

Implications Of The Niger Delta Conflict On National Development In Nigeria

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Abstract

This paper examines the implications of the Niger Delta conflict on national development in Nigeria. The Niger Delta conflict has witnessed unprecedented spate of violent conflict in the last decade, all efforts to manage the conflict seem to have failed to yield the desired result. Although the conflict has lasted for more than a decade, there have been little attempts at analytical explanation of the relationship between the conflict and national development. Previous studies have focused merely on the causes and possible solutions to the conflict, and side-stepped the implications of the conflict on national development. This paper attempts to provide a new perspective to the study of the conflict. The qualitative method is adopted for the study while the theoretical framework used for the analysis of the study is the theory of war economy. The study concludes that the persistent crisis in Niger Delta region has negative implication on national development. The paper calls on the Nigeria state, oil multinational companies and stakeholders in the Nigeria project to urgently address the fundamental issues that led to conflict, such as; fiscal relations among the federating units, marginalization and neglect of the region in infrastructure development and the rising ratio of unemployment in the region.

Introduction

A dominant view in peace and conflict studies is that conflict is inevitable in human societies. This perception however includes the assumption that acute and chronic conflicts hamper socio-economic development. The lingering violent conflict in the Niger Delta region (the homeland of several ethnic minorities who feel marginalized by the Nigeria state and multinational oil companies) attracted serious concerns because of the strategic importance of the region not only to the national economy but the supply of crude oil in the global oil market. Successive Nigerian governments and international organizations attempted to promote peace in the Niger Delta region but conflicts remain prevalent in the region, a least developed region which occupies a strategic position in the formation, sustenance and survival of Nigeria due to its abundant oil resources. The Niger Delta region accounts for almost all the Nigeria's gas and oil production, which in turn represents 80% of Nigeria revenue (World Bank, 2002:1), 95% of foreign exchange earnings (Imobighe et al, 1988:2). Since these minerals constitute the country's

economic life-wire, the Niger Delta region could correctly be regarded as holding the key to Nigeria's economic prosperity and greatness.

While the presence of huge reserves of gas and oil has turned the Niger Delta into the economic "jewel in the Nigerian crown", the exploitation of these resources is not in the hand of the people of the region. Rather, the resources are being exploited for the Nigerian state by foreign multinational corporations (MNCs). Since these MNCs provide the technology for translating the rich resources of the Niger Delta into wealth, they practically control the key to the country's economic prosperity. In the exercise of this onerous responsibility, the multinational corporations fall under the supervision of the Nigerian state.

Three principal parties are impacted by the oil-related activities in the Niger Delta, namely Nigerian State, Multinational Oil Corporations and the local communities in the Niger Delta region. For the relationship to be harmonious, the three parties must share in the benefits of the gas and oil wealth. At the present, it would seem that there is less than adequate concern for the interest of the Niger delta people by the Nigeria state and the multinational corporations in the distribution of the benefits of the gas and oil wealth derived from the region. The Niger Delta people strongly believe that the Nigeria state has failed to represent their interest in the manner the prosperity being generated from their place is being distributed despite the environmental problem they suffer as a result of oil exploitation and as such would want to take over the control of these resources themselves. Thus the prosperity being generated from oil production in the region instead of creating real wealth for the people of the Niger Delta region has brought about environmental degradation, instability, corruption and repression. Oil production instead of spreading contentment and harmony in the region, has brought about frustration and a complex, multi-level conflict, which has persisted for a long time now.

Presently, deployment of the state apparatus has taken precedence over the needed development projects in the region. Thus the region has been plunged into resurgence war against itself as well as the Nigeria state and multinational oil corporations. Militia groups are proliferating and mutating rapidly in the region. The strategies and instruments employed by the militia groups to press home their demands have sent hundreds of lives to their early graves, disrupted oil production and causing huge loss in export earnings, with their attendant obvious and disastrous implications for national development. Recently there have been cases of renewed insurgency in the region. This has manifested in the kidnapping of oil expatriate workers and prominent indigenes, bombing of oil wells and flow stations, oil bunkering, vandalization of oil pipe lines and outright seizure of oil wells and flow stations among others. The situation has continued to deteriorate, forcing some oil companies to relocate their operations from the region for fear of insecurity to life and property. All efforts by the federal government of Nigeria and oil companies to put paid to this development are yet to produce the desired result.

Unarguably, time is ripe for providing a significant insight into sustainable modalities for peaceful resolution of the protracted conflict in the Niger Delta region. Studies reveal the reasons for the conflicts in the Niger Delta but the enormous implications of the conflicts on national development remain understudied. This study attempts to fill the void by approaching the

investigation from the perspective of national development. This study therefore will examine the implications of the Niger Delta conflict on national development of Nigeria.

Conceptualization

The concept of conflict

Like any other concept in social sciences, the word conflict has no all embracing and universally acceptable meaning. However, according to, Idede (2005:49), “the term conflict derives from “conflegere”, a Latin word which means to strike together”. Idede further remarked that unlike the way it is now understood in peace Literature the word originally had a physical rather than a moral connotation. (Idede, 2005:49). At the technical level the word conflict could simple be defined as “opposition among social entities directed against one another (Wright, 1990:19) The word “opposition” as used here is better understood when contrasted with the word “cooperation”. It is then axiomatic to say that when you are not cooperating, you are opposing and then there is conflict. In this sense a conflict exist where there is too little or no cooperation. Kriestberg (1973:23) defines conflict as “... a relationship between two or more parties who ... believe they have incompatible goals”, This means that conflict is said to exist when two parties pursue interests that are at cross-purpose with each other. The above definition agrees with Hoivk and Meijer (1994:32) who define conflict as incompatible behaviours between parties whose interests are, or appears to be incompatible classing.

For Idede (2005:42) conflict simply refers to “a fight, a quarrel, a struggle, a bitter argument, opposition, difference in opinion, desire etc. The above definition portrays conflict in a negative light rather than positive as falls short of explaining the concept of conflict. Contributing to the exploration of this concept, Hansfied (1943:17) perceives conflict as ‘a breakdown in the normal activities of an organization in such a manner that the individual or group involved experiences disharmony in working together.’

Chaplin (1979:109) defines conflict as “the simultaneous occurrence of two or more mutually antagonistic impulses or motives while Wilson and Hanna (1990:255) describe it as “a struggle involving ideas, values and/or limited resources. Deutsch (1977:35) views it as an action, which prevents, obstructs, interferes with, injures or renders ineffective another action with which it is incompatible. March and Simon (1958:14) define conflict as ‘a breakdown in standard mechanism of decision making.’ For Deutsch (1973:31) “conflict exists where incompatible activities occur”. As far as Forsyth (1990:10) is concerned conflict occurs when “the actions or beliefs of one or more members of a group are unacceptable to and hence are resisted by one or more groups or members”. Pruitt and Rubin (1986:13) define it as perceive divergence of interest or beliefs that the parties’ current aspirations cannot be achieved simultaneously. From definitions offered by the scholars above, conflict connotes a disagreement between two or more parties who believe they have incompatible goals or beliefs with each other. For Nwolisie (2003:52) conflict refers to a clash, confrontation, battle or struggle. Essentially conflict connotes disagreement, dispute or controversy in ideas, or viewpoints held by two or more individuals/groups. In general terms and by way of comparison, dispute involves negotiable interest while conflicts are concerned with issues that are not negotiable, issues that relate to Ontological

human needs that cannot be compromised Coser (1956:8) defines conflict as “a struggle over values and resources in which the aims of the opponents are to neutralize, injure, or eliminate their rivals” Here conflict is presented as a means of resolving dispute. This conceptualization of conflict is in line with Otite (1999:34) who opines that:

Conflict may therefore not be regarded only in a negative light of dysfunctional or disjunctive process and a breakdown of communication as some scholars tend to suggest. Conflict is a contact and communication. It is a normal process of interaction particularly, in complex societies in which resources are usually scarce. From the above assertion conflicts generally occur wherever there are incompatible groups with divergent orientations, values and beliefs. According to Shelling (1960:16) “conflict, competition, and cooperation are inherently interdependent, conflict occurs when competing groups goals, objectives, needs or values clash and aggression, though not necessarily violence is a result”. Me Enery (1985:47) defines conflict as “the overt coercive interactions of contenting collectives.” In similar vein Kornhauser, Dobin and Ross (1980:73) see conflict as, total range of behaviours and attitudes that expresses opposition and divergent orientations between individual owners and managers in one hand and working people and organization on the other. The constant variables in all the definitions offered above are that conflict is inevitable in every human setting and conflict is characterized by antagonistic relationship, opposition and contention of interests.

The concept of National Development

National development as a concept is the centre of debate which revolves round the issues and challenges of nation building. It is worthy to note that the concept “national development” cannot properly be conceived without first clarifying the concept of Development. Unfortunately the concept, “development” like other concepts in social science has no generally accepted meaning. Obi (2005:25) has observed that; “Development as a concept is a victim of the ideological warfare between capitalism and socialism. Consequently, scholars on both sides of the divide have come to view, the concept differently, resulting in a serious confusion as to the means and manner of embarking on the development process.” Arising from the different interpretations given to the concept by scholars, we are therefore going to look at development from two broad perspectives; the traditional view and the contemporary view.

Traditionally, development meant the capacity of national economy whose initial economic condition has been more or less static for a long time, to generate and sustain an annual increase in its gross national product (GNP) at rates perhaps 5% to 7% or more (Todaro and Smith; 2004:28). Development within this perspective is seen almost purely as an economic phenomenon, thus the major index of development has been a growth of income per capita or per capita GNP. It was believed that the benefits of growth will invariably extend to all segments of society. This process is referred to as a “tickle down effect.” Furthermore development has been defined as a type of social change in which new ideas are introduced into a social system in order to produce higher per capital incomes and levels of living through more modern production methods and improved social organization (Rogers, 1969:25).

Base on the above interpretation of development, some development scholars have come to equate development with westernization, which implies that any country that is desirous of developing must struggle to be like capitalist societies. These groups of scholars are referred to as modernization theorists. According to Ake (2001:14); In its most common form modernization theory posits an original state of backwardness or underdevelopment characterized by among other things, growth that is at least potentially amenable to alteration through normal process of capital. Original state of backwardness is initially universal. According to the theory, the industrialized countries have managed to over come it. All the other countries could conceivably over come backwardness too if they adopted appropriate strategies.

Modernization theorists often use such words as “Modern” and its permutations and by categories such as “institutional differentiation,” “development”, “nation-building”, “Westernization”, “backward”, “primitive,” “tribal”, “detrribalized” etc (Offiong, 1980:13), What modernization theories most often end up with is in eventuating ethnocentric practical recipes which admonish the poor societies to initiate them all the way and they would acquire a sudden leap into the 20th century. In other words join the Calvinistic cult and you will experience a sudden leap into modernity.

Obi (2005:27) opines that: the disputing performance of most countries that pursued development from the traditional approach led to a new thinking of the concept of development. The mindless pursuit of development through an increase in income per capita without a thought on how the benefits of growth are distributed in the society resulted in greater income disparities, a few very rich people and a mass of people wallowing in object poverty. While the rich were getting exclusively rich, the poor were getting miserably poor. This means that the “trickle down effect” did not take place. Celso Furtado describes this phenomenon as ‘growth without development’¹ this shows that the recorded growth in the state economy failed to address the needs of the citizens (see Obi 200 5:27).

The question which Dudley Seers raised during the eleventh world conference of society for international development in 1969 at New Delhi, India, represents the new thought on the concept of development: The questions to ask about development are therefore: What has been happening to poverty ? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all the three have, it would be strange to call the result “development” even if per capita income doubled (Seers, 1969:63)

The new focus on the meaning of development is one that makes people the garget or end of development. Development in this sense is not just and about growth but all people: the distribution of income to enhance better quality of life for all. Development is therefore a process by which people create and recreate themselves and their life circumstances to realize higher levels of civilization in accordance with their own choices and values (Ake, 2001:15). Following the above thinking, James D.Wolferson states; our new framework is a holistic and integrated approach to develop strategies and programmes that highlight the interdependence of all aspects of financial affairs. Adding to the conceptualization, Gauba, (2004:476) submits: Development

may be identified as a process in which a system or institution is transformed into stronger or more organized, more efficient, and effective form proved to be more satisfying in term of human wants and aspirations.

Under this concept of development, development implies a conscious effort for the attainment of a specific goal. The condition of the society in terms of its distance from the goal may be described as the level of its development. Thus Mittelman (1998:20) defines development as an increase capacity to make rational use of natural and human resources for social end. In similar vein, Baran, (1957:12) describes development as “a far-reaching transformation of society’s economic, social, and political structure of the dominant organization of production, distribution and consumption”. Rodney (1974:25) identified development as “a many side process,” implying for the individual “increased skill and capacity, greater freedom, creativity, self-discipline, responsibility and material well-being. Lending his voice to the exploration of this concept, Obi (2005:31) opines, development must be redefined as an attack on the chief evils of the world today; malnutrition, diseases, illiteracy, slums, unemployment and inequality. Measured in terms of aggregate growth rates, development has been great success. But measured in terms jobs, justice, and elimination of poverty, it has been a failure or only a partial success. For Stiglitz development should be seen as a transformation of society, a movement from old ways of thinking, and old forms of social and economic organization to new ones. Development and developmental transformation involve a change in the way people think and the way society functions, a change in norms, expectations, and institutions. Development involves not just the acceptance of change but its promotion and indeed, its routinization (Stiglitz, 2000:8) In all, development means efforts by man to improve and sustain socio-economic and political transformation of humans and the basic structures of the society from a comparatively low level to more qualitatively, and quantitatively remarkably improved form.

National development going by the above conceptualization of development could mean the improvement of peoples’ life styles, through improved education, skills, income distribution and employment generation. Okpata (2004:175) posits that national development entails some positive qualitative and quantitative changes in the society. United nation Economic and Social Affairs (UNDESA) defines national development as a sustainable and responsible socio-economic development which ensures growth while protecting the resource base for the benefit of future generation (Carew, Reid etal, 1994:1). However National development connotes the pursuit of the well being of the peoples of a particular country by ensuring that their skills and creativity are improved to the highest limit possible.

Theoretical Framework

Theoretical framework adopted for the analysis of this study is the theory of war economy. Although this theory has been used earlier by Ikelegbe to explain the intractability of the Niger Delta conflict, the theory can also be used to explain the relationship between the Niger Delta conflict and national development. One of the propositions of this theory is that the resources regions of states are prone to endless conflict and war. Incidence of primary commodity exports, especially mineral wealth in states has been found to be associated with conflict and the occurrence and duration of civil war (Collier and Hoeffler 1998:568-569; Mwanasali, 2000:145;

De Soya, 2000:123) This is related, first to the acute struggle for access and control of resource by rulers and counter elites and merchants accumulation and political consideration (Ikelegbe, 2006;25), Reno notes that; in extreme cases, this increases vulnerability to conflict ridden violent conflict over power and resources. These struggle spurn appropriation and privatization through patrimonial network, exclusive contact with foreign firm themselves through the war (Ikelegbe, 2006:26). Even the armed forces in Sierra Leone and Liberia were often drawn into the illegal, informal and violent economy through protection, complicity and direct activities (Keen, 2003; 74), Various factions fought for control over diamond mines as a source of personal enrichment (Keen, 2003:219). As Vroom and Vlassenroot (2001:79) note, the situation of disorder produces new opportunities and is quite functional in terms of economic profiting. There is new opportunity to reach the profits of modernization for militias and opportunity for access to resource for militia leaders.

At the lowest level of the economy of war, there is the profiting from violence by youth militias, rebels, armed gangs and even government soldiers. This involves plundering, looting extortion, imposition of tolls and robbery of local people, traders and farmers. In fact, youth militias are driven by the opportunities to acquire properties and riches (Ellis, 1998:162). Extortion, looting and illegal taxation by armed gangs; the revolutionary united front; and government troops were common during the Sierra Leone civil war. (Reno, 2003:60).

The fourth is that war and conflict in Africa have in recent times had a considerable involvement of mercantilists, who capitalize on the profits of scarce resource. Mercantilists such as foreign mining and mineral exploiting companies often partner and take sides with state or non state actors in order to have favoured access to participate in formal or informal trading and in legal or illegal exploitation. Several companies, foreign commercial interests and private military companies supported rebels and government forces in Sierra Leone (Breytenbach, n.d;7). French and Lebanese commercial interests won concession of minerals and forest products from the rebels in exchange for vital credit and equipment (Richard, 1997:145), Ellis (1999:164) indicates that there were sophisticated deals, specialist operators, professional import and export traders and African, American, Asian, European and Middle East companies in the war economy of Liberia.

The fifth is that warlords characterize African insurgencies, rebellions and wars. The warlords according to Breytenbach (n.d:7) are at a point more interested in resource capture and in maintaining a territory for resource exploitation. Warlords have been known to impose quasi taxes on mineral resource exploitation and trade (Mair, 2003:12-13). Warlords and insurgents particularly thrive on illegal international trading and export of looted mineral and timber through foreign firms and agents as has occurred in Angola, Liberia, Congo Kinshasa and Sierra Leone (Reno 1993:78; 1996:63).

In the Liberia war Charles Taylor captured large resource rich areas, exploited diamond, gold, iron ore, hard wood and other commodities, and controlled commerce through informal and external commercial alliances, his family and an inner circle (Ellis, 1998:161). Both NPFL fighters and leaders objected to economic exploitation, ranging from individual looting to large scale illegal trading (Ellis, 1998:162). Ellis (2003: 462) also claimed that the various Liberian

warlords acquired “substantial interests in various forms of trade to which their use of armed forces gave them access”¹¹. In Democratic Republic of Congo, rebels and mercantilists were at the centre of illegal exploitation in crisis prone Kivu province (Breytenbach n.d:7). In Congo Brazzaville, the struggle for control over oil resources in part underpinned the violence conflict of 1997 (Havermans, 1999:132).

Sixth, there is high level of economic crimes involved in rebellions and wars. Mair (2003:22) brands the activities of movements and groups in conflict areas such Sierra Leone, Angola, and other parts of sub Saharan Africa as mixtures of rebellions, warlordism, and organized crime. Transborder or transnational smuggling, trafficking in precious gems, illicit and clandestine commerce, piracy, arms and drug trafficking and organized crime syndicates thrive in conflict and resistance regions. The illegal trade of diamond in Sierra Leone caused Liberia and DRC to underpin the attempts by the international communities to regulate and brand some as blood diamond. (Breytenbach, n.d:9). Transnational organized crime is heightened as clandestine companies and agent play crucial roles as middlemen between warlords in plundering resources, arms trafficking, money laundering and smuggling (Mair, 2003:21-22).

According to Mair (2003:28), most of non state actors of violence are linked or integrated into the global channels, structures, and networks of the black economy and informal international underground economy. A variety of less internationally respected companies, criminal rackets, adventures and carriers/pilots from such countries as Ukraine, Lebanon, Belarussia, Russia and Israel are involve in Africa’s resource war (Mair, 2003:26); Reno, 2003:44) conflict and war region also have a high level of informal economies. His is much more than the flight towards the illegal and informal being much more prospective and profitable (Williams and Brooks, 1999:95.) Informal networks, Black markets, underground economic activities and a growing general criminization of economic life are quite extensive in conflict environment both as a form of resistance as a part of the dynamics of conflicts (Allen, 1999:373, Kaldor, 1999:33).

There are several explanatory dimensions of the economies of war thesis. First is that it is the actual cause of rebellions and wars. Mair (2003:22) states that war lords and patrons of crime merely disguise their pure economic agenda with political grievances in order to legitimize their activities. The greed and opportunities for resource benefits are seen as motivation for violence and conflict by both state actors and non state actors such as rebels, insurgents, dissidents, militias and warlords.

Quite related is that rebellion and war are prolonged and sustained by economic opportunities and trade network in conflict regions (Naidoo. 2000:37). Reno. (2003:44-45) asserts that the exploitation of natural resources has played a prominent part in conflict in Liberia and Sierra Leone by sustaining warring groups. Economic profiting from war provides funds for armament and payment to aides and troops.

A third dimension is that the economy of war is seen as underpinning violence in the conflicts in Africa’s resource rich regions. This occurs as an increase number of actors struggle for economic space to further extraction of resource benefits. Doom and Vlassenroot (2001:72) attributed the militia and violence in DRC in part to economically attractiveness of violence particularly in the

formation of New and militarized network of informal economic networks and trading in the struggle for resource extraction and benefits. This fueled the creation of militias and gangs as structures of violence as a protection for informal network and local resource routes and markets by cliques, barons and warlords (Doom and Vlassenroot, (2001:70-76) A fourth dimension is that resource interest tends to underpin the interference of neighboring state in conflicts. In conflicts in the Democratic Republic of Congo (DRC), Rwanda, Burundi and Uganda intervened on the side of the rebels while Angola and Zimbabwe fought on the side of the government. The former were involved in illegal exploitation while Zimbabwean, Angolan, and Namibian, companies were authorized by Kabila regime to export minerals. Breytenbach,n.d:75;, Doom and Vlassenroot,20Q1:71). In Liberia, even the ECOMO Peace Keepers profited from looting and illegal trading while the Guinean and Ivorian officials and traders benefited from the illegal trading and commerce networks (Ellis, 1 998: 1 64).

This theoretical framework aptly explains the implications of the current conflict in the Niger Delta region where the struggle over the control of oil resources in the region between the indigenes of the region and the Nigerian state has produced an informal economy that is counter productive to revenue generation for national development. The Niger Delta Region is strategic to the generation of revenue for national development in Nigeria as oil and gas from the region account for 80% of her national revenue and 95% of foreign exchange earnings as such conflict within the region would no doubt produce negative implications on national development. The conflict has produced a safe heaven for all sorts of economic crimes to thrive in the region. It promotes transnational border crimes such as smuggling, trafficking in precious gems, oil bunkering, illegal and clandestine commerce, piracy, arms and drug trafficking and other organized crime syndicates in the region that have negative implications for national development. As the conflict escalates the informal economy booms while the national economy suffers huge losses.

The conflict conditions create more opportunities for the plundering of the resources and other valuables by the militias which they market through their established networks of illegal trades, within and outside the country. The conflict has therefore created a parallel economy (informal economy) ;that is antagonistic or antithetical to the growth and development of the national economy. The more the informal economy progresses the more the national economy catches cold. Put differently the conditions which produce growth and development in the informal economy on the contrary ice underdevelopment in the national economy. The conflict situation has produced a paradox “business as crime and crime as business,” business for the actors of the informal economy but crime for the actors of the national economy. Furthermore, the more the conflict in the region intensifies the more the economic activities in the region get grinded, leading to decline in revenue output and shading of oil workers to cover the additional cost of meeting with the increasing security challenges in the region. Worse still most oil companies in the region have relocation business activities from the region to safety areas for fear of insecurity to life and property leading again to loss of jobs by Nigerians. Again Nigerian state is incurring additional cost to meet up with increasing security challenges in the region and these are resources that the country could have been directed to national development. The youth militia groups is fond of imposing illegal levies on villagers, farmer and businessmen in region and as such further compounds economic hardship on the citizens. They also engage in hostage taking and demand ransoms for the release of their hostages and this also negatively affects the

economic life of people. This theoretical framework is found to be adequate for the explanation of this study because it not only offers a holistic view of the conflict but unveils the current causes or variables which provoke the conflict, the dynamics as well as their inter-linkages, how they mingle or interact to produce and sustain the conflict and the implications of the conflict on national development.

Implications of Niger Delta conflict on National Development

The implications of the Niger delta conflict on national development could be collapsed and analyze under the following sub-headings:

Loss of Revenue for National Development

The government of Nigeria relies heavily on the earnings derived from the sales of oil to be able to carry out its obligations. The crisis which began since in the region has at times forced oil production shutdowns of up to 800,000 barrels per day (International Crisis Group, 2006). This development is threatening the development plan of Nigerian government to nearly double oil production to four million barrels a day by 2010 which is part of the development agenda in vision 2020, pursued by present administration. The crisis is said to have cost the country an annual loss of 4.4 billion dollars (3.2 billion euros) (Yahoo News, June 30, 2006). The campaign of the foremost militant group, MEND, has heightened tension in the area and is threatening to cripple Nigeria's crude oil export. Experts predict that if the violence continues, oil companies operating in the area will be forced to leave, sending Nigeria's economy into a nose dive. Already, a quarter of Nigeria's oil output in the estimation of international Herald Tribune has been shutdown leading to huge loss of revenue earnings to the government (International Herald Tribune, June 06, 2007) According to the statistics given by the Vice Chancellor of the University of Ilorin, in his opening address during the 2nd Distinguished Personality Lecture held at the University Auditorium on March, 3,2009, titled 'Phases in the Manifestation and Management of the Niger Delta Crisis,'¹ the Niger delta Crisis costs Nigeria state annual loss of \$4.4 billion dollars. (AIT, Live programme, March, 3,2009).

Besides the trillions of naira that have been lost by the country due to crisis, the Niger Delta states are suffering as a result of the lingering crisis. All the states of the region have been failing in their oil production quota and that means lower 13 percent derivation fund. One of the governors was reported by Emma Amazie, in the Vanguard Newspapers to have cried out recently, that it was as if his state was no longer oil producing. The oil companies are on tenterhooks, as their operations were being carried out in fits and starts and the environment is not safe for business (<http://www.Vanguardngr.com>, July 15, 2007), Construction work on the very important East West Road, which the people of the region had been complaining for a very long time has been abandoned by Sectraco, the construction firm handling the job, after some of its expatriate workers were kidnapped by militant. For more than one year now, shell had not produced oil in its western operation due to the damage of its facilities in the creeks. Some companies have relocated from Delta, River and Bayesla states following the rising cases of banditry by militants (Whelan.2007:23). The conflict has made illegal bunkering of oil to thrive which is also the source of funds for the militants operating in the creeks of Niger Delta.

According to a report of the Brussels based international crisis group, Nigeria losses day anywhere from 70,00 to 300.000 barrels per day to illegal Bunkering. The equivalent output of a small oil producing country (international crisis group, 2006:8). In its annual report in late August 2006, shell Nigeria estimated illegal bunkering losses at 20,000 to 40.000 barrels per day in 2005, and down from 40,000 to 60,000 in 2004 (International Crisis group 2008:8). The Washington based Council on Foreign Relations Independent Task, Force, calculated that a loss of just 70,000 barrels a day at a price of \$60 a barrel “would generate over \$1.5 billion per year, ample resources to fund arms trafficking, buy political influence or both” (International crisis group 200:8). Put another way, “one day’s worth of illegal oil bunkering in the Niger Delta (at 100,000 barrels and \$ 15 bbl) will buy quality weapons for and sustain a group of 1,500 youths for two months (international crisis group, 2008: 10). According to a report by a consultant group contracted to shell, illegal bunkering has been a key source of fund for anti-government militant groups. Several militant war lords have either publicly or privately admitted involvement and others said they consider the practice a defensible means of providing income for aggrieved and impoverished residents of oil producing communities (international crisis group, 2006: 10). However it must be noted that the activities of these bunkers have a serious threat to the supply if revenue for national development and security well being of this nation. Given the place of security in national development, the Niger Delta conflict creates negative impacts on our development efforts.

Decline in Employment and Job Creation

As the crisis in the Niger Delta is hampering operations of the oil companies, some of them have started a lay-off of their workers. Anglo/Dutch oil firm, Shell Development Company was retrenched 3,500 workers in September, 2007. (Punch Newspaper, Sunday, June 10, 2007:14) A similar action was taken in 2004: when about 1,500 shell workers were retrenched. The idea was conceived in order to reduce operation cost, in view of worsening security situation in the Niger Delta region. The management of Shell opted for the measure in response to the cut in production, especially in the western operation in Bayelsa and Delta states production have taken place since February 2006. A production shut of 500,000 barrels of crude oil per day is being recorded in the western operation since fresh crisis erupted in the Niger Delta in February, 2006 (Sunday Trust Newspaper, 2007:8)

Decline in Economic Activities

Since the beginning of the crisis, particularly hostage taking and attack on oil installations in the Niger Delta, there has been death of business activities. Restiveness has reduced growth in the business sector in the past three years. In River state alone, the situation has assumed a worrisome dimension to the extent that about 80 percent of the companies in the state have stopped operations as expatriates have either gone to their countries, or have taken cover in other areas (Punch News, 2007, July :2s2). This development has in turn, increased the unemployment ratio among the youth. The Deputy Governor of Rivers state, Engr. Tele Ikuru, said of the situation; “River State has become a carcass of itself; go to trans-Amadi and you will see that about 80 percent of companies have closed down not because of their inability to manage businesses properly, but because of the domestic activities of our youth” (Sunday Trust

Newspaper, July 7, 2007). He specifically mentioned that “Indorama Petrol chemicals has shut down operations thereby rendering over 3,000 youth jobless and aggravating the unemployment situation” (Sunday Trust newspapers. July 7,2007).

The Niger Delta crisis has impacted negatively on the Telecommunication sector, as militant activities have compounded the problems of drop calls in the networks of mobile operators in the country (Nigeria) as several base stations have become inaccessible in the region. Confirming the development, the General Manager, Regulatory Affairs, Mobile Telecommunication Network (MTN) Nigeria, Mr Wale GoodLuck, said “the company had 43 base stations shut down in the Delta region due to militant activities that made them inaccessible (punch Newspaper, July 01,2007). He further said, with the situation operators are unable to refuel base stations when their power runs low. This has brought about significant level of drop calls (punch Newspaper, 2007: Ibid)

The Nigerian military, under the aegis of the Joint Military Force (JTF), have been fighting with the militants since 2006 when the Movement for the Emancipation of the Niger Delta (MEND) started its violent activities. MEND and other militia groups have been able to withstand the military in several clashes they have had. They have been able to do this because of their access to sophisticated weapons which they use in attacking oil platforms and facilities. According to a security expert, the type of weapons available to the different militia groups in the Niger Delta Area are so overwhelming that something should be done to arrest the situation before it turns to a high level civil war (Whelan,2007:23). She said that Nigeria security is being undermined by the militia groups, for the military to have not been able to tame them. The militants appear to be operating with almost impunity. To make matters worse, the military tactics and weaponry are increasingly sophisticated (Whelan. 2007: ibid). Kidnapping and Hostage taking has become the order of the day with oil workers and individuals becoming the targets, thus worsening the security situation. Precisely on January 11,2006 hostage taking of oil worker started in Bayelsa state after the declaration of “operation Orido Danger” by MEND with the kidnapping of four set of hostages namely: Mikko Nichevi (Bulgarian) Harry Ebanks (Honduras), Arnold Laundry (American) and Nigel Watson Clark (Briton). About 200 expatriates had been kidnapped since the commencement of the ugly incidence, although most have been released within weeks in exchange for ransoms, typically hundreds of thousands of dollars, According to the International Herald Tribune, “oil companies find themselves in an uneasy position ...” (International, Herald Tribune, July, 15,2007). The kidnapping and hostage taking is not restricted to the oil workers alone. Some individuals have been kidnapped by militants for ransoms. Mrs Cecilia Omehia, the Octogenarian mother of Mr Celestine Omehia, the former governor of Rivers state, then elected, was kidnapped on may 01,2007. Recently, the militants have become more daring and have targeted toddlers. Young Michael steward, son to a member of the Rivers state House of Assembly; three year old British toddler, Margaret Hill and Samuel Amadi; a two year son of the Eze of Eribe Kingdom, Dr Francis Amadi, have swelled the ranks of those taken hostage by militants ([http://www , punching .com](http://www.punching.com). July 15 2007). As a result of the prevailing insecurity in the Niger Delta, expatriates have been abandoning their works. For instance, expatriates handling the training programme of the new recruits of the Nigerian National Petroleum Corporation, NNPC, in Effurum, Delta state, abandoned the scheme. The expatriates, numbering six, fled the conference centre of the Petroleum Training Institute (PTI) venue of the training session, following a report that some militants were mobilizing to abduct them (<http://www>.

Punchng.com. July 13,2007). The action might truncate the vision of the management of the NNPC in conceiving the scheme to reorientate and inculcate free values in the new employees. Both Nigerians and international community are greatly disturbed by the insalubrious development. This made Simeon Kolawale to observe in his writing in the This day Newspaper that, “Kidnapping expatriates and toddlers may just be a child’s play. Something more barbaric may be in the offing if we do not find a solution as soon as possible (Kolawole,2007:13).

The deteriorating security situation in the region is not disrupting economic activities but scares away investors from the country. The increase in banditry, attacks on civilians, oil installations and hostage takings that unfortunately have long become the stock in trade of the youth militia groups in the region have made the country place for investments as no reasonable investor would like to operate in an atmosphere of insecurity and uncertainty.

Conclusion

The Niger Delta conflict has reached a monumental proportion of a disturbing level and constitutes a serious threat to national development in Nigeria. The method and dimension it has taken over the years should be of great concern for lovers of peace. Militant groups are proliferating and mutating rapidly. The security situation is deteriorating, with consequences for oil industry and Nigeria as a country, because of the strategic importance of the region to the socio-economic development and well being of the nation. The Nigeria state, Multi National Oil Companies, International Community and stakeholders in the Nigeria project should rise to the challenges of managing the security situation in the region by urgently addressing the fundamental conditions which provoke and promote the conflict. In this regard what would readily come to mind are the vexed issues of fiscal relations among the federating units in Nigeria, marginal ization and neglect of the oil rich region in infrastructure development by both the federal government of Nigeria and oil companies, environmental degradation and rising unemployment ratio in the Niger Delta Region among others yet to be mentioned here. There should be a clearly demonstrated political will and commitment by the government and the Oil Companies towards addressing the above identified problems in the Niger Delta Region.

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