The political economy of conflict resolution in a natural resource economy: The case of Nigeria’s Niger Delta

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This paper embarks on a comprehensive study of the entire peace initiatives adopted to resolve the Niger Delta conflict in Nigeria with a view to uncover the relationship between the character of the Nigerian State, the emergence and the continual nature of the crisis. With the aid of fragmented organizational structure theory, the paper discovered that there is a strong relationship between the character of Nigerian state and the emergence of the conflict. The paper also discovered that the character of the state has a causal effect on the pattern of conflict resolution adopted together with the emergence of an 'economy of conflict', and that these were responsible for the persistence of the conflict. It therefore recommends the democratization of both the production and consumption process in the oil economy and the peace processes as a panacea.

Key words: Political economy, conflict resolution, natural resource economy, Niger Delta, economy of conflict.

INTRODUCTION

Nigeria as a state is an artificial creation of the British colonial power. The British drive to exploit the available natural resources within the territories now known as Nigeria led to the amalgamation of over 250 ethnic nationalities under one central autocratic government in 1914. This made the government an instrument of repression and wealth appropriation, as government institutions were used to brutalize oppositions and agitations; and at the same time, used by those occupying positions of authority to covet public wealth for personal use. Though, the state in Nigeria has gone transformations, it has remained elitist in character (Ibeanu, 1997).

The Nigerian state, today, is purely privatized (Ibeanu, 2006; Eze, 2009) and as modalities of class domination (Ake, 1985b), political elites use government institutions as instrument for wealth creation, and enhancement of power and influence. Consequently, Nigeria’s history is one of long running economic exploitation wherein resource revenues are essential to its politics. Oil accounts for 90% of exports and 80% of government revenue (Okoh, 2006: 94; Omotola, 2006: 3) while the Niger Delta region is the source of this oil wealth. Resultantly, the conflict over the distribution of the oil revenue due to manipulation by the state translated into agitations and conflict in the entire Niger delta region.

Unfortunately, this struggle led to the emergence of conflict enhancement economy known as ‘economy of conflict’ (Ikelegbe, 2005: 231), which has motivated the citizens of the region to resort to illegal activities such as seizure of oil vessels, illegal bunkering, kidnapping, pipeline vandalism etc to generated money for their survival and sponsorship of arms struggle against the state and MNCs (Ikelegbe, 2005: 210).

The cycle of destruction imposed by this struggle on the state’s economy and infrastructures led the state to establish Development Commissions for the Niger Delta; review revenue derivation formula and create additional states and local governments in the region. Unconditional amnesty and rehabilitation of the militants have equally being pursued, yet the conflict persists though at a lower rate. There have been agitations over the style and speed of implementation of these programmes. Thus, this paper examines the various conflict resolution alternatives employed so far by the Nigerian state in relation with the character of the Nigerian state with a view to determine their relationships and contributions to the persistence of the Niger Delta conflicts.
MATERIALS AND METHODS

To effectively carry out this inquiry, this paper explored the history of the Niger Delta conflict and the dynamics of the efforts made within the context of the regime type and history of Nigeria’s political development to resolve it as can be found in various publications in texts, journals, conference papers, workshops, government publications both international and local, civil society and human rights publications, newspapers and magazines. This study, which was conducted in Nigeria beginning in the later part of 2008, was concluded in the second half of 2009.

REVIEW OF EXTANT LITERATURE

On State, scholars have conceptualized the states in Africa from the perspective of their inherent socio-economic and political relations as dependent and reiterating (Graft, 1988: 219; Turner and Oshare, 1993; Ake, 1981). Consequently, Ibeanu (1998: 8-9) argues that Nigerian state should be understood in terms of the genealogy of global capital accumulation. The penetration of European merchants, led to intensive capital growth that resulted to the development of capital market and centralization of state system. The state became a tool in the hands of capital (Okolie, 2001: 196), which never worked for the complete destruction of institutions, solidarity and social forces of the pre-capitalist order as long as they allow for accumulation (Ibeanu, 1993). The power of the state and capital are used to keep these pristine forces apart, while the state intervenes powerfully in all sectors with arbitrariness, and absolute totalitarianism (Ekekwe, 1986; Ake, 1995). The dialectics of these social forces and the process of wealth accumulation led to the continual transformation of the Nigerian state. It is pertinent to assert that the Nigerian state regardless of these transformations, maintained one fundamental character. It has never been a popular-national state and has never represented the interest of the masses (Ibeanu 1997: 8).

These transformations went through different stages. First, the pristine forces wrestled power from the colonial masters on behalf of sectorial pristine interests. Secondly, inter and intra sectorial pristine interests struggle, followed. This led to various crises of nation building and struggle for hegemony among these sectorial pristine interests. Those who capture power use such both to enrich themselves, patronize their relations and followers or sympathizers. Politics became winner takes all, while ‘loyalty’ becomes an instrument for political rewards-prebendalism. Through this, the state in Nigeria metamorphosed into what has been call privatized State (Ibeanu, 2006: 8; Eze, 2009: 446). In this, individuals acquire state power and use it as a personal instrument for the actualization of private purposes both themselves and their godfathers. Ikpeze et al. (2006: 12) noted: “More often than not, the distributional consequences of public policies are intended result of the private interests which have been instrumental in their design, passage and implementation. And referring to Nigeria, they observed: “For the entire country, the manipulation of public policy for private purposes comprises yet another disjunction in our fractured history. In this case, power consolidation is ensured by attracting and rewarding supporters, and favouring certain groups. In which case, the entire process is characterized by corruption and wealth formation through policy formulation and implementation. The process is highly inimical to collective interest and development.

Thus, Nigerian state can be defined as modalities of domination wherein private interests remote public policies and actions for its advantage. This has led to claims of marginalization and separatist agitations that have come to characterize politics in Nigeria. The conflict in the Niger Delta is one.

The agitations against degradation and under-development of the Niger Delta belong to a long tradition of the resistance against political and economic external domination spanning across centuries. According to Itse (2007: 5), there is a linkage in all the agitations in the region: from the Isaac Boro resistance; agitations for State creation in the first and second republics; Governor Ambrose Alli of defunct Bendel State’s litigation against the Federal Government on the derivation principle of revenue allocation; Ken Saro-Wiwa's Movement for the Survival of Ogoni People (MOSOP); Kaima declaration; environment rights struggles; to the current agitations for resource control and fiscal federalism.

The organizational forms, the scale of mobilization and the specific agendas canvassed by the protest groups have changed according to historical circumstances, but the common struggle for equity and autonomous space is unmistakable (Omafume, 2007: 6). The Nigerian State had used divide and rule tactics to isolate the various earlier agitations from enjoying the active solidarity of its other Niger Delta neighbours who are also victims of the same environmental and developmental fate (Omafume, 2007: 6-7). This limiting of consciousness to ethnic basis also fostered a political leadership in the previous civil administrations in the first and second republics, which deliberately accepted political satellisation as a means of benefiting crumbs from the tables of political parties constituted by the larger ethnic nationalities. In their role as willing appendages, the pressing issues of the Niger Delta region did not feature in the manifestoes of the dominant political parties (Omafume, 2007: 7). Consequently, the political behaviour of several of the appended leaders was determined by personal accumulation rather than the interest of the people.

However, Ibori (2001: 4-7) showed courage in the face of intimidation and blackmail in restating that, the underdevelopment of the Niger Delta region is the root cause of the conflicts sweeping across the region, and that this is a direct consequence of the plunder of the region by the Nigerian State. The agitation for resource
control is therefore rooted in the desire to promote the practice of fiscal federalism as the most efficient means of freeing Nigerians from the hangover of military authoritarianism and misrule. It has opened up strong debate over the practice of federal system in Nigeria (Ibori, 2001: 5).

On the part of the oil companies, it has been argued that their responses have most often been inadequate to address the problems. Such responses have taken the form of what Nyemutu Roberts referred to as “token pacificism”. That is, the payment of compensation and the initiation of community development projects (CDPs), which according to him, were not really designed to solve the problem but rather to pacify the people (Omotola, 2006). However, it cannot be denied that the oil companies especially Shell have been involved in the payment of compensation, construction and maintenance of water projects, roads, health centres and school buildings, and the funding of vocational training. The foregoing portrays the oil companies as having a dose of social responsibility in their operations. Such a reading may be misleading (Ojo, 2002). This is because the politics of compensation and CDPs have served in most cases to ambush and neutralize their potential benefits. Studies have shown that not only have oil companies in Nigeria paid compensation at a rate far lower than internationally accepted standards, but they have also attempted to and actually avoided payment of compensation on frivolous grounds. One such escapist strategy is to attribute oil spillages to sabotage for which they may not be culpable. In other instances, they only pay compensation after years of protracted court cases that are usually very costly for the host community (Roberts, 2001).

Another way in which the oil companies have responded to the deepening crisis of environmental insecurity in the Niger Delta is through public relations, publicity and propaganda. The approach was, meant to redeem their international image and discredit the Ogoni struggle. As such, there were several publications in the international press that dismissed the claims of the Ogoni and various human rights and environmental organizations (Rowell et al., 2005). Specifically, Shell International reportedly launched a £20 million corporate communication campaign in March 1999 in order to boost the company’s tarnished reputation following several public relations disasters. To date, the company maintains a cutting-edge website, and sponsors newspapers advertorials and television programs among other public relations activities (Frynas, 2001).

Finally, the oil companies have also acted violently with the active connivance of the Nigerian state. This is usually done through the use of security services provided by the state to them to protect oil installations and workers. Beyond those provided by the state, the oil companies also recruit private security companies (PSCs) for security services. While the existence of these forces may not be problematic per se, especially given the volatility that has come to characterize the Niger Delta region, their use and misuse to harass, intimidate and suppress environmental rights activists have raised questions about their existence (Frynas, 2001). This development may have been partly responsible for the increasing militarization of the Niger Delta (Omotola, 2006).

None of these alternatives resolved the Niger Delta crisis. The Federal/State government’s options have equally failed. The failure of state-led peace options has been attributed to the ad hoc nature of the state peace and development commissions; and their lack of a cadre of local conflict mediators, local governance institutions, and the absence of direct community-MNOCs dealings (Onduku 2001; Ibeanu, 1997). In addition to these, Humphreys (2005) enumerated seven mechanisms that determine the duration of natural resources conflicts. These include: (a) The feasibility mechanism (that is, natural resource financing creates longer wars by enabling rebel groups to keep fighting), (b) The military balances mechanism (that is, mutual assured destruction influences the ease of negotiated settlements, Zartman (2000); however, Ross (2002) suggests that “booty futures” financing-financing to secure assets that can be gained after a war ends, can be associated with longer wars), (c) The fragmented organizational structures mechanism (that is, the cohesiveness of organizational structure of both the production and consumption process; and the rebel groups affects the war duration, Le Billon, 2001; Collier et al., 2001); (d) The possibility of pork mechanism (that is, availability of resource rents to divide among faction leaders facilitates the negotiation process and adherence to peace agreements; (e) The domestic conflict premium mechanism (that is, groups that benefit during conflict may prefer to fight than to win and therefore act as spoilers to peace processes, by Keen (2003), and Collier (2000a, c), Fearon (2004); (f) The international conflict premium mechanism (that is, in so far as third parties can bring pressure to bear on the resolution of conflicts, their incentives can help determine the duration of conflicts. Which of these mechanisms and or factors identified in the literature is responsible for the continual nature of the Niger Delta conflict? Or put simply, why has the conflict continued in spite of the various efforts by governments, multinational oil companies, international communities and the local communities?

FRAMEWORK OF ANALYSIS

This paper adopts the theory of fragmented organizational structure mechanism as the appropriate framework that explains the reasons for continued conflict in the Niger Delta. The protagonists of this theory include Collier et al. (2001), and Le Billon (2001). The central
The tenet of this theory is that organizational cohesion is the major factor that determines the duration of resource conflicts. This cohesion is summarized as the cohesion of structures in resource production, resource marketing and resource benefits or rewards. A centralized hierarchical structure of production, organized commodity marketing structure and the structure or system of sharing the resource income or benefits, once agreed on and implemented eliminates resource conflicts.

Furthering this thesis, Collier et al. (2001) argued that positive relationship exists between the cohesiveness of rebel groups or organizations and the duration of conflicts. While cohesiveness may improve the fighting capacity of a group and thereby delay military victory over the group by the government, in a context where military victory is unlikely, cohesiveness may instead lead to an improved ability to reach a negotiated settlement. Conversely, the lack of cohesion can prevent effective negotiation by preventing the formulation of a coherent ideology or set of demands as well as by resulting in an inability on the part of rebel groups to convince the state that they can deliver what they offer.

With this theory, this paper shall understand, explain and make predictions on the Niger Delta conflict. It enables this paper to explore why the various development strategies, peace accords, and declarations made by some traditional rulers and governments have remained impotent in arresting the conflict. The principles of this theory made this paper to predict that an all inclusive participatory but hierarchically cohesive structures of oil production, marketing and distribution of its benefits, once agreed upon, is the panacea for peace in the region. Therefore, this theory is appropriate for the study.

THE POLITICAL ECONOMY OF NIGER DELTA CONFLICT

The process of decolonization in Nigeria instituted a local political class that is loyal to British interest and alienated majority of Nigerians from the political process. Thus, Nigeria’s economy remained largely dominated by foreign interests (Akpan, 2006: 6; Agbonife, 2004: 4-7) in spite of independence, while it ensures the accommodation of the interests of the local ruling class. The Nigerian state, therefore, became a platform through which strategic positions in public offices are used to accumulate wealth by the political class. This was done either through direct appropriation of public funds or collaboration with foreign firms doing business in the country.

In this perspective, State security became largely defined in terms of the material interests of those who held state power and the external economic actors based in the industrialized countries (Ibeanu, 1997). This dynamics is shaped by rentierism, which defines state security as the protection of “political coalitions converged around the creation and allocation of oil rents” (Beblawi and Luciani, 1987: 424). The historical context of this scenario reflects the fragility and susceptibility of the Nigerian state to internal subversion by feuding factions of the ruling class, and dependence on external economic powers.

Foreign capital dominated Nigeria’s rentier economy thereby making the state assume a central role in domestic accumulation of capital (Ake, 1995: 13; Obi, 2003). The ruling elites manipulated state economic and development programmes to accumulate wealth, basically by strategically locating themselves at the centres of the creation and distribution of oil rents, and spinning patron-client networks around themselves. This symbolised all the efforts made by the Nigerian state to resolve the conflicts and struggles that characterised oil exploration and exploitation in the Niger Delta.

THE PARADOX OF CONFLICT PEPERTUATION IN THE NIGER DELTA

The state responses to the Niger Delta conflicts have in fact exacerbated the violent conflagration that has enveloped the region over the years (Frynas, 2001: 27-54). The responses of the Nigerian state and the oil companies have followed the same pattern. At the earliest stage, the government’s response was one of indifference, double talk and arm-twisting. As the struggle became fiercer, however, government adopted other options such as the creation of new states for the Niger Delta people. The states created were Akwa-Ibom [1987], Delta (1991) and Bayelsa (1996) respectively Osaghie (1998: 1-20). The significance of this state creation lies in the fact that the states are the locus of allocation and distribution of national resources in Nigeria. The more states a region has, the more resources it receives from the federal account. The federal government could therefore be said to have responded by increasing financial allocation to the region through state creation.

The increase in the revenue allocation formula of derivation to 13% since 1999 was another and it also meant more financial allocation to the Niger Delta. However, the allocations were not going to the poor masses but to political elites in the region who belong to the prebandal network of the Nigerian state. By all standards, these elites are corrupt. The celebration of EFCC’s arrest and prosecution of Chief Lucky Igbinedion (former Governor of Edo State), the removal and prosecution of DSP Alamesieye of Bayelsa state and his Delta counterpart, Chief James Ibori proves this point. Recently, Igbinedion was convicted by the court.

In addition, the Nigerian state indulged in propaganda and image laundering against the people of Niger Delta. George Frynas documents detailed how the Nigerian government in the 1990s reportedly paid for advertisements in the New York Times and Washington
Post, using a public relations (PR) firm, Van Kloeg and Associates, known for improving the image of countries involved in massive human rights abuses. Late Gen. Abacha reportedly spent about US$5 million on PR firms in the United States (Frynas, 2001:44). Instead of resolving the conflicts, this approach aggravated the problems as the people were provoked by the propaganda.

Government equally established development commission for the Niger Delta. The earliest of the development commission was the establishment of the Niger Delta Development Board (NDDDB) in 1961 to oversee the developmental needs of the area. However, the first comprehensive institutional response to the Niger Delta problem was the establishment of the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992. This was followed by the NDDC in 2000. Unfortunately, membership of these bodies became the prerogative of the ruling class wherein appointments were seen to be settlement for political support. Corruption characterised their activities and hampered the effectiveness of the commissions. In quick succession, its first two leaders, Albert K. Horsfall and Professor Eric Opia, were unceremoniously dismissed for corrupt deals (Omotola, 2006). In addition, the people were neither consulted by nor represented in the commissions. NDDC for instance has been criticized for not consulting the people before choosing projects and for locating these projects in towns rather than in rural areas and the oil bearing villages (Obibi and Ebiri, 2003).

As resistance to these elitist and anti-masses programmes developed, the Nigerian state under threat manifested violent repression and criminalised people's agitations in the region. This led to the hanging of Ken Saro-Wiwa and eight of his kinsmen (Omotola, 2006:19). From a historical viewpoint, the resort to violence by the state has not helped matters either. The people seem to derive more conviction and inspiration to continue their struggle from the violent acts of the state and develop corresponding responses accordingly (Omotola, 2006: 20). Thus, the breeding of different militia groups to tackle the various state security outfits in the region and their increased importation of sophisticated arms to match that of the state security.

Equally, the responses of the oil companies to the challenges of insecurity in the Niger Delta equally undermined the resolution of the conflict. Their responses have taken the form of what Roberts (2001: 40) referred to as “token pacifisms”. That is, the payment of compensation and the initiation of community development projects (CDPs) that were not really designed to solve the problem but rather to pacify the people. Studies conducted by George (2001: 39-44) and Omotola (2006: 15) show that not only have oil companies in Nigeria paid compensation at a rate far lower than internationally accepted standards, but they have also attempted to and actually avoided payment of compensation on frivolous grounds. For example, the study done by Frynas (2001: 39-44) reveals that roads are constructed and/or rehabilitated only where and when it is directly related to these companies’ activities. Even at that, some of the so-called CDPs have been known to be sub-standard and hardly yield additional benefits to the local people (Roberts, 2001: 43-51).

In addition, the Oil companies launched a war of propaganda and image laundering against the peoples of the Niger Delta (Omotola, 2006: 39; Rowell, 2005: 14). Specifically, Shell International reportedly launched a £20 million corporate communications campaign in March 1999 in order to boost the company’s tarnished reputation following several public relations disasters. To date, the company maintains a cutting-edge website, and sponsors newspapers advertorials and television programmes among other public relations activities (Frynas, 2001: 45).

Finally, the oil companies in active connivance with the Nigerian state do secure security men (Omotola, 2006: 40), which they misused to harass, intimidate and suppress environmental rights activists (Frynas, 2001: 50-52). Ikelegbe (2005: 225) summed it this way; “The MNCs for a long time hid behind the shield of security agencies rather than institute a regime of corporate responsibility and sensitivity to host communities. They obtained security contingents out of the national security agencies which they motivated and armed as forces of protection of facilities and intimidation of indigenes. Some of the MNCs are alleged to purchase arms, as well as provide logistics and support for state security agencies in their repression and brutality against community members.

These practices generated resistance by the region’s citizenry and finally produced a rag-tag army of enraged, lawless and militant youths (Onojowo 2001). Unfortunately, these have led to what Ikelegbe (2005) called “The Economy of Conflict”, a black economy that have neutralised the impact of the recent unconditional amnesty by the Nigerian state. The revenue accruing from the economy far outweighs the rewards of surrendering to the state under the amnesty.

SUMMARY AND RECOMMENDATIONS

In the beginning, this paper set as its goal, the central task of finding out the relationship between the character of the Nigerian state and intractability of conflict in the Niger Delta. With the aid of the theory of fragmented organizational structure mechanism, the research discovered that the security of Nigerian State which is characteristically the privatized privilege of appropriating oil rent is fundamentally responsible for the persistence of the conflicts in the Niger Delta. It is as a result of this security that the Nigerian state and its collaborator in the petro-business chose the pacification of the people of
Niger Delta (through such policies like the creation of states and NDDC), the use of legislations (such as the land ownership and use decree) and active military repression as their responses to the agitations and conflicts there. They have consistently avoided the participation of the people in generating and implementing policies and programmes needed to resolve the crisis because that threatens their dominance and source of capital accumulation.

This paper therefore makes case for a fundamental overhaul of the approach and responses to the conflicts. This is because it constitutes a serious security risk not only to Nigeria, but to the entire international economic system. This paper offers the following recommendations:

1. Basic constitutional amendment to concede a greater degree of autonomy to the states of the federation especially in terms of mining rights and decentralization of power should be made, while corruption must be fully checked.

2. A coherent administrative system of oil production, marketing and sharing of profit, wherein a reasonable degree of autonomy should be given to the oil bearing communities to own and manage oil fields is necessary. 50% derivation formula for sharing of profits is recommended.

3. Democratisation of the peace process such as popular consultation, persuasion, discussion and consensus building should be adopted for the resolution of the conflict. This requires the participation of all militia groups and stake holders.

4. The Nigerian state should democratisethe production, distribution and consumption processes of its mineral explorations.

REFERENCES


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