

# The Role of Multinational Oil Companies (MNOCs) and Militancy in Niger Delta

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## Abstract

*The discovery and exploration of oil in Nigeria seems to have come with good tidings and hope for a better development but today the reverse is the case. Oil has brought agony and insecurity in the country, particularly the oil communities of the Niger Delta region. The high level of marginalization and negligence on the part of the government, the elite and the MNOCs has resulted in militancy, which has consequently inflicted the economic growth of Nigeria. Resource curse is used to examine how the perceive petro dollar turns out to bring curse on the country. Despite different response by the government to address the unrest in the oil rich Niger Delta, yet the insurgency persist. This has been attributed to a commandist and lack of proper consultation with people of the region. This paper therefore, calls for a meaningful corroboration between the major actors in the exploration of oil and the people in order to have lasting solution to the prevailing problem and as a consequence a meaningful ataraxia.*

**Keywords.;** MNOCs, militancy, politics, Niger Delta, Nigeria.

## I. INTRODUCTION

Oil would have been a resource to engineer development and eradicate poverty in any community or state that has it but the reverse is the case in the situation of Nigeria and many Africa states that has this resource. Marginalization, unrest, terror, grievances, poverty to mention a few has been the reward of the people in these oil communities, considering the fact that oil cannot propel development without a good management by the government. Before the discovery of oil in a commercial quantity in Nigeria, the economy was driven by the proceeds generated from the agricultural product, produce like cocoa, groundnut, palm oil (oil and kernels), timber, rubber and the likes were the giant propelling the economy of the country. Government was responsible to the masses because they contributed somehow directly to the Gross Domestic Product (GDP) of the state; this was possible

because the equipments used in agriculture were simple and not too technical to operate, as well cheaper to purchase. The level of participation in the agriculture era was high and all regions were developing, most of the first generation universities were built with the proceeds, 70% of Nigerians were employed in this sector unlike the crude oil era (Graf, 1988, Robinson 1996, Iwaloye and Ibeanu 1997). The discovery of oil in 1958 in oloibiri Bayelsa brought an end to the agriculture era, which sees government paying more attention to oil revenue, coupled with the oil boom in the 1970s due to exponential increase in the price of oil at the international market, Nigeria government was able to manage the civil war without incurring any debt from anywhere. However, the economy of the state witnessed a new giant in oil which accounted for 95% of exporting earnings and 80% of national revenue (Obi, 1997). It is good to note that the Niger Delta of Nigeria is among the richest deltas in the world, other major deltas are either famous for crude oil or natural gas or grow mainly rice. The Niger Delta derives its name from the River Niger, happened to be one of world largest wetland and African's largest deltan, covering some 70,000km<sup>2</sup> formed by the accumulation of sedimentary deposits transported by Benue and Niger Rivers. The hydrology of the region is determined by the tides of the Atlantic Ocean and the flood regime of the River Niger. The ecosystem is particularly sensitive to changes in water quality, such as salinity or pollution to changes in hydrology. The Niger Delta communities have settled in the area for many millennia with the Ijaws being the oldest group, having lived there for over 7000 years (Alagoa 2000, Azaiki 2007, World bank report 1993).

An important concern threw up by oil which is of direct concern to our present effort, has to do with the destruction of the pre-capitalist mode of production which operated side by side with the capitalist mode before discovery of oil in a commercial quantities and formed the basis of the economic wealth and development programmes of three regional governments in the first republic. The prevailing mode

of production before the discovery of oil was one that was rooted in the agricultural culture of the people. And since the creation of wealth for accumulation was dependent on the people, they tend to matter in the development calculation of the ruling class. In the same way, the people have a stake and can in their own way affect the policies of government. In a sense, the agricultural mode of capital accumulation engendered democracy, accountability, transparency and responsibly governance. With oil, these changed. The means of accumulation now rest with the Multi-national Corporations with the support of the state. Production in this highly technical endeavour became restricted and limited in character and this made a lot of people to be alienated from the production process even the ruling class developmental concern dropped. This has left the indigenes of these oil bearing areas with no choice than to abandon their usual base to look elsewhere for survival.

Michael Ross makes the claim that government that fund themselves through oil revenues and have larger budgets are likely to be an authoritarian while government that fund themselves through taxes and are relatively small are likely to become more democratic. Petro dollars actually sever the very link between people and their government. Governments that don't need to rely on tax from its people do not subsequently feel much of an obligation to be accountable to them. The Nigeria government abandoned the masses and the oil host communities because they are no longer contributing immensely to the generated revenue of the state.

Different questions have been asked in respect to the management of revenue generated from oil proceed, which does not has a tangible effect on the economic status of the Nigerians at large and the oil host communities in particular. The presence of oil has brought more disunity and war than the blessings that ought to emanate from the proceeds; crude oil has been a curse to most of Africa state that has it including Nigerians and most importantly the oil communities' dweller but a blessing to the state. (Odukoya, 2006). Although oil has been a source of income for many decades, new discoveries and global economic and dynamics have prompted much debate as to how the resource can be used for development purposes. For many of African state in which oil is present, the financial revenues gained from this resource could go a long way towards redressing development needs that continue to plague the continent. Thus far, however, the indicators are not encouraging, countries that are highly dependent on oil revenues are; more likely to experience violent conflict (Le Billion, 2005), as they tend to priorities military over civilian expenditures and

primary human development indicators, such as health, education and poverty have worsen over time. In the view of Duffy (2003), oil has brought developing countries more harm than good. Its numbers indicate that oil wealth has tended to bleed away into the pockets of officials, soldiers and other elites, warping a country's development and far too often leaving its citizens in poverty. The group has clamour that the oil companies should be more transparent in such payments, and some government including the UK have pushed for voluntary disclosure but this has been a difficult task for some oil executives claiming that for them to go public in their dealings, there must be an agreement between the government of the various state in which they are operating because doing so independently can make them lose deal to their less scrupulous rival. Countries like Angola, Sudan, Democratic Republic of Congo and Nigeria are all oil producing state where benefit of oil are not felt on the citizen of the state in particular and on the state economy as a whole.

Despite obvious large revenue generated by the state from the oil proceeds, however, inadequate infrastructure, environmental degradation and pollution, resulting in excruciating and brutalizing poverty, unemployment, diseases, health hazards and even death among the people remains a major problem in the Niger Delta in particular and in Nigeria in general (TELL, February 18 2008). For example, the average number of health facilities and primary health centres in the Niger Delta were 296 and 271 respectively, which were far lower than the national average of 395 and 370 respectively. The average public primary school in the region is 956 against the national average which was 1,371 (National bureau of statistics, 2006). Victims of child trafficking as slave labour and sex workers are predominantly from this region (the Niger Delta). Most of the domestic servants and attendants at local restaurants engaged in dish washing and other detestable assignments in Nigeria today are from this region (United States Department of Labor, 2006). Emmanuel (in Dode, 2011), the youths are mostly abandoned with low level of education; they usually emigrate to bigger city centres in Lagos, Ibadan, Port Harcourt, among others in search of menial jobs. The head of the Nigeria Bureau of Statistics, Yemi Kale, describes the situation as paradoxical "that despite the fact that the Nigerian economy is growing, the proportion of Nigerians living in poverty is increasing every year" (Vanguard, March 4, 2012).

Rather than been beneficiaries of the blessing that comes with oil the Niger delta people are reeling under resource curse syndrome. Robert Dode explained this further

*“The picture is that of an area where on a daily basis, millions of barrels of crude oil are drilled from a region where more than 90% of Nigeria’s foreign exchange is earned; yet, the citizens live below the poverty line. These environments lack the basic essentials of life like good shelter, electricity, roads, water and medical facilities. Yet oil workers occupying the rig sites enjoy all of these, in addition to chopper (helicopter) services for those that work offshore (Dode, 2011)”*

Violent reaction could occur when people are denied of their resource and as well neglected and alienated, when they perceive inconsistency between what one expects and what one get in life (Gurr, 1970). This becomes compounded when it is obvious that the benefits of such resources are extended to a clique of people especially outside the community. This is the story of the Niger Delta people. The visible impact of deprivation and alienation of the people of the Niger Delta from the benefits of the oil wealth found in their area gave rise to series of agitations and conflicts. Since the state has failed to transform the wealth into blessings, the people resorted to series of violent agitations in demand for the control and ownership of the oil resources (Ibaba, 2008; Nnenyelike, 2009; Enweremadu, 2011; Dode, 2011). The most threatening dimension of the agitation is the resort to violence, most often where peaceful means have failed and at times as a response to governmental repression. Some of the people approaches have included outright seizure of oil wells, kidnapping of oil workers, violent demonstration and direct confrontation with the state and its agents; the oil multinational. (Omotola, 2007).

In response to the devastating living condition of the Niger Delta inhabitant and the unrest which bedeviled the areas as a result of militancy, the government set up different developmental commission in the past in order to improve the well being of the affected communities. These commissions includes the Niger Delta board which was set up in 1961, following the recommendations of Willinks commission of 1958, The Niger Delta Basin and Rural Development Authority in 1976, The presidential task force in 1982, Oil Minerals Producing Areas Development Commission (OMPADEC) in 1992 and Niger Delta Development Commission in 2000. The Oil Minerals Producing Areas Development Commission (OMPADEC) was expected to mediate between the companies and the communities as well as to receive and administered, the monthly allocation from the federation account in accordance with confirmed oil production ratio in each state of the Niger Delta yet the commission does not meet the yearnings and aspiration of the oil communities which makes its

performance to be unsatisfactory as it only provided electricity and pipe borne water in some villages (Akinwale, 2009) due to inadequate funding political struggle among nine oil producing state over the control of OMPADEC, as result of that the commission was replaced with the Niger Delta Development Commission (NDDC) which was established in 2000 and with similar mandate and on an increased budgetary allocation of 13% which is given straight to the state government. That the various commission have not succeed in developing the Niger Delta is rooted in the structural distortion and contradiction of the Nigeria social formation that has being grossed over. At best, the commission are able to embark on some seemingly developmental programmes like roads constructions, provision of social service (schools, health care facilities etc) but development in the view of the World Bank which involve the eradication of poverty, and the advancement in the quality of life of the people are left unattended to. This could not be otherwise, as the informing ideology of actions is rooted in exploitation, authoritarianism and the survival of the fittest (Odukoya, 2006). The OMPADEC and NNDC initiatives are neither participatory nor developmental. It is in fact anti-development to the extent that it was a technique for disempowerment of the developing revolutionary consciousness in the people of Niger Delta areas. If it ever achieved anything, it is another avenue for primitive accumulation for the member of the Nigerian ruling class from the Niger Delta.

Based on the foregoing will this paper be examining the actors involved in the politics of oil and consider their role in the emergence of unrest in the Niger Delta also, the origin and causes of the militant groups will be study as well. Resource curse theory will be explore to study how perceive blessing or good fortune of oil turn curse for the people of the Niger delta and in returns gave room for agitations.

## II. CONCEPTUAL CLARIFICATION

### A. Politics

As a concept in the social sciences, politics have various interpretations to different scholars, this is because it is an everyday concept and individual tend to be bias with definition. Presently across the world, every little part of our life is affected by the politics been played at the local, state, central or international environment; the water we drink, cloth we put on, marriages, institutions we attended, religion etc are all directly or indirectly dictated by politics. Aristotle perceives man as a political animal by nature and where two or more men are gather they consciously or unconsciously engaged in politics. Each man seek to be

recognize as well as his opinion, men will want to influence decisions to suit his purpose, by so doing they engage in politics. Therefore politics is omnipresent and an indispensable aspect of human's existence. Politics basically refers to the conscious or unconscious struggle for domination, advantage and interest actualization by man in society. Hence "politics" is been defined as "who gets what, when and how (Lasswell, 1930:23), some scholars prefers "and how much" to Lasswell's conceptualization. Politics is also defined as an activity whereby differing interest within a territory are conciliated (Azikiwe cited in Johnnie, 2005:4). Drawing from these above definitions, politics entails the allocation of scarce resources to the people in a way to engender development and progress, also, a way of solving conflicts that may arise from the distribution or allocation of these resources. Some scholars viewed politics as an avenue by which matters that is affecting the polis is debated and action taken to solve the matters for the general good of the community. (Anifowose and Enemno, 1999). Politics is organized dispute about power and its use, involving choice among disputing values, ideas, persons, interests and demands. It is the manner in which power is obtained, exercised and controlled, the purpose for which it is used, the manner in which decisions are made, the factors which influence the making of those decisions and the context in which those decision take place (Curtis,1968). Curtis definition is a bit complex but encompassing, politics to him is about power and its uses, also how this power is gained which will determine the decisions and choices.

To the liberalist, they believe that politics has a utilitarian value which is geared towards utmost happiness or general good of the polis the Marxists argues on the contrary. The Marxists contends that, politics is an integral part of class struggle between the dominant class [political elites} and the dominated or under-privileged class (the hoi polloi) and that since the political elites are in control of the State structure (government), the tendency is that, they will always capitalize on their access to the instruments of the State to make decisions that will benefit the upper class to the detriment of the dominated class (Paki and Inokoba, 2006). The Marxist analysis thus exposes the class character of politics and reveals those in charge of the authoritative allocation of values and those that benefit from such allocations.

From the different definitions above, it is apparent that politics is an interactive and dynamic concept that deals with resources, distribution of the resources, who get what, conciliation of disputes, and authoritative allocation of resources for the general good of the polis. Also, it is the act of influencing, controlling and manipulating others for private advantage in society.

Politics is sometimes equated with government. That is the activities that take place around the legally based institutions of the State. What this means is that politics comes to play whenever there is struggle among decision makers over access to the distributive mechanism of scarce resources in the State.

### **B. Oil**

Oil is a raw material as well as a convenient and effective source of energy. As a raw material, it provides the feedstock for the fastest expanding industry in the world petrochemical industry. It provides fuel for agricultural tractor and pump. In power generation it has made notable inroads into the traditional roles of coal and hydropower. Petroleum product plays an important role and increasing role in domestic energy consumption; for lightening, space heating (or cooler) and cooking. Their role in transportation is beyond challenge; for air transportation they have no real alternative; in water transportation they provide a clean and economical fuel; in rail transportation they are important for diesel locomotive (Feyide 1986: 6). This view shows how cogent oil has been to the entire universe and how destinies of nations are probably determined, by the result of oil industry operation.

An historical excursion into the annals of oil production in the world revealed that the first commercial Oil Well was drilled in North-Western Pennsylvania (United States of America) in 1859, known as Drake Well (Middleton, 2007:6). And since then, oil has risen to become a dependable source of energy. All over the world, the lives of people are affected and the destiny of nations is probably determined by the results of Oil industry operations. Oil keeps the factories of industrialized countries working and provides the revenues, which enables oil exporters to execute ambitious national and economic development plans. Presently, the march of progress would be retarded and life itself could become unbearable if the world is deprived of oil. That is why oil has become the concern of Governments, a vital ingredient of their politics and a crucial factor in political and diplomatic strategy. Oil has been given the image of a big business ruled by naked politics and dominated by ruthless men who are sensitive to nothing except their profit (Feyide, 1986:7). By any standard, oil is the world's leading industry in size; it is probably, the only international industry that, concern every country. And as a result of the geographical separation of regions of major oil production and regions of high consumption, it is first in importance in its contribution to the world's tonnage of international trade and shipping. Because of these and other attributes, such as its involvement in both national and international affairs, a day hardly passes without Oil being in the news (Adeniran, 1992).

Oil, Petroleum or Crude Oil is a greasy liquid, with a unique and characteristic odor occurring naturally at the surface of the earth and at depth (Wallace and Good, 1950:3). Crude oil basically is the product of heating of ancient organic materials over geological time. It is a naturally occurring flammable liquid consisting of a complex mixture of hydrocarbons of various molecular weights and other organic compounds that is found in geologic formations beneath the earth's surface. The hydrocarbons in crude oil are mostly alkanes, cycloalkanes and various aromatic hydrocarbons, while the other organic compounds contain nitrogen, oxygen and sulphur, and trace amounts of metals such as iron, nickel, copper and vanadium. Oil extraction involves the finding and removal of hydrocarbons by drilling deep into the earth, and it is a key part of the transformation (production) of a natural resource: oil and gas into energy fuels. This involves the search for, discovery and production of oil and gas. The Downstream operations in the Oil Industry include: the refining, processing, distribution and sales of petroleum products largely, fuels, lubricants, gas and petrochemicals. Thus oil production is fundamentally about the commodification of an energy resource sold at the market, for profit (Kimiebi, 2010). There are varieties of crude oil with different names, they include; United States West Texas intermediate; North Sea Brent Blend; Algerian Saharan Blend; Indonesian Minas; Nigerian Bonny Light; Saudi Arabian Arab Light; Mexican Isthmus; Fatch from Dubai; Venezuelan Tia Suana Light and so on (Middleton, 2007).

### C. Militancy

Militancy means the vigorously active, combative and aggressive, especially in support of a cause. According to Macmillan English Dictionary (2007), a "militia" refers to a group of ordinary people who are trained as soldiers to fight in an emergency" from this definition it can be deduced that militancy are ordinary civilians who are trained in a military or paramilitary way for a specific purpose most often for the security and maintenance of peace in a community. There are no special or stringent conditionality to become a militant, it is a voluntary group and the members are driven or motivated by the spelt out purpose and cause. The militant can make use of both conventional and unconventional methods to achieve their goals. During the Ken Saro Wiwa days, he employed a conventional method in presenting his case, such methods like protest, boycott and the likes but the present day method has gone unconventional whereby kidnapping, bombing, vandalism and the likes are the order of the day

### III. THEORETICAL FRAMEWORK

Resource curse theory thesis was first used by Richard Auty in 1993 to describe how countries rich in natural resources were unable to use that wealth to boost their economies and how, counter-intuitively, these countries had lower economic growth than the countries without an abundance of natural resources. The resource curse argument posits that "there exists a negative relationship between endowment with natural resources and social and economic development" (Duruigbo, 2005), which consequently had to an unusually high rate of poverty, poor health care, child mortality and poor educational performance (Karl, 2007). The resource curse can be analysed or studied by three mechanisms which are; expansive spending, Dutch disease and the rentier state. The expansive spending mechanism often accompanied by excessive borrowing against expected future oil income. As a result of sudden oil boom in the 70s due to the exponential increase in the price of oil in the international market, following the Arab-Israeli crisis in 1973. The Nigerian government embarked on a spending spree which sees the expenditure of the federal government to be doubled (World Bank Country Report, 1990). But immediately the boom stops, Nigeria's government landed in serious debt which was accumulated from borrowing from the World Bank and other world financial institutions as a result of heavy investment on the importation of food and other materials. The debt peonage gained prominence in the 1980s and that led Nigeria's government to Structural Adjustment Programme (SAP) hoping to solve the present economic problem of the nation but it's quite unfortunate that the programme has further compounded the nation's woes.

The Dutch disease mechanism occurs when the resource booms cause real exchange rates to rise and labour and capital to migrate to the booming sector. This results in higher costs and reduced competitiveness for domestically produced goods and services, effectively "crowding out" the previously successful sector (Karl, 2007). In short, once the petrol runs out, if there are no efforts to diversify the economy away from oil revenue reliance, the local population can no longer afford to purchase imported manufactured goods and the local market is incapable of providing an affordable alternative. This mechanism projects how Nigeria's economy will be after the end of oil in the nation. The discovery of oil has made Nigeria's economy monolithic in nature. Rentier state is the third mechanism which can be used to analyse the resource curse. Rentier is the situation whereby rents are being paid for foreign actors and accrue directly to the state, and where only a few are engaged in the generation of this rent (wealth), the majority being only involved in the distribution or

utilization of it (Ross, 2001). Or in simpler terms, a rentier state is a “state that lives from externally generated rents rather than the surplus production of the population.” Financially, the rentier state thus relies primarily on externally generated income, and becomes less dependent upon internal tax revenue and may therefore be inclined to ensure that adequate macro and micro economic provisions are implemented in service of development. The discovery of oil has done more harm on the economics of the nation that explain its monolithic nature. Nigerian government has flex more muscle on the production of oil and that explain why oil revenue account for 90% of government earning, likewise, it has contributed immensely to the Gross Domestic Product (GDP) of the nation. Other economic sectors were neglected as result of the importance and the huge amount realized from oil from the international market. Dependency on oil rents has rendered the internally generated revenue impotent.

#### **IV. THE ROLE OF NIGERIA STATE AND THE OIL POLITICS**

According to Ake (1985), the State is a specific modality of class domination, one in which class domination is mediated by commodity exchange so that the system of institutional mechanism of domination is differentiated and dissociated from the ruling class and even the society and appears as an objective force standing alongside society. The state form of domination is the modality in which the system of mechanism of class domination is autonomized – that is, the institutional apparatus of class domination is largely independent of social classes, including the hegemonic social class. Okowa (1994, 1997) have argued that the Nigerian State is a feudal one. In the context of a feudal system, the state is congruent with the feudal oligarchy. Thus, Nigeria is fundamentally a feudal system. It is true that the British introduced capitalism and liberal democracy in the course of their imperialism. However, the fundamental values remain feudal. Social orientation remains feudal. Social propensities are still feudal. Liberal democratic values are yet to develop. The institution of liberal democracy is, therefore, to the extent that it appears to exist, no more than a fraudulent pretence and a defensive front. This is the crux of the matter. Okowa (1997). Deriving from the above, in a feudal system, such as the Nigerian State, the feudal lords own “everything” According to the Nigeria constitution, federal government own all minerals, oil and gas in the country thus has total control of the resources in the Niger Delta region. The state through the Nigeria National Petroleum cooperation (NNPC) holds 55 to 60% of the production interest in these primary fields. It is quite unfortunate that despite the large shares that the state possesses, the

oil revenue has not been interpreted on the economic status of the citizen of the Niger Delta region, the looting starts at the national level and percolates to the states, local governments and communities. Thus, in a political system impregnated with feudal orientation, it is normal for our leaders to personalize “everything”. Power is personalized. Societal resources are personalized. Those who criticize the personalization of the commonwealth must be criminals and deviants. That is why the security agents mostly harass, not the looters but those who criticize the looting, for the latter are clearly “social deviants”

As a result of gross mismanagement of the oil revenue, the development of the oil communities are being hindered, in spite of oil wealth in the region, it still remains one of the least developed parts of Nigeria, apparently characterized by widespread poverty (Ogege, 2011; UNDP, 2006). It is the deep rooted sense of neglect and marginalization by the government in providing or supporting critical human development and provision of basic social amenities that underlay the persistent militancy in the region. Ndoma- Egba (2004) collaborate this argument as he contends that it is the inability of the Nigerian state to address the development needs of the region that has led to the persistent agitation and violent crisis in the region. The agitation according to him becomes more violently expressed on the belief that the failure of the Nigerian state to meet their basic development needs is deliberate and a consequence of sheer lack of political will on the part of government leadership. In essence, the militants feel that they are in unjust situation and need to rise up in arms to redress the situation (Smith, 2002).

#### **V. THE ROLE OF MULTINATIONAL OIL COMPANIES (MNOCS) IN NIGER DELTA**

The Niger Delta, Nigeria’s oil belt, is home to most of the oil and gas reserves and the oil industry. There are 349 drilling sites, 22 flow stations and one terminal in the early 1990s (World Bank, 1995) and about 10,000km of pipelines, 10 gas plants, 3 oil terminals and 1,500 oil producing wells by the mid 1990s. As at today, there are over 600 oil fields, 5,284 on and offshore oil wells, 10 export terminals, 275 flow stations, 4 refineries and an LNG project (Lubeck Watts and Lipschutz, 2007). However, it has been noted that the Niger Delta had crude oil (with proven reserve of 17.8\* 106 barrels) and natural gas (with a proven reserve of 3.2\* 102m<sup>3</sup>) by the early 1990s while crude oil reserves as at 2000 was estimated at over 30 billion barrels. Shell and other oil companies have been operating in the Niger Delta for more than 50 years, and dominant players of these companies includes; Exxon/Mobil, Chevron/Texaco, Elf and Agip they

accounted for an estimated 99% of the crude oil production.

The Trans-National oil and gas prospecting conglomerate have over the years as part of their social responsibility embarked on several programmes of social and economic development in their host communities. This efforts too, have never in reality gone beyond addressing the immediate demands expressed in the people's agitation for the employment of their youths in the company, provision of pipe-borne water, electricity generation, renovation of schools, hospitals, post office and bridges etc the oil companies justify their below average performance in transforming the fortunes of their host communities by referring to the insincerity of the state that gets the lion share of the oil proceeds. The oil multinationals take advantage of the naivety, lack of political will and corruption of the Nigerian State to breach with impunity most memoranda of understanding (MOU) signed with oil bearing communities. They also violate municipal and international environmental protection laws. Over 82% of crisis between the oil companies and host communities between the years 2003-2005, are traceable to disrespect for MOU by the oil company officials (Okowa, 2005). It is in the light of the above acts of the Nigerian leaders and the MNOCs toward the Niger Delta that Ake (1981) vehemently demonstrated the manner in which control rather than ownership has become a significant variable in a peripheral capital State such as Nigeria. Following a critical performance evaluation of the Nigerian State, particularly after the oil boom (Orugbani, 2002; Efemini, 2002; Okaba, 2003) all described the situation as exploitative, and irresponsible

The exploitation of oil resources in the Niger Delta by the multinational oil companies (MNOCs) supposed to maintain an equitable relation, sustainable environmental management, and respect for human rights, responsive and corporate responsibilities, local participation and promotion of good governance would have been the objectives of the companies, hence, unrest, looting, bunker, vandalism etc has been the situation in the region, both the MNOCs and the people live in an hostile environment.

## **VI. THE ROLE OF THE ELITE IN THE NIGER DELTA**

It is not an exaggeration that the decision of the elites in any society outweighed the majority despite their timid figures. In Nigeria and the Niger delta in particular the commanding position either political or economic are controlled by the elite who decides on what to do for the majority

The elites plays major role in decisions making in government and also exercise influence on the value orientation of the people (Attah, 2013). The elite contribute significantly and vigorously to the development and also they can be anti development especially if the cost is more than the gain.(Adeolu, 2010). Besides, they influence structure that governs their society; they initiate processes that radically transform their society and expand the frontiers of industrialization and manufacturing, thereby creating new products and services and pushing for institutional change However that has not been the case in Nigeria and particularly in the Niger Delta region of Nigeria. As Tijani (2008) rightly noted whatever Nigeria has or has not become, it is due primarily to the deeds and or misdeeds of its leaders. Therefore, it would not be out of place to say that whatever the Niger Delta has or failed to become rest on the shoulder of the elites from the region. This is because they are the ones that know where the shoe pinches and should have done whatever it takes to remedy the situation, but they have not instead they compounded the problems of the region. Validating the role of the elites in the recent Niger Delta conflict, the Minister of Niger Delta Affairs, Pastor Usani Usani Nguru said that "The crisis is traceable to the elite from the region...They are doing that for various reasons which are not connected to the Niger Delta improvement" Similarly, a prominent elder from the region named Sandy recounted that: We failed ourselves... None of us during Jonathan's era went to him to say this was what we needed in the best interest of Niger Delta and he refused. Rather, the political fathers, uncles, cousins and leaders were always going to make selfish demands which they got to the detriment of the common. For Abidde (2007), the elites from the Niger Delta extraction have been insensitive and unconcerned to the suffering of their people. Similarly, Babalola (2014), blamed the elites of the region for the underdevelopment of the region. By the same token, Okonofua, (2013) argues that the elite from the region whom he referred to as powerful individuals used violence as means to secure economic advantage from the multi-national companies' oil operating in the region. The elite in the Niger delta has failed in their responsibility to effect development to the aggrieved, marginalized and neglected masses of the region. They are not ready to commit political suicide by taking sides of the people in terms of improving their living standard by pursuing policies and programme that would benefit the down trodden masses of the region.

## **VII. EVOLUTION OF MILITANCY IN THE NIGER DELTA REGION**

Militancy in the Niger Delta region can be trace back to the colonial era when the people of the region

agitated against British merchant deprivation. Eminent traditional rulers from the region such as King William Dappa Pepple of Bonny was evacuated from the throne and banished to Fernando Po in 1884; Jaja of Opobo was removed and deported to West Indies; Nana of Itsekiri was exiled to Accra in 1894; the Oba of Benin was deposed and banished to Calabar in 1897 where he died sixteen years after. The root of Niger Delta militancy has also be linked to Akassa raid of 1895. The people of Nembe was denied participation in the oil and palm product business by the Royal Niger Company, the people revolted and attacked the company's depot in Akassa (Nwankwo, 2015; Ako, Okonomah, & Ogunleye, 2009; Oloya & Ugbeyavwighren 2009; Aghalino, 2006). However the pre-independence was not borne of of crude oil agitation because crude oil was not the mainstay of the state. The dominance of oil as the mainstay or livewire of the Nigerian economy, politicization of the principle of revenue allocation, the struggle for access to oil resources by both the majority and minority ethnic groups, among others, brought oil into the conflict (Ibaba, 2011). Militancy grew as a result of the selfish politics played by the actors in the oil sector which includes the state, MNOCs and the elite of the region.

Although it is believed that Niger Delta has a long history of violence stretching from the 1400s through to the present today, the situation has recently degenerated from "bad to worse, and some elements among the agitators for the liberation of the Niger Delta people have resulted to kidnapping and hostage-taking of the people they considered to be part of the problem of the region. On the other hand, scholars and environmentalists are leading the campaign for the economic empowerment of the Niger Delta people. The campaign, has been categorized into three phases, first manifested itself in 1966 when Isaac Adaka Boro led a revolution leading to the emergence of the Niger Delta Republic. The leaders of the failed republic had intended to put pressure on the federal government through civil disobedience to redress the economic imbalance created through oil exploration/ exploitation in the region, thereby making it difficult for the people to engage in farming and fishing, which are mainly the vocations of the people of the region. The protest led by Isaac Boro, though unsuccessful, created the basis for the continuing agitation among concern groups that are fighting for the liberation of the Niger Delta people. Central to the struggle for the survival of the Niger Delta region, are the "Movement for the Emancipation of the Niger Delta (MEND), the Niger Delta Peoples Volunteer Force (NDPVF), the Joint Revolutionary Council (JRC), and Movement for the Survival of the Ijaw Ethnic Nationality (MOSEIN)" (Ejibunu, 2007; p. 9).

The second phase, which he dubbed the era of creed, was from 1990s-2000 and this era was powered by "proliferation of a sense of relative deprivation" based on the collective experiences and perceptions" (Idemudia, 2009). According to Idemudia (2009), three factors accounted for these relative deprivation and they are the issues of revenue allocation, corporate social responsibility of transnational oil companies operating in the region and the rapacious nature of military rule. Idemudia and Ite (2006) observed that the MNOCs failure in CSR involvement was the major triggering factor for Ken Saro wiwa to lead a protest that was met with massive human rights violations in Nigeria.

The third phase in which he referred to as the era of grievance and greed was from 2000 to date. The period is characterised by increase in the strength of violence. A number of factors were identified as responsible for this state of affairs. The soci-economic reality and the experience of oil bearing communities such as Olobiri and Ogoni that have nothing to show for their contributions to the economic wellbeing of the country; the realisation by other oil communities that oil was not renewable and do not want to be another empty Olobiri. These experiences prompted the people to decide to take their destiny in their hands. The proliferation of social movements also accounted for the increase in violence activities during the period. Social movements such as National Youth Council of Ogoni People, Isoko Development Union, Chikoko, Itsekiki National Patriots and many others, have different objectives, for instance, environment, democratisation, and human rights. And as a result, they were pushed in different directions by different social forces (Idemudia, 2009). These social movements were led by the youth who also belonged to other associations with different agenda. These social movements were weak and vulnerable to organisation capture by either youth leaders or political elites who used them to ferment trouble, thereby increasing violence in the region.

#### **VIII. RATIONALE BEHIND MILITANCY IN THE NIGER DELTA**

The rationale behind militancy in the Niger delta is propelled by numerous factors which includes the environmental degradation, state imposed poverty, marginalization, revenue allocation to mention a few are all responsible for the unrest in the region.

According to the World Bank, there are five great plagues of mankind: war, famine, pestilence, environmental pollution, and death. The Niger Delta is in the throes of becoming an environmental wastebasket. From the oil spills to the round-the-clock gas flares and effluents from industrial wastes, the



fragile ecosystem of the Niger Delta is under constant assault. However, it is still a mystery that no comprehensive study of oil exploration in Niger Delta and its effect on the environment exists (Ile & Akukwe, 2001). “The unbridled exploitation of crude oil and natural gas beneath the lands of the Niger Delta has caused indescribable and irredeemable ecological devastation of the Niger delta land” (Azaiki, 2003). Okaba (2005) sums up the environmental impact of the oil industry in the Niger Delta of Nigeria land deprivation, soil quality alteration, destruction of aquatic ecosystem and air pollution.

The revenue allocation formula being adopted by the Nigerian Government has been particularly criticized and rejected by scholars for not reflecting the interests of the people in the Niger-Delta region, where over 80 per cent of the national resource is generated. The restiveness in the Niger-Delta region is attributed to the politics surrounding resource control by the federal government. In the opinion of Ojekarotu (2009), the Niger Delta upheaval in relation to revenue allocation has grown from bad to worse by assuming horrendous dimensions in the early 1990s with the emergence of social movements and militant youth groups that became aggressive and started to challenge not only the Nigerian state but also the policies, attitudes, and activities of the multinational oil companies (MNOCs) in the region. The Niger Delta conflict is premised on the laws regulating oil exploration and land ownership, which the Niger Delta militants believe must be abrogated as they do not represent their interests as the host communities (Nna and Ibaba, 2011).

The Federal Government ignores public calls to compensate the people of the Niger-Delta region for the negative impacts of oil production on the environment which include oil spillages, reduction of arable land, and the destruction of wild life and fish reserves. However, the government has been making several unfulfilled promises which probably accounted for the hostage-taking and kidnapping by some suspected youths in the region. The youths break the pipe lines in order to siphon crude oil (Afinotan and Ojekarotu 2009). The government’s retaliation to these activities has rendered many communities homeless, women assaulted and others killed this was the case in Odi, Choba, Umuechem and Ogoni communities.

## **IX. THE IMPLICATIONS OF MILITANCY ON THE NIGERIA ECONOMY**

The unrest in the Niger delta region emanating from the activities of the different militant groups operating in the region has brought about a lot of

negative impact on the economy, oil production and other sectors in general. (Ejibunu, 2007). The activities of the Niger delta has apparently cost Nigeria government so much to think about.

### **A. Kidnapping and hostage taking**

Kidnapping and hostage taking has been a major tactic of the militant groups with foreign nationals working with oil companies as primary targets. In January 2006, Hostage taking of oil workers started in Bayelsa after the declaration of ‘operation orido danger’ by MEND with the kidnapping of four set of hostages.... Over two hundred expatriates had been kidnapped .... Although most have been released within weeks in exchange for ransoms, typically hundreds of thousands of dollars (Amaize, 2006). Though casualty figures from kidnapping by militants operating in the Niger delta has been low, reportedly put at about fifteen. However, the implication of the kidnappings which involved mainly foreign workers and development partners on Nigeria’s economic development has been enormous. It succeeded in scaring away potential development partners and robbed the Nigerian state of the benefit of such development alliances and opportunities. The state of insecurity has led to a reduced volume of investments and capital flow to the region (Akpan, 2010; *Saturday Punch*, 2007). Similarly, the speaker of the house of representative, Hon Yakubu Dogara, attributed the present economic recession on the intense militancy that engulfed the Niger delta region in 2016 and the rising security risks which hindered the exploration of oil and economic activities in the region resulted in a drastic reduction in Nigeria oil’s production capacity and revenues, foreign direct investment and the dwindling of the nation’s economy (Daily Post, February 20, 2017).

### **B. Illegal Oil Bunkering**

The operations of militants in the Niger delta and the insecurity it has made it impossible for security agencies to adequately cover locations of various oil facilities. This has created a veritable ground for illegal oil bunkering to thrive in the region. Illegal Oil Bunkering, and euphemism for oil theft, has assumed considerable dimensions in the Niger Delta. Estimates range from 30,000 to 200,000 bbl/day (Oudeman, 2006). Several of the militant groups are also believed to be involved in illegal oil bunkering. It is believed that illegal oil bunkering has become a major source of funding for the operations of the militants in the Niger delta. Militant warlords who engage in illegal oil bunkering justify their actions by claiming that it is a means of providing income for the impoverished residents of the oil producing communities. It is reported that one days worth of illegal oil bunkering in the Niger delta (at 100, 000 bbl at \$15bbl) will buy

quality weapons for and sustain a group of 1, 500 youths for two months (ICG, 2006).

## **X. STATE RESPONSE TO MILITANCY IN THE NIGER DELTA**

Nigeria government over the years has adopted different strategies to tackle militancy and forestall peace in the Niger delta region. The strategies include the derivative principle, developmental commissions, and militarization of the region and amnesty programs. The derivation principle grew from 1.5 % to 3% and currently is at 13%. Whereas, when agriculture was the mainstay of the Nigerian economy, the derivation principle was 50% of a state's income but with the advent of oil-boom this was changed. The change was based on the government's argument that oil is an accident of geographical location.

The second strategy device by the government is the establishment of developmental agencies. The first is the Niger Delta Development Board (NDDDB) 1960, the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992, the Petroleum (Special) Trust Fund (PTF) in 1995, and the Niger Delta Development Commission (NDDC) in 2000, to the establishment of the Ministry of Niger Delta in 2008. All these commission are established to tackle the basic needs of the people in the areas (Okolie-Osemene, 2015, p.12).

The third strategy the Federal government employed is the militarization of the Niger Delta, by establishing Joint Task Force (JTF) which violated human rights in the Ogoni, Odi and other dissatisfied communities that culminated in militancy (Ojokarotu, 2009 and Okolie-Osemene and Aghalino, 2011; Odoemene, 2012). Most of the military expeditions in the affected communities ended with sexual violence against women and young girls, raising the mind boggling question on 'why do soldiers rape?' (Odoemene, 2012, p. 229). The implication of the military option is that it further radicalised the already restive Niger Delta youths. The military approach seems to be the last resort which also remains a pointer to the fact that most of the committees set up to address the oil-related conflict have not achieved their goals.

The fourth strategy is the amnesty policy which was different from the past strategy, it is non violent approach to curbing the militancy activities in the region. The policy which lacked much detail only stated that militants who lay down their arms within 60 days (6th August 2009 – 4th October 2009) will not be prosecuted for the crimes committed in the process of crippling Nigeria's oil industry. Since the announcement of the amnesty policy, thousand of

ammunitions, machine guns and grenade launchers have been handed in. Many militants have turned themselves in as well though major militant groups like the Movement for the Emancipation of the Niger Delta (MEND) which viewed the policy with suspicion promised cease fire but not disarmament of the group because according to them, the policy has no room for dialogue and it does not address the root issues that gave birth to the struggle. However, the policy seems to be a success because its announcement and the seeming compliance of the militants brought relative peace to the long troubled region for the first time.

Unfortunately, these initiatives have not and cannot work because they share individually and collectively some common weaknesses. The first and most fundamental weakness is that they are based upon a wrong understanding of the essence of the crisis and hence challenge of development in the Niger Delta. A second weakness which they all share is that the adopted solutions are at best not sincere and at worst, constructed to maintain the status quo. This explains the deliberate subversion of the development programmes by the very state officials who approve them. Thirdly, they are usually commandist in nature. They are the ideas of those who are responsible for the crisis in the Niger Delta, rather than those of the people of the Niger Delta. (Olasupo, 2013).

## **XI. CONCLUSION AND RECOMMENDATIONS**

The horrifying and devastating condition of the Niger delta region is as a result of negligence and ineptitude on the part of the state, the elite as well the multinational oil companies operating in the areas, to invest on sustainable developmental (both human and social infrastructure) project in the communities. The environmental degradation that emanates from the activities of the MNOCs in the communities and marginalization of the people of the Niger delta by the Federal government gave birth to militancy. Militancy activities in turns have been inflicting Nigerian economy and security.

It is suggested that for the MNOCs to have a good relationship with people which will bring peace and smooth running of business in the areas, the oil companies need to work on any areas that is causing friction between them and the indigenes, most importantly the issue concerning environmental degradation. Rural community forums should be created within the communities this would promote good communications between the communities, oil companies and the government, this will help in the up-down developmental approach. A day can be set aside

in the host community's town centre to discourse issues that affect the region degradation.

Nigerian government should revisit the derivative /resource control measure to resolving the crises in Niger Delta. The issue of resource control should be entrenched in the concurrent list to avoid over centralization in resource allocation. It should be well-established so that communities can negotiate for royalties on the resources located on their land with exploring companies. Special attention should be paid to the investment in the development of people and delta region. The Niger Delta ministry and NDDC should not be politicized but encouraged to accomplish the goals for which they are established.

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