup> Ross (2003a) in an earlier paper proposed this same mechanism which he later criticises as being under specified.

11 War (peace) appears more profitable → less incentive for peace (war) → prolonged (shortened) conflict

12\*^ Resource wealth in separatist region → commitment problem → prolonged conflict

Source: Author's compilation from literature \* Not tested in this thesis ^ Not relevant to case study

The underlying assumptions of each hypothesis can be specified as follows:

1. *H1: Natural resources increase the probability of civil conflict by providing burgeoning civil opposition groups with funds to start a rebellion derived either directly by extracting and selling resources or indirectly by extorting money from those who do.*

- For this hypothesis to hold we should be able to observe civil opposition organisations raising funds through the extraction and sale of natural resources or by extorting rents from resource firms before embarking on an armed struggle.<sup>7</sup> We should observe rebels using the funds raised from looted resources to start up their rebellion i.e. buying arms and recruiting fighters in sufficient numbers to challenge government forces.

2. *H2: Natural resource wealth increases the chances of civil conflict by enabling rebel organisations to sell future extraction rights to the resources they expect to capture in order to raise funds to finance conflict.*

- For this hypothesis to explain the conflict accurately, the case study will show that rebel group/s sell extraction rights for resources they hope to capture to foreign firms or foreign governments before armed conflict begins and use proceeds realised to buy arms, train and pay soldiers as well as acquire other

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<sup>7</sup> See Collier (2000a; 2000b) and Collier & Hoeffler (1998)

resources needed to fight and win the pledged resources<sup>8</sup>. This mechanism is more likely to occur in the case of a secessionist struggle or in an attempt to capture the state.

3. *H3: Natural resource abundance makes civil conflict more likely by generating grievances over environmental degradation, expropriation of land rights, forced migration, inadequate employment opportunities and unmet expectations regarding benefits of natural resources.*

- For grievances over resource exploitation to be considered the cause of civil violence, we should observe militants criticising resources firms and others such as policy makers and state bureaucracies responsible for the negative impacts of resource exploitation. The aggrieved groups should also be seen to target resource firms aside from their attempts to loot or extort rents. While this may not prove that militants are sincerely grievance driven it at least highlights that they have concerns other than simply rent-seeking such as galvanising support for their activities from a population for which these issues are salient.<sup>9</sup>

4. *H4: Natural resource abundance increases the probability of conflict by increasing the chances of foreign intervention to support a rebel movement.*

- Foreign government particularly of neighbouring states may be prepared to commit militarily to either party in an intra-state conflict in order to gain access to strategic natural resources. For this hypothesis to hold foreign

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<sup>8</sup> Originally specified by Ross (2004b) and derived from the DRC case study. This is reputedly the way Laurent Kabila was able to overthrow Mobutu

<sup>9</sup> Ross (2004b)

intervention must be vital to enabling one or more of the key players in the conflict whose participation may otherwise have been unfeasible.<sup>10</sup>

5. *H5: Natural resource wealth increases the likelihood of conflict by making either the state as a whole, or the region resources are concentrated in, more attractive for capture than it would otherwise have been.*

- This hypothesis implies that resource wealth creates an incentive to seize political power so as to control valuable resources (Fearon & Laitin, 2003)<sup>11</sup>. In the case of diffuse resources which are spread across disparate regions in the country then state capture should be the aim of any civil conflict i.e. rebel organisations should seek to topple the government and replace it (Le Billon, 2005). Where resources are clustered in a single region then rebel groups should seek to secede and form an independent state (Ross 2003b) i.e. a separatist conflict should ensue. In this case the conflict should begin only after exploitable resources have been discovered. For diffuse resources, rebel groups should cite mismanagement of resource wealth as their reason for challenging the government while in a secessionist conflict rebels claim unfair distribution of resource wealth. In this mechanism rebels would not necessarily attack resource firms as they should not be opposed to resource extraction in itself and may hope to engage these firms when their new government is formed.

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<sup>10</sup> Also originally specified by Ross (2004b) from the cases of Sierra Leone and DRC where Liberia and Rwanda respectively intervened

<sup>11</sup> Fearon and Laitin argue that natural resources increase the 'prize' value of the state

6. *H6: Natural resource abundance increases the possibility of conflict by creating incentives for the political elite to engage in harmful rent-seeking behaviour which in turn generates opportunities for conflict.*

- Natural resources offer considerable financial rewards to those who control them and present an obvious attraction for the politically connected who have sufficient resources to extract resource rents for themselves. While political elite are often able to create 'legal' means of accessing rents, many also engage in illegal activities to achieve these ends. Some scholars have referred to this sort of behaviour as predatory. As Silberfein (2004) and Reno (2000) have argued intra-state conflict could be precipitated by pervasive criminal rent seeking perpetrated by political elite leading to the proliferation of arms and other resources necessary for rebels to engage the state in conflict. For this hypothesis to hold, the case study must show that rebels form or formed part of clandestine networks operated by political elite who they now violently oppose and that they were at one point equipped with arms and funds by members of the ruling class.

7. *H7: Natural resource dependence increases the risk of civil conflict by making the country vulnerable to potentially destabilising economic shocks.*

- According to this hypothesis a fall in the price of the natural resource that the country in question relies on will result in an economic crisis which translates into a sharp drop in public spending, massive job losses in the non-tradeable sector and degrading infrastructure. It is assumed in this situation that as resource dependence erodes the non-resource tradeable sector, the population

increasingly looks to the even less profitable resource sector. Access to shrinking resource rents becomes more desperate and may be the subject of bitter and violent competition (Gagne, 2005:1). While an economic crisis and increasing unemployment may be easy to observe in a case study, factors that influence the choice to take up arms are not as evident. Proponents of this mechanism must specify it more clearly before it can be properly tested with case studies.

8. *H8: Natural resource wealth increases the chances of civil conflict by weakening a state's institutions and making it less equipped to mediate against conflict.*

- This hypothesis rests on the argument that resource dependent states in which citizens are largely untaxed tend to be characterised by relatively undemocratic governments, weak bureaucracies and high military spending. Resource rents are used to undermine or repress dissent; government presence in remote rural areas tends to be weak enabling rebel recruitment; and distributional disputes abound in a context where the state is largely perceived as an agent of distribution. Civil society has little power to induce government to build strong and open bureaucracies (Humphreys, 2005:512). Institutions which traditionally mediate against conflict such as the judiciary are biased in favour of the ruling class. Such repression leaves most of the population with no peaceful or democratic means of resolving grievances greatly increasing the likelihood of civil conflict. Pearce (2005:180) argues that under such conditions citizens are not inclined to “grant [the state] *monopoly of the legitimate use of violence*”. In order to accept state weakness as a cause of

civil conflict there must be evidence in the case of low rule of law, aggrieved groups with no legal or political means to seek redress and that in particular government used repressive means to end non-violent opposition before violence broke out.

9. *H9: Natural resource wealth tends to prolong conflicts when it provides funding to the weaker side but makes it shorter when the stronger side receives a financial boost.*

- When this mechanism is in operation there should be evidence that one side or the other raised necessary funds through looting or extortion after the conflict began. Ross (2004b) suggests that fighting is more likely to continue if only the weaker side loots and more likely to be terminated if the stronger side alone has access to rents. This hypothesis is based on two assumptions. The first is that engagement will continue as long as the weaker side can afford it. Secondly, when the stronger side gains more resources, its relative strength increases and thus its ability to achieve a decisive victory.

10. *H10: Natural resource wealth tends to prolong conflicts when the weaker side sells future extraction rights to the resources they hope to capture but shortens conflicts when the stronger side raises necessary finance by doing the same.*

- This hypothesis is similar to H9 except that in this case funds are raised from selling rights to future resource extraction. This mechanism would typically appear in secessionist conflicts.

11. *H11: Natural resource abundance increases or decreases the duration of conflict by giving combatants an incentive to prolong the conflict or end it.*

- Natural resources could potentially inhibit peace settlements if looting during conflict is sufficiently lucrative and cannot go on after a settlement. Fearon (2004) suggests that looting in a conflict situation may create principal-agent problems within one or both sides of the conflict by giving subordinates a reason to perpetuate conflict in order to accumulate personal wealth instead of following orders to lay down their arms. Similarly, in a warlord situation some rebel groups may agree to a peace deal while others see fewer active combatants as an opportunity to acquire a greater share of the loot thereby presenting peace brokers with a classic commitment problem. On the other hand, if soldiers feel that peace would be more beneficial to them they may refuse to fight, forcing their commanders to surrender when they would otherwise have chosen to continue fighting. In observing the way this hypothesis lengthens conflict, the case study should show not only that combatants were gaining personally from the conflict but that high level players chose not to sign a peace agreement without first being compensated for the loss of their conflict ventures. Similarly, when the commitment problem originates with subordinates or multiple rebel groups, militants should be gaining personally from the conflict and the rebel organisation/s should suffer discipline and commitment problems making a peace deal harder to achieve. When the opposite is the case high level players in the rebel organisation would be forced to surrender when it otherwise would not have thus bringing the conflict to an end.

12. *H12: Natural resources wealth tends to increase the duration of separatist conflicts if rebels doubt the government's commitments to grant their region autonomy after laying down arms.*

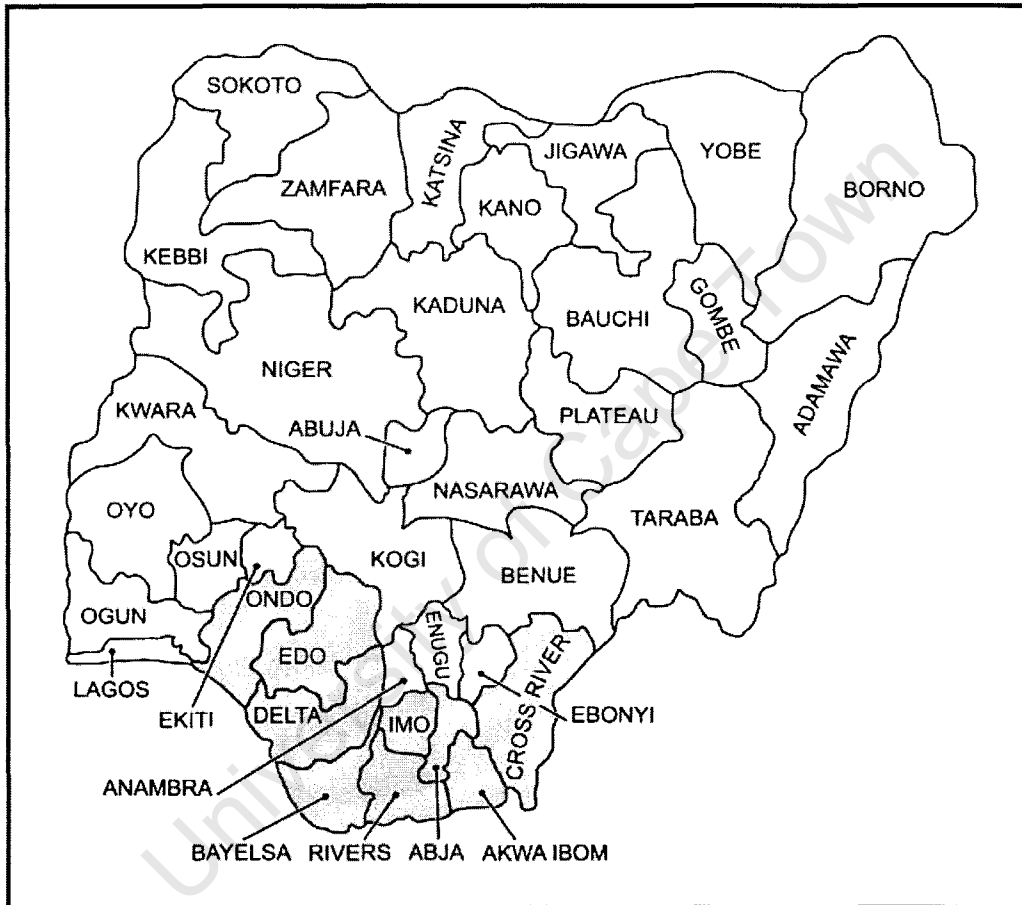
- This hypothesis suggests that when the region seeking autonomy is rich in resources, the government is unlikely to grant it the right to self-governance. Separatist rebels will anticipate this and delay signing a peace agreement. Aside from the fact that this hypothesis is difficult to test as a test requires knowledge of the true perceptions of rebels, it is irrelevant for the present case study.

## **CONCLUDING REMARKS**

In this chapter we have seen how resources rents essentially compromise governance in resource-rich countries from within –in the case of greedy politicians funding criminal gangs and militant groups in order to gain further access to resources and rents- as well as externally by building up unmitigated grievances between competing social groups and against the government itself. While these factors may generally result in violent conflict, the chapter also outlined specific mechanism by which violence occurs and is sustained. Motives based on feelings of deprivation and opportunities based on the ability to fund a rebellion or significantly challenge the state's monopoly on force, influence a rebel's decision to fight and determine the nature of the conflict. Twelve conflict mechanisms were delineated from the literature and reflect the rebel-centric behavioural, rebel-centric rational actor and the state-centric approaches seen in the literature.

## CHAPTER 3

### CIVIL CONFLICT IN NIGERIA'S NIGER DELTA



Source: Idemudia & Ite, 2006: 392

#### Illustration 1: States in the Niger Delta

Nigeria's huge crude oil deposit, considered among the best quality in the world, is located in its Niger Delta region. The Niger Delta i.e. the delta of the River Niger, formerly known as the Oil Rivers and once a major producer of palm oil, covers an area of about 75,000 square kilometres or 7.5 per cent of Nigeria's land mass. Its vast wetland is rich in fish and many unique species of plants and animals consisting of over 36,000

square kilometres of marshland, creeks, tributaries and lagoons. Proven gas and oil reserves in the Niger Delta were estimated at 4.502 trillion (m<sup>3</sup>) in 2005 and 36 billion (m<sup>3</sup>) in 2003<sup>1</sup>. Historically the Niger Delta, spanned present day Bayelsa, Delta and Rivers States. However, in the year 2000, former President Obasanjo expanded its definition to include Abia, Akwa Ibom, Cross River, Edo, Imo and Ondo States; all of which now produce crude oil. The Niger Delta states are located in Nigeria's South-South geopolitical zone. Nearly 20 million people from more than 40 ethnic groups and speaking some 250 dialects live in the Niger Delta. Their livelihoods are traditionally based on fishing and farming. The Ijaw people represent the majority in the region. Other ethnic groups include the Itsekiri, Urhobo, Isoko, Ilaje, Ogoni, Ekwere, Efik, Ibibio etc.

Nigeria generated roughly US\$350 billion between 1965 and 2000 from oil alone (Sala-i-Martin & Subramanian, 2003:4), amounting to over 90 per cent of the country's total foreign earnings in that period. This figure represents the official data, however many have argued that the actual figure may be much higher given Nigeria's poor documentation practices and pervasive corruption. Nigeria is Africa's largest producer of petroleum followed by Libya and Angola respectively. Around 2.51 million<sup>2</sup> barrels of oil are extracted from the Niger Delta daily. Nigeria earned nearly \$30 billion from oil exports in 2004 alone<sup>3</sup>.

Ironically, Nigeria, the world's tenth largest oil producer, is ranked amongst the 20 poorest nations in the world. In July 2006, the available statistics indicated that despite

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<sup>1</sup> Figures sourced from Stakeholder Democracy Network, 2006, Niger Delta Conflict: Basic Facts & Analysis, Development House, London

<sup>2</sup> 2004 figures sourced from <http://www.infoplease.com/ipa/A0922041.html> (12/08/07)

<sup>3</sup> Quoted from The New York Times, Oil Riches Bring Blood to Nigerian Villages, by Lydia Polgreen, Sunday January 1, 2006, accessed from: <http://www.ihf.com/articles:2006/01/01/news/nigeria.php#>

official claims to the contrary, over 70 per cent of Nigerians lived in abject poverty, surviving on US\$1 or less per day. Sadly, much of the natural gas extracted from oil wells in the Delta has been immediately burned, or flared, into the air for over thirty years. Nigeria flares about 75 per cent of its gas daily, that is, between 2 and 2.5 billion standard cubic feet, the highest rate in the world (Friends of the Earth 2004).

Petroleum resources seem to have had little impact on the standard of living for the average Nigerian. Sala-i-Martin and Subramanian (2003:4) make the observation that:

*In 1965, when oil revenue per capita was about US\$33, per capita GDP was US\$245. In 2000, when oil revenues were US\$325 per capita, per capita GDP remained at the 1965 level. In other words, all the oil revenues...did not seem to add to the standard of living at all.*

Although statistically poverty levels in the Niger Delta do not appear to be any worse than national levels, environmental degradation, the intrusion of mega oil installations and the expectations created by the vast resources in the region have resulted in perceptions of poverty that far exceed the numbers. Indeed, many have challenged the Niger Delta figures reflected in the poverty survey carried out by Nigeria's National Bureau of Statistics in 2004 arguing that the reality is significantly different than the data suggests (UNDP, 2006:36). Furthermore, household surveys conducted by the Nigerian Federal Office of Statistics (FOS) in 1996, put poverty in the south-south region at 58.2 per cent, the highest rate in the country at the time.

In any case, the true measure of poverty in the region extends beyond income poverty. Price regimes in the Niger Delta are often influenced by the comparatively high earnings of MNOC workers so that basic services such as housing, transportation, health care, education and even the cost of food are higher than in other parts of the country (ibid: 37).

To further compound this effect, social and physical infrastructure in the region is either in a state of severe disrepair or absent altogether. When defined as a combination of nominal income, purchasing power, access to infrastructure and environmental degradation, poverty in the Niger Delta is far more acute than the National Bureau of Statistics indicates.

Often the Delta's terrain, Nigeria's most complex, is alluded to by government officials as the reason for dismal levels of development in the region. The challenge of modernising a delicately balanced ecosystem consisting largely of small, swampy patches of land constricted by a dense network of rivers and creeks, considerable in the best of circumstances, is further compounded by government's ineptitude and the negative impacts of the oil industry. The result is that basic amenities such as electricity, pipe borne water, roads and clinics which are standard in many other parts of Nigeria, are unavailable in the Niger Delta or deficient and inadequate for the population where they exist (ibid:2).

Widespread underdevelopment in the Niger Delta has remained essentially unchanged by numerous government sponsored agencies, programme and projects; ingraining a deep sense of mistrust towards the government and MNOCs, who are considered, amongst locals, the main beneficiaries of petroleum resources in Nigeria. A complex mix of economic, social, political and environmental factors have left Nigeria's Delta region impoverished, environmentally devastated and volatile.

Conflict situations in the Niger Delta range from minor community protests against MNOCs, to full scale combat between local militia and state security agents. Sadly, civil

conflict has only helped to worsen the condition of people living in the Niger Delta as lives and property are lost and jobs along with much needed investment are eroded. Crime is also on the rise as more and more weapons find their way into the region and increasing numbers join the illegal oil trade commonly known in Nigeria as 'oil bunkering'.

In the sections that follow, I discuss the political economic landscape of Nigeria as a means of understanding how the paradoxical outcomes in the Niger Delta have arisen. Then I take a more detailed look at the escalating conflict in the Niger Delta with particular reference to events which took place after the 1999 elections which ushered in Nigeria's first civilian government after fifteen years of military rule. Finally, having described the case, I test each of the conflict mechanisms from chapter two against the facts of the case to determine which mechanisms most strongly explain the onset and persistence of civil conflict in the Niger Delta.

## **THE NIGERIAN STATE IN CONTEXT**

Nigeria exists as a unified state in spite of a number of confounding and potentially debilitating contradictions. One in particular stands out quite glaringly when the country's history is traced, the very resource, petroleum, which nearly divided the state is also responsible for keeping it unified- albeit precariously.

In 1914, the British colonial authorities merged the Northern and Southern protectorates of an area in West Africa which they eventually named Nigeria. From that time until independence each region developed disparately. The North largely retained its

traditional, patriarchal structure while the South embraced modernity and capitalism to a greater extent. Each region regarded the other with some degree of suspicion and pressed for separate states in the wake of independence. However, British interests were better served by keeping Nigeria unified. Through its alliance with the patriarchal and more populous North Britain could maintain control of the valuable resources of a politically restive South. So in 1960, after much pressure from the international community the colonialists made a hurried exit from Nigeria but not before installing a constitution which ensured a Northern majority in parliament (Ylonen, 2005: 53). Eager to take over the reins of power, Southern elite, from the East and West, accepted the terms. From the onset Nigerian politics has been beset by fragmentation and divisiveness uncharacteristic of the political cohesion which ushered many other African countries into independence (Bevan et al, 1999: 189). The three most populous ethnic groups dominated politics in their respective regions; the Hausa/Fulani in the North, the Igbo in the East and the Yoruba in the West.

National income during the 1950s & 60s was derived primarily from agricultural exports. Incongruously, virtually nothing was ploughed back into the sector to develop farming practices or rural communities. Instead a vast majority of the income was spent on urban infrastructure and on running government establishments to the effect that while income remained relatively stable over the period, expenditure steadily rose.

These economic changes were taking place amidst severe political upheavals -mainly based on ethnicity- including successive military coups in which the North emerged as winners and finally culminating in the Nigerian civil war from 1967 to 1970. Like the

colonial version before it, the Nigerian state under civilian rule tried to maintain societal order by force while operating an essentially extractive economy in which little emphasis was placed on improving productivity or innovation. Some have argued that the civil war marked a decisive turning point in the existence of Nigeria as a single state (Bevan et al, 1999; Ayogu, 2000).

Prior to the civil war the sub-regions within the Nigeria were strong vis-à-vis the state and largely independent from it. The maiden constitution stipulated a federal system of governance so that upon independence each of the three regions, dominated by one of the three largest ethnic groups, had its own governor, premier, civil service and judiciary. In addition the principle of derivation in which regions retained a percentage of their earnings was held at 50% until 1967. These factors worked together to produce a tenuous federal structure subject to the willingness of each region to remain as part of Nigeria (Bevan et al, 1999: 189). Before long the federation was faced with the real threat of splitting up and losing its most valuable resource in the bargain.

The secession of the Eastern region and subsequent civil war coincided with the discovery of sizable deposits crude oil much of which was located in the departing region. Where previously, the Northern region had agitated for a separate state, the discovery of oil suddenly presented a very compelling argument to keep Nigeria unified and indeed to strengthen the federal government apparatus which it controlled.

The civil war ended with the surrender of the East and the threat of secession firmly laid to rest. By this time three regions had grown to become 12 states. In 1976, the 12 states were further divided to make 19 and then 23 in 1991 and finally 36 in 1996. The creation

of states paralleled the increasing expropriation of all revenue including oil revenue by the federal government. Two oil booms during the 1970s meant a massive expansion of the federal purse. By the end of the decade the federal government had become just about the only source of income for individual states; less than 3 per cent of its expenditure was realised by each state (Bevan et al, 1999: 61). A UNDP Report on the Niger Delta released in 2006 (13-14) summarises the erosion of the derivation policy as follows:

*...50 per cent of the proceeds from minerals, including mineral oil, went to the region from where they were extracted; 30 per cent went into a pool for distribution to all regions, including the producing regions; and 20 per cent went to the Federal Government. ... After the civil war led to the political and fiscal centralization of the federal system, the military administration of General Yakubu Gowon promulgated Petroleum Decree No. 51 in 1969. This put the ownership and control of all petroleum resources in, under or upon any land in Nigeria under the control of the Federal Government. It meant that individuals, communities, local governments and even states with land containing minerals were denied their rights to the minerals. Between 1969 and 1971, the military government, fighting an expensive civil war, expropriated five per cent from the 50 per cent meant for the producing states, thereby bringing the Distributable Pool Amount to 55 per cent, while 45 per cent was for the producing states. During the administration of General Olusegun Obasanjo (as he was then), from 1976 to 1979, a distinction was made between onshore and offshore proceeds, with all offshore proceeds going into the Distributable Pool Amount. In addition, the share of the onshore proceeds in the pool was raised to 80 per cent, while producing states were allocated the balance of 20 per cent. Between 1982 and 1992, derivation accounted for merely 1.5 per cent of oil proceeds. Under the military regime of General Sani Abacha, from 1993 to 1998, derivation was raised to three per cent ... pending the determination of an appropriate derivation formula by the Constitutional ... The Conference recommended a 13 per cent ... which was ... really implemented until General Abdulsalami Abubakar ...*

The first and second (current) democratic administrations have maintained derivation at 13 per cent. In 2005 a National Political Reform Conference attempted to address the thorny issue of derivation. The House recommended an increase to 17 per cent but the Niger Delta delegates found this unacceptable insisting on 25 per cent. The talks reached a deadlock and the matter was laid aside without resolution.

The systematic dissolution of federalism in Nigeria -in practice though not in theory- not only concentrated power at the centre but steadily removed any incentive states may have had to invest in sustainable income generating programmes. Rents from oil essentially provided every state with 'free' income and derivation levels of 3, 1.5 or 0 per cent hardly made the effort of independent income generation worthwhile for any state. Since the breakdown of derivation in the 1970s, Nigeria essentially functions as a rentier state, depending almost exclusively on oil rents, taxes and royalties (Omeje, 2004: 428).

Politics in the 1970s was still very much haunted by the regional/ethnic tensions of the previous decades and still controlled by the three dominant groups. Civil servants are still required to indicate their ethnic origins on employment forms (Kalu, 1996: 240). Kalu recounts an infamous quote by the Minister for Transport under General Abacha's rule:

*"... and if people think that because I am a minister that I have forgotten the fact that one, I'm an Ilesha man, two, I'm an Ijesha man, and third, I'm a Yoruba man, then fourth, I am a Nigerian citizen, then such people should really go and examine themselves. I cannot divorce myself from the yearning and aspirations of the people of my roots."*

Indeed during the years of military rule a number of constitutional changes were introduced to eliminate polarisation along ethnic lines. Unfortunately, combined with a derivation policy that effectively quashed productivity, a fall in world prices for agricultural produce and a massive oil boom, politics in Nigeria degenerated into sheer patronage. Political office holders maintained their positions not by effectively representing their constituencies to bring about better living standards, but by distributing largesse to a small group of their supporters (Bevan et al, 1999: 91). Two forces came into play to constitute a marked disadvantage for ethnic minorities including those from the oil producing parts of the country; the first Omeje (2004: 428) describes as "clannish

and ethno-exclusionist interests of dominant elite forces” and the transfer of rents to a narrow set of individuals (government contractors and party supporters) from within those wider ethnic constituencies (Bevan et al, 1999: 56 & 91). Evidence shows, however, that vast amounts of rents realised in Nigeria were and are still being appropriated by public officials and their cronies to personal accounts, many of them foreign. Bevan et al (1999: 95) record that during civilian rule from 1979-83, capital flight had amounted to N18 billion and a UNIDO Report released in 2004 estimated that by 1999, Nigeria had an estimated \$107 billion of its private wealth in foreign banks. This figure represents 70 per cent of the country’s total private wealth. Such were the levels of mismanagement and ineptitude during the oil boom of the 1970s that elected officials would openly vote themselves large sums of money and benefits at the federal and state tiers; a practice which continues to this day. Predictably distributional politics of this nature encouraged the creation of more and more states to which rents could be allocated and through which minority elite could realise their own political ambitions (Bevan et al, 1999: 188).

Aside from the direct diversion of funds, public expenditure was decided on the basis of regional balance of power. An empirical study by Ayogu (2000) showed that the groups with the most political power namely the North followed by the South-West were able to direct resources to their localities to the detriment of other regions. The study indicated that the oil producing region of the South-South were the worst losers in terms of infrastructural investment. Table 2 shows the geo-political zones which have produced heads of state in Nigeria and Appendix A summaries Nigeria’s political leadership since independence in 1960. The Niger Delta is located in Nigeria’s South-South zone.

**Table 2: Geo-political Origins of Heads of State**

Zone	Period	Years in power
North-West	10 years + 8 months	<ul style="list-style-type: none"> <li>• General M. Mohammed: 29 July 1975–15 February 1976</li> <li>• Allaji Shehu Shagari: 1 October 1979–31 December 1983</li> <li>• General M. Buhari: 31 December 1983–27 August 1985</li> <li>• General Sani Abacha: 17 November 1993–8 June 1998</li> </ul>
North-East	5 years + 10 months	<ul style="list-style-type: none"> <li>• Sir Abubakar Tafa Balogun: 1 October 1960–15 January 1966</li> </ul>
North Central	18 years	<ul style="list-style-type: none"> <li>• General Yakubu Gowon: 29 July 1966–29 July 1975</li> <li>• General Ibrahim Babangida: 27 August 1985–26 August 1993</li> <li>• General Abdulsalamu Abubakar: 9 June 1998–29 May 1999</li> </ul>
South-West	10 years + 14 months	<ul style="list-style-type: none"> <li>• General Olusegun Obasanjo: 14 February 1976–1 October 1979</li> <li>• Chief Ernest Shonekan: 26 August 1993–17 November 1993</li> <li>• General Olusegun Obasanjo: 29 May 1999 to date</li> </ul>
South-East	Six months, excluding the period of 5 years and 2 months as head of government	<ul style="list-style-type: none"> <li>• Dr Nnamdi Azikiwe: First Governor General, 1 October 1960–1 October 1963; President, 1 October 1963–15 January 1966 (both positions were not as the leader of government)</li> <li>• General Agui Ironsi: 15 January 1966–29 July 1966</li> </ul>
South-South		

Source: UNDP, 2006:120

This pattern of distribution has been widely observed as 'prebendal'. First employed incisively by Richard Joseph (1987) the term is used to summarise Nigeria's post independence order; describing it as a situation in which embezzlement of public funds for private gain was prevalent. Secondly, the distribution of these funds was done on the basis of ethnicity via patron-client networks; and finally distribution was diffuse. Lewis (1996) argues convincingly that the status quo shifted to a more despotic domination of economics and politics under General Babangida's rule and in subsequent regimes. Nigerian politics, from that time, took on a distinctly predatory character based on personal rulership. Babangida's was a rapacious dictatorship that used a combination of repression and inducements to maintain economic and political control.

Even under Nigeria's new democracy, legacies from Babangida's regime linger to perpetuate predatory rule; the institutionalisation of repression, empowered state intelligence and security forces, politically backed illicit activity (such as oil smuggling) as well as the erosion of public institutions like the judiciary amongst other features.

Nigeria today, is still only a nominal democracy with all the trappings of a Weberian state including a formal bureaucracy and legal system but which in reality is controlled (often through coercion) by a small elite network advancing their own parochial interests (Lewis, 1996: 99; Omotola, 2006: 7). In a significant shift from the civil military relations of the 1960s and 70s, Nigeria post-Babangida, has become stage for elite sanctioned illegality, personalised, authoritarian control of politics and economic, and growing social inequality (Lewis, 1996: 97). The World Bank reports that 80 per cent of Nigeria's oil revenues accrue to only one per cent of the population while the remaining 20 per cent is shared by 99 per cent of the population (World Bank, 2004). Despite commendable efforts under democracy to stabilise and clean up the economy there is still a strong inclination towards political rather than market allocation. As such the political will to meaningfully reverse the status quo by strengthening institutions is low (Sala-i-Martin & Subramanian, 2003: 14; Omotola, 2006: 7).

The discovery oil, having effectively discredited the derivation principle, has created a near absolute dependency; so that neither the state nor its dominant elite could survive without oil. In light of this common interest, Ukiwo (2003: 129) observes that in Nigeria's case it is difficult to separate government from state or state from the ruling elite. The Nigerian state has effectively been privatised and personalised opening it up to

constant contestation by its own citizenry. The troubles in the Niger Delta represent one arena of this contest where the state has responded with oppression. Omeje (2004: 429) aptly surmises:

*The element of oppression of subjects or to state more appropriately, the use of military violence against domestic threats is, in fact, a dominant characteristic of the state. Dating from its colonial origins, military violence has remained a principal method of the Nigerian state's response to domestic security threats, a phenomenon that further complicates the contestation of its authority and legitimacy by disaffected individuals, social groups and subnational forces. Moreover, the state has rarely ever had any sense of proportion in the application and use of military violence. The strategic nature of oil to the economic survival of the state and to the prosperity of its dominant elite factions practically heightens the prospects of the state's use of military violence against oil-related threats and conflict in the present historical conjuncture. Beleaguered and desperate, the state is scarcely impartial in its management of domestic threats and social conflicts.*

#### **THE NEXT GULF: CONFLICT IN THE NIGER DELTA<sup>4</sup>**

The history of violence in Nigeria's Delta region, post independence, dates back to the revolt in January of 1966 led by Isaac Boro. This insurrection, in protest against the marginalisation of the Niger Delta people, was put down within twelve days and marked the first case of armed resistance against the Nigerian state by peoples of the Niger Delta. From that time until the late 1990s violence in the region was restricted to small scale skirmishes between and within the various ethnic groups in the region.

After the killing of Ken Saro-Wiwa and eight others involved in the peaceful movement for human and environmental rights of the Ogoni people in 1995 by the General Sani Abacha regime, the international community began to take notice of the Niger Delta. In 1997, following the death of General Abacha and the re-emergence of local politics,

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<sup>4</sup> This title was taken from the book by "The Next Gulf: London, Washington and Oil Conflict in Nigeria" (2005) by Rowell, Marriot & Stockman. The section draws from the book as well as from newspaper, magazine and internet articles subsequently listed in the bibliography.

intense inter-ethnic violence between the Ijaw, Itsekiri and the Urhobo arose over who would control the oil city of Warri and the vast oil rents that accrued to it.

By the following December the Ijaw struggle for greater control of petroleum resources and the redress of the negative consequences of oil extraction had progressed to into the formation of the Ijaw Youth Council (IYC) and its Kaiama Declaration<sup>5</sup>. The IYC formalised resistance against the status quo articulating concerns of the loss of control over Ijaw homelands and proposing specific actions to be taken. In a letter to all the oil companies, the IYC called for the immediate suspension of all oil related activity and a withdrawal from Ijaw territory until a consensus between all affected parties could be reached.

In the spirit of the late Saro-Wiwa's legacy the IYC pledged to stage a peaceful struggle for self-determination and environmental justice. 'Operation Climate Change' was launched on December 28 in the Bayelsa state capital, Yenagoa. On the 30<sup>th</sup> of December 1998, over ten thousand Nigerian troops opened fire and released tear gas on two thousand youth taking part in a peaceful procession through Yenagoa. A number of the young protesters were killed and a state of emergency was subsequently declared on the state.

A few short days later, one hundred soldiers assigned to a Chevron facility attacked two Ijaw communities in Delta state killing dozens including children before setting the towns ablaze. Over the following months various communities around the Niger Delta were invaded by state security forces; local residents were terrorised and brutalised while many

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<sup>5</sup> The full declaration can be read at <http://www.dawodu.net/kaiama.htm>

others were killed or detained. Nevertheless, 'Operation Climate Change' continued to upset oil production well into 1999 as youth turned off pipeline valves around the Delta.

Then in November of 1999, five short months into Nigeria's new democracy, troops were sent into the small town of Odi, ostensibly to track down a criminal gang that had taken refuge in Odi after abducting and killing a group of seven policemen. The soldiers were authorised to 'shoot-on-sight'; two days after their arrival in Odi, over 2000 civilians were reported killed or missing<sup>6</sup>. Statements given by various government officials in the aftermath indicate that the event was premeditated and carried out under executive instruction. Although the origins of the conflict were unrelated to oil<sup>7</sup>, the government later justified it as an effort to *'[protect] lives and property– particularly oil platforms, flow stations, operating rig terminals and pipelines, refineries and power installations in the Niger Delta'*<sup>8</sup>.

Within days of the Odi crisis, the bill for the Niger Delta Development Commission (NDDC) sent to the National Assembly by President Obasanjo was quickly ratified (Ukeje, 2001a: 33). However, over the years an armed militancy emerged in the Delta that the government was largely unable to contain. Low level conflict continued in the region on and off until 2003 with considerable costs to human life, communities and property.

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<sup>6</sup> Reports vary on the exact numbers of victims of the Odi massacre. Main sources, ERA (2002) and HRW (1999), however, agree that at least hundreds of lives were lost or unaccounted for by the end of the invasion and that the entire town of Odi was razed to the ground save for a bank, a clinic and a church.

<sup>7</sup> The abducted policemen had gone to Odi to investigate rumours that some Ijaw youths were mobilising to join fellow Ijaw youth based in Lagos in reprisal attacks on the ethnic Yoruba organisation, Odua People's Congress. See Omeje (2006) for a detailed review of this incident and what he terms the 'oilification' of conflict in the Niger Delta.

<sup>8</sup> Remarks made by the Defence Minister, on 25 November 1999, five days after the invasion and obliteration of Odi and published in the Nigerian national daily, *The Guardian*, on 26 November 1999.

A significant escalation occurred in 2003 during the elections when thugs were used to intimidate, assault and sometimes assassinate political opposition and secure votes. In 2004 a series of events took place in the Niger Delta which rocked the international oil markets. Former leader of IYC, turned vote rigger, turned Ijaw militant, Mujahid Dokubo-Asari, withdrew to the creeks to wage “all-out-war” against the government and the oil companies after a fall out with his benefactor and then state Governor, Peter Odili. The relationship between Asari and Odili (as well as other political leaders) was first formed as Asari rose to prominence within the IYC (HRW 2005). Asari, a vocal member of a rather more militant wing of the IYC which itself was a loosely organised amalgam of pro-Ijaw groups, was sponsored by members of the Rivers and Bayelsa state governments to win the presidency of the IYC. At one point reports were that the Rivers state government had contracted the services of the IYC to secure oil installations in the Kalabari area of the state. Reports say that Odili initially armed and funded Asari to provide security for legitimate and illegitimate oil related activities as well as act as his political enforcer but following some disputes between the two allegedly over oil bunkering spoils as well as Asari’s outspoken anti-government views, the latter formed a group known as the Niger Delta Peoples Volunteer Force (NDPVF) made up of unemployed and disaffected youths from university fraternities and local gangs. According to one account by James Briggs for IntelliBriefs<sup>9</sup>, an online source for geopolitical and security news, although Asari expressed many sophisticated arguments for Niger Delta self-determination, many of his members were simply going along with him because they had lost a turf war with another local gang leader, Ateke Tom. After

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<sup>9</sup> James Briggs, “Guide to the Armed Groups Operating In the Niger Delta-part 2”  
[http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in\\_28.html](http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in_28.html)

retreating into the creeks, Asari, who still maintained relationships with many government officials from who he received regular tip-offs, funded his operations through oil bunkering.

When the state began arming Ateke and his followers then known as the Niger Delta Vigilantes (NDV), severe conflict broke out between the two groups resulting in the loss of as many as 500 lives, most of which were of unarmed civilians, before a truce was reached. Interestingly, when state security forces eventually got involved, they did so by cooperating with the NDV against the NDPVF. The heavy fighting as well as Asari's threats to the Nigerian oil industry helped to raise New York oil-futures prices above an unprecedented \$50 pb. Finally after some months of uneasy calm in the region Asari was arrested in 2005 and charged with treason. Ateke on the other hand continued to enjoy good relations with key government officials until he too fell out of favour with his patrons and was forced into hiding.

The arrest of Asari in 2005 was followed by the rise of a new militia, the Movement for the Emancipation of the Niger Delta (MEND) as well as many other groups that operated with increasing boldness and intensity to inflict damage on the oil industry and the state. MEND kidnaps foreign oil workers, kills Nigerian troops and attacks major oil installations. Their activities have led to a 20% decline in Nigeria's overall oil production. Its stated demands include the release of imprisoned political leaders, an end to government corruption, a greater share of oil revenues, and compensation for environmental damage. Initially MEND's bombing and kidnapping raised some alarm because the group appeared to be involved in activities which did not benefit them

financially. However the highly porous nature of militant group membership in the Delta has meant that criminal gangs have carried out kidnappings for ransom in the name of MEND. Although the organisation has stressed that their aim is not to kill civilians or even Nigerian armed forces personnel, but to force oil companies to leave the delta thereby crippling the Nigerian economy and forcing reform, it endorses the propagation of criminal gangs in the region saying they help to make the Niger Delta ungovernable. In spite of its seemingly laudable public declarations, MEND has admitted to taking money from oil companies<sup>10</sup>.

The number of kidnappings in the region increased exponentially in the 18 months following MEND's first high profile kidnap of Shell workers in January of 2006. As a result many MNOCs have evacuated their staff from Port Harcourt the city in Rivers state where most of the civil conflict is now concentrated. MNOCs worst hit by the violence have been ENI Spa, Chevron and Shell. Exxonmobil whose installations are mainly offshore and located in the relatively calm Akwa Ibom state has suffered little loss.

The response by the Nigerian State to this mounting conflict to date has been twofold. First was to strengthen troop presence in the region under a Joint Task Force (JTF) comprising the army, navy and air force and then subsequently to buy off militant group and gang leaders at the local and regional level. Neither approach has worked. Compounded by their involvement in oil bunkering, the Nigerian military have proved no match for guerrilla bands who manoeuvre quickly and easily through the creeks on speed

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<sup>10</sup> James Briggs, "Guide to the Armed Groups Operating In the Niger Delta" ([http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in\\_28.html](http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in_28.html) & <http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in.html>) last accessed April 28, 2007

boats. Secondly, for each militant leader who is paid off, dozens of others are ready to replace him and perpetrate greater levels of violence in order to justify their own payoff (UNDP, 2006). These strategies have also been political failures as the government finds it more and more difficult to justify increasing spending on military hardware to fight the militants instead of developing the region which most perceive as the primary cause of unrest in the region. In addition emerging reports of military and government officials involved in oil bunkering and collecting on ransom payouts have eroded some of the state's high ground regarding conflict in the region.

### **EMERGING TRENDS OF THE NIGER DELTA CONFLICT**

A number of disturbing trends have arisen in the context of civil conflict in the Niger Delta. Indeed some existed before armed conflict began but they all help to aggravate the violence. Six of them feature quite prominently and highlight the dynamics between the various interest groups operating in the Niger Delta:

- ***Proliferation of arms***

The conflict in the Niger Delta has in no small way been exacerbated by the widespread availability of small arms in the region. Small arms and light weapons are readily available for purchase all over the Delta but Warri, the capital city of Delta State, in particular, appears to be a major focal point for weapons sales. In 2004 a report for the UK's Department for International Development (DFID) noted as much (Peel, 2005:2-3). Weapons range from machetes and cutlasses, to pistols, shotguns, semi automatic rifles, machine guns, and rocket launchers. In some cases militants are better equipped than military personnel.

Militants interviewed by HRW admitted that many of their weapons were provided by sponsors including members of the state's government, political parties or individuals involved in oil bunkering. The implication is that when armed youth are not providing security for bunkering operations, they possess the means to fight each other and cause general mayhem and unrest in the region.

Some of the weapons have been used previously in other West African conflicts and have entered the Delta via land or sea routes. Others still are stolen or purchased from the state's security forces. Although Nigeria is a signatory to the moratorium on trade or manufacture small arms or light weapons in West Africa, little progress has been made in determining the extent of the problem and guarding against it (HRW, 2005:9).

▪ ***Proliferation of armed groups***

There is a perplexing variety of armed groups emerging and operating in the Niger Delta today. These groups, whose aims and members often overlap, range from community vigilantes to armed political movements to criminal gangs to political enforcers. Their activities include kidnapping, theft of crude oil, attacking oil infrastructure, extortion, bombings, murders and rigging elections. With few employment opportunities and virtually none offering the lucrative rewards of gang or militant group membership, recruitment levels are high and unskilled youth, secondary school boys and even university graduates form a ready base<sup>11</sup>.

In addition to Asari's NDPVF and Ateke's NDV, there are, according to the various state governments, more than 100 smaller armed groups, such as the Ijaw Revolutionary Force, Bush Boys, Icelanders, Greenlanders, KKK, Germans, Dey

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<sup>11</sup> The Economist (2007) "An eerie lull in the violent Delta", November 8 2007

Gbam, Mafia Lords, and Vultures. Many of these smaller groups started out as university fraternities locally known as 'cults'. Other large groups include MEND, which is often perceived as a combination of many smaller groups which come together on an ad hoc basis<sup>12</sup>; the Ebgesu Boys named after the Ijaw god of war; and the Federated Niger Delta Ijaw Communities (FNDIC).

HRW (2006) attributes the proliferation of armed groups in the region to several key factors including corrupt politics, unemployment and poverty, a culture of impunity in Nigeria or the absence of the rule of law, oil bunkering, corporate payouts and availability of weapons.

While many gang members and militants admit to being armed by their leaders some claim to have received arms from politicians during election season. Given the involvement of political office holders and the poor state of the police force in Nigeria there appears to be neither the readiness nor political will to tackle the problem effectively.

- ***Oil Bunkering***

The practice of removing petroleum products from oil pipelines and well-heads, without authorisation from either oil companies or the government, is commonly referred to in Nigeria as 'oil bunkering'. Involving large-scale smuggling operations that use road tankers, barges and large ships offshore, oil bunkering or simply bunkering, has become one of the most serious contributors to the conflict in the

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<sup>12</sup> James Briggs, "Guide to the Armed Groups Operating In the Niger Delta-part 2"  
[http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in\\_28.html](http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in_28.html); United Press International, interview with Mujahid Dokubo-Asari, November 12 2007  
<http://intellibriefs.blogspot.com/2007/11/nigeria-militants-attack-jetty-in-akwa.html#links>

Delta. It is also responsible for the loss of hundreds of millions, of not billions of US dollars in national revenue on an annual basis. Various groups including international crime syndicates, local businessmen, politicians, military personnel, oil company officials and militants are said to be involved in the illegal trade which is claimed to have been tolerated at low levels for many years (HRW, 2005:8; Peel, 2005: 11). Reports indicate that bunkering now accounts for losses of between 100,000 and 300,000 barrels per day (Cesarz et al, 2003: 3) or 10% to 15% of national output. However, an internal Shell report places this figure as being as high as 685,000 barrels per day generating between \$1.5bn and \$4bn annually (ibid.).

Dokubo-Asari, a self confessed 'bunkerer' has argued that bunkering when done by local people should not be considered theft as the resource belongs to them<sup>13</sup>. Not surprisingly his view has won much support in the Delta. While bunkering may hold some degree of legitimacy amongst the region's locals it is no doubt a destructive trend which feeds others such as illegal arms trafficking, gang turf wars and electoral fraud. Not to mention official complicity in oil bunkering which undermines the government's efforts to stem civil conflict in the Niger Delta and erodes public support for the state. However, it should be noted that the youth who form the new militia groups were not themselves proprietors of oil bunkering operations before wider spread violence took effect in the early 2000s. Ikelegbe (2005: 226) points out that bunkering operations, prohibitively capital intensive and could not have been carried out independently by these youth who used intensifying violence as leverage to amass sufficient levels of rents for bunkering operations. These factors lead

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<sup>13</sup> Human Rights Watch (2004) Interview with Asari Dukobo, November 21, 2004, Port Harcourt;

Ikelegbe and other observers to conclude that from the 1980s when bunkering first began to the late 1990s, oil theft in Nigeria was funded and operated by criminal syndicates linked to military and government elite who could afford the entry and running costs.

Observers say that much of the oil bunkering is conducted openly, using state military personnel to escort barges out to sea (Peel, 2005:11; Briggs, 2007). In January 2005 two rear-admirals were dismissed after a military court found them guilty of involvement in the disappearance of an impounded tanker that had been shipping stolen oil from the Delta in 2003. The government has appeared to combat the practice over the last few years. However, although many bunkering barges are claimed to have been seized, arrests and prosecutions remain low. With the involvement of highly influential people in oil bunkering (Okonta, 2005: 204-5), political will to decisively address the core of the problem is superficial and instead government forces deflect attention by publicly brutalising youth at the periphery of these activities (Ikelegbe, 2005: 224).

- ***Kidnapping***

From around 1998 and perhaps in response to the ease in military presence in the region following General Abacha's death, local youth began abducting and kidnapping MNOC workers, particularly foreign nationals for ransom. This practice has been especially pervasive in the core oil producing states of Delta, Rivers and Bayelsa. Reports indicate that the kidnappings are carried out in conjunction with crime syndicates and local militant groups. Known criminals have been openly involved in negotiating ransoms between MNOCs and kidnapers. Before the first

high profile kidnapping by MEND in 2006, dozens of indigenous and expatriate MNOC workers had been kidnapped for ransom (see Table 3).

**Table 3: Selected Cases of Abductions/Kidnapping for Ransom (2002–2004)**

S/N	Action/ Date	MNC/Oil Servicing Co.	Youth Group/Ethnic Group/State	Ascertained Purpose	Outcome
1	Hostage taking of 10 workers/ April 2002	Shell	Militant Youth Gang, LGA. Ekeremor, Ijaw/ Baysa State	Ransom Demand for NGN 3.1m.	Resulted from failure to yield to alleged frivolous demands
2	Kidnap of 14 workers/ November 2003	Chevron Texaco	Militant youths/ Ijaw/ Bayelsa State	Ransom demands	Intervention of State Government
3	Kidnap of 19 oil workers	Nobel Drilling/Prospecting	Ijaw Militias/ Delta State	Ransom demands	Intervention of State Government
4	Kidnap of 7 workers/ November 28 December 2003	Bredero Shaw Oil Servicing Co. (Shell)	Militant youths/ Ijaw/ Delta State	Ransom demands for USD 5m.	State Government Intervention/ Negotiation
5	Murder of 7 workers & military personnel/ April 2004	Chevron Texaco	Militant youths along Benin River area/ Delta State	--	--

Source: Ikelegbe, 2005: 219

Some of the kidnapping is done by criminal syndicates and larger militant groups but increasingly kidnapping in the Niger Delta appears to be the random work of unemployed youth in the region. Following the extensive publicity received by MEND's abduction of Shell workers in 2006, the rate of kidnappings increased rapidly. By December 2006 the number of reported kidnap cases in the Niger Delta, 150, surpassed the combined number of cases from 2002 to 2005.

While MEND maintains claims that its involvement in kidnapping is exclusively to draw attention to the poor socio-economic conditions in the Niger Delta, other groups appear to be motivated purely by economic interests.

Kidnapping has grown into a massive industry in the Niger Delta, as local gangs, ransom negotiators (middle men) and government officials exchange vast sums of money for the release of MNOC workers. Many of the states within the Niger Delta now set aside an undisclosed amount of state funds for special security needs from which ransom payments are made. Some reports have suggested that local officials orchestrate abductions in order to access and misappropriate funds from the security allocation.

- ***Corrupt Politics***

The transition to democracy in 1999 saw a rise in youth militancy as unscrupulous politicians hired many from the vast pool of unemployed youth around the country to violently guarantee their victory at the polls. Following this precedence all parties, but most effectively the ruling People's Democratic Party (PDP), recruited and armed members of youth groups to intimidate opposition politicians and their supporters in subsequent elections (2003 and 2007). During the April 2007 local and federal elections, about 65 people were reported killed in country-wide in political violence. Assassinations were rife in the months leading up to the elections. In Port Harcourt only a few months after the new government had been sworn in, rival gangs battled it out on the streets for control of the city and the political patronage it comes with.

According to a local observers monitoring the 2003 elections, levels of violence in Rivers State during the elections was akin to “a low intensity armed struggle....[W]eapons and firearms of various types and sophistication were freely used”, (HRW, 2005:4). Other national and international monitors also recorded high levels of violence, fraud and irregularities in Rivers State, leading to the general

conclusion that basic standards for a democratic election were not met. It is a widely held opinion in Nigeria that the emergence of militant groups in the Niger Delta is closely related to politics, corruption and bad governance and that impending elections tend to strengthen pre-existing armed groups.

Community leaders and opposition party members have alleged that Ateke's NDV at the behest of the then Federal Transport Minister and senior member of PDP, Abiye Sekibo, effectively eliminated all opposition in Okrika, Rivers State. In exchange, Ateke was given free rein to carry out bunkering activities. On the other hand, Asari while he was in the leadership of the IYC was used by Sekibo and former state governor, Peter Odili to limit the growing influence of the group and ensure the governor's re-election in 2003. These dealings although highly reported by local papers have been vehemently denied by the former governor.

- ***Militarisation of the Delta***

Observers have described the Niger Delta as being under siege (UNDP, 2006: 111). The Vice President himself referred to the Delta region as a war zone<sup>14</sup>. Spates of violent confrontation between rival militant and cult groups as well as between state security forces and militants are interspersed with periods of uneasy calm. Soldiers patrol the towns and their surrounding creeks particularly in Port Harcourt where much of the recent civil conflict has been concentrated. Following severe gang violence in the city during 2007, the Rivers State governor called for military intervention and a curfew was imposed in the state capital. In addition to this, every

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<sup>14</sup> Daily Champion (2007) "Nigeria: Niger Delta, a War Zone – VP" 3 July 2007, Port Harcourt

rural area has a military monitor. State security agents routinely invade, often decimating, communities suspected of harbouring wanted militants.

A JTF was instituted by the previous administration to patrol the region's creeks in an attempt to put a stop to oil theft and abductions. This force still remains active in spite of its very limited success. The Nigerian government has consistently responded with undue military force to the crises in the region; a strategy which even the commander of the JTF admits is no solution at all<sup>15</sup>.

The combination of numerous armed militants and the state's security forces has made the Delta now more militarised than ever before. Sadly, the worst affected by this development are innocent and unarmed citizens who suffer displacement and the risk of being caught in the crossfire. The fact that oil companies are permitted to retain supernumerary police means that even non-violent protests may be met with stark force. Many peaceful community protests have met extreme police brutality prompted by the MNOCs.

Ignoring wide spread opinions to the contrary, the government has persisted in deploying military and reinforced police troops to the region in an attempt to suppress the civil conflict.

## **TESTING THE MECHANISMS**

In assessing the case, three major waves of civil conflict (i.e. forms of violence against the State) are clearly distinguishable over the last ten years; i) the period of the Warri

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<sup>15</sup> The Economist (2007) "An eerie lull in the violent Delta", November 8 2007

Crisis which persisted intensely for over two years and then intermittently until 2003; ii) the period immediately following the Kaiama Declaration after which violence in Bayelsa state subsided considerably and; iii) the current conflict taking place within the context of Nigeria's fledgling democracy. Our present concern lies with the third and current conflict which saw a marked turning point during the confrontation between the NDPVF, the NDV and the State. This period has been characterised by diffuse, persistent and increasingly intense conflict and rent seeking.

Militant groups were initially formed based on ethnicity but increased funding and arms have greatly expanded recruitment sharply raising the number of armed groups that give Nigerian authorities untold pains. Many militants in the region alternate between these various groups. Presently the lines between purely profit motivated criminal gangs and politically motivated militant groups is significantly blurred as most appear to scramble for ransom payouts and political patronage. In contrast, around the time of the Kaiama Declaration there were sporadic attacks on oil installations and frequent confrontations with the state security forces where the latter clearly had the upper hand.

Overall, the current conflict shows no convincing evidence that looting could have brought it on; neither was there evidence of the grievance mechanism. Predatory rent seeking by the elite appears to feature very strongly in spurring on the current wave of violence; while there is some support of the state weakness mechanism for explaining the onset of civil conflict over Nigeria's recent democratic dispensation. Observations for the current conflict are juxtaposed with the previous two major incidences of violence in the region in Tables 4 and 5.

## **Onset of Conflict**

### ***Looting***

*H1: Natural resources increase the probability of civil conflict by providing burgeoning civil opposition groups with funds to start a rebellion derived either directly by extracting and selling resources or indirectly by extorting money from those who do.*

By 2003 oil bunkering had become common practice in the Niger Delta with leaders of larger militant groups admitting to benefiting from the illegal trade. Many also had financiers in politics and received arms and income for work as political enforcers. If the outbreak of civil conflict was brought on by looting then having acquired some funds and arms, militants should have been seen engaging the state in a struggle for control of the Delta. However, fighting only broke out following disputes with a major financial supporter of one of the largest militant groups in the region. Further, when the conflict began it was between two rival militant groups. Only subsequently did state forces become involved. Thus where the looting mechanism predicts that conflict should occur after sufficient rents have been accumulated to start it, the case shows that conflict only occurred after the accumulation of rents by one major militant organisation was somehow threatened.<sup>16</sup>

### ***Grievance***

*H3: Natural resource abundance makes civil conflict more likely by generating grievances over environmental degradation, expropriation of land rights, forced migration, inadequate employment opportunities and unmet expectations regarding benefits of natural resources.*

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<sup>16</sup> HRW (2005) *Rivers and Blood: Guns, Oil and Power in Nigeria's Rivers State*, Human Rights Watch Briefing Paper, February

While many militant groups cite environmental degradation, expropriation of land rights, and inadequate employment opportunities as reasons for their actions many are linked to the government officials and politicians through patronage as well as being actively involved in oil bunkering and extortion resulting in a mixed outcome for the grievance mechanism.

### ***Secession***

*H5: Natural resource wealth increases the likelihood of conflict by making either the state as a whole, or the region resources are concentrated in, more attractive for capture than it would otherwise have been.*

Although most known oil deposits in Nigeria are concentrated in the Niger Delta region and militants have expressed the desire for greater autonomy and 'self-determination', all prominent militant groups in the Niger Delta have always maintained their desire for the region to remain a part of Nigeria. This discounts the secession mechanism playing out at any point in this case.

### ***Predatory rent-seeking***

*H6: Natural resource abundance increases the possibility of conflict by creating incentives for the political elite to engage in harmful rent-seeking behaviour which in turn generates opportunities for conflict.*

This mechanism appears to have been salient in the onset of the current civil conflict. It has been widely reported that oil theft rackets controlled by politicians, retired and serving military officers and local and international criminal syndicates hire and arm local youth to secure and defend their operations (RWI, 2007; Zalik, 2006; HRW, 2005; Ikelebge, 2005; Peel, 2005). Two rival leaders of the militant groups at the centre of the

Nigerian Oil Crisis, Asari and Ateke, were both unscrupulously linked to politicians and government officials. Consistent with many newspaper and eye witness reports, Sara Igbe, a Rivers State official, revealed that the state governor at the time, Peter Odili, had initially armed Asari<sup>17</sup>. Many believe that oil bunkering has been a reality for many years but volumes of theft have increased rapidly since the late 1990s coinciding with democratisation in Nigeria. It is on record that election periods are accompanied by a spike in the number of weapons circulating around the Niger Delta; MNOCs have also reported increased losses from oil bunkering over those same periods (Peel, 2005: 12). Income and arms from oil theft orchestrated by political elite created ample opportunity for civil conflict in the Niger Delta.

### *State weakness*

*H8: Natural resource wealth increases the chances of civil conflict by weakening a state's institutions and making it less equipped to mediate against conflict.*

State weakness helped to bring on civil conflict in three ways. Firstly, the absence of the rule of law meant that oil bunkering, a practice which both provided the means and constituted an incentive for conflict could not be checked. The weakness of law making and law enforcement institutions in Nigeria meant not only that illegal activity could not be controlled but also that legal and peaceful means of dispute settlement and balancing social interests were ineffective. In addition, the state's record of regulating the oil industry was abysmal leading to many of the conditions that cause feelings of deprivation amongst the people of the Niger Delta. Secondly, the aggrieved millions in the Niger Delta had experienced two failed electoral processes effectively laying any faith they may

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<sup>17</sup>James Briggs, "Guide to the Armed Groups Operating In the Niger Delta- part 1" (<http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in.html>) last accessed April 28, 2007

have had in democracy as a viable means to settle their grievances. Nigeria's second round of elections had taken place shortly before violence broke out in 2003. Asari cited election malpractice and its implications for the fate of his people as one of his justifications for "waging all out war" against the oil industry. The breakdown of the constitutional reform process was highly indicative of the weakness of the Nigerian state. The first two conditions lead to a third which effectively guaranteed civil conflict; the State no longer held a monopoly on force leaving it susceptible to challenge.

**Table 4: Onset of Conflict**

	<i>Looting</i>	<i>Grievance</i>	<i>Secession</i>	<i>Predatory rent-seeking</i>	<i>State weakness</i>
<i>1<sup>st</sup> Conflict</i>	No	Yes	No	Yes	Yes
<i>2<sup>nd</sup> Conflict</i>	No	Yes	No	No	Yes
<i>Current Conflict</i>	No	Mixed	No	Yes	Yes

#### **Duration of Conflict**

##### ***Looting***

*H9: Natural resource wealth tends to prolong conflicts when it provides funding to the weaker side but makes it shorter when the stronger side receives a financial boost.*

Looting has occurred in earnest since the start of the conflict. Many militants now run profitable bunkering operations themselves, selling fuel at cheaper rates to locals in the region. The incidence of abductions for ransom of oil workers has also escalated to unprecedented levels. With MNOCs evacuating all non-essential staff from the most troubled areas, militants have begun kidnapping affluent locals and their family members.

More recently politicians and highly placed government officials have been affected as well.

However, it is interesting to note that as with oil bunkering, so called militants work in the kidnapping industry as hired hands by government officials who negotiate hefty ransom payments and pocket huge sums as 'commission'.

Funds received from these activities had ensured that militants groups and gangs are able to sustain their resistance against the state.

### ***Incentive***

*H11: Natural resource abundance increases or decreases the duration of conflict by giving combatants an incentive to prolong the conflict or end it.*

Profiteering from the conflict has created strong incentives on many sides to perpetuate it. With oil prices on the increase, MNOCs in spite of the disruptions and insecurity they suffer have an incentive to turn a blind eye to an illegal oil trade which helps fuel a conflict that keeps the price of their product up. Politicians, military officers and government officials continue to benefit from the lawlessness and 'special security needs' that exist in the Niger Delta. Most of the states in the Delta enjoy the privilege of a special security vote which is not subject to oversight. As long as crisis persists in the Delta government officials can misappropriate public funds virtually unchallenged under the guise of a special security budget. Finally, militants and gang members in the Delta have become so accustomed to the large and unrealistic incomes earned from conflict related activities and the lawless conditions which now prevail in the Niger Delta; so that

faced with the prospect of unemployment at best and prosecution at worst they have every reason to maintain the status quo.

Recent efforts by the new vice-president of Nigeria who hails from Bayelsa state to reach a peace deal with the militants has suffered serious commitment problems as one after the other armed group reneged on the ceasefire/no hostilities agreement.

**Table 5: Duration of Conflict**

	<i>Looting</i>	<i>Incentive</i>	<i>Net Effect</i>
<i>1<sup>st</sup> Conflict</i>	No	Yes	Mixed
<i>2<sup>nd</sup> Conflict</i>	No	Yes	Shorter
<i>Current Conflict</i>	Yes	Yes	Longer

**CONCLUDING REMARKS**

State weakness (in this case, the inability to monopolise force, enforce the law and/or resolve civil disputes non-violently) appears to have been a strong precursor to conflict in the Niger Delta over the last decade.

On the other hand, grievance played less and less of a role in bringing about conflict, until it became undistinguishable. This trend supports Weinstein’s (2005) argument of opportunism crowding out ideology as a motivation for civil conflict. Weinstein argues that in the event of conflict over abundant natural resources, opportunistic or greedy rebels crowd out ideological or grievance motivated rebels. This trend was most starkly illustrated when actors within the Rivers and Bayelsa State administrations succeeded in

co-opting the IYC effectively transforming it from a social movement that drew on discourses of ethnic identities and solidarities with a wide public support, into a privatised militia of the Rivers State administration. The conditions under which grievances over resource rent mismanagement and appropriation by looting elite are most potent, also present the perfect cover for opportunistic political entrepreneurs to appropriate a social movements' discourse, mobilising capacity and organisational strength, in order to acquire rents. Grievance is no longer the central issue in the Niger Delta; elite predation and state weakness are largely responsible for the onset and persistence of the current conflict. Interestingly, in the second outbreak of violence, political patronage helped shorten the conflict. Unfortunately, the infiltration of a legitimate, ideological struggle by political entrepreneurs provided the means to spark later conflicts whose altered structure makes them more enduring.

## **CHAPTER 4**

### **STATE RESPONSE TO NIGER DELTA CRISIS**

This chapter attempts to comprehensively examine the main responses of the Nigerian State to the crisis in the Niger Delta. To the observer, at least four strategies employed by the government in dealing with the crisis can be distinguished. First, the State has been willing to make a number of constitutional concessions in order to create new states and increase funding to the region; second, it has embarked on social development projects in the Delta; third, it has conceded to ransom demands made by armed groups in exchange for kidnapped oil workers; and finally, but not least significantly, the Nigerian State has used repressive security measures against protesters and militants in an effort to contain the crisis.

Having established from previous chapters the spark and fuel of the conflict, a concise synthesis of the government's response is necessary to test that the prevailing policies fit the actual problems.

The chapter thus discusses the four government strategies for addressing the crisis in the Niger Delta followed by some concluding remarks.

### **CONSTITUTIONAL REFORM**

Under pressure from various ethnic minority groups, Nigeria has evolved from being divided into four regions in 1967 to 36 states by 1996 and from 301 in 1976 to 776 local government areas (LGAs) in 1996. In the Niger Delta alone six states have been created

from three since the early 1990s. Cross River, Rivers and Bendel states were split up to produce Akwa Ibom, Bayelsa and Delta states respectively bringing the number of states in the region to nine divided into 70 local government areas (LGAs) (Zalik, 2004: 421). State and LGA creation has allowed previously excluded ethnic groups in the region, such as the Ijaws, to participate more closely in the allocation of resources especially in the case of Bayelsa state which is largely an Ijaw state (Fynas, 2001: 33). Eberlain (2006: 576-7) argues that in essence the creation of new states and LGAs is “a form of patronage via the expansion of administrative offices [and] represent[s] the most important ways of distributing and privatising oil rents”. These populist reforms have been an attempt by power holders to appease regional elites and control the disenfranchised thus diffusing mounting tensions (Zalik, 2004: 404-5). Some have argued that state and LGA creation should be embraced as a “highly positive [development] for minorities” (Osaghae, 1998: 45) who now enjoy “a pedestal for direct access to and participation in the federation’s politics and governance”. Indeed until the 1990s the Niger Delta was continuously excluded from these federal arrangements.

Although minorities have sought the creation of states as a means of re-directing resources towards them, the resulting struggles for power within the new administrations only exacerbate communal tensions through an additional level of minority-majority relations (Ake, 1997:306). The most prominent example of this phenomenon was when the creation of a new Warri South-West LGA sparked a major crisis between the Ijaw, Itsekiri and Uhrobo over the relocation of a local government headquarters by the state in 1997. Ijaw (and to a lesser extent the Uhrobo) of Ogbe-Ijoh in Warri battled their Itsekiri

neighbours between 1997 and 2003 over the relocation of a LGA headquarters from the Ijaw community of Ogbe-Ijoh to the Itsekiri community of Ogidi-Gben.

The Nigerian federal government has also endeavoured to resolve the political crisis in the Niger Delta by increasing the portion of oil income that accrues to Niger Delta states. A Constitutional Conference convened during General Abacha's Government recommended a 13 per cent derivation fund to the Niger Delta states, but the change was not really implemented until General Abdulsalami Abubakar replaced him as head of state. However, at the inception of the first post-military democratic administration in 1999, non-implementation of the 13 per cent derivation formula was a source of much agitation, bringing the governors of the region into closer alliance with the belligerent 'resource control' agitators and into dispute with national authorities (UNDP, 2006). Since the federal government's compliance with the derivation principle Niger Delta states have received record earnings into their coffers. For example, over the ten months from January to October 2005, the four leading oil producing states in the Niger Delta (Rivers, Bayelsa, Delta and Akwa Ibom) received derivation funds amounting to \$1.6 billion (Eberlain, 2006: 585).

However, the implementation of the 13 per cent derivation formula appears not to have assuaged feelings in the region much. At the National Political Reform Conference held in 2005 an upward review of the derivation quota to 17 per cent was proposed, but the Niger Delta delegates, who insisted on a minimum of 25 per cent with a phased review to 50 per cent found this offer unacceptable. A stalemate on the matter led to the eventual

collapse of the entire conference and further polarised national politics along oil-producing/non-oil-producing lines.

## **DEVELOPMENTAL CONCESSIONS**

Perceptions amongst the people of the Niger Delta of being marginalised have existed since the colonial era. In reaction to agitations from the region and under pressure from public opinion, a successive government formulated various policies and programmes to address developmental and political challenges they faced from the Niger Delta. The first concerted attempt to address these grievances was in 1957, when the colonial administration set up the Willink's Commission to investigate the fears of minorities and how to assuage them. The Commission concluded with the finding that "a feeling of neglect and a lack of understanding was widespread...a case has been made out for special treatment of this area. This is a matter that requires special effort because (the area) is poor, backward and neglected." (UNDP, 2006: 13). Ironically, those statements are as true in the Niger Delta today as they were in 1957. In 1961 the immediate post-independence government responded to the Willink's Report by setting up the Niger Delta Development Board (NDDB). One of the goals of the NDDB was to launch a number of sustainable agricultural projects for which Britain would provide technical assistance but British officials deemed the Board to be ineffective and largely a public relations exercise for the Nigerian government (Fynas, 2001: 36). Predictably, the NDDB failed to solve the problems of the Niger Delta brought to the fore by the Willink's Report.

Subsequent Niger Delta development plans and authorities included the Niger Delta Basin Development Authority (NDBDA) set up in 1976, and the Oil Mineral Producing Areas Development Commission (OMPADEC) set up in 1992. They too failed miserably. One of 11 river basin development authorities created during the civilian administration of Shehu Shagari, the NDBDA was plagued with organisational problems from inception and viewed largely as a means for politicians (none of the NDBDA board members came from the Niger Delta) to divert public funds to their personal use.

In the wake of the annulled elections and the severe political upheaval which followed, the then military government established OMPADEC in July of 1992 to receive and administer, in accordance with the confirmed ratio of oil production in each state, the monthly allocation of the Federation Account. It was also at this time that allocations to Niger Delta states increased from 1.5 per cent to 3 per cent of oil revenue. In 1995 the derivation was raised to 6 per cent. More specifically, OMPADEC was charged with:

- a. Receiving and administering the monthly sums from the allocation of the federation account in accordance with confirmed oil–production ratio in each state—
  - i. to rehabilitate and develop oil-mineral-producing areas;
  - ii. to tackle ecological problems that have arisen from the exploration of oil minerals;
- b. Determining and identifying, through the commission and the oil–mineral-producing states, the actual oil–mineral-producing areas and to foster the

development of projects agreed upon with local communities in the oil-mineral-producing areas.

Between 1993 and 1997, OMPADEC received about N17.42 billion, a little over US \$135 million from the federal government, yet the Commission did not make any meaningful change to the wellbeing of the Niger Delta people or indeed their environment. The commission was noted for wastefulness and ridden with corruption. Two successive sole administrators of OMPADEC were dismissed for failure to account for huge sums of money. At the time of its closure, the Commission owed its contractors billions of naira and left the Niger Delta with several abandoned projects. Aside from a lack of regulatory mechanisms to monitor its finances and performance (and consequent wastefulness and corruption), inadequate funding has often been cited as one of the obstacles that kept the Commission from achieving its goals. Another criticism levelled against the endeavour was its politicisation (Omotola, 2006b: 79-80). The Commission fell victim to political patronage and underwent frequent changes in management and structure during its lifespan.

With rising demands from the region and protests taking a violent turn, the first democratic administration constituted the Niger Delta Development Commission (NDDC) in 2000, to take over from OMPADEC. President Obasanjo noted at the Commission's inauguration that the NDDC had the potential to offer a lasting solution to the socio-economic difficulties and environmental degradation of the Niger Delta. The basic mandate of the NDDC was comprehensive, though essentially limited to addressing the environmental and developmental concerns of the Delta. In section 7 of the NDDC Act, it

states that “the commission shall formulate policies and guidelines for the development of Niger Delta and conceive, plan, and implement projects capable of fostering sustainable development of the area in line with set rules and regulations”. In doing these things, it would have access to contributions of each of its member states, and it would submit to the direction, control, or supervision of the president in performing its functions (NDDC Act 1999). According to its recently completed Master Plan, the seven main challenges to sustainable development and stability in the Niger Delta were noted as:

- Poverty reduction
- Security and public law and order
- Diversification and growth of the regional economy
- Improvements and maintenance of infrastructure
- Human resources
- Efficient and effective institutional structure
- Good and transparent government

Having identified good governance, transparency and security as either goals or challenges to its overall objective of peace and prosperity for all in the region, the Plan failed to provide any realistic strategies for achieving these imperatives. Strategies were scant and read more like goals than strategies. Nor does the Plan outline any coherent means of avoiding the accountability problems inherent in previous development plans. This view is supported by Omotola (2006b: 81) who argues that the scope of the Plan was essentially limited to the environmental and developmental concerns of the Niger Delta.

While the Master Plan was being drawn up, the Commission engaged in what it terms Quick Impact Projects (QIPs). These QIPs included the construction of roads, shoreline protection, rural and urban water supply schemes, skills training and the rehabilitation of schools and health centres. To combat the previous pitfall of inadequate funding, the NDDC act provided for several ostensibly feasible sources of funding, including statutory allocations from the federal purse (15 per cent of the total monthly statutory allocations due to Niger Delta member states), contributions from States and LGAs as well as 3 per cent of their total annual profit of all oil producing companies, including gas processing companies operating on and offshore in the Delta (NDDC Act 1999). By November 2002, the board had reported awarding contracts for more than 650 projects worth over N35 billion or US \$271.3 million across the nine member states of the region. The Federal Government accounted for 78 per cent of the N44 billion or US \$341 million that was disbursed to the Commission between 2001 and 2004. Annual federation allocations to the NDDC between 2000 and 2004 respectively were approximately, N1 billion (US \$7.3 million), N10 billion (US \$77.5 million), N14 billion (US \$107.8 million), N9 billion (US \$69.8 million) and N14 billion (US \$108.5 million). As at 2006 member states had yet to contribute directly to the Commission, and there is continued strife over contributions from oil companies (UNDP, 2006: 13-15). In spite of the provisions of the NDDC Act on financing, the NDDC still faces some of the funding problems that plagued OMPADEC.

Nonetheless, with independent and multilateral donor organisations eager to see an end to the destabilising socio-economic conditions prevalent in the Niger Delta, a lack of proper funding is hardly the most formidable obstacle to the success of the NDDC. Two fundamental components of its structure place the NDDC at risk of being captured by

private interest and not meaningfully fulfilling its mandate. The first, a concern resonating amongst critics of the programme (IRIN, 1999; Omeje, 2004; Zalik, 2004; Omotola, 2006b), is the Commission's top-down and non-participatory approach. The people of the Delta were not consulted while the initial bill was being drafted. Secondly, although the NDDC Act provides for legislative and executive oversight, these provisions merely formalise the previously applied principles for "monitoring" Niger Delta development plans. The Act failed to permit independent audits or mandate public disclosure of financial records. These shortcomings were brought to the fore when, Mr. Godwin Omene, one of the many managing directors to pass through the Commission since its inception, was dismissed for alleged corruption. The current managing director, Mr. Timi Alaibe, has twice run for governor of Bayelsa state, while the serving Chairman of the board, Mr. Sam Edem ran for governor of Akwa-Ibom state, both were unsuccessful and both allegedly used NDDC funds to drive their campaigns<sup>1</sup>. Bedevilled by ethnic and patronage politics, the Commission has failed to meet the high expectations it raised of rapid socio-economic development and enhanced opportunities for individual wellbeing in the region. Coupled with the apparent increased wealth and extravagance of some government and NDDC officials in the region feelings of neglect and deprivation have persisted in the region, helping to legitimise the use of violence by non-state actors in the region.

In the final analysis, the failure of the NDDC to correct the mistakes of past Niger Delta development initiatives has left many, not least of all the people of the Delta, with the lingering perception that as with previous Boards and Commissions, the Nigerian

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<sup>1</sup> NDDC: When ambitions flow like rivers, Vanguard, 11 January, 2007

government is more concerned with appearing to address the myriad problems which plague the region than it is with actually addressing them.

## **MONETARY CONCESSIONS**

This approach has been more widely applied by MNOCs than government but recently in an effort to reassure the international community, some states in the Niger Delta have taken it upon themselves negotiate the safe release of kidnapped oil workers. In the past, MNOCs would negotiate compensation, contracts and job opportunities with elders or chiefs in the communities. To the exclusion of most of the community, the chiefs kept a disproportionate share of such benefits, appropriating most of the money for themselves and assigning contracts to their front companies. In the late 1990s, excluded youths began to turn the tide on the chiefs interjecting themselves into these transactions by harassing oil workers, taking hostages, occupying flow stations, etc. effectively forcing the oil companies to negotiate with them and make side payments. The side payments grew to such huge amounts that soon the youths split into factions to make counter demands. Rival gangs emerged, and soon second and third generations of youth gangs were extorting money from the oil companies. Following the Ogoni uprising and the wave of bad publicity they received on its account, MNOCs began paying off locals whenever a complaint arose to keep the news from spreading. Faced with massive unemployment the lure of easy money proved too strong to resist for many of the young men in the region (UNDP, 2006: 114-5).

Since the emergence of MEND, however, the rate of abductions has reached endemic proportions. Between February 2006 and February 2007, 365 expatriate oil workers were

taken hostage and released unharmed<sup>2</sup>. Hostages are often only released on the payment of a hefty ransom. Some militants have been paid as much as N1.5 million for the release of two to four oil workers (Omeje, 2006b: 482). Due to the large sums involved and the frequency of kidnappings, some state governments in the Delta have begun accepting some of the liability using money from undisclosed “security” budgets. But reports say that some government officials now see this as their opportunity to strike it rich. According to an account given by an oil company worker to Intellibriefs<sup>3</sup>, in one instance, government officials who had been given the sum of N20 million for ransom attempted to pass only N4 million on to the militants, claiming the balance had been stolen from their car. A heated argument ensued in front of the foreign hostage, and the officials were forced to give in. One Rivers-based militant admits that government officials typically withhold over half of the ransom<sup>4</sup>. The practice has spurred an entire industry with middle men negotiating ransoms for kidnapped oil workers. More recently, wealthy locals, relatives of politicians and even children have been abducted and held by so called militants (HRW, 2007: 83). Ultimately the more ransoms are paid, the greater the incentive for kidnappers and their associates; and the greater the reward, the more willingly risks are taken.

## **REPRESSION AND MILITARY ENGAGEMENT**

As conflict between the MNOCs and Niger Delta communities escalated in the 1990s, a frequent response was to employ the services of State Security Forces to repress protest.

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<sup>2</sup> This Day, 7 October 2007

<sup>3</sup> James Briggs, “Guide to the Armed Groups Operating In the Niger Delta” ([http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in\\_28.html](http://intellibriefs.blogspot.com/2007/04/guide-to-armed-groups-operating-in_28.html)) accessed April 28, 2007

<sup>4</sup> Ibid.

In the long run this approach has certainly created more aggravation than a lasting resolution.

In the wake of the Kaiama Declaration, hundreds of non-violent protesters were killed, raped, beaten, arrested, intimidated and/or had their homes and communities burned down by Nigerian security forces. Authorities used regular units of army, navy and supernumerary police as well as creating special security units comprising military and police personnel. Recently a Joint Task Force (JTF) was created by the national government ostensibly to combat oil bunkering in the creeks and maintain the peace. Nevertheless, first hand reports abound of civilians being brutalised by operatives of the JTF (HRW, 2005). In intervening in inter-community conflicts, state security operatives are hardly ever impartial and tend to escalate the violence instead of acting as a peace-keeping force (Ikelegbe, 2005; UNDP, 2006: 122-3). On occasions when youth militias and gangs have confronted state forces directly, such naked force is applied by the latter that numerous communities suspected of harbouring “wanted criminals” have been left devastated in terms of lives and property<sup>5</sup> (HRW, 1999 & 2005; Omeje, 2004; Okonta, 2005; Watts 2007). Describing their activities as “sanitising troublesome locations”; “rooting out subversive elements” who disturb the ‘peace’; or simply “maintaining law and order”; when in reality state security operations act more like death squads leaving grief and ruin in their wake (Okonta, 2005: 205-6).

Alas, these heavy handed tactics have also been used to repress peaceful community protests against MNOCs revealing a kind of collusion between MNOCs and the State in

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<sup>5</sup> This outcome is true of a number of communities in the Niger Delta including Odi, Odiama, Oleh, Bille, Umuechem, Tombia, Ogbakiri, and Bukuma

suppressing legitimate community demands. There is evidence that MNOCs have supported the repression by providing boats, helicopters and funds for security personnel and possibly even arms (Frynas, 2001: 51). On occasion MNOCs, themselves, have sparked the violence by calling for state security when there has been no threat of violence from peaceful protesters (Frynas, 2001: 51-2; Ikelegbe, 2005; Okonta, 2005: 205). The close ties of cooperation between MNOCs and the State in preserving their joint oil interests through security arrangements - otherwise known as the 'corporatisation of security' - has been subject of many commentators (Ibeanu, 2000; Frynas, 2001; Ukeje, 2001; Omeje, 2004, 2005 & 2006; Zalik, 2004). Aside from direct assistance received by state security forces, MNOCs maintain their own security outfits, often comprising state security personnel, to protect company property and staff. Policemen seconded to MNOCs to serve as supernumerary police guards number in their thousands (Frynas, 2001: 50). Further, in the context of increased security risks in the region, MNOCs also contract out security functions to private security firms. Ironically some of these are run by the very armed youths agitating against the MNOC activities (Omeje, 2006). Predictably, the money youth groups receive is used to buy more arms in order to secure more security jobs (Okonta, 2005: 206).

The State's and MNOCs' over reliance on force has done more to hamper than help the overall security in the Niger Delta region. The accumulation of arms and occupation of police and military has produced a highly militarised zone which increases the tension and heightens the sense of insecurity in the region and indeed the country as a whole. In addition the disproportionate and often misplaced use of force in state security operations has in part lead to higher levels of support for armed action against the State and oil

industry. Sadly, those most vulnerable to the severest impacts of oil exploration (environmental degradation and inadequate compensation for land appropriations) but without any means of coercing government or MNOCs to attend to genuine complaints are worst affected by the violence; denied, disenfranchised, displaced and all too often, dead.

### **CONCLUDING REMARKS**

This chapter has examined the Nigerian government's response to the Niger Delta crisis. While it does not argue that the persistence of the conflict is wholly as a result of its policies, the evidence presented suggests that the state response has in fact been a contributing factor to the crisis.

As we found in the preceding chapter, the roots of the conflict can be found in the state's inability to manage civil disputes non-violently and maintain a monopoly on force as well as the clandestine activities of political elite. These factors combined with the incentives of oil bunkering and ransom payouts now enjoyed by local militia have also kept the conflict going and in some cases escalated it. Although the growing aspirations of the Niger Delta people and their unattended grievances once directly brought on confrontation with the state (as it still does in the case of oil companies) and continues to underlie the current state of affairs, it no longer presents an immediate cause of the conflict.

Nonetheless, the post military government's most comprehensive policy response to the crisis, the NDDC, has achieved little in the seven years of its existence and sorely misses

the main point. If anything, it constitutes an added source of rents to contest over and used to serve the parochial interests of local and national political elite. Most damaging of all the government's approaches, repression and military engagement is a stark reminder of the state's insensitivity to its citizens; failing to deliver development, it indiscriminately and forcefully suppresses perceived threats to its oil interests. In the case of direct monetary transfers to militants, what was ostensibly a short term security strategy has burgeoned into a multi million dollar industry involving the kidnap, ransom negotiators (some of whom are employed by the MNOCs) and entire state administrations. The kidnap and ransom industry sustains the conflict by providing additional funds for arms as well as the rents it produces constituting an incentive for the continuation of hostilities. One intervention, constitutional concessions, which had the potential of addressing a fundamental weakness in the political arrangements of the state by giving previously excluded groups more access to resources, went terribly wrong once hijacked by ethnic bias.

The four generic strategies identified - constitutional concessions, developmental concessions, monetary concessions and military engagement, in their application have proven grossly inadequate to resolve the real issues ailing the Niger Delta. Any successful intervention in the Niger Delta must include institutional changes which limit the opportunities for government officials and politicians to divert state funds to their personal use, strengthens law enforcement and enhances the peaceful and lawful resolution of civil conflicts.

## CONCLUSION

Over the last couple of decades, social scientists have sought new ways of understanding conflict. Since the end of the cold-war the concept of 'new wars' and 'complex humanitarian emergencies' have emerged. For the most part these conflicts have been self-financed, fought by enemies from within the same state and claimed massive numbers of civilian lives. An added characteristic of these conflicts caught the attention of neo-classical economists in particular, the role of natural resource rents as a source of belligerent finance. With the high humanitarian cost of these new 'resource wars', understanding the link between natural resources and conflict quickly became a major research agenda amongst other social science disciplines.

The debate soon engendered what is now known as the 'resource curse' thesis; providing substantial evidence that natural resource abundance is linked to various negative development outcomes. However, the evidence is by no means conclusive and a number of criticisms have been raised against the resource curse theory. The first is that existing constructions of the resource curse do not satisfactorily account for the role of social forces or external political and economic environments in shaping development in resource abundant countries, or for the fact that, although many resource-rich countries have performed badly in developmental terms, some have done quite well. Secondly, scholars are accused of being too reductionist in their approaches to resource curse issues and the need to focus more on understanding differences in development outcomes between resource rich countries and the policy lessons that can be derived from such studies has been highlighted (Rosser, 2006: 27). Nevertheless, the resource curse thesis

remains a useful analytical tool for understanding the pathologies associated with natural resources abundance. Beginning from its economic roots, the argument goes that abundant natural resources leads to dependence on an economic staple to the detriment of alternative sources of income; this mechanism was dubbed by Corden and Neary (1982) as the 'Dutch disease' and eventually results in poor growth and possibly even poverty. Political scientists in turn developed the theory of the 'rentier state' whose basic premise states that natural resources produce rents and the incentive to amass them, known as rent seeking; which results in corruption, state weakness, poor accountability, authoritarianism and ultimately conflict.

Although the two theories, Dutch disease and rentier state, could co-exist quite comfortably side by side, the views of neo-classical economists and political scientists differed markedly when it came to the mechanisms by which resource related conflicts occurred. While the latter took a behaviouralist perspective arguing that grievances amongst citizens of rentier states, particularly those from resource rich regions were responsible for violent civil conflict; the former took the rational-actor view that a desire to benefit from resource rents enabled rebels to challenge the state. This greed versus grievance dichotomy dominated the debate for a long time and greatly influenced the actions of policy makers and donor organisations. The policy approach driven by these two essentially rebel-centric perspectives have been social development initiatives for the first and increased security measures for the second; both extremely useful interventions in this context but neither capturing the full gamut of issues influencing the onset and persistence of new intra-state conflicts.

A third argument for the link between natural resource abundance and conflict can be found in the state-centric approach which highlights state or policy weakness and outright failure as a mediating factor. State-centric arguments reject the unidirectional view of the greed and grievance debates which insist that the existence of natural resource abundance and, or dependence is the root cause of all developmental pathologies that lead to violent confrontation within a state. Instead weak institutions that very often exist even before the discovery of significant natural resource reserves, create a permissive environment for conflict over rents. Nevertheless, the presence of resource rents tends to distort these conflicts after they commence.

Nigeria presents an apt example of this mechanism and in the wake of the Iraqi war and the US government's declaration to assure African energy supplies as a matter of national security. It would appear there has been no better time for Nigeria to resolve its troubles in the Niger Delta. Like the colonial version before it, the Nigerian state under Nigerian rule has tried to maintain societal order by force while operating an essentially extractive economy in which little emphasis was placed on improving productivity or innovation. Since its discovery in commercial quantities, oil has been central to the political economy of Nigeria. When the existence of Nigeria as a single state was threatened by the civil war, the politically dominant northern elite and their allies in Nigeria's south-western region (and indeed in the world's West) put up formidable resistance to the Biafran state in which oil reserves were located and firmly ended the threat of secession. However, the war brought to the fore the fact that Nigeria's centre vis-à-vis its sub-regions was essentially weak and with this realisation, the gradual dissolution of federalism as a guiding principle of the state. The three strong and economically competitive regions of

1960, the time of independence, have today become 36 ailing states almost all completely dependent on 'free' oil income from the federal government. The long stretch of military rule in Nigeria severely weakened the principle of derivation on which economic productivity relied replacing it essentially with a policy of rents distribution. Ironically, the ethnic minorities of the south-south region of Nigeria where the Niger Delta is located benefited very little from these arrangements even though they owned the land under which Nigeria's oil is sourced. Northern, south-western and to a lesser extent, south-eastern elite have effectively held on to the reins of power and access to resource rents since Nigeria's inception leaving vast populations of the south-south in abject poverty. However, given the pervasiveness of poverty in Nigeria, it seems that such persistent inefficiencies in resource allocation have proven troubling not only for the significant welfare losses they entail, but more so for the danger of generating social conflict over time. (Ayogu, 2000: 29)

In using the case to test the various resource-conflict mechanisms put forward in the resource curse literature, this thesis has not attempted to make any general claims. Instead in showing that neither greed nor grievance was a compelling factor in the onset of conflict in a post-military setting in Nigeria's Niger Delta, it has helped to disprove the validity of the greed versus grievance dichotomy. Nevertheless, it must be noted that in earlier incidences of violent opposition to the state from the Niger Delta, grievances were a defining motivation. The case showed very strong support for the grievance mechanism precipitating the second incidence of violence in the Niger Delta. Ijaw youth under the umbrella of the IYC gathered to stage a non-violent protest on the streets of Yenagoa. Shortly before, the IYC had publicly issued the Kaiama Declaration, their manifesto for

greater control of petroleum resources after which many militant groups now model their demands, articulates long-held Ijaw concerns about the loss of control over their homeland and their own lives. In a letter to the MNOCs, the Ijaw youth called for oil companies to suspend operations and withdraw from Ijaw territory until a resolution could be reached on the way forward. A deadline of December 28 1998 was given after which Ijaw youth would engage in hostile disruption of oil production including shutting off crude oil valves across the Delta. When the government responded with devastating force, youth around the Niger Delta kept up a campaign of violent disruption against MNOCs with no obvious benefits to themselves<sup>1</sup>.

On the other hand, greed, as captured by the looting mechanism did not bring about violence in the way the mechanism predicts. Instead of taking up arms as soon as they could afford it (having looted natural resources to raise funding), militants became involved in violent conflict only when their access to natural resource rents were threatened. Be that as it may, looting has played a very critical role since the onset of conflict. As predicted by the looting and incentive mechanisms under 'duration of conflict', resource rents generated within a context of armed conflict serve as a source of funding to maintain the violence as well as an incentive to prolong it.

Overall we find that the greed and grievance hypotheses on which researchers have spent an overwhelming degree of time and resources do not solely explain the onset and persistence of violent civil conflict in this case. In particular, the initiation of violence in the Niger Delta, post-military rule, can be explained comprehensively by neither greed

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<sup>1</sup> Although MNOCs had begun the practice of paying 'security money' to community youths, the strategic campaign of vandalism against the oil industry were distinct from lesser community squabbles.

nor grievance. When exclusive focus is taken away from rebel-centric approaches, the state and indeed other civilian actors (not to mention other economic actors such as the MNOCs) were seen as partly causing the crisis revealing the complexity of the path to conflict in the Niger Delta. After decades of functioning merely as a petro-state, Nigerian institutions and bureaucracies have been severely weakened in part by their failure to develop and tax alternative, viable sources of income and in part through the predatory rent-seeking of its plundering elite. In the case of the Niger Delta, clandestine personal interventions into the oil markets by elite through oil bunkering led to the creation of shadow states that arm youth militia impressively enough to challenge state security forces. But in this struggle for resources and relevance, no one is left unscathed as the very political entrepreneurs who fund and orchestrate violence using young men under the guise of a mobilising discourse of social justice and resource control are themselves variously courted, contested and threatened by the youth they arm. Now militant leaders in the Niger Delta run their own bunkering operations, establishing independent sources of income with which to buy their own weapons and become a force to be reckoned with in their own right. This is possible to a large extent because in the remote creeks and swamps of the Niger Delta where plenty of oil can be found, government presence is very weak or not at all. Nevertheless, the weakness of the Nigerian state was most evident in its inability to resolve civil disputes between and within communities and between communities and the MNOCs without resorting to violence against its own citizens. For those in the Niger Delta who hoped democracy would bring an opportunity to express their will and improve their lot, the Nigerian state again proved incapable of overseeing transparent and credible elections; leaving many in the Niger Delta and other parts of the

country with few options other than violence to pursue their political and economic aspirations. Thus state weakness provided not only motivations (a strong sense of discontent) but opportunities (reducing the costs of undertaking armed challenges) for employing violence against it. When considering the political economy of armed civil conflict in a context of socio-economic underdevelopment, weak institutions and elite rent-seeking the state as both institution and actor fuels the initiation and prolongation of armed conflict (Ballentine, 2003: 280).

The construction of armed rebellion as a consequence of greed or grievance, prescribes military containment and developmental initiatives as the solutions to the crisis to the exclusion of measures that seek to improve governance as a means of addressing the conflict. In the Niger Delta, we see the government's over reliance on military intervention persist against considerable evidence of its failure. In applying and reapplying force as a main thrust against the crisis in the Delta, the state suffers further losses of legitimacy and risks perpetuating the violence it intends to stem. To reinforce this point I restate in full the poignant observations Okonta (2005: 207-8) makes the about Nigeria and which I quoted at the beginning of this thesis:

*Slowly, relentlessly, the sharp edge of the all important instrument of violence is being blunted. It may not be immediately apparent, but the Nigerian state is dying. A lion without his claws may as well be dead.*

*...This predatory framework [rapine despotism], since taken over by indigenous Nigerian elites, could not be permanently institutionalized. It has encountered sustained and determined resistance since the early years of the twentieth century from those to whom it has given only poverty and arbitrary rule. To maintain this illegitimate regime, constantly at risk of collapse, violence has to be applied and re-applied.*

*But herein lies the paradox of violence as the structuring basis of a political order. The more violence is deployed to prop up and sustain unjust economic and social arrangements, the more it undermines the very goal it seeks to achieve: a degree*

*of social order within which the dominant elite can continue its business of seizing loot. People forcefully deprived of the right to represent their own interests in the crucial arenas of political and economic life are by definition discontented and impoverished subjects.*

*The discontented represent a real threat to the existing order, and that order is also deprived of vital contributions to the project of creating prosperity for the commonweal[th]. Scarcity is the soil in which revolt is nurtured. Political violence deployed to maintain control over the dollars generated by oil wealth may work in the short term, but ultimately it defeats its own purpose. ... And that is why the malformed political order is dying.*

Secondly, the government's Niger Delta development plan, embodied in the NDDC, without the necessary steps to ensure good corporate governance or good governance in the wider context of the state has failed to deliver on its intended aims and instead contributes to the crisis by providing its topmost management with funds to run 'do-or-die' electoral campaigns in the region.

Little elaboration is needed to recognise the undesirable consequences of direct monetary transfers to militants through the ill-advised short term strategy of succumbing to the ransom demands which has now become a multi-million dollar industry in the Niger Delta. As with the establishment of the NDDC, state and LGA creation may have turned out to be a positive development had it not become caught up in the pathologies of a weak state. Thus state weakness and elite predation not only enabled armed opposition to the state in the Niger Delta but the government's policy failures help to explain the protraction and escalation of the violence.

In summary the greed, grievance conception of armed civil conflict offer corrupt state elite an excuse for avoiding the evidence of state and policy failure, the need for political and economic reform and the fact that predatory rent-seeking especially the form it assumes in the Niger Delta are inimical to long-term peace and stability. As much as the

state presents a problem it could also provide part of the solution by increasing its institutional capacity to limit elite predation and its bureaucratic capacity to earn non-oil income.

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## APPENDIX A

### Chronicle of Political Leadership in Nigeria

Period	Head of State	Ethnic Origin	Type of Government	How the rule ended
1960-1966	Tafawa Balewa	Hausa/Fulani	Civilian	Attempted Coup/ Assassination
1966	Aguyi Ironsi	Igbo	Military	Coup/ Assassination
1966-1975	Yakubu Gowon	Middle Belt	Military	Coup
1975-1976	Murtala Mohammed	Hausa/Fulani	Military	Attempted Coup/ Assassination
1976-1979	Olusegun Obasanjo	Yoruba	Military	Elections
1979-1983	Shehu Shagari	Hausa/Fulani	Civilian	Coup
1984-1985	Muhammadu Buhari	Hausa/Fulani	Military	Coup
1985-1993	Ibrahim Babangida	Hausa speaking Northern minority	Military	Stepped down 2 months after annulling election
1993	Ernest Sonekan	Yoruba	Civilian	Coup
1993-1998	Sani Abacha	Hausa/Fulani	Military	Died in power
1998-1999	Abdulsalami Abubakar	Hausa speaking Northern minority	Military	Elections
1999-2007	Olusegun Obasanjo	Yoruba	Civilian	Elections
2007-date	Umaru Yaradua	Hausa/Fulani	Civilian	—

Source: Author & Idemudia & Ite, 2006: 396

## APPENDIX B



MEND militants patrolling the Delta, Source: *Michael Kamber, Vanity Fair*



Typical Niger Delta Militants, Source: UNDP 2006: 123



Typical homes of locals in the Niger Delta, Source: UNDP 2006: 29



Residential quarters for foreign oil workers in the Niger Delta, Source: UNDP 2006: 121



Primary School in a Niger Delta village, Source: UNDP 2006: 40



A common source of water in the Niger Delta, Source: UNDP, 2006: 37



Gas flare in the Delta, Source: UNDP 2006: 51



In the aftermath of conflict, Source: UNDP 2006: 116