

## **Oil and conflicts in the Niger Delta region, Nigeria: facing the facts**

**NSEABASI S AKPAN<sup>1</sup> & EMMANUEL M. AKPABIO<sup>2</sup>**

### **ABSTRACT**

*THE NIGER DELTA Region of Nigeria is the storehouse of Nigeria's crude oil, which accounts for approximately 90% of the country's revenue, providing more than 90% of total exports. Despite this, the people remain poor, marginalized and restive. Resort to conflicts has been taken as the only way of expressing grievances in oil-rich communities in the region. The conflict situation has been cause for alarm since 1999 with kidnapping of oil company workers, bombing of oil facilities and confrontation with state law enforcement agents, being common occurrences. These happenings have had serious implications for the economy. The paper reports on the results of a study employed interviews, stakeholder meetings and consulted news reports to assess issues central to the persistent conflicts in the region. The results indicated that both the government of Nigeria and the oil multinationals have failed to recognize communities in the Niger Delta as the third stakeholder in the oil industry. The relationship has been characterized by unfavorable state policies, 'politicking' and lack of standard practices. The study thus noted that the government of Nigeria has not approached the question of the Niger Delta in an open manner, and hence it recommends that stakeholder participation/partnership predicated on transparency is a key to the solution of the Niger Delta problem.*

<sup>1</sup> Department of Sociology and Anthropology University of Uyo, Nigeria. E-mail: akpanseabasi@yahoo.com

<sup>2</sup> Department of Geography and Regional Planning, University of Uyo, Nigeria. E-mail: emakpabio@yahoo.com

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**Introduction**

NIGERIA IS FREQUENTLY categorized as a “deeply divided society” - divided both by religion (a predominantly Muslim north and predominantly Christian south) and by ethnicity (between 250 and 400 distinct ethnic groups including three major players: the Yoruba, Hausa, and the Ibo). The ethnic minority issue has consequently become a major socio-economic and political problem in the country.

One sub-national minority area that forms a recurring decimal at the local, national and international political arena is the Niger Delta region. The Niger Delta Region is the storehouse of Nigeria’s crude oil, which accounts for approximately ninety percent of the country’s revenue, providing more than ninety percent of total exports (CBN, 1981). Although the Delta Region has always been a conflict-prone area under any governing regime, it seems that the democratic promise of granting a degree of local autonomy and control (which implied local benefit from local resources) has greatly increased competition for political control of the area and the economic benefits this promises.

Ellsworth (2000) observed that in the Niger Delta area, the economic competition brought about by the potential for political control over economic resources has fractured the society along three faults. First, it has pitted local political interests over the derivation formula – how much of the oil profits should fall in local government coffers compared with that accruing to the national government. Second, it has pitted local political interests against each other over which local government should control oil resources, and therefore has a right to any revenue the national government allows the region to keep. Third,

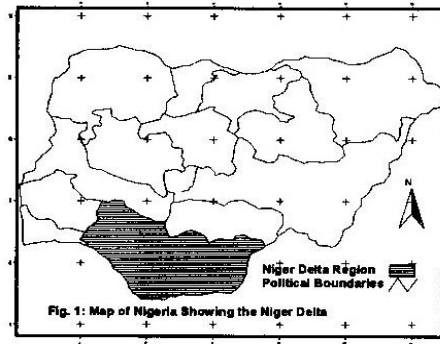
there is a violent schism between the oil producers (Multinational Corporations and their Nigerian workers and security personnel) on the one hand, and the local inhabitants who feel they possess the land but have had no claim to the oil profits.

Social and economic changes in Nigeria since independence, as well as concomitant physical and environmental problems, have had a marked impact on the lives of the people especially in the Niger Delta Region. There is growing unemployment, stark poverty, increasing income disparities between the wealthy and the poor, capitalist economic policies and the virtual exclusion of all sections of youth populations living in the Niger Delta areas from the increased prosperity experienced by some. In the past two decades, there has been a significant increase in youth activism, restiveness, and violence. The background to this lies in attempts to control the resources of the Niger Delta Region on the part of interested groups, and the fighting of marginalization perpetuated at the hands of the ruling class in Nigeria (Akpan and Akpabio, 2003). The intensity of these problems coincides precisely with the introduction of democratic local and national governments in the country. Given the sharp rise in conflicts and restiveness in the region, this paper attempts to examine the nature of the conflicts and the challenges associated with them. It attempts to achieve this by exploring challenges posed in respect of the general polity and the economy.

**The Niger Delta and the oil industry in Nigeria**

The area referred to as the Niger Delta Region was traditionally limited to the geopolitical zone occupied mainly by the minorities of Southern Nigeria, which comprised the six states of Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers. But in recent years, the Niger Delta Region was redefined and enlarged to include all nine contiguous oil-producing states. The new states of Abia, Imo and Ondo were therefore

added to the original six (Fig.1).



Today, the Niger Delta people form the largest group amongst the ethnic minorities spread over the South-South geographical zone of Nigeria. It has a population of over 7 million people distributed in over 1600 communities.

The region has some unique features, which tend to make development difficult. It is, for instance, one of the largest wetlands in the world. It covers an area of 70,000 square kilometers and is noted for its sandy coastal ridge barriers, brackish or saline mangrove, fresh water, permanent and seasonal swamp forests as well as low-land rainforests. The whole area is traversed and crisscrossed by a large number of rivers, rivulets, streams, canals and creeks. The coastal line is buffeted throughout the year by the tides of the Atlantic Ocean while the mainland is subjected to regimes of flood by the various rivers, particularly the River Niger. The Niger Delta Region is the second largest delta in the world and the largest wetlands in Africa (Onduku, 2001). The Delta is home to an extraordinary variety of people, mostly fishermen and farmers with a proud history and cultural heritage.

The Niger Delta Region is also the main centre of oil producing activity in Nigeria and therefore the nerve-centre of Nigeria's economy, accounting for more than 90% of Nigeria's foreign exchange earnings and approximately 90 percent of government revenue (CBN, 1981).

The inhabitants of this region heavily depend on the environment for daily living, mostly in the form of fishing, farming and gathering. Consequently, oil exploration and exploitation has had far reaching negative environmental, social as well as economic impacts on the host communities (Akpan and Akpabio, 2003). This manifests in environmental degradation and pervasive poverty culminating in a sense of relative deprivation and a perception of alienation within the host communities (Idemudia and Ite, 2006).

Apart from manifest cases of violent conflicts, the general attitude of the host communities is that of aggressiveness and confrontation targeted at either oil companies in the region (through bombings of oil facilities or kidnappings of foreign oil workers) or the Federal Government of Nigeria (threat of wars and kidnappings or killing of enforcement agents). Idemudia and Ite (2006) have asserted that the oil industry in Nigeria has been dominated by the Federal Government of Nigeria (FGN) and the oil companies, while the host communities play a second fiddle in terms of decision making processes within the oil industry. The FGN performs two key responsibilities namely: 1) negotiating and granting concessions for oil exploration to oil companies 2) regulating the activities of the oil companies through the Nigerian National Petroleum Corporation (NNPC), which was established in 1977. The major oil companies operating in the Nigerian oil industry are listed in Table 1 below:

**Table 1: Major oil companies and their shareholders in Nigeria**

Consortium	Shareholders	Joint Venture Operator	Production barrels/day (2003 estimates)	Production (%)
Shell Petroleum Development Company of Nigeria Ltd	NNPC (Nigeria, 55%) Shell (Dutch/British, 30%) Elf (France, 10%) Agip (Italy, 5%)	Shell	950 000	42.2%
Mobil Producing Nigeria Ltd	NNPC (Nigeria, 58%) Mobil (USA, 42%)	Mobil	500 000	21.2%
Chevron Nigeria Ltd	NNPC (Nigeria, 58%) Chevron (USA, 42%)	Chevron	485 000	18.6%
Nigeria Agip Oil Company	NNPC (Nigeria, 60%) Agip (Italy, 20%) Philips (USA, 20%)	Agip	150 000	7.5%
Elf Petroleum Ltd	NNPC (Nigeria, 60%) Elf (France, 40%)	Elf	145 000	6.1%
Texaco Overseas (Nigeria) Petroleum Company	NNPC (Nigeria, 60%) Texaco (Nigeria, 20%) Chevron (USA, 20%)	Texaco	55 000	2.7%

Other Producers	Ashland (USA) Deminex (Germany) Pan Ocean (Switzerland) British Gas (British) Sun Oil (USA) Conoco (USA) BP (British) Statoil (Norway) Conoil (Nigeria) Dubri Oil (Nigeria)	Various	35 000	1.7%
<b>Total</b>		<b>2320 000</b>	<b>100%</b>	

Source: Idemudia and Ite (2006)

The role of the host communities has been categorized into three aspects as below:

- (a) Producing Communities-Communities in which onshore oil exploration takes place
- (b) Terminal Communities- Provide Port or Terminal facilities for offshore oil exploration
- (c) Transit Communities-Communities whose territories transit pipelines pass through (see Agim, 1997 as cited in Idemudia and Ite 2006).

Some other communities are neither producing, terminal nor transit, but are still classified as oil producing by virtue of general environmental impacts of exploitation.

## Study procedure

This paper is the product of an interactive/stakeholder workshop on *Governance, Environment and Development* in the Niger Delta Region of Nigeria. The interactive stakeholder forum, which took place on 29 January 2003 at the University Uyo, Nigeria, marked the commencement of a six-year collaborative, interdisciplinary and multi-disciplinary linkage programme between the University of Uyo, Nigeria and Lancaster University, U.K., funded by the British Council and the DFID.

At this forum, attention was concentrated on paper presentations by resource persons and academics; policy statements from multinational and project agencies in the Niger Delta; experience sharing by stakeholders and individuals; position papers by NGOs and organized groups; statements by key officials in federal and state agencies; and interview, questions and answer sessions. Representatives to the workshop were drawn from NGOs; multinational oil companies; state and federal agencies and local government authorities and individuals. The outcome of the workshop proved very useful in the preparation of this paper.

The paper also draws strength from a one-day youth workshop, sponsored by the Niger Delta Development Commission (NDDC), on youths and the protection of developmental projects in the Niger Delta held on 24 April 2003 at Eket, Akwa Ibom State, Nigeria. The workshop was a very stormy one and featured speeches, position papers and question and answer sessions. The youth participants acted on representative capacities and their various needs were highlighted. The representatives of the NDDC also presented facts, clarified issues and answered some questions. The facts derived from the workshops constitute points for analysis. These were complemented by analyses of news reports from national dailies, the electronic media and the Internet,

in addition to numerous fieldwork experiences of the researchers in various academic and consultancy projects.

## Conflicts in the Niger Delta: Origin, incidences and challenges

- *A historical note*

Conflicts in the Niger Delta date back to 1947 when Ijaw Rivers people started an agitation, which led to the creation by the British, of Rivers Province, about the same time the Niger Delta Congress was established by Harold Dappa Biriye. In 1960 the perceived injustices against the Niger Delta people propelled Isaac Adaka Boro, the Master Campaigner of resource control, to champion a revolt. On February 23, 1966, Boro with one hundred and fifty-nine youths from the Niger Delta went to Tontoubau (a sacred forest) in Kaiama town in the present Bayelsa State to launch a guerilla war against the Federal Military Government. Earlier in January 1966, Boro had proclaimed the Niger Delta Peoples' Republic with himself as the Head of State, during which he engaged the Nigerian Police Force in a bloody battle. Despite being the richest geopolitical region in terms of natural resource endowment, the Niger Delta's potential for development has remained under-utilized and unrealized, as it is daily threatened by environmental degradation and worsening economic conditions. Compounding this ecological devastation is the perceived political marginalization and total oppression of the people through denial of their rights, including land rights (see the Land use Act of 1998).

- *Demands for equitable access to resources*

Demands for more equitable and privileged treatment by the people of the Niger Delta are not new. These demands are rooted in the desire by the local people to redress power imbalances and have control over their resources to promote a sense of belonging, as opposed to the current

sense of alienation among the people. Scholars of Nigeria's political development observe that the Federal Constitution of Nigeria suffers from two fundamental flaws (Onduku, 2001). The first is the division of the country into three unequal regions, with the population of the size of the northern region alone exceeding that of the two southern regions put together. The second flaw relates to the political and demographic domination of the three major ethnic groups in the northern, western, and eastern regions, and the attendant marginalization of the minority ethnic nationalities that comprise approximately one-third of the population of each region. The Niger Delta people form the largest group among the ethnic minorities spread over the south-south geopolitical zone of Nigeria today. Beginning from 1960 when Nigeria had her Independence, the northern region has held power for over 36 years while the rest of the period is distributed to the other major ethnic groups, making the oil rich minority feel internally colonized. Consequently, youths, children, women and elders in the Niger Delta region have repeatedly protested against what they describe as abject poverty, internal colonialism and absolute deprivation, setting the stage for conflicts. The conflicts have taken the form of kidnappings and hostage taking of oil company workers, bombings of oil facilities and confrontation with the Nigerian political class and law enforcement agents (Table 2)

**Table 2: Cases of kidnapping**

Year	Cases
2003	Troops were sent to the oilfields amid clashes between rival Ijaw and Itsekiri groups. Around 30 people died. In April, militants seized four Niger Delta oil rigs, taking some 270 people hostage, 97 of them foreigners. After negotiations, the hostages were released.
2004	Five Nigerians and two Americans working for Chevron Texaco were killed by pirates in the Niger Delta. Fighting between groups seeking to control the oilfields left some 500 people dead in Port Harcourt and surrounding regions, according to Amnesty International. In October, the groups reached a ceasefire agreement.
2005	Six oil workers including two Germans were kidnapped, then freed three days later.
2006	<p><b>January:</b> Separatist gunmen kidnapped four foreign oil workers and blew up a pipeline feeding an export terminal. Five days later, gunmen shot dead several troops and attacked a Shell oil plant. The four foreigners-an American, a Briton, a Bulgarian and a Hungarian-were freed at the end of the month, but the group threatened to take further hostages.</p> <p><b>February:</b> An armoured government helicopter was brought in to fire on barges being used to smuggle oil near a separatist militant base. Militants struck back later, firing on the aircraft. Separatists kidnapped nine foreigners-three Americans, one Briton, two Egyptians, two Thais and a Filipino-working for a Shell subcontractor. The attack forced Shell to suspend exports from a major terminal. Six of the hostages were freed after a week, but the other three were held until late in March.</p> <p><b>April:</b> The US firm Exxon Mobil briefly evacuated non-essential staff from its Nigerian oil installations due to fear of an attack by militants. At the end of the month, separatist militants used a car bomb to attack oil tanker trucks, and warned China not to invest in the Nigerian oil industry.</p> <p><b>May:</b> Three foreign oil workers, one an Italian, were seized but released after a day. A Nigerian court ordered Shell to pay 1.5 billion dollars in compensation to the Ijaw people of the Niger Delta for environmental damage, but the company said it was appealing the ruling.</p> <p><b>June 2:</b> Militants abducted six Britons, an American and a Canadian from a Norwegian-run drilling rig off the coast of Bayelsa state.</p> <p><b>June 20:</b> Two Filipinos, workers of PGF Explorations Limited, an oil servicing contract company to Shell Petroleum Development Company (SPDC), were kidnapped by unknown gunmen at P. W. J Jetty in Rumuolumeni area of Port Harcourt.</p>

Source: Various Nigerian Dailies

According to Ibeanu (2000), the general attitude in the Niger Delta is not whether there will be trouble but when and where. One of the youth leaders interviewed in the Niger Delta observed thus:

‘.....why should we not fight for our rights.....when all the monies accruing from our resources have been used to build the north and the west while we are staying in abject poverty.....without good roads, water and other good things of life...Unfortunately, the Oil Multinationals (OMNs) are frequent targets of attacks and conflicts in the Niger Delta, in spite of their Corporate-Community Relations (CCR) policies. For many years, structural and institutional factors within Nigeria have made community participation in the decision-making process within the oil industry very difficult (see Idemudia and Ite, 2006). Consequently, the local communities in the Niger Delta have not been recognized as a legitimate stakeholder in the decision-making processes, especially in respect of the exploitation of resources. As a result, the communities feel the Federal Government and the Oil Multinationals are their real enemies and should be confronted. There are quite a number of other factors responsible for restiveness and conflicts in the Niger Delta and these are further discussed below.

- *Politics of development*

The peculiarities of the Niger Delta problem attracted the attention of governments right from the colonial period through to the post Independence period. In the colonial days, the British Government set up the Sir Henry Willink's Commission to recommend the best strategies for the development of the region which has the most difficult terrain in the country. When the Commission turned in its report in 1958, it specifically recommended that the Niger Delta region deserves special developmental attention and should, therefore, be made a special area to be developed directly by the Federal Government. This was before crude

oil became the mainstay of the Nigerian economy. The recommendation gave birth to the Niger Delta Development Board (NDDDB) in 1960 to cater for the unique developmental needs of the area. The NDDDB was moribund before the outbreak of the civil war seven years later. After the civil war, the River Basin Development Authority was established to promote regional development from which the Niger Delta region was to benefit.

Akpan and Akpabio (2003) note that the people viewed this gesture as a negation of the developmental ideas for the Niger Delta as contained in the Willink's Commission's report. As a consequence, they agitated for the restoration of the Willink's Commission's dream by requesting special attention to be paid to the developmental needs of the area. This later led to the setting up of a Presidential Task Force which devoted 1.5 percent of the Federation Account to the development of the Niger Delta Region (NDDC, 2001). The impact of this on the region was minimal and could not settle the growing restiveness and developmental needs of the people. Following recommendations of the Belgore Commission set up by the Babangida regime, the Oil Mineral Producing Area Development Commission (OMPADEC) was established in 1993.

However, OMPADEC could not make any significant progress in the development of the region due to several factors namely: lack of a master plan, inadequate funding, and official corruption. The failure of these development interventions created an atmosphere of uncertainty, continued restiveness and discontentment in the region. Following the inauguration of President Obasanjo in May 29, 1999 as the new leader under a democratic dispensation, the Niger Delta Development Commission (NDDC) was established to help improve conditions. Ikpenyong et al. (2003) observed that the Niger Delta Region had benefited from a number of other general programmes designed to alleviate poverty in the country. These included the creation of Local

government councils in 1976, which later served as the third-tier of government to promote rural development. Other initiatives included the Farm Settlement Schemes, Agricultural Extension Services, Nigerian Roots and Cereals Production Programmes and Operation Feed the Nation.

These programmes were in operation between 1960 and 1980. According to the authors, other rural development programmes which emerged post-1980 included: the setting up of the Directorate for Foods, Roads and Rural Infrastructures (DFRRI), Better Life Programme (BLP) and the Family Support Programme (FSP). The main objectives of these rural-based programmes included to improve the quality of life and standards of living of the rural populace. The activities to realize the above objectives spanned from the provision of rural infrastructures (feeder roads, electricity, water and sanitation, housing); through promotion of rural industrialization; to enhancing the living standard of rural women through the empowerment, development and the promotion of family well-being.

Despite the launching of these various programmes, the Niger Delta has still not fared any better (Ukpong, 2003, Etuk, 2003 and Ekpenyong et al., 2003). Arguments to the effect that there is too much politicking and lack of sincere commitment to the development of the Niger Delta, have been advanced at various levels (Adenikinju, 2002; Egwaikhide & Aregbeyen, 1999; Newswatch, 2003 and Ukot, 2003). For instance, the fiscal revenue allocation formula among states in the Niger Delta from 1954 to 1999 shows a lack of fair play and fairness on the part of the Federal Government of Nigeria (Table 3):

**Table 3:** Criteria for revenue sharing among Nigerian States (1960-1999)

Criteria	Shares (%)			
	1954-59	1968-80	198-89	199099
Population	-	50	40	30
Need	-	-	-	-
Balance Development/equality	-	50	40	40
Derivation	100	25	1.5	13
Land area	100	-	-	10
Social Development	-	-	15	10
Internal Development	-	-	5	10

Source: Adapted from Ikporukpo (1996); Aaron (2003) and cited in Akpan and Akpabio (2003).

Population and equality are the major criteria for resource allocation in Nigeria. Other criteria, though of lesser importance, are land size, internal revenue effort and social development. Derivation was 100% between 1954 and 1959 and was suspended from thenceforth (Table 3). Derivation principle in resource allocation resurfaced in 1999 when 13% was inserted to cater for resource endowed areas. The politics in this is that regional control over resources in the Niger Delta was strong (100%) when groundnuts, cocoa and palm oil became the mainstay of the economy. These three resources came from the three main ethnic regions of Nigeria namely the north (Hausa); the southwest (Yoruba) and the southeast (Igbo). When oil exploration intensified in the 70s as the life wire of Nigeria's economy, regional control over resources was de-emphasized. For instance, in 1977, Obasanjo as military ruler reduced regional control of resources to 25 percent. Subsequent military governments further reduced this, until eventually it was 1 percent. With the agitation of minorities from the oil region, it then rose to 3 percent and then to 13 percent as approved by the 1999 Constitution (Adenikinju, 2002). There was still politics of denial surrounding the 13 percent constitutional provision to oil-rich states in the Niger Delta. For instance, from January 2000 to April 2002, the Federal Government



of Nigeria released about N215.6 billion to the governments of the South-South states in terms of revenue derivation from oil production. This represented 60 percent of the total revenue accruable to the states (Newswatch, May 5, 2003). What happened to the remaining 40 percent or N143.74 billion of the derivation fund not released, is anybody's guess.

The Niger Delta is also entitled to a 2 percent ecological fund from the Federation account (to respond to the ecological problems of the entire country) of which, 90 percent should be channeled to address the ecological problems in the region. Politics also reared its head in the context of the release of this fund. The South-South Peoples' conference (an advocacy group for the Niger Delta region) noted thus: '.....in the disbursement of ecological funds for example, the Lagos Bar Beach Project and the Ogunpa rechannelization project both in the south-west alone have taken more than what has been disbursed to all the projects in the whole of the south-south' (Newswatch, May 5 2003).

There is politics, not only at the Federal Government level, but within the development programmes set up to address the developmental needs of the Niger Delta people. For instance, at the Niger Delta youth forum, the youths were not satisfied with most of the programmes of the NDDC (Niger Delta Development Commission). In appointments and awards of contracts, the youths complained that patronage is given to relatives of the political class to the detriment of the intended beneficiaries (the poor). They also noted high discrimination in project targeting and location in favour of highly placed government officials. This results in most projects being cited at wrong places, where there is no need for them. This has to do with the general tendency of endemic corruption prevalent in the Nigerian society. Who gets what depends on the level of political and economic influence or power commanded. As a consequence, the poor continue to be marginalized and excluded, leaving them with a sense of alienation and neglect, as well as raising the

level of restiveness and conflicts in the region (see Shaw & Tschiwula, 2002)

#### *Unfavourable state policies and neglect*

The emergence of the Niger Delta Region as an oil producing area within the Nigerian nation led to the introduction of some policies primarily aimed at giving the central government a considerable amount of controlling power over resources. One of such policies is the Land Use Decree of 1978, which vests the ownership and control of all land in Nigeria on the Federal Government. According to Oyeshola (1995:66), the Land Use Act placed the interests and concerns of the oil producing communities beneath those of oil corporations and the Nigeria Treasury, which limits communities' abilities to make their own decisions about their surroundings. Although the Land Use Decree succeeded in unifying the law relating to the land tenure system in Nigeria, it has left some unanswered questions relating to security of tenure, especially when the 'minority issue' is raised in a multi-ethnic society such as Nigeria.

It has been argued that the transfer of property rights to the government by virtue of section 1 of the Act has caused many problems. According to the World Bank Report (1990) 'without tenure of security, resources are overused or overdeveloped leading to environmental degradation and rural impoverishment'. In the Niger Delta Region, questions on the Land Use Decree of 1978 borders on the justice surrounding its present day relevance, particularly in the face of persistent environmental degradation occasioned by petroleum exploitation. Following Article 1 of the Geneva Convention on Territorial Sea and the Contiguous Zone (1958), it would appear that, by the land use Act, oil spills from offshore drilling and which cause damage and destruction that affects the territorial sea is the exclusive business of the Federal Government (Ndukwe, 2000:109)

In this matter, the coastal inhabitants are the direct victims in many ways. They suffer the loss of fish, which may not only be the basic source of their food but of their livelihood. In the same vein, oil spills that destroy crops on land will raise the question as to who has the radical title, whose enjoyment of land is being interfered with? Is it the Governor that claims for his fellow citizens as a constructive trustee or must the affected people show a statutory or customary right of occupancy as evidence of interest in land? Arising from the above are the following questions: how just is the 1978 Land Use Decree? And can the people of the Niger Delta whose environment is being polluted by the government or its agents or collaborators demand commensurate compensation and a halt to further damage to the environment? Bryant (1992) observed that policies are not developed in a vacuum. Instead, they emerge from interaction and struggle among competing interest groups which strive to influence their (i.e. the policies') development and substance. The problem with the minority groups in Nigeria is that they lack the capacity to participate in national and state decision-making processes, because of numerical disadvantage. Thus, emerging laws and policies encourage the control of resources and supply in the hands of major ethnic groups, leaving others in abject poverty. From oral accounts, there is serious infrastructural neglect (erratic power supply, lack of access roads, portable water, schools and health facilities) and what the inhabitants have termed an 'insufficient federal presence' (e.g. lack of federal institutions) in the oil-producing communities, despite enormous revenue accruing from oil. In their words, 'everything is expensive in the region, yet there is no money for us.'

Some existing decrees in Nigeria are antithetical to protest and press freedom and these have been effectively used against the Niger Delta communities. For instance, the State Security Detention of Persons Decree No. 2 of 1994 empowers the President or Inspector-General of Police to arrest and detain any person for a period of three

months, extended on grounds of an ambiguous 'in the interest of the state' clause. It has an ouster clause that allows no court in the land to entertain the matter. This decree was comprehensively used under the former military ruler, General Sani Abacha, to detain activists from the region.

Under the recent democratic dispensation of Olusegun Obasanjo, the decree resurfaced and was directed at suppressing activism in the region (e.g. the continued detention of the leader of the Niger Delta People's Volunteer Force, Alhaji M. Asari-Dokubo, for alleged treason charges). The Special Petroleum Offences Miscellaneous Decree makes tampering with any oil or gas installation an offence punishable by life imprisonment. This means that anyone who enters an operating area on land or climbs aboard oil platforms to protest can be punished by life in jail, with no option of a fine, even if unarmed and non-violent. Even more draconian is the Treason and Treasonable Offences Decree of 1993, popularly known as 'Ken Saro-Wiwa Decree'.

The decree states that any person 'who utters any word, displays anything or publishes material which is capable of breaking up Nigerian or part thereof; causing violence or a community or section thereof to engage in violence against the community or against another community, is guilty of treason and liable on conviction to be sentenced to death'. Ken Saro Wiwa was hung by General Abacha on 10<sup>th</sup> November, 1995, along with eight other Ogoni activists, after actively championing the cause of the Ogoni people, and making Shell's anti-environmental practices an international issue. These decrees effectively muzzle the press and disallow civil society to protest, while empowering the police, military and oil companies to ignore concerns from communities, imposing a detrimental effect on the system of checks and balances vital for a healthy democracy. The implication of these is that the people of the Niger Delta have no rights to demand fair treatment as redress for long years of environmental degradation. One might ask: in this case, who

is causing conflicts? Is it the people who want better living conditions as resource owners? Or is it the Federal government which employs all agents of state security and decrees to suppress voices of dissent? Perhaps this scenario best explains the strident calls and demands for 'resource control' by the Niger Delta people of recent.

- *Lack of standard practice*

The success or otherwise of oil exploration activities in the Niger Delta depends to a greater extent on the availability of baseline standards of operation. The government can play an important part in setting up a minimum operational factor for the oil multinationals and the affected communities. Such a role may either help to shape an institutional environment that fosters sustainable economic growth, the pursuit of an active distributional and social policy or in the provision of motivation for ecologically appropriate behavior (Idemudia & Ite, 2006). The absence of standard practice has implications for the behaviour of operating oil companies and the communities of operation. Ite (2004) observed that poor regulation and a dearth of incentives for corporate social responsibility initiatives within Nigeria have meant that oil companies are left to set their own standards. Profit-driven as they tend to be, it is difficult to imagine oil multinational companies evolving acceptable operational standards within their areas of operation, unless compelled to do so either through community action or government regulations. For instance, the Conflict Expert Group Baseline Report (2003) observed that there is a 'flexible' interpretation of Shell Company in Nigeria (SCIN) policies, a low level of standardization and continued unethical practices. The report further noted, 'poor consequence management undermines policy compliance'. Audit experts report that in cases where they had clear evidence of violation of business principles, the superiors of guilty staff failed to take action. This sends a message of impunity to the rest of the organization (p.25). Idemudia and Ite (2006)

similarly observed that the absence of a minimum control mechanism means that oil companies face a great temptation to break the law, with little or no associated risk for doing so.

The contract policies of oil companies also contribute to conflicts in the Niger Delta. According to Conflict Expert Group Baseline Report (2003), about 70 percent of the conflicts that lead to work interruptions relate to contractor issues and there are currently no guidelines or policies in contractors' contract that determine how they ought to behave in dealing with communities. For instance Shell's contracting policy states that contractors are responsible for their own community relations, which means each contractor has its own approach. For communities who see every activity as oil company's activity in its area of operation, this implies much confusion in locating who to hold accountable for what action, as over 99 percent of oil companies contractors count themselves 'unaffected' by community demands or environmental policies.

It is also important to note that in dealing with oil companies, some communities wield more powers than others. Some have signed Memoranda of Understanding (MoU) while others have not; some communities have high leadership command and elite groups that could facilitate dealing with oil companies, while others may not; again some communities are very aggressive or militant (e.g. the Ijaw communities) against the oil company operators while others may not. The tendency has been that more powerful communities have been able to extract more concessions (in terms of money, goods, opportunities and infrastructures) than others. This has generated a perception of favoritism (as some communities watch their neighbors very closely over benefits derived from oil companies) creating an atmosphere of animosity and conflicts.

Setting guidelines for standard practice should be the role of the Federal Government of Nigeria. The absence of regulatory guidelines,

or presence of weak ones, undermines 'best practices' expected of oil companies and contractors in their areas of operation. The truth about Nigeria today remains that corruption is more deep rooted and always undermines any effort at promoting effective corporate social responsibility or community relations, on the part of the oil companies.

### Concluding remarks

One implication of environmental change or resource scarcity is the increasing likelihood of conflict among people or nations (Mitchell, 2002). According to Homer-Dixon et al. (1993), human activity can contribute to environmental change in three ways. First, human actions can result in decrease in the quality and/or quantity of resources if they are used or harvested at a rate faster than they can be renewed. When this occurs, it is said that people are living off their natural capital, rather than from the interest of the natural capital. In some instances, such as in cases of use of non-renewable resources like petroleum, natural gas, zinc or silver, human use does deplete the capital, because such resources are renewable on a geologic rather than on a human time scale.

A second source of change is from population growth. With population growth, a set amount of arable land or water must increasingly be shared among more people, resulting in a steadily reduced amount available per person. This anticipation may drive or propel communities to conflicts over access. Third, unequal access to resources or the environment may cause change. Mitchell (2002) writes that unequal access is usually the result of laws or property rights which lead to or encourage the concentration of supply in the hands of relatively few people, leaving others subject to scarcity. These three activities or factors can act alone or in combination (p.10).

Current events in the Niger Delta present multiple sources of conflict which cannot be explained by a single factor. This has enormous implications for the region's economy. For instance, the Guardian Newspaper reported the loss of revenue by the Federal Government of Nigeria. The current medium through which communities legitimately gain access to oil company resources is compensation for oil spill. In the absence of oil spillage, communities opt for the illegitimate route, namely, pipeline vandalism which has recently created room for 'oil bunkering' attracting huge 'clique' or 'gang' interest and investment. Attempts to curb these sharp practices by law enforcement agents generate conflicts, which may result in killings, bombing of oil facilities, kidnappings and many others.

Despite the wealth of resources at the region's disposal, the people of the Niger Delta remain impoverished and oppressed through unfavorable laws and policies. Socially and economically the Delta community is under-developed scoring low on virtually all measurements of the development index, creating room for a sense of alienation and animosity. The Federal Government of Nigeria and the oil multinationals remain not-so-committed as the discussion has shown, creating room for the communities to resort to self-help (violence and conflicts).

At the heart of the Niger Delta region issue is the problem of lack of transparency on the part of the Federal Government of Nigeria and the oil companies as well as the failure to recognize the communities as the third and the genuine stakeholder in the oil business. Most importantly, the inability of the FGN to regulate the operations of the oil companies led critics to question the ability of the Government to regulate the oil companies if it cannot regulate itself against corruption. Lack of coordinated community approach and standard practice as well as the inability of the oil companies in the region to see the communities as their third stakeholder undermine their corporate social

responsibility practices and provide a recipe for conflicts. Solutions lie in upholding transparency and standard business practices by the parties and stakeholders involved.

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