THE NEXUS BETWEEN NATURAL RESOURCES AND CONFLICT IN THE GULF OF GUINEA: CASE OF NIGERIA

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To Him who openeth and no man shutteth, and shutteth where no man can openeth-Lord I thank you for your gracious providence. Your bounty is indeed beyond my speaking; but though my mouth be dumb, my heart shall always thank you!

I dedicate this work to my late sweet mother, niece Oriphah (Jnr) and nephews Wilson and Joshua. Opa and your brothers, I love you guys. Your cheerfulness has been my source of strength. My studies at times overwhelmed me that I could not manage to laugh but Oriphah, my lovely niece I thank you particularly for making me laugh in those moments when I’d almost forgotten how to. May you together with your brothers be inspired by this work to go far beyond it-let the sky be your only limit.
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Researchers are never autonomous and for this I am greatly indebted to my supervisor, Mr Mhandara, for his constant guidance. I am very grateful especially for his insightful remarks which helped me to shape my ideas. Like Shakespeare- “I can no other answer make, but thanks thanks and ever thanks.”

I also extend my profound gratitude to Dr Chimanikire and Mr E. Doro from Parliament of Zimbabwe who spared time from their busy schedules to answer my questions.
Countries endowed with natural resources such as Nigeria have been susceptible to economic underdevelopment and conflict. Nigeria is an empirical case for the resource curse—a notion that depicts a negative correlation between resource endowment, development and conflict. This study examines the relationship between natural resources, oil in particular and conflict in Nigeria. The study sought to examine the historical development of conflict over oil in Nigeria and to ascertain the impact of structurally-induced scarcity resulting from the distribution of rents in the country. The research was guided by the hypothesis that lack of accountability and unfair distribution of natural resource wealth amalgamated with political and social grievances normally results in explosive conflicts in resource rich countries. The resource curse, greed and grievance theories provided the framework for analysis. The study used the case study design wherein qualitative tools such as documentary search and in-depth interviews with key informants were employed to gather data. Data was analyzed using content analysis for documentary data and thematic analysis for interview data. Information gathered was presented using emerging themes from the data. The main finding of the research is that, the regime governing the oil industry in Nigeria pushes the producing community to the periphery in decision making. The local people are frustrated because of the perception that oil revenue has not been used to improve their livelihoods. This has led them to resort to violence in seeking the attention of the government. The research concludes that conflict in Nigeria is a result of the governance system in the country which does not allow for the equitable distribution of oil wealth. The implication of this is that there is need for the inclusion of the Delta people into the central government such that their needs can be addressed at the highest level. The research recommends the systematic reform of institutions governing the oil industry in Nigeria such that the government would be made accountable on the use of oil revenue.
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>CRS</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>FGN</td>
<td>Federal Government of Nigeria</td>
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<td>FOC</td>
<td>Foreign Oil Company</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GG</td>
<td>Gulf of Guinea</td>
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<td>JTF</td>
<td>Joint Task Force</td>
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<td>LDC</td>
<td>Less Developed Country</td>
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<td>MEND</td>
<td>Movement for the Emancipation of the Niger Delta</td>
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<td>MNC</td>
<td>Multinational Corporation</td>
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<td>MNOC</td>
<td>Multinational Oil Company</td>
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<td>MOSOP</td>
<td>Movement for the Survival of the Ogoni People</td>
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<tr>
<td>NNPC</td>
<td>Nigerian National Petroleum Corporation</td>
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<td>UNITA</td>
<td>National Union for the Total Independence of Angola</td>
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CHAPTER 1
INTRODUCTION

1.1 Background of the Study
Over the past decades various researchers both economists and political scientists have been examining the relationship between natural resources and conflict. Many of these researches have shown a positive correlation between countries richly endowed with natural resources and conflict. Such researches include (Ross 2004, 2006, Basedau and Lay 2009) which provided evidence that natural dependent and rich countries seem to be more likely to lapse into violence. In fact, from the history of many of these resource-rich countries, evidence shows that natural resources can work to blighting the social and economic landscape with higher levels of poverty, fuelling institutional weakness and endemic corruption, acting as a disincentive to peace and stability, and providing the impetus for authoritarian rentierism among ruling elites-, (Pere 2007: 22). Paul Collier, an expert on the economics of civil war, estimates that close to fifty armed conflicts active in 2001 had a strong link to natural resource exploitation, in which either licit or illicit exploitation helped to trigger, intensify or sustain violence, (USIP 2007: 6). Therefore, it has been concluded by many of these researches that instead of being a blessing, natural resources have in most cases prove to be a curse, (Auty 1993, Sachs and Warner 1995).

Within the literature on the relationship between natural resources and conflict debates have centered on the political and econometric causes of conflicts. Grossman in Collier and Hoeffler (2004: 564) cites rebellion as an industry that generates profits from looting so that the insurgents are indistinguishable from bandits or pirates. This means that the incidence of civil war is explained by the opportunity that generates profit. On the other hand, political science offers an account of conflict in terms of motive- rebellion occurs when grievances are sufficiently acute that people want to engage in violent protest,” (Collier and Hoeffler 2004: 564). Motive in this model is the basis for understanding the incidence of conflict. The challenge that may be faced is that while there is overall agreement that economic factors matter to conflict dynamics, there is little consensus as to
how they matter relative to other political and socio-cultural factors, (Ballentine and Nitzschke 2003: 2).

The type of natural resource contributes differently to the incidence of conflict. Karl (2005: 670) indicates that, natural resources and war are linked, but oil plays a special role in this relationship. This is because oil produces high rents. Cases in point abound. Recent civil wars in oil-exporting countries have occurred in Algeria (since 1991), Angola (1975 - 2002), Indonesia /Aceh (since 1986), Yemen (1990-1994), the Sudan (since 1983), Nigeria (1980-1984), Iraq (1985-1992) and the Republic of Congo (1997, 1999), (Ibid: 67). From these cases, it would appear that the presence of oil in a country is in itself a disincentive to peace and stability.

Africa holds a valuable proportion of the world’s oil reserves. According to Gonzalez (2010: 2), Africa holds 9 percent of the world’s proven oil reserves compared to the Middle East’s nearly 62 percent: but her oil production… is expected to double over the next 20 years while it stays flat and declines in much of the rest of the world. This has elevated the Gulf of Guinea (GG) region to a position of strategic importance to the world’s energy sector. Research has shown that the region notwithstanding its strategic importance has also been vulnerable to internal instability. Mane (2005: 134) contends that, resource-rich countries in the Gulf of Guinea have witnessed continuous instability in Nigeria… conflicts in the Republic of Congo and the Central African Republic, or more recent failed coup attempts in Equatorial Guinea. Therefore, this study intends to examine the relationship between natural resources and conflict in the Gulf of Guinea, with particular focus on Nigeria.

1.2 Statement of the Problem
The rents from the oil-rich Niger Delta have not been translated to the development of the livelihoods of the indigenes in this region. Several factors explain this state of affairs. On one hand, there are imprints of colonial legacy where the colonialists selectively developed one region in Nigeria at the expense of the other. For instance, Osaghae (1998: 5) notes that, “By 1912 there were only 34 primary schools in the North to South’s 150 primary, and ten secondary schools (the first in the North was established in 1922). On the other hand, the management of the country by the local leaders acted to aggravate the
situation. This mainly resulted from the authoritarian rule of the country by the military which divided the country from three regions which existed in the 1940s to the current 36 states. The implications of this together with the alteration of the “derivation principle” which was the basis of revenue sharing in the country since the colonial era meant that the weaker divided minority states would no longer enjoy the larger share from the oil rents. This has resulted in rising discontent and militancy especially among the unemployed youths. The strategies that have been used to register this discontent has been militancy which includes -blockades against oil facilities, occupations of oil installations, workers strikes, and legal proceedings by communities against the companies for ecological compensation-, (Zalik and Watts 2006). Therefore the perpetuation of the colonial legacies that is, the underdevelopment of the Northern region and the management of affairs in post-independent Nigeria to the disadvantage of the oil rich Niger Delta states have worked to form the core grievances of the minority disadvantaged people. This has forced them to form militant groups to fight for the control of oil in this region, in return the government has been responding with its heavy arm thereby perpetuating instability and loss of lives in the region. This study seeks to examine the relationship between natural resources and conflict taking into account the political and socio-economic context of Nigeria. The study seeks to examine the extent to which natural resources and or other social and political issues impacts on the security situation in the country. This study will thus facilitate an understanding of the role of natural resources in conflict. The research will be guided by the question: what role does oil play in triggering conflict in Nigeria relative to other socio-political factors?

1.3 Hypothesis
Lack of accountability and unfair distribution of natural resource rents amalgamated with political and social grievances normally results in explosive conflicts in resource rich countries.

1.4 Objectives of the Study
The primary objective of this study is to examine the relationship between natural resources and conflict in the GG region with particular focus on Nigeria.

The specific objectives of the study are:
• To describe the historical development of the conflict over oil rents in Nigeria.
• To ascertain the impact of structurally-induced scarcity resulting from the distribution of rents in Nigeria.
• To analyze the various stakeholders involved in the conflict over oil in Nigeria and their motives in triggering and sustaining the conflict.
• To recommend on measures to be taken to solve the conflict over oil rents in Nigeria.

1.5 Research Questions

Main Questions

The questions that this study seeks to answer include;

• What kind of relationship exists between natural resources and conflict in Nigeria?
• What are the historical factors that have worked in shaping the conflict in Nigeria?
• What is the impact of the governance system in Nigeria on the distribution of oil rents and or conflict over oil?
• Who are the various actors involved in the conflict over oil in Nigeria? What motivates them to engage in the conflict over oil?

1.6 Preliminary Literature Review

The resource curse theory as highlighted in several studies postulates that resource wealth looms large in most African countries and yet despite the prospects of wealth and opportunity that accompany the discovery and extraction of these resources, such endowments often impede balanced and sustainable development, (Auty 1993, Lal and Mynt 1996, Collier et al.). Duruigbo (2005: 2) concurs by noting that most resource-rich countries without exception are plagued by a plethora of social, economic and political problems. These problems include extreme poverty, environmental degradation, human rights abuses, authoritarianism, civil conflicts and wars. The empirical evidence of the resource curse in Africa includes the resource wars in countries such as Angola and Sierra Leone. On the one hand, the lack of natural resources has not proven to be a fatal barrier to economic success. The star performers of the developing world- the Asian Tigers (Hong Kong, Korea, Singapore, and Taiwan)- have achieved booming export industries based on manufactured goods and rapid economic growth without large natural resource reserves-, (Humphreys et al.).
There are variant forms of the resource curse thesis. One such variant form explains a situation where a resource-rich country can perform well in terms of its economy. This can be witnessed in Nigeria whose economy is now the largest in Africa with a Gross Domestic Product of more than US$ 500 billion. In this case, the theory contends that even when resource-rich countries have done fairly well, they have often been plagued by rising inequality—they become rich countries with poor people. Economic development according to the theory therefore, is possible even in the resource rich countries. However, that development does not transform the living standards of the people. This creates horizontal inequalities among the people living in that particular country. The horizontal inequality in access to social services works to incite rebellion thereby creating instability.

The greed and grievance theory on the other hand posits that either greed or grievance is the motivating force in a civil war. The grievance theory posits that the quest for equality is the motivating force in civil wars. According to Morrison (2010: 5) the general fact on which this mechanism centers is that oil benefits are often not distributed evenly within countries, which creates marginalized populations willing to fight for better access to those benefits. However, it is important to note that the specific natures of the salient grievances vary widely. And this has implications on the nature of the conflict itself where in some cases because of the actors involved, it can be a full blown war or it may just be violent insurrections perpetrated by certain groups within a country. Morrison (2010: 5) notes that—sometimes, the grievance belongs to the local population in the area where the resource is located, whose land may have been appropriated, who may be exposed to environmental hazards…the group may also be regionally defined. The Niger Delta is an example of people who are regionally defined and are opposed to the idea of the oil rents benefiting and developing other regions in the country at their expense.

The greed theory on the other hand posits that greed rather than grievance motivates conflict applicable to conflicts in resource-intensive Third World countries—(Kratzer 2012: 1). There are two variants within this approach. The first approach contends that, "rebels actually control the resources and sell them in order to gain additional funds,” (Collier and Hoeffler 2000: 15). The other variant focuses on external actors - “other
countries or international corporations have an increased interest in the political outcome and therefore support various rebel groups, (Morrison 2001: 6). However, in as much as the greed and grievance dichotomy appears to be clearly hinged on distinct motives for inciting civil strife in resource rich countries, it also follows that there are instances where grievances can during the course of the civil war turn into greed. The reverse is also true for greed. According to Obi and Rustad (2011: 13), although a number of heavily armed groups, such as Movement for the Emancipation of the Niger Delta, MEND and Niger Delta People’s Volunteer Force, NDPVF in Nigeria, use the rhetoric of longstanding political grievances, it is not always clear to what extent their actions reflect sincere political intentions.

Since the mid-1990s, there has been a growing body of research on the causes of civil wars, and one of the important findings is that natural resources play a key role in triggering, prolonging and financing conflict by providing both finance and motive for armed conflict thereby creating indirect economic and institutional causes of violence, (Ross 2003, Humphreys 2005, Fearon 2005). Instead of being a blessing, natural resources have in some cases proved to be a curse in most African countries, (Auty 1993, Basedau and Lay 2009). However, it is important to note that not all kinds of natural resources can cause conflict. There are revenue-producing and non-revenue-producing natural resources. Resources such as water and land are mostly used locally; this means that they do not have impact beyond the local area. On the other hand, resources such as timber, mineral and oil are used to produce revenue and consequently have impact beyond the local area, (USIP 2007: 3). In terms of the resource curse, the revenue-producing resources are the ones that are associated with problems whereupon competition over these resources stimulates and or intensify and sustain violence, (Ibid: 3). Therefore, resources such as oil, diamonds, and gold have been central to the relationship between natural resources and conflict.

The nature of the natural resource itself can have an immense impact on their role in civil conflicts. Ross (1995: 23) suggests that the role played by any natural resource depends largely on its loot ability and, to a lesser extent, its obstruct ability and legality. A given resource has a higher chance of fuelling conflict when it has characteristics that require
less specialized skills to exploit and refine it, has high liquidity and is highly palatable and therefore smuggled easily. For instance the alluvial diamonds in Sierra Leone and the bunkering activities in the Niger Delta in Nigeria have been made possible by the easy extraction of these resources. Karl in Dumigbo (2005: 6) concurs that, countries that relies on revenue from petroleum are among the countries that experience slow growth rates, are marred with violence and instability and have autocratic governance systems. The easy extraction of oil creates an environment that is conducive for criminal activities.

Natural resources can also act to exacerbate already existing tensions. Conflict over natural resources mostly becomes part of or intensifies conflict emanating from already existing political, economic and cultural issues in society, (USIP 2007: 6). This suggests that, natural resources tend to play different roles in conflict. The roles may range from being the main cause, means of sustaining the conflict or may act to spark a war where there would have existed other different underlying tensions emanating from the ethnic, cultural or even political realm. For example, violence and conflict in the GG has mainly been as a result of ethnicity, social inequality and lack of a patriotic political culture, (Osaretin 2011: 187). Conflict in most cases is brought about by complex set of events which includes poverty, ethnic or religious grievances and unstable governments, (Ross 2002: 4), in some cases, economic incentives and opportunities interact with social and political grievances thereby triggering conflict, (Pere 2007: 24). Natural resource abundance relatively explains the cause of conflict in some countries and not in others. In addition, it does not follow that every resource rich country has been subjected to instability and underdevelopment. In this regard, there is need of reviewing the nexus between natural resources and conflict such that the effect of other intervening variables can be fully appreciated. Therefore, this research seeks to examine the relationship between natural resources and conflict within the context of oil rich Nigeria. This research, unlike Collier and Hoeffler’s (1998) which concluded that natural resource dependence is correlated with higher risk of conflict, and Berdal (1996) and Collier (1994) who noted that where there is more to winning, actors who benefit in the conflict often have vested economic interest and hence seeks to perpetuate the conflict, seeks to analyze the relationship between natural resources in a holistic manner taking into account the context in which politics occur. This study while it will build on the body of
existing literature on the nexus between natural resources and conflict, will consider this relationship in the context of the impact of social grievances assessing how these also act to trigger conflict.

1.7 Justification of the Study
Studies on the relationship between natural resources and conflict have tended to put emphasis on the economic causes of war at the expense of the other social and political factors unique to a particular country. For instance, Hirshleifer (2001) in his study on civil wars and conflict proposed the Machiavelli Theorem that no profitable opportunity would go unused. This study therefore emphasizes the economic benefits that accrue to the actors in the civil war. Where the relationship between natural resources and conflict has been examined, the emphasis has been on how the actors in the conflict have gained revenues from oil to sustain their cause giving less attention to other intervening variables that works to incite or cause the conflict. This can be supported by Collier and Hoeffler’s (2005) study which suggests that the booty character of natural resources motivates rebels to take up arms and/or continuing conflict. Yet in the resource-conflict nexus, it is equally important to appreciate the environment within which oil and other natural resources have been linked to conflict and assess the extent to which either oil or the other factors have contributed to the shaping of the incidence, duration, character of a specific conflict. Studying the relationship between oil and conflict from a case study perspective is useful in that oil cannot be the cause of conflict but can be a means to a particular political end or vice versa. More so, this study will add to the body of existing literature on the relationship between natural resources and conflict drawing from the Nigerian case.

1.8 Research Design
The research adopted the case study design using qualitative methods. The methods that were used include in-depth interviews with key informants and documentary search. A case study research examines a contemporary phenomenon within its real-life context, (Yin 2009: 2). This method allowed the researcher to examine the relationship between natural resources and conflict in a context-based manner thereby yielding results that best explains this nexus in the Nigerian context.
1.8.1 Sampling
In choosing respondents to the study, the researcher used purposive sampling which is a non-probability sampling technique. In purposive or judgmental sampling, the researcher interviews people who have expertise on the area. The variables that informed the selection of key informants for the study were accessibility and in-depth knowledge of the area on natural resources and conflict.

1.8.2 Data Collection Methods

1.8.2.1 In-depth Interviews with Key Informants
The researcher used in-depth interviews with key informants to collect data. Key informant interviews consist of a social setting who serves as a major source of information about the setting to a qualitative research-, (Dooley 1984: 293). The technique gave the researcher room to conveniently choose respondents who had expertise on the subject area. The researcher interviewed members from the academia. This technique yielded primary data that aided in the analysis of the relationship between natural and conflict in Nigeria.

1.8.2.2 Documentary Search
The documentary search method refers to the analysis of documents that contain information about the phenomena to be studied, (Bailey 1984: 12). This method involves the use of already published material on the topic. The documents that were reviewed in this study includes public materials in the form of books, journal articles, reports from conference papers and related International Organizations reports. This method yielded secondary data which was useful in the analysis of the relationship between natural resources and conflict in Nigeria.

1.8.3 Data Analysis and Presentation
The qualitative data generated by the study was analyzed using content and thematic analysis. Content analysis was used for secondary sources and thematic analysis for interview data. Content analysis involves the categorization of the same data under a particular theme as it emerges from the findings. In this case, themes were developed based on relevant data both from reviewed literature and interview data. This data was then presented under the themes that emerged during the analysis of data.
1.9 Chapter Outline

Chapter 1- this chapter has introduced the problem under investigation and the need to answer the research questions.

Chapter 2- this chapter is a theoretical chapter which conceptualizes the relationship between natural resources and conflict. It analyses the resource curse, greed and grievance theories. The main focus of the chapter is to establish whether there is a relationship between the two variables from a theoretical perspective.

Chapter 3- this chapter is the first of the empirical chapters. It gives a historical overview of the development of conflict in Nigeria from the colonial era extending to post-independent Nigeria. The chapter assesses whether there has been a continuation of policies from the colonial era to the post-independent period and the implications on the trajectory of the conflict in the country.

Chapter 4- this chapter examines the issues around the hypothesis of the study. It explores the key actors involved in the conflict over oil in Nigeria especially focusing on the motives and incentives. The understanding of such factors is crucial in that it helps to ascertain the relationship that exists between oil and conflict in Nigeria.

Chapter 5- this chapter summarizes key findings of the study, provides the conclusion of the entire study and recommendations.
CHAPTER 2

CONCEPTUALIZING THE RELATIONSHIP BETWEEN NATURAL RESOURCES AND CONFLICT

2.1 Introduction
The strategic environment has since the end of the Cold War been characterized more by intra state conflicts rather than interstate conflicts. Civil wars have become more common such that all of the fifteen major armed conflicts active in 2001 had a strong link to natural resource exploitation in which either licit or illicit exploitation helped to trigger, intensify or sustain violence (Collier and Hoeffler 2004). Keen in Ballentine and Nitzschke (2004) described many of the conflict dynamics as “the continuation of economics by other means.” The role of natural resources in fuelling conflicts has led other scholars to term these conflicts “resource wars”, with others labeling these as new types of armed conflicts-., (Ballentine and Nitzschke 2004, Cilliers 2000, Renner 2002). Various accounts informed by different theoretical frameworks have been used to explain these developments. This chapter reviews the prominent theoretical approaches such as the resource curse and greed and grievance theories in explaining the relationship between natural resources and conflict.

2.2 Definition of Terms
There is no one definition for the term conflict. However, what is important is that each definition that has been brought forward is useful in that it emphasizes certain aspects of the phenomena. Conflict can be understood as antagonistic interaction between two or more parties usually based on scarcity of resources, power and different values systems-, (Robbins nd, and Rutten and Mwangi 2014). Conflict is a situation in which a minimum of two parties strive at the same moment in time to acquire the same set of scarce resources, values and to power, mostly the aims of the contending parties are not only to gain the desired values but to neutralize, injure or eliminate their rivals. The guiding definition of conflict in this study would be the rivalry that exists between parties seeking to exert control over resources or values in society.
2.3 Theoretical Perspectives on Natural Resources and Conflict

2.3.1 Resource Curse Theory
Throughout history, economic factors have played a central role in the politics and economics of countries. Natural resources have brought with them opportunities and threats to mineral economies in terms of economic development and security. A mineral economy can be defined as a developing country which generates at least 8 percent of its Gross Domestic Product (GDP) and 40 percent of its export earnings from the mineral sector, (Auty 1993). The conventional view on the role of natural resources in economic development has been that natural resource endowment is most critical in the early low-income stages of the development process, and it was in the 1950s where most development economists suggested that resource abundance would ensure economic growth in the Less Developed Countries (LDCs) (Auty 1993, Ross 1999). However, evidence from most mineral economies suggests that there is an inverse relationship between resource endowments and development and stability as the case in Angola during the civil war period and the conflict-ridden DRC.

Empirical evidence show that countries endowed with natural resources perform worse off than those that are less endowed. It seems that these natural assets can distort the economy to such a degree that the benefit actually becomes a curse. The underdeveloped and conflict ridden Niger Delta of Nigeria is a prime example. This intuitive is the basis of the resource curse, a concept proposed by Auty (1993) and-, Sachs and Warner (1995) which postulates that there is a negative relationship between endowment with natural resources and social and economic development, this resource curse has over the years manifested itself principally in the economic and security sphere, where a mutually reinforcing negative relationship has developed, consequently, natural resources for most countries have proved to be more of a curse than a blessing-, (Auty 1993, Asamoah 2013, Duruigbo 2005, Di John 2010).

The resource curse presents a paradox which has been argued to be a constant motif of economic history-, (Sachs and Warner 1995). Karl (2007) describes resource curse as the paradox of plenty where countries that are dependent on petroleum for their livelihood
(with the notable exception on Norway) are among the most economically troubled, the most authoritarian and or the most conflict-ridden in the world. Oil is amongst the prominent resources that are related with resource curse. The conflicts that occurred in Angola (1975- to 2002), Sudan (since 1983) and Nigeria (1980-1984) are some of the cases in point that substantiate the notion that oil producing countries have been the most conflict-ridden in the world. However, some oil rich countries have not been prone to these conflicts or the inverse relationship between resource endowments and development; this can be exemplified by Norway.

Social conflicts, poverty and environmental degradation are the main indication of the resource curse-, (Ardhyanti and Basuki). Social conflicts are commonly caused by dispute in the distribution of natural resources-, (Collier 2000). In many cases, it has to be acknowledged that even if there would be a curse in natural resource countries, there would be a few elites who would be benefiting from the extraction of oil such that there would be a poor country with a few filthy rich elites. The curse mainly comes due to the fact that resource wealth will not be used to transform the livelihoods of the people in the country as a whole. The resource rich countries are countries with large numbers of poor people. What further complicates the situation is that the disparities in the living conditions of the people can regionally be defined or can be in terms of ethnical distinctions. This will be the impetus for social conflicts in these countries, such as the case in Nigeria where religion and ethnicity are the mobilization factors for the groups that seek the equitable distribution of rents from oil. Pere (2007: 5) concurs to this by noting that oil benefits the ruling elite and the people are doomed to suffer a curse, oil corrupts absolutely and influences the creation of rebel groups thereby fomenting wars. It is these indications for the resource curse that will formulate grievances that incites conflicts in the resource rich countries. This can be seen in the violent confrontations that occur in the oil rich Niger Delta of Nigeria.

The theory, notwithstanding the insightful information on the relationship between resources and economic development and conflict has been grossly exaggerated and labors under the burden of available evidence. This is mainly because the mere presence
of resources does not suffice to explain this development but there is need of an appreciation of other intervening variables. Pere (2007: 6) argues that intervening social and political factors and historical considerations are conveniently ignored in most cases where the relationship between natural resources and conflict has been considered and the idea that oil is a curse in Africa could be shallow and a misplaced. Obi and Rustad (2010) concurs by noting that the Niger Delta case shows why it is necessary to understand the historic, socio-economic and political context because conflict is very dynamic and involves many interacting variables. This follows that the presence of oil or any other important natural resource is no validity of there being a curse in terms of economic development and conflicts but that the history of the particular country is also an important point to note. In order to have this holistic approach in analyzing the relationship between conflicts, this research will complement the resource curse with the greed and grievance.

2.3.2 Greed and Grievance Theory

Greed Theory
While it has not been disputed that economics matters to conflicts, there remains contestations as to how it matters relative to other political and historical factors. This has been epitomized in the greed and grievance theory. The debate on the economic causes of civil war thus has been centered on the greed versus grievance dichotomy which juxtaposes “loot seeking” with “justice seeking”, this can also be understood as economics versus political drivers of civil war-, (Collier 2004, Ballentine and Nitzschke 2004). Collier introduced the greed theory, which states that economic motivations and opportunities, “loot seeking” are more highly correlated with the onset of conflict such that rebellion is seen as an industry that generates profits from looting, so that the insurgents are indistinguishable from bandits, (Collier and Hoeffler 2004, Grossman). This explains the oil bunkering activities and the kidnappings of the workers of the multinational oil companies operating in the Niger Delta for ransom that are so prevalent in the region. The greed theory contends that the main source of motivation for such violence-related activities is self-enrichment hence the incidence of rebellion is explained by atypical circumstances that generate profitable opportunities.
There is empirical evidence that supports the correlation between resource abundance and the risk of armed conflict. This can be supported by the conflicts in Angola, Sierra Leone and the DRC. In the Angolan civil war, National Union for the Total Independence of Angola, UNITA depended heavily on diamonds which provided a means for the payment of arms either through barter or by exchanging diamonds for cash. In the same war, the Movement for the Liberation of Angola, MPLA relied on oil. The diamonds in this resource war provided an opportunity which the rebels used for financing their cause and it appears that the continuation of the conflict benefited UNITA thereby this serves as a case for the greed theory. In such civil wars, in so far as grievances factor at all, they amount to little more than a rebel discourse used to mask and to justify their predatory activities among those whose support they seek, (Collier and Hoeffler 2000).

There are two variants to the greed theory that explains the role of natural resources in providing an opportunity for rebellion. The first variant focus on “greed insiders” who exploits any opportunity available to them to loot resources for their economic benefits, the variant to this focuses on “greed outsiders” who might intervene militarily either directly or through support for internal warring factions in order to gain or maintain the resources available in the particular country, (Basedau and Lay). When considering conflicts in resource rich countries, it therefore becomes imperative to make a distinction on the actors that are motivated by greed in the conflict because both internal and external actors may seek economic benefits that may accrue to them in a particular conflict. Again, greed among rebels depends on the abundance of the resource in concern, however, for outsiders it may not even be country-possibly relative to global scarcity that determines violent interventions, (Ibid).

Grievance Theory
Political science offers an account of conflict that is in direct contrast to that offered by economists. Conflict under the grievance theory occurs when grievances are sufficiently acute that people want to engage in violent protests, (Ibid). The grievance that causes rebellion ranges from inequitable distribution of resource rents, patrimonial rule, and the systematic exclusion of ethnic or other minority groups can create conditions conducive to the onset of conflict, (Nafziger and Auvinen 2003). This has been termed as the
horizontal inequalities-, (Steward, 2003). For instance, oil is the mainstay of the Nigerian economy accounting for about 80 percent of national revenue, however, not much benefit has accrued to the Niger Delta, which produces the oil, and the region is less developed in terms of the infrastructures and is further characterized by incessant poverty. This is further complicated by the environmental degradation of the ecology which has been the source of livelihood for the local communities-, (Greenpeace 1994, Okonta and Douglas 2001, Asuno 1982).

In as much as grievances can be used to account for the occurrence of conflicts in resource rich countries, the salient nature of the grievances and the aggrieved actors vary from country to country. The grievances and the aggrieved actors may range from, grievances coming from local population in the area where the resource is located, whose land has been appropriated, who may also be exposed to environmental degradation, the marginalized population may also be broad as when poorer groups in resource-rich countries experience transitory inequality as part of the development process, or the group may be regionally defined either by religion or ethnicity-, (Morrison 2012, Klare 2001, Humphreys 2005). Though the greed and grievance theories appear to be distinct on paper, many researches have concluded that in these so called “war economies” conflict can best be understood by taking a holistic approach which considers the interaction of economic motives and opportunities with socio-cultural, political and economic grievances, which produces the horizontal inequalities in the resource rich countries (Ballentine and Nitzschke 2003, Steward 2003, Nafziger and Auvinen 2003).

2.4 Economics and Politics: Exploring the relationship in Conflicts
The greed and grievance theory set forth distinct accounts of the causes of conflict whereby the greed theory posits that conflicts serves as an industry that benefits the actors to a conflict, on the other hand the grievance theory view the socio-economic disparities among the people in a resource rich country as the driving factors of conflicts. While they appear to be differences between these theories a closer analysis of these factors at play in conflicts espouse a correlation which leaves a lot to be desired in terms of how much the other matter in the conflict relative to the other.
More so, empirical evidence from various researches on resource wars shows that there can be mutation of the motivating factors influencing a conflict. For instance, the initiation of a conflict can be informed by greed and during the course of the conflict, the prominent motivating factor for the continuation of the same conflict can be grievance or the reverse. The Angolan case serves to validate this point. The Angolan civil war started as an anti-colonial struggle long before natural resource exploitation became the dominant source used for the funding by both UNITA rebels and the government. This means that political factors influenced the conflict and yet natural resources later became a means for the sustenance of a conflict that had been informed not by greed or grievances against the distribution of resource wealth but buy purely political factors. The complex dynamism of such conflicts brings challenges to a single approach in the analysis of the role of natural resources in conflicts. It therefore becomes important, from the onset to combine these theories such that one would appreciate a situation where a transformation or evolution of grievance into greed may occur-, (Watts in Obi and Rustad 2010).

2.5 Conclusion
The resource curse thesis gives a summative analysis of the relationship between natural resources and conflict. It is based on the premise that there is an inverse relationship between resource endowments with natural resources and economic development. This makes these resource rich countries vulnerable to conflicts. On the other hand, the greed theory gives an economic-centric view of conflict. The grievance theory accounts the occurrence of conflicts in resource rich countries basing on the horizontal inequalities in these countries. Each of these theories is equally crucial in the understanding of conflict in the resource rich countries, no one theory explains the occurrence of conflict better than the other but contextualizing conflict in the context in which it occurs gives an objective understanding of a particular conflict and its motivating factors. It is also important to note that in conflicts there may be transformation of greed into grievance or the reverse. Hence, the historical, socio-economic and political factors constitute important areas to be examined in conflicts. The next chapter will assess the historical development of conflict in Nigeria examining the various factors from the colonial era extending to the post-independent state of Nigeria that have worked to influence the occurrence of conflict in the country.
CHAPTER 3

PERSPECTIVE ON OIL POLITICS IN NIGERIA

3.1 Introduction
Nigeria is amongst the countries that have been susceptible to civil war due to various factors that include the fact that Nigeria is the most populous country in Africa, with its population size being a key determinant of civil war susceptibility, a substantial proportion of export earnings comes from crude oil, this together with abject poverty is a double whamming in making the country vulnerable to conflict-, (Fearon and Laitin 2006). This has mainly come as resultant factors of the colonial imprints in Nigeria as has been the case in other African countries. The colonial legacy in the oil rich country is evidenced mainly by the diverse ethnic groups, religious differences and the disparities in the development of the regions in the country. The ethnic and religious differences have been used as identifying features. Politics in the post-independent country again has been determined by these ethnic differences. Whilst Nigeria has been a country vulnerable to conflict as indicated by Fearon and Laitin (2006), oil exploration and management has provided the triggering mechanism for the conflict in the Niger Delta. Oil exploration has made unsuitable the conventional economic activities in the Niger Delta that is, farming and fishing. Oil therefore, became the center of conflict in the Niger Delta. This chapter gives the historical overview of the development of conflict that rocked and is still persisting in the country especially in the oil rich Niger Delta.

3.2 The Impact of colonialism and the Development of Conflict
Nigeria’s post-independence politics is embedded in its colonial history; from the time the Southern and the Northern protectorates were amalgamated into the state of Nigeria. Nigeria came into being on 1 January 1914 when the Southern and Northern protectorates were amalgamated by Sir Fredrick Lord Lugard, the implications of “this mistake of 1914” saw the amalgamation of regions that had little in common, (Ejibunu 2007, Osaghe 1998). Two regions which were previously administered as separate though related territories were combined together mark the birth-date of Nigerian state-, (Osaghe 1998). Before the advent of colonial conquest there was no Nigeria and the likelihood that a state like it could have revolved were remote because what existed in the period of the
establishment of colonial rule was a motley of groups whose histories and interactions were interwoven by trade yet they were clearly three discernable regions (Ibid: 2).

The amalgamation of the Southern and Northern protectorates saw the coming together though achieved by force of different religious and ethnic groups together. The north was mainly of an Islamic push which was an outcome of long-established trans-Saharan trade and migrations which linked the Hausa states, Kanem Barru empire and the Fulanis mainly to North Africa, Mediterranean and the rest of the Arab world-, (Ibid: 2). The climax of the Islamic ascendency came with the jihad launched in 1804 which brought most parts of Hausaland and portions of ‘pagan’ groups of the Middle Belt region under the centralized and hierarchical theocratic rule of the Sokoto Caliphate-, (Usman in Osaghe 1998). After the establishment of Muslim groups in the North, the non-Islamic groups were pushed to the periphery because they were numerically inferior, under British indirect rule, appointees of the Caliphate and Emirates were imposed as rulers on the non-Muslim groups. To the West was a group of closely related empires, states and kingdoms, the most notable of these were Oyo and Benin who spoke dialects of Yoruba, these two subjugated other non-Yoruba language including the Edo sub-group, Urhobo, Isoko and some Igbo, these groups in the West ranked next to the centralized theocracies of the Islamized parts of the North-, (Smith in Osaghe 1998). The East consisted of various scores of segmented Igbo, Ijaw, Efik, Annana, Kalabari and the Arochukwu-, (Ibid). The different regional groups were the ones that later formed the Nigerian state as it is known today.

The effect of British acquisition of territory in the entity later known as Nigeria had three different strands which approximated to the regional formations. This further came as a result of constitutional changes that took place in the country in the 1940s where three groupings emerged as the colony of Lagos and hinterland (Western) Protectorate, the Oil rivers and later Niger Delta protectorate (Eastern) and the Northern Protectorate or in simple the North, West and Eastern regions and the Lagos Colony-, (Ibid: 3, Onoh 1983). In the early 1960s, the Mid-West region was created from the Western region and it was later renamed the Bendel state of Nigeria-, (Onoh 1983). The regions continued to be split further into smaller political units to the thirty-six states that make up Nigeria today.
3.3 Effects of Colonialism on the State of Nigeria

The major impact of colonial rule on most of the African countries inclusive of Nigeria is the creation of artificial boundaries establishing in most cases heterogeneous society. Countries with homogenous groups of people have been at most as a result of chance not deliberated plans or actions by the colonial masters. The British left Nigeria a country of 350 ethnic groups that speak 250 languages, the country is 50% Muslim, 40% Christian, and 10% animist with the North remaining principally Muslim and the South Christian and animist-, (Ibid, Johnson in Thomson 2012). Religion is an important political tool even in most amiable situations; it was and continues to be a prominent identifying feature in the lives of most Nigerians-, (Adesoji in Thomson 2012). Johnson further contends that since independence in Nigeria, there has been a strong impulse toward regionalism based on ethnicity and religion versus nationalism. This can be substantiated by the civil war that erupted over the succession of Biafra which declared independence owing to religious and ethnic differences. The nature of the Nigerian state as established by the British fits well in Fearon and Laitin’s (2006) model of countries that are vulnerable to conflict in this respect.

Violence within and between ethnic and religious groups is a familiar feature of life in Nigeria. This can be evidenced even in the politics of the country which is more informed by these ethnic differences. Thomson (2012: 48) notes that every election during periods of civilian rule has featured violence from political assassinations to voter intimidation as groups vie for control of Nigeria. That the presence of significant oil reserves is concentrated in the south has exacerbated divisions. Relatively, the role of oil in the Nigerian conflict can thus be understood within the socio-political dynamics that characterize the oil rich country in Africa. The discovery of oil in large quantities in the late 1950s coincided with socio-political dynamics that already made the country vulnerable to conflict. Oil, of course has a role that it plays in the current conflict in the country, but the role that it has played is that it has acted as a triggering mechanism or a catalyst.

The administration of Nigeria under colonial rule resulted in disparities that have been widely felt in the Northern region in terms of civilization, infrastructural development and
political opportunities. The British in their divide and rule tactic developed the southern part at the expense of the northern part. The gaps between the two parts in Western education was very wide largely because most of the schools in the country were established by Christian missions such that by 1912 there were only 34 primary schools in the North to the South’s 150 primary and ten secondary schools, the first in the North was established in 1922, (Osaghe 1998: 34). The gap in political development was equally serious as evidenced by the fact that whereas nationalist movements emerged in the early twentieth century in Lagos and a few other Southern towns, and political parties like Herbert Macaulay’s Nigerian National Democratic Party, (NNDP), formed to contest the elective seats for Lagos and Calabar, political and nationalist activities were discouraged in the North where the first political association emerged in the 1940s-, (Osaghe 1998). In addition, while Southern politicians and nationalists had gained considerable experience being members of the central legislative council, their Northern counterparts did not sit in this council until 1947 when the principle of regional representation was introduced by the Richards Constitution-, (Ibid). The socio-political grievances that informs, incites and influences the initiation of conflict in Nigeria is not solely embedded in oil but other historical factors that have been perpetuated in the administration of the country after its attainment of independence in 1960.

3.4 Post-independent Nigeria and the Politics of Oil

3.5 The Niger Delta in Perspective

The map below shows the states that make up the oil rich Niger Delta in Nigeria. The Niger Delta is a coastal plain in the southernmost part of Nigeria which is made up of nine states which includes, Abia, Akwa-Ibom, Cross Rivers, Rivers, Bayelsa, Delta, Imo, Ondo and Edo-, (Obi and Rustad 2010). The prominent place the Niger Delta occupies in the national and global realm is directly linked to its strategic importance as the source of over 75 percent of Nigeria’s petroleum production and exports-, (Ibid). Due to the strategic importance of oil found in this region, the region hosts the country’s oil industry with diverse actors that include, oil multinational companies, state and local oil companies. Obi and Rustad (2011) note that this makes the region both a site of globe oil production and international relations bringing the local into close proximity with the global. Furthermore, Gonzalez (2010) notes that, it is the national governments’ and the
oil giants insensitivity to the local communities rights to oil revenue which had caused the final escalation of the low-intensity conflict. From a security perspective, it can be noted that the presence of various actors in an oil rich region makes the conflict of interests inevitable hence instability and or violent eruptions will be rampant.

Figure 1.1 Niger Delta

![Map of the Niger Delta region](image)

Source: Crisis Group Africa Report in Ejibunu (nd)

### 3.5.1 Oil at the Center of Conflict in the Niger Delta

### 3.5.2 From an Agro-based Economy to Oil Exports

Before the establishment of British rule in the Niger Delta, the people within this region had established an economic system which revolved around, to a large extent, the oil palm industry, (Aghalino 2000: 20). The oil palm was central to the economic and social lives of the people in Nigeria. It constituted the traditional source of revenue. Apart from this, the palm was used for different purposes which includes; the trunk was used in building
houses, the fiber was woven into fish traps, the fronds were used for making thatched fences around compounds, the frond again was used as feed for goats, (Aghalino 2000: 22). Live for the Delta people revolved around the oil palm industry. Their economic and social needs were fulfilled in their undertakings in this industry. In post-independent Nigeria, oil was discovered in large commercial quantities in the late 1950s and 1957 specifically. It was found by Shell BP in Oilibiri the now Bayelsa state, however, oil exports did not commence until two years later, (Obi and Rustad 2011: 13). Oil has taken the central role in the economy not only of the Niger Delta but Nigeria as a whole yet its revenue is not used to develop this region of origin. According to Dr Chimanikire in an interview conducted by the researcher, oil extraction is not a clean exercise; it results in drastic environmental degradation. Again, there have been cases of oil spills in the region. The immediate consequence of this is that the environment is no longer conducive for the thriving of the palm plantations. Instead of working on their plantations, the indigenes now have to look for employment in the foreign owned oil companies of which only a few are employed there. Because of oil extraction, the Delta economic activities have changed from farming and fishing to oil extraction. The inequitable distribution of oil especially against the local people has fuelled disenchantment and triggered the violent protests in the region.

3.5.3 Revenue Sharing-A Source of Conflict in the Niger Delta
Oil was found in the Niger Delta during the waning years of colonialism. The regime on the revenue formula initially was crafted by the colonial masters and it was done on the basis of the derivation principle. The revenue formula during the colonial periods was not as politicized as it is in Nigeria today; it considered the autonomy of regions. Before 1953, revenue was allocated to the regions on the basis of derivation that the regions from which a resource came from could get more after the central government had been able to meet its obligations-, (Ibid). This position changed when Nigeria attained independence coupled with the successive military government that ruled the country. This resulted in a changed and prejudiced financial position of the regions which was trimmed by the military governments leading to a strong center and weak states as opposed to the concept of strong regions or states and a weak center of the 1950s and early 1960s-, (Ibid). This has resulted in the oil wealth flows accruing to the powerful elite, social services, public
safety programs, and education are of very low quality even non-existent and this has made Nigeria to rank amongst the world’s poorest populations with 75 percent of the population living on $1.25 per day-, (Thomson 2012). This has made true the notion that instead of being a blessing, natural resources and oil in particular can be a curse because in the case of Nigeria and specifically the Niger Delta, oil wealth has not been used to transform the living conditions of the people. Instead, it has changed the living conditions of the people for the worse because the environment has been degraded and it is no longer conducive for their subsistence economic activities that include farming and fishing.

Since the discovery of oil in the region, the sharing of oil revenue has been a complex problem because of the diverse ethnic profiles. Apart from the oil wells of the Imo State of Nigeria, which lies in the Igbo land, most of the oil discoveries have been mainly in the minority tribe areas of Bendel State, Rivers State and Cross River State of Nigeria. Of importance to note is that the split of the region in the country from the once three regions to the thirty-six states making Nigeria today had a negative impact on the politics of the country. This is because each split weakened some states and oil rich states have not been an exception to the effects of such actions. These minority states are determined to secure a larger portion of the oil revenue for themselves on the basis of the derivation principle, because of the riotous number of their minority populations they have been unable to wield a very strong influence in Nigerian politics or secure a large portion of the oil revenue-, (Onoh 1983: 107). This again must be married to the colonial imprints especially on the disparities that were crafted and left by the colonial masters in terms of the lack of development of the other regions in the country especially the Northern and Eastern side. The discovery of oil in the Niger Delta has been a gleam of hope to this region yet their expectations have been frustrated. In this way, oil triggers conflict in an already conflict prone country made up of a hopscotch of ethnic groups.

3.5.4 Federalism and its Impact on the Distribution of Oil Rents
Federalism can be defined as the principle of sharing sovereignty between central and provincial and or governments, it is particularly common in large countries, whether by size or population-, (Hague et al. 1998).Nigeria became a federation in 1954 in an attempt to strike a balance between unity and diversity because it allows the component units of a
political organization to participate in sharing powers and functions in a comparative manner in the face of the combined forces of ethnic pluralism and cultural diversity, (Aghalino 2000, Aiyede 2004, Tamuno1998 in Olarinmaye 2008). In post-independent Nigeria, the three regions were further split into smaller political units in an attempt to accommodate the demands of the minorities who wanted states of their own instead of being grouped into the three regions. The impact of this was that each time new states were created, the political strength of the mother regions or states was reduced, and appreciating their weak positions, the Niger people have tended to align with the political parties which have the backing of the major tribal groups in order to get a bigger share in the oil rents (Onoh 1983). This therefore weakened the position of the people in the Niger Delta to have a voice that can be heard by the central government. This has resulted in the low-profile violence that is so common in the country and to the feelings of exclusion, dispossession and disappointment resulting from the inequitable distribution of oil that incites these people to engage in violent confrontations both against the government and the multinational oil company workers and the sabotages on their infrastructure.

3.6 The Biafra War and the Role of Oil in the Conflict
That Nigeria has been from its establishment a society composed of ethnic groups with a strong inclination to regionalism and autonomy was seen in the secession attempts that led to the civil war in the country in 1966. Col. Ojukwu justified the declaration of the Republic of Biafra on 30 May 1967 as a way that was meant ensure the provision for the people of Biafra the security and sense of belonging denied to them in Nigeria, Nigeria on the other hand justified its declaration of war on Biafra as a quest to keep the interests of Africa united, (Onoh 1983). However, notwithstanding the fact that the Biafra war appeared to have been incited and initiated by other factors other than oil, oil became an important factor in the civil war. Also, it was after considering that the Aburi agreement was going to ensure a large measure of autonomy for the regions in which the Eastern region stood to benefit largely from the oil revenue derived from the large oil reserves of the Eastern region that Col. Gowon refused to abide by the Aburi agreement. Interestingly, the oil companies paid rents and royalties during the war to both sides in order to ensure their survival, in terms of which side was going to win, (Ibid). It can be noted that oil is intricately linked to the complex dynamics of the nature of the Nigerian
state; its role in the conflict cannot be underestimated yet caution should be taken to avoid the generalization of oil in the conflicts that occur in the country.

3.7 Conclusion
The establishment of Nigeria just like the creation of other African countries has been as a result of the imposition of artificial boundaries by the colonial masters that did not consider the diverse cultural differences of the people. Consequently, Nigeria has emerged as a country with people diverse in ethnicity, religion and languages. These factors alone made the country vulnerable to conflict, however, the disparities that came as a result of the divide and rule tactic used by the British has worsened the politics in the country where ethnicity has been used as an identifying factor. The perpetuation of these disparities inherited at independence by the Nigerian government in the era of oil exports to a region that feels marginalized already has provided reasons for the continued eruption of conflicts in the country. That the Delta people do not benefit much from oil extraction yet oil exploration has made their region unsuitable for the conventional economic activities, farming and fishing makes conflict in the region inevitable. Furthermore, conflict is made inevitable because most of the oil is from an ethnic minority region; its political and economic significance makes it a key factor in national politics under ethnic minority-ethnic majority relations especially with regard to the control of this important resource. In Nigeria, wealth in the form of oil sits side by side with poverty especially in the Niger Delta. Therefore, the intricate and complex making of the Nigerian state, the devil in the form of capitalism that most Less Developed Countries find hard to escape from, the repressive rather than responsive government and ethnically aligned minority groups in the Niger Delta makes conflict inevitable. The motives of the various actors involved in the conflict shall be analyzed in the next chapter in order to ascertain whether oil only or a combination of different factors as has been discussed in this chapter that makes Nigeria vulnerable and at risk of conflict and or civil war.
CHAPTER 4
GOVERNANCE FRAMEWORKS AND KEY STAKEHOLDERS IN THE OIL CONFLICT IN NIGERIA

4.1 Introduction
Oil production gives rise to large state revenues and the very existence of these large sums gives impetus to class and factional struggle to control the state and preside over the spending of these oil revenues, (Nore and Turner 1980: 2). Whereas Marxist writers concentrated their analysis of the oil industry mainly on the antagonism which exists between the national and international bourgeoisies, represented by nation states and oil companies, antagonism may occur within the nation state itself epitomized by conflicts between the government and the people, (Nore and Turner 1980: 2). This is mainly caused by the fact that oil production gives raise to acute contradictions between social classes thus the quest to control the potential benefits from the oil economy forms the center stage for the ensuing conflict. The oil industry in Nigeria has been dominated by two of its three key stakeholders: the Federal Government of Nigeria (FGN) and foreign oil companies with host communities relegated to the background in decision-making processes within the oil industry, (Idemua 2009). This chapter is going to discuss the intricate relationship between the FGN, foreign oil companies and the local people in the oil industry with the aim of bringing forth the various causes of conflict in the Niger Delta.

4.2 Regimes in the Nigerian Oil Industry
The complex dynamism of the oil industry in the Gulf of Guinea and Nigeria in particular is governed by Concession Contracts and or Production Sharing Contracts, (PSC). These regimes spells out the relationship between the host government and foreign oil companies (FOCs) in terms of the rights each has both over land ownership and the resource itself. These regimes have a direct bearing on the allocation of revenue between the government and oil companies, defines the rights of the government and the role the government occupies in the industry. Most oil-rich countries tend to contract FOCs because oil exploration is characterized by huge capital expenditures, high technological expertise which most developing countries lack, (Saidu and Sadiq 2014) as a result FOCs with sufficient capital expertise, technology as well as investment risk capabilities are
issued with licenses to explore and develop oil in the oil-rich developing countries, (Johnston 1994).

Concession was the first system of petroleum development arrangement which originated in the United States of America, (Saidu and Sadiq 2014: 35). Under concessions, FOCs have the control and ownership of oil and gas resources while the government receives revenues from rentals, royalties and taxes, (Blake and Roberts 2006). On the other hand, production sharing contract is a contractual agreement between FOC and host government in which the contractor (FOC) bears all exploitation costs, risks and development production costs in return for a specific share of the production from the operations, (Saidu and Sadiq 2014: 42). Furthermore, what differentiates the PSC from other types of contractual arrangements is; entire exploration risks are borne by FOCs and they receive no compensation if no oil is found and the host governments have the ownership of both the resources and installations, (ibid: 42).

The contractual arrangement that a government adopts is crucial in determining whether that particular country will enjoy the benefits emanating from the oil industry. Initial exploration activities in the 19th and 20th century in the GG were done on the basis of concessions granted to multinational oil companies, however, from the 1950s, 1960s, 1970s and 1980s there has been a transition from concession contracts to PSCs, (Allen 2012: 36). The reason for this transition was the “change of heart on the part of states over transfer of ownership rights to explore, produce and market the oil to multinational companies,” (Allen 2012: 36). Oil exploration in Nigeria take place through joint venture partnership agreements and production-sharing contracts between the Federal Government of Nigeria,(FGN) represented by the Nigerian National Petroleum Corporation (NNPC) established in 1977 and the oil companies-, (Idemua 2009: 5). The NNPC acts as the superintendent of the oil sector which dictates the pace and direction of activities in the industry and holds an average of 57% in joint venture partnership arrangements with the oil companies-, (Ibid: 5).

The PSC arrangement in Nigeria provides a glimpse of hope towards the transformation of the lives of the people. The fact that the government through this arrangement occupies a central role in the exploration and marketing of oil, retains control on the granting of
contracts to FOCs solidifies this hope. However, this optimal arrangement that the FGN is in with FOCs is of little relevance to the local people because to them there is no difference especially pertaining to the question whether it’s the government or the FOCs that controls the production of oil. This is because they do not benefit from the exploration of oil. As a result, it becomes true to say that the oil industry in Nigeria has been and is still dominated by two of its three stakeholders, the FGN and foreign oil companies with the host communities relegated to the background in decision-making processes, (Idemua 2009: 5). Further complicating the matter is the militarization of the Niger Delta seen by the presence of the Joint Task Force, (JTF). The opposite situation of what was pictured by Inglehart in Hague et al (1998: 60) becomes a true reflection of the Nigerian feelings, that “even where democracy has no answer to the question, ‘what have you done for me lately,’ it may be sustained by diffuse feelings that it is an inherently good thing. These feelings may in turn reflect economic and other successes that one once experienced long ago.” The governance system especially in the Niger Delta does not provide even pacifying feelings that solicits feelings of loyalty to the government. Also, there are no historical memories of the government engaging in infrastructural programs that may lead to the betterment of their lives.

The Niger Delta presents a breeding ground for violent protests agitating for resource control rights and opportunistic criminal gangs. The region consists of 6 states, however, the NDDC act of 2007 added three states making it a region of 9 states (Ako 2010). Agitations for resource control thus comes from producing communities, transit communities, that is those communities whose territories transit pipelines pass and terminal communities-those communities on whose coastal territory terminal oil-related facilities are located, (Idemua 2009: 6). The fact that the oil-rich region in Nigeria has been heavily militarized by the government, that the government though it has control over the oil industry through the PSC and yet does not engage in developmental projects that will ensure the accessibility of social services to the people of the Niger Delta forms the grievances of the various communities mentioned above. To them, the government and the FOCs are the devils that stop them from enjoying the benefits of the black gold in their region. Therefore, this provides the center stage of the conflict in the country as shall further be elaborated below from a stakeholder perspective.
4.3 Transformation of Non-Violent Protests to Violent Protests

Politics in Nigeria has been shaped by the desire to control oil by various stakeholders and especially the local communities as a result of them being relegated to marginal positions in so far as decision making in the oil industry is concerned. Various groups that have emerged in the country with the aim of seeking for an increased role or position to control oil resources confirm this point. Calls for resource control in Nigeria have passed through various stages that were defined by different strategies while harboring the same goals. Maehler (2010: 12) notes that already in the 1970s, there were spontaneous protests and local conflicts in the Niger Delta who used mainly non-violence as their strategy to achieve their goals. The most famous of these groups is the Movement for the Survival of the Ogoni People (MOSOP). This group emerged in 1990. The response of the government to this ‘better publicized’ protest was one of brutal repression of the Ogoni people and the elimination of their leaders which came to be known as the ‘execution of the Ogoni nine’ through the operation that Major Paul Okutimo called ‘wasting operation’ directed at crushing MOSOP protest,’ (Maehler 2010, Obi and Rustad 2010).

The violent response of the Abacha military government to the Saro-wiwa led protests have been interpreted as the causal factor for the transformation of non-violent protests to the violent protests that characterize the conflicts in the Niger Delta. According to Ikelegbe (2010: 127) by the late 1990s, the crushing of the MOSOP resistance and the violent repression of the Ijaw Youth Council (ICY)-led campaign for resource control by government forces paved way for a discourse that clearly expressed frustration with the failure of non-violent protest to gain the attention of the government and oil companies and get them to respond to the demands of the people. The failure of the non-violent protests led to the transformation of the strategy to the violent one, because the government was meting out violence, the people had to employ violence also in their attempts to have their grievances addressed. Thus, since then violent struggle-comprising inter communal violence, increasing clashes between armed military groups and security forces, and attacks against transnational oil companies has continued, (Maehler 2010: 12).
4.4 Stakeholders in the Nigerian Oil Industry

4.4.1 The Government
The government of Nigeria has been and is an important stakeholder in the oil industry in the country. The actions and inactions of the government have also been wells and springs of the violence-related conflict that has been prevalent in the country. This can be seen where the government reviewed the derivation principle such that it ended up getting the lion’s share from the oil revenues at the expense of the oil rich states. Also, it has been using violence to repress those movements that seeks for the control of the oil resources in their various states. The government to the chagrin of many has been using violence even where it will be protecting the interests of the FOCs.

In addition, the conflict over oil in Nigeria can also be understood from the institutional perspective where good institutions are believed to be a means to the translation of resource wealth to benefits enjoyed by the people. Institution can be defined as the rules of the game in a society and good institutions can be defined as regulatory apparatus curbing the worst forms of fraud, anti-competitive behavior, a moderately cohesive society exhibiting trust and social cooperation, (Acemoghu et al and Rodrick in Duruigbo 2005: 19). Therefore, it is the nature of the Federal Government of Nigeria (FGN) that has precipitated violence related conflicts in the Niger Delta. The FGN has been using repressive legislation to achieve this. Decree No. 51 which transferred the totality of the petroleum products to the government and the Land Use Decree of 1978 which gave land ownership rights to the government and its accredited agents confirms this point, (Ojakorotu and Gilbert 2010: 9). The effect of the latter decree is that it disposed the Delta people of ownership and occupants rights.

The government has also been using violence to quell and pacify any movement that has been a hindrance to the production of oil or its interests in the region. Several special police and military units have been formed and used for the ‘invasion,’ occupation and harassment of some of Delta communities especially ‘to teach them a lesson’; (Ojakorotu and Gilbert, 2010: 9). The table below shows some of the task forces that the FGN has formed;
Table 1.1 Task Forces Formed to Torment Groups Agitating for Resource-related Rights

<table>
<thead>
<tr>
<th>Name of the Task force</th>
<th>Target of the Task Force</th>
<th>Date of Incidence</th>
<th>Deaths and other Casualties</th>
</tr>
</thead>
</table>
| Nigeria Mobile Police Force (MOPOL) | • Was established to quell a peaceful youth protest against Shell in Rivers state | 31 October 1990 | • 80 people killed  
• About 500 houses were destroyed |
| Rivers State International Security Task Force | • Was established to arrest and detain members of MOSOP and its supporters | | • Execution of the Ogoni nine (Ken Saro wiwa and other 8 supporters)  
• About 2000 people were executed extrajudicially |
| Combined Team of MOPOL and the Nigerian Army | • Established to invade Choba community and suppress a protest against WILBROS (a foreign servicing firm) | January 1999 | • 10 people killed  
• 25 women raped  
• Community temporarily deserted |
| Nigerian Government through | • Established to invade Odi community | November 1999 | • 1000 people brutally killed  
• Several people |
“Operation Hakuni 2” declared missing

- All houses except 3 were destroyed
- Property destroyed

<table>
<thead>
<tr>
<th>Army occupation - the Joint Task Force</th>
<th>Established for the continuous suppression of oil related protests in the Niger Delta</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JTF invaded Odioma in 2005</td>
<td>October 2005</td>
</tr>
<tr>
<td></td>
<td></td>
<td>17 people killed</td>
</tr>
</tbody>
</table>

Source: Author’s Own Compilation from Ojakorotu and Gilbert (2010)

The above table has shown the various military and police forces that were established by the government to suppress the protests in the Niger Delta. Doctor Chimanikire in an interview conducted by the researcher noted that the governance structure in Nigeria provides a structure that furthers the interests of the elites. The laws that are made in the country are not meant for the smooth running of the country but to protect the conglomerates operating in the country such that the elites will continue benefitting from their activities. He further noted that the government is not concerned much about the welfare of the people but just to make attractive deals that attract more FOCs such that their pockets will remain dripping with money thus this will further promote a breeding ground for corruption.

Though the government engaged in various institutional and legislative frameworks that were meant to address the region’s infrastructural underdevelopment, not much has come as a result of these attempts. Examples of these institutions include the Niger Delta Development Board (NDDB) established in 1961 by the Niger Delta Development Act based on the recommendations of the Willinks Commission, the Oil and Mineral
Producing Area Development Commission (OMPADEC) and the formation of the Ministry of Niger Delta formed in 2008, (Ojakorotu and Gilbert 2010). Even though these efforts appear to be laudable, they were superficial and characterized by insincerity and lack of adequate political will by the successive administrations, (Ojakorotu and Gilbert 2010). This explains why MEND has been formed with the need of forcing the government not to continue ‘beating around the bush’ (Ako 2010: 47).

### 4.4.2 Local Communities

The significance of the Niger Delta to the Nigerian economy cannot be underestimated. This region is the goldmine of this populous African economy and the center stage for violent activities in the country. This can be supported by Shell, (nd) which argues that the region contributes over 85% of the government’s revenue through oil and gas production, receives very limited support for human services, basic infrastructure and amenities. More so, although some 60% of the oil and gas industry workforce originate from the Niger Delta region, being a non-man power intensive industry, there prevails a high degree of unemployment especially among the youths, (Shell). These among other grievances explain the unrest and unstable business environment caused by the youths, militias and criminals in the region. As noted by one analyst, the question today in the Niger Delta is no longer whether there will be violence, but a question of when and where, (Ibeanu 2000).

Feelings of marginalization and exclusion inform the various uprisings that have been witnessed in the Niger Delta. The differences that can be seen in these various movements pertain to the strategies that they used to achieve their goals. However, the underlying causes of these uprisings have been the same. Ako (2010: 42) notes that the quest of resource control by the people of the Niger Delta lies at the heart of the violence in the region where resource control is based on claims of ownership, access and equity, and the desire that the region be left to manage its natural resources. The legislative framework in Nigeria coupled with the governance military governments that ruled the country have been the contributing factors to the marginalization of these people. Ikelegbe (2005) notes that by decrees, oil and gas became owned by the Federal government and progressively, the region’s entitlements by way of derivation based allocation declined from 50% to a
mere 5% in 1984 and later 3% in 1999. These developments that saw the changing of the allocations that the region had been getting from oil revenues has informed the people to engage protests that either were non-violent or violent ones. The table below therefore shows the various groups that have emerged in the Niger Delta agitating for resource control;

Table 1.2 Popular Groups Agitating for Resource Control in the Niger Delta

<table>
<thead>
<tr>
<th>Group</th>
<th>Grievance/s</th>
<th>Years</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niger Delta Volunteer Forces (NDVF)</td>
<td>● Called for legislative frameworks that would promote the development of the oil-bearing communities.</td>
<td>1966</td>
<td></td>
</tr>
<tr>
<td>Movement for the Survival of the Ogoni People (MOSOP)</td>
<td>● Called for the control of the Ogoni oil by the Ogoni people</td>
<td>1990</td>
<td>● Non-violence</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>● Produced the Ogoni Bill of Rights which set forth their grievances</td>
</tr>
<tr>
<td>Ijaw Youth Council (IYC)</td>
<td>● Called for ‘absolute’ control of the resources in each federating unit in Nigeria by the indigenes</td>
<td>1998</td>
<td></td>
</tr>
<tr>
<td>Movement for the Emancipation of the Niger Delta (MEND)</td>
<td></td>
<td>2005</td>
<td>present</td>
</tr>
</tbody>
</table>

Source: Authors own compilation from Ako (2010), Obi and Rustad (2010)

Oil extraction and exploration in the Niger Delta has been a double-edged sword to the people living in this region. This is because increasing oil exploration has made the region economically and socially prostate due to the extensive environmental degradation and ensuing socio-economic disruptions and poverty, (Ikelegbe 2005). However, massive oil
wealth has not translated into development in the Niger Delta. On the same note, Ojakorotu and Gilbert (2010:8) note that oil exploration by various oil companies in Nigeria like Shell, Mobil Producing Nigeria Unlimited, Chevron Nigeria Limited, Nigeria Agip Oil Company Limited, NAOC and Elf Petroleum Nigeria Company Limited has caused large-scale environmental contamination, dilapidation, and outright desolation through dredging, construction of access canals to create paths to installations, oil spillages, gas flaring, oil well blowouts, improper disposal of drilling mud, and pipeline leakages and vandalisation. More so, (Ibid: 8) notes that for example, between 1976 and 1996, it was estimated that well over 60,000 oil spills occurred in the region, and about 2,369,471 barrels of crude oil leaked into the environment. This has not only made the region uninhabitable but also unsuitable for other economic activities like farming. The Delta people thus have their hands tied because they cannot engage in other economic activities to earn a living. Therefore when these people engage in acts of sabotage against oil installations, their message would be that ‘if they do not benefit from the oil output, then they will stop the oil from being produced,’ (Arnold 2000: 224).

Oil producing communities have also engaged in intra and inter conflicts over the rents that come from oil. Whilst ethnicity is a reality in Nigeria which must not be ignored, these communities have been fighting over the distribution and control of payouts and compensation by the MNCs for appropriated and polluted land and water, (Ikelegbe 2005: 220). This can be evidenced by the Ijaw/Itsekiri conflict in the Warri area which has erupted again in July 2003 and early 2004 after its initial start in 1997, where the Ijaw allege that both the state and the MNCs have unduly favored the Itsekiris, (Ikelegbe 2005: 220). It is also alleged that the Ijaws claim that they are the largest ethnic group in the Delta which has been resident there for thousands of years. This makes them feel that they must benefit more than any other group in the region. Thus the conflict in the Delta is not only between the host communities against the government and the MNCs but also amongst themselves with relation to how either the government or the MNCs treat the other group.
4.4.3 Oil Multinational Corporations
The discovery of oil in large quantities set forth the entrance of other multinational corporation in a field that had been previously been dominated by Shell. The other multinational oil companies that entered into Nigeria include Mobil, Texaco, Esso, Agip and Safrap, (Obi 2007). The guiding concept that defines the relationship of these companies and the local people in their area of operation is the Corporate Social Responsibility, CSR. The CSR is often taken to mean that businesses have obligations to society that go beyond profit-making to include helping to solve societal and ecological problems, (Idemua 2010: 167). The CSR concept places an obligation on the multinational oil companies to engage in social investments. Even though some communities have benefited from corporate-community relations like Exxonmobil which provided roads, renovated schools, provided electricity and supported local clinics in Inua Eyet Ikot, its immediate host community, these amenities are often lacking owing to the failure of the government to provide them, (Idemua 2010: 176). Consequently, this fuels conflict not only between aggrieved communities against the oil companies, but also it fuels intra and inter community violence where one community will view the other with suspicion as a result of the first benefiting from the social investments by the companies and the other community not benefitting.

Oil exploration is not a clean exercise. This was reiterated by Dr Chimanikire in an interview held by the researcher. It results in the emission of poisonous gases and oil spillages have been known to cause the land to be unsuitable for farming. According to Ojakorotu and Gilbert (2010: 9) statistics reveal that Shell, MPNU, NAOC, CNL, and EPNL are the worst offenders in the condemnable act of gas flaring which releases poisonous carbon dioxide and methane from not less than 275 flow stations in the Niger Delta. This will result in the destruction of farmland and aquatic life. Since the Delta people used to survive on agriculture and agriculture, it will mean that their means of survival has been destroyed. The result of this will thus be ‘occupation and shutting of oil facilities, abduction of MNC staff, hijack and seizure of NC helicopters and boats, stoppage of production and related activities undertaken by youth, women and community activists,’ Warw’s contention thus becomes true of the Nigerian situation especially
from the Delta people’s perspective that just as war is too important to be left to the generals, the supply of oil is widely seen as too important to be left to the oil companies.

Compensation given to communities and the lack of employment opportunities for the people has also been a source of conflict in the Niger Delta. Ojonovo in Idemua (2009) notes that there has been violence against elders and chiefs and other youths who are suspected of collusion with MNCs or have defrauded communities of compensation funds, the murder of traditional ruler of Evreni kingdom in Ughelli North in 2000 for alleged enrichment from MNC compensation and donations is an example of this, (Ibid: 10). The MNCs have also failed to provide employment to the host communities. The reasons for this include that, the technical skills required for most jobs in the industry are lacking because of decades of political and economic marginalization of the people in the region also, even though the MNCs have established training centers like the Mobil school in Eket which aims to help build local capacity for low-skilled technical jobs, (Idemua 2010: 172-173), these training centers are not enough. Whilst the efforts of the oil companies are not sufficient to address the needs of the local people, the fact that also there is no political will on the part of the government to compliment these efforts and satisfy the needs of the people, makes conflict in the Niger Delta inevitable. The militarization of the region by the government will not create a peaceful and stable business environment for the MNCs. Instead of enjoying the benefits of this God-given resource, the region will continue in turmoil resulting from the violence-related agitations by the people.

4.5 Opportunistic Criminals and Gangs in the Niger Delta
Whilst there are genuine concerns that have to be addressed by both the government and the MNCs to the host communities, there is also a crop of greed and opportunistic groups that operate in the Niger Delta. Idemua (2009: 11) notes that in some areas, youth groups and militants have been known to impose illegal levies on road users, land developers and the MNCs. More so, attempts to distinguish among the youth militias is difficult because trying to determine which militias are genuine and which are criminal is becoming difficult as the criminal elements are crowding out the genuine militants, (Ikelegbe 2010, Ukiwo 2008). Most groups that mushroom in this region also latch on the rhetoric of
resource control whilst they will be harboring ulterior motives, these include gangs and politicians who take advantage of resource control language in legitimizing their leadership and facilitating access to political power and increased oil revenues, (Ako 2010: 44). The unstable economic and political environment in the Niger Delta has thus provided an environment that is conducive for greed people who are corrupt and opportunistic taking advantage of the environment.

4.6 Conclusion
Oil exploration in the Niger Delta has been the causal factor of the conflict in the country which can be seen as early as the Biafra war. The struggle for resource control has been at the heart of most of the protest movements that have emerged in the Niger Delta. The protests initially were non-violent in nature but later transformed into violence after the non-violent means had failed to solicit the desired goals. Also, the response of the government to these protests has been violent in nature hence the people also resorted to violence. This has made the Niger Delta home to multifarious groups that have direct interests in the oil industry. Also, the PSC regime that governs the oil industry in the region gives the government and the FOCs more influence in the governance of oil at the expense of the host communities. The government is sustained by the profits they get from the FOCs and is thus determined to ensure a peaceful and stable business environment for the FOCs and hence has militarized the region by establishing the JTF. Conflict again is also prevalent among intra and inter communities who want a lion’s share of the oil revenue either from the MNCs or the government. Opportunistic gangs, thieves and politicians have also found space in the troubled region where they latch on the resource control language yet they do not have sincere grievances or where they only seek to satiate their greed ambitions. This however, should not obscure the reality that the Delta people clamor for inclusion, justice and a responsive and accountable government to ensure that they benefit from the exploration of oil which has destroyed their means of survival and made their land uninhabitable.
CHAPTER 5
FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
The chapter summarizes key findings, concludes the study and makes recommendations.

5.2 Summary of the Study

5.2.1 Purpose of the Study
Resource rich countries such as Nigeria have not fared well in terms of development and stability. Wealth generated from the exploitation and extraction of oil has not been used to transform the lives of the indigenes especially those from the Niger Delta which is the oil bearing region in the country. The Niger Delta has been lagging behind in terms of infrastructural development and other modern facilities notwithstanding its contribution to the country’s wealth. This state of affairs leans toward the resource curse thesis that there is an inverse relationship between economic growth, stability and endowment with natural resources. In Nigeria, this has been as a result of the failure of the successive post-independent governments to ensure the equitable distribution of oil rents, a practice inherited from the colonial system. The research therefore was concerned about assessing the role of natural resources and oil in particular in triggering conflict in Nigeria. Also important was to incorporate hitherto neglected social and political factors to the economic explanations.

5.2.2 Restatement of the Objectives
This study examined the relationship between natural resources and conflict in Nigeria by;

- Describing the historical development of the conflict over oil rents in Nigeria
- Ascertaining the impact of structurally-induced scarcity resulting from the distribution of rents in Nigeria.
- Analyzing the various stakeholders involved in the conflict over oil in Nigeria and their motives in triggering and or sustaining the conflict.
5.2.3 Restatement of the Research Questions
The main question for this study was; what kind of relationship exists between natural resources and conflict in Nigeria?

The secondary questions were;

- What are the historical factors that have worked in shaping the conflict in Nigeria?
- What is the impact of the governance system in Nigeria on the distribution of oil rents and conflict over oil?

5.2.4 Restatement of the Research Design
The researcher used the case study design using qualitative methods where in-depth interviews with key informants and documentary search were the tools for gathering data. Purposive sampling was used for choosing respondents. The documents used for the study included books on natural resources and conflict, electronic journals and reports from International Organizations on resource management. The researcher used content and thematic analysis for secondary and interview data respectively. The information has been presented using emerging themes from the data.

5.2.5 Frameworks for Analysis
In analyzing the relationship between natural resources and conflict, the research used the arguments from the resource curse, greed and grievance theories. The resource curse theory postulated by Auty (1993) asserts that countries endowed with large endowments of natural resources, such as oil and gas; often perform worse in terms of economic development and good governance than do countries with fewer resources. As such most resource-rich countries are riddled with multifarious and nefarious social, economic and political problems, (Duruigbo 2005: 2). On the other hand, the greed thesis as posited by Collier and Hoeffler (2000) contends that economic motivations and opportunities are highly correlated with the onset of conflict than ethnic, socio-economic or political grievances. In so far as grievances factor at all in influencing conflicts, Collier argues that they amount to little more than a rebel discourse used to cover and justify their greed activities among the people whom they seek support from, (Collier 2000). Collier thus hypothesized that resource wealth makes rebellion feasible by providing the opportunity and motivation for rebellion.
5.2.6 Limitations of the Study
The main limitation that the researcher encountered pertained to the use of key informant interviews. The main challenge was on the availability of the key informants. Key informants in this study included academics and officials from the Nigerian embassy. Some of them were busy and hence were not available for the interviews. However, the researcher managed to contact some of them; again, the impact of the non-availability of the other respondents did not hinder the study because some of the information was obtained from documents since data for the research was gathered using in-depth interviews with key informants and documentary search.

5.3 Summary of Findings and Analysis
The absence of accountability in the management of oil and unfair distribution of resource wealth together with political and social grievances has resulted in violent confrontations in the Niger Delta. This research confirms the hypothesis to a greater extent that lack of accountability and unfair distribution of natural resource wealth amalgamated with political and social grievances normally results in explosive conflicts in resource rich countries. Ballentine and Nitzscke (2003: 7) states that every conflict has its own history and dynamics and stakeholders implying that conflict is dynamic and cannot be explained from a monolithic point of view.

5.3.1 Historical Development of the Conflict in Nigeria
The results showed that Nigeria like other African countries has not been immune from the imprints of colonialism. The country is heterogeneous in terms of ethnicity and religion. These factors alone make the country vulnerable to conflict. The situation was further worsened by the disparities that characterized the country at independence in terms of infrastructural development and access to social services among the regions that was a result of the divide and rule tactic used by the colonizers. Nigeria at independence possessed indicators of a country that is susceptible to conflict. The discovery of oil in the country gave hope especially where the government was expected to build the nation by covering the infrastructural gaps inherited at independence. The failure of this to take place especially where the Delta people witness daily oil being taken from their region has been a cause of concern to them. Oil has been the catalyst for the conflict in the Niger Delta because of the devastating effects oil exploration has had on the environment and
the unfair distribution of oil rents. Ethnicity in particular is now used as a mobilization tool in a conflict that has been triggered by the inequitable distribution of oil wealth in the country. The Ijaw Youth Council, an ethnical group agitating for resource control confirms the importance of historical factors in the conflict in the Niger Delta.

5.3.2 Oil Governance in Nigeria
The oil industry in Nigeria is governed by the PSC arrangements between the government and the FOCs. Through these arrangements, government retains control over land and the resources underneath. This makes the government and the oil companies the major stakeholders in the oil industry since their relationship through the sharing agreements relegates the local people to the periphery in decision making. Ukiwo (2011: 19-20) contends that oil begins to flow when the interests of technology coincides with power. Technology provides the technical know-how and power provides the legal framework of exploration and exploitation. The government and the FOCs thus become the key players benefiting from the exploration of oil. The government even passed pieces of legislation to entrench its position on the oil wells. The Land Decree of 1978 gave land ownership rights to the government and its accredited agents; this consequently disposed the Delta people of ownership and occupants rights. Whilst the people believed in the social contract, that the government would engage in developmental projects that would benefit them using oil wealth, this has not been forthcoming. Again, politically groups that have emerged seeking the attention of the government have been met with repression. The breaking up of Nigeria into smaller region, acts done to make the country a federal state has weakened their voice in the politics of the country. According to Dr Chimanikire, the Nigerians copied federalism from the American but unlike the Americans they continuously created states not for the smooth running of the country but for patronage reasons. This has angered the people as they expect oil revenue to be used to transform and develop their region. The Delta people have resorted to violence after the failure of peaceful attempts to engage the government and the foreign owned oil companies on the issue. Lack of accountability and the unfair distribution of oil wealth have precipitated the conflict in the Niger Delta in Nigeria.
5.3.3 Delta People-An Aggrieved Society
In the Niger Delta, wealth and poverty sit side by side. The community is rich in oil – contributes 85% of the government’s revenue yet it is the most underdeveloped in the country. The people feel marginalized from every quarter of their lives. They receive very limited support for human services, basic infrastructure and amenities. The region has endured a long history of exploitation in that for decades now, it has accounted for much of Nigeria’s foreign exchange earnings over 90 percent and national GDP; over 40 percent but has enjoyed only a small portion of these, (UNDP 2006, Albin-Lackey 2007). Oil extraction has also caused large-scale environmental degradation. Oil extraction is a dirty exercise which coupled with oil leakages has made the region uninhabitable and unsuitable for other economic activities like farming and fishing, the conventional economic activities in the region prior to the discovery of oil. Ahonsi (2011: 29) notes that, prior to the discovery of oil in commercial quantities; the ND region had the most extensive lowland, tropical fresh forests, aquatic eco system and biodiversity in West Africa. The people languish in poverty, the oil companies does not fully employ the people. They have argued that the industry require highly skilled personnel. The paradox of the issue is again that the numbers of educated people in the region is small. The Delta people feel disposed, cheated both by the government and the oil companies. The experience of the ND people at the hands of the government and the FOCs is that of alienation, they are being alienated from the rents from oil yet they are the ‘goose that lays the egg,’ (Ukiwo 2011: 21). Violence is the only strategy they believe would help them to achieve their goal that of resource ownership.

5.3.4 Key Actors in the Conflict over Oil in Nigeria
Key actors in the Nigerian oil industry are government, foreign oil companies and the local people. There is no equality between the shares amongst these key actors. The government and the FOCs have a privileged position in the ownership equation. The government protects the oil companies because that is their source of wealth mostly used by the elites for self-enrichment. Oil wealth also makes it possible for the state to buy-off dissenting voices and to build military machines that can be used to repress those who cannot be bought off, (Duruigbo 2005: 35). The presence of the JTF a military arm of the Nigerian state in the ND confirms the above statement. The MNOCs also are a key
stakeholder in the oil industry which has joint venture agreements with the government. The activities of these oil companies have also bred violence especially where they do not take up their responsibility as corporate agents in the region. The government also has a protectionist tendency towards any forms of violence unleashed by the local people on these companies. There seems to be a lack of will and capacity on the part of the federal government to compel the oil companies operating in the region to clean up the region, pay adequate compensation to degraded and polluted communities and improve the safety standards of the roads, (Ahonsi 2011: 28). Such an environment where unfulfilled promises loom large and machinery for violence awaits for any opportune time to attack breeds not only conflict but also greed and opportunistic gangs that take advantage of the environment to satiate their greed ambitions. The local people occupies a central position in the violence occurring in the region where they fire their darts to the government and the oil companies from whom they claim some gains for the oil extracted from their region.

The key finding of the research in short is that lack of accountability and unfair distribution of natural resource wealth together with political and social grievances normally results in explosive conflicts in resource rich countries. Nigeria is a prime example for this. Much has been expected by the locals from the oil industry especially in light of the effects of oil exploration on the environment. Oil exploration has made the Niger Delta, one of the most wetlands in the world unsuitable for farming and aqua activities which previously were the economic activities in the region prior to the discovery of oil. Also in Nigeria, the regime governing the oil industry has had the effect of relegating the community from which oil is extracted to the periphery in decision making in the industry. Ukiwo (2011: 21) postulates that the nationalization of oil alienates the oil-producing communities in all its results, the attempts made by the government of naming certain types of oil and some oil fields after local oil-bearing communities was only symbolic and had no economic value. The people had to witness and endure oil being extracted from their region whilst their region remains underdeveloped. Using ethnicity as a mobilizing tool, various groups have emerged influenced by hunger, lack of basic infrastructures, unemployment to agitate for resource control. Oil companies have not been spared in the ensuing violence unleashed by the
local people because their activities in extracting oil have made the land uninhabitable and unsuitable for farming also destroying aqua life, which have been the conventional means of survival for the people. These companies have not paid enough compensation to the local communities. To the people, this miserable state of affairs has been the result of the actions and inactions of the government with regards to the oil industry. This has bred frustration and anger causing the people to use violence to seek redress on the above noted issues.

5.4 Implications of the Study
The paradox of rich endowment juxtaposed with poverty and instability in the Niger Delta makes the region an empirical case for the resource curse posited by Auty (1990). At the heart of the theory is the contention that there is an inverse relationship between endowment with natural resources and development. However, the underlying implication of the theory is a reflection of the deficiency of democratic institutions that can ensure accountability in the management of oil. Thus the Delta people languish in poverty at the behest of the government that is not responsive to their needs, where they use violence to solicit its attention, the government responds with fire and violence also. The politics of oil in the Niger Delta highlights more profound challenges with which the Nigerian state will have to contend, most notably, issues of fiscal federalism, minority rights, resource allocation and poverty alleviation, (Cesarz 2003). Therefore, in support of the argument put forward by this study, political and social factors equally matter in inciting conflict in resource rich countries. In the case of Nigeria, this implies that;

- There is need for systemic reform of the institutions in the Nigerian oil industry to ensure transparency and also the quality of the institutions should be such that they promote meritocratic distribution of the oil wealth in the country to address the grievances of the local people.
- There is need for the inclusion of the Delta people into the central government such that their needs can be heard directly at this high level, once into the government, there would be higher chances of them being heard.
The government should create an environment that allows the people to hold the MNOCs accountable especially in so far as their obligations as corporate agents are concerned.

5.5 Conclusion of the Study

The conflict in the Niger Delta epitomizes a conflict of interests over oil wealth with ethnicity in most instances as the mobilization force for the protesting groups. Whilst Nigeria and the Niger Delta in particular is a true statement of the resource curse, of importance is the fact that in this context the curse points to the deficiency of democratic institutions in the country that ensures that the oil bearing communities equally benefit from the wealth oozing out of their land. Oil appears to be the main and sole strategic tool for the conflict. However, the research established that Nigeria has not done well in terms of nation building where after inheriting a country that had developmental disparities, the country adopted federalism not for the smooth running of the country but as a strategy of transferring more power to the central government. This has left the Delta people irrelevant in the politics of the country. Their attempts to solicit the attention of the government were met with repression and the militarization of the region. Mid-way of the tension between the government and the people are the oil companies which perpetuates the conflict by failing to honor their promises to the local people, hence there are two rights making a wrong. The government therefore through some of its actions and inactions noted in this study has had a lot of hand in the making of the conflict and hence should be the main actor taking a lead in the initiatives to redress the situation if genuine transformation is to place in the region in particular.

5.6 Recommendations

The following are the practical suggestions that the researcher puts forward for the amelioration of the conflict in Nigeria particularly the oil rich Niger Delta;

- There is need for the setting up of oil trust funds where oil revenue would be placed under the control of a board of trustees such that the oil bearing community would benefit from oil wealth. This in a way would hold either the government or MNOCs accountable especially in those instances where they would not have submitted their mandated money to the fund. Trust fund can also be a way of
ensuring that compensation money paid by oil companies gets to the people it is supposed to benefit thereby curbing corruption.

- There is need for a constitutional provision giving them a certain percentage of posts in the central government and one that will acknowledge them as stakeholders in the oil industry such that they will be included in the decision making process concerning oil wealth. This will in a way do away with the challenge they face in particular marginalization both in decision making and development issues.

- There is need for youth empowerment programs that are well packaged to ensure that the youths benefit especially through employment creation so as to reduce criminal activities that take place in the region.

- The government must take an initiative in demilitarizing the region and engage peacefully with the people so as to allow the oil industry to flourish and be able to attract more investors into the region.

Political will is the underlying factor for the success of the above recommendations and the subsequent amelioration of the violent protests in the Niger Delta. This is mainly because the unstable environment in the region has been as a result of the actions and inactions of the government with the regards to the oil industry against the needs of the Delta people.
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