The Niger Delta Conflict and the Irony of Invisible Empire

by

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Massachusetts Institute of Technology
School of Architecture & Planning
Dept. of Urban Studies & Planning
Dedicated to my late father

Igbo Enwegbara

Who died on January 30, 2001
For

Edwin and Uzoma Enwegbara

Chidi, Chiedozie, Chibuzo and Chinwe
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ABSTRACT

For more than four decades, the people of the Niger Delta have been excluded from benefiting from the oil mined in their region by the multinational oil companies producing oil in their region and by the government of Nigeria. It was the execution of Ken Saro-Wiwa, on November 10, 1995, that gave their predicament worldwide attention making headlines in major newspapers around the world. Unfortunately, contemporary scholarship has failed to undertake a comprehensive inquiry into the nature and causes of, and remedies to, the resulting intractable conflict in the region.

In trying to understand what makes this conflict so intractable, my own thoughts have undergone a transformation. During the course of my research, I came to realize the historical characteristics of the conflict that impede its resolution. Hence, this thesis is an attempt to provide a comprehensive survey of this problem in all its complexity, while
simultaneously analyzing the larger political economy of Nigeria from its pre-colonial and colonial past to the post-colonial present. This will give us an understanding of the nature and inner dynamics of the forces and the institutional patterns that generate and sustain this conflict.

The present-day stalemate in the Niger Delta is an outcome of a long period of competition for the control and monopolization of the region’s resources - from the slave trade to the lucrative trade of manufactured and primary products, and from the grip of colonialism to postcolonial domination. This history reveals, in my observation, how the forces of ‘invisible empire’ generate and sustain underdevelopment and dependency. These, in turn, produce political and economic relationships in Nigeria, which maintain instability and factional confrontations in the Niger Delta.

The ‘invisible empire’ is a Western network of trade, supported by a secret system of informal power, which controls and monopolizes the economies of developing countries in a political void. But for business to flourish in such absence of political control, traders under invisible empire must keep life simple in their network that is as invisible as an electrical field. In addition to the privileged access to authoritarian governments (which it helps prop up), the invisible empire is perpetuated and reinforced through the generation of all forms of local violence and instability.

These facts and their interpretation lead, in my view, to the conclusion that the resolution of the Niger Delta conflict cannot be achieved without dismantling the forces of the invisible
empire in Nigeria. Until this powerful network of economic exploitation and corresponding
dependency is broken, it will continue to manipulate, distort, and stifle the economic and
political structures necessary to wage peace and unity.

I will therefore argue that the resolution of this conflict cannot be achieved on the basis of
the present theoretical frameworks proposed by the students of negotiation and conflict
resolution. Nor can an accurate analysis of the historical, economic and political identity of
the parties lead to negotiation either. Even the good intentions and desires of the parties
may not be sufficient to form the basis of a resolution to the conflict. Instead, my
conclusion is that any prescription for reducing the intensity of this conflict must begin
with the disengagement of Nigeria from the international capitalist structures that protect
and reinforce the invisible empire of trade, inequality, domination and bourgeois
democracy that is responsible for the Niger Delta conflict.

In order to achieve this reduction and simultaneously expand and strengthen local
experience and interaction, I will propose three possible approaches. First, a sovereign
national conference should be arranged to provide a forum for all the ethnic groups to
discuss and attempt to resolve their differences. Second, an extensive internal
transformation of the economy should be effected in order to satisfy the basic needs of the
people. Not only will this help create a more people-centered basis for the economy, but it
will also make the country's development more integrating, independent, and self-
sustaining. In addition, environmental democracy must be developed to curtail the 'free
ride' presently enjoyed by the oil companies in the Niger Delta. Being an open process,
environmental democracy will also ensure that environmental policymaking and pollution control decisions are transparent to all the stakeholders and the public.

Thesis Supervisor: David Laws, EPG/DUSP
INTRODUCTION

The British involvement in West Africa began with Captain Wyndham’s expedition to the Bight of Benin in 1553. At first, like the other European powers, the British were principally involved in the slave and commodity trades, but as the importance of slave labor began to diminish with the onset of the industrial revolution, their trading emphasis shifted to industrial raw materials, and in particular palm oil. But in order to ensure that the high demands for palm oil were met and that the price expedient for their traders, Britain led the crusade for the abolition of the slave trade in 1833 to ensure that the slave suppliers would instead become palm oil suppliers and thus increase supply.

The British were able to maintain an unequal trade exchange in palm oil by using both diplomacy and violence in the Niger Delta. Military expeditions were used against local powers that opposed or obstructed the British monopoly of the palm oil trade, especially after the Berlin Conference of 1885 which legitimized the British government’s economic and political authority over the region. But as the trade in palm oil trade began to decline as cheaper substitutes became available, the British once again shifted their interest. This time, it became the trade in crude oil in the Niger Delta. In fact, by 1937, Shell Oil and British Petroleum were fully granted the sole concessions to drill oil throughout the Niger Delta.

During the creation of Nigeria as a British colony, the territory continued to be subjected to violence and brutality from the colonialists. In fact, the colonization process was achieved
through thousands of human casualties and numerous economic and sociopolitical displacements and disruptions. The process was further facilitated by the collaboration of local feudal and petit bourgeois leaders, who benefited from the process of colonization despite its perpetuation of underdevelopment and widespread impoverishment in Nigeria.

It was this same group that had ensured and protected British interests during colonialism that inherited political power on the departure of the British in 1960. The nature of this particular colonial legacy resulted in an indigenously colonial state, which in turn allowed the British to maintain an invisible empire of trade in post-independence Nigeria. The consequences of this were the Biafran Civil War that between 1967 and 1970 claimed over a million civilian deaths, and followed by a series of military-led governments that fostered political instability and economic mismanagement.

The resulting economic mismanagement in turn led to the intervention of the IMF who imposed structural adjustment program that further accentuated economic dependency and unsustainable exploitation of the oil resources of the Niger Delta - with all efforts to exclude the people. As the people of the Niger Delta were excluded from the palm oil trade, so were efforts made to exclude them from the oil wealth. But their refusal to be left out this time has led to present intractable oil conflict in the region. They are now fighting the forces of invisible empire that monopolized the oil industry and the indigenous colonialists.
Therefore, it is historically evident that the present-day stalemate in the Niger Delta is the outcome of a long competition over the control and monopoly of the region's resources - from slave trade to lucrative trade in manufacture and primary products - and the brutality of colonization and postcolonial domination. This competition, however, is maintained by invisible empire. The ‘invisible empire’ is a Western network of trade, supported by a secret system of informal power, which controls and monopolizes the economies of developing countries in a political void. But for business to flourish in such a political void, these giant multinationals traders under invisible empire must keep life simple in their network that is as invisible as an electrical field.

In this thesis, I will describe how the invisible empire operates in the Niger Delta situation. I will do this by tracing some possible connections (political and financial) between multinational oil companies and indigenous colonialist government in Nigeria. I will also explain, in descriptive detail, how these forces play out to perpetuate and reinforce the invisible empire of trade and how we can discern their workings in today’s political-economic atmosphere in Nigeria.

The enormous political and economic influence of the invisible empire of trade not only generates and sustains regional inequalities, alienation and mass poverty, but it also leaves behind widespread social and ecological devastation for the people of the Niger Delta in the effort to expand oil extraction and maximize economic surplus. On this basis, I will, in this thesis, also, describe the various ways in which these multinational oil companies are encouraged by Nigerian bourgeois government to pursue an environmental free ride – from
the inadequate regulation and control of oil and gas pollution in Nigeria - to the ridiculously lower penalties and compensations that the multinational oil companies pay.

Chapter 1 introduces some background information on the contemporary nature of this conflict that has become increasingly marked by the trading of accusations and counteraccusations. In Chapter 2, the thesis discusses the politics of oil pollution and how the invisible empire economy not only enabled the multinational oil companies engage in free ride but also generated social and economic instability in the Niger Delta.

While Chapter 3, however, attempts to survey the conflict from its pre-colonial origin to the period of the constitution of Nigeria as a British. Chapter 4 essentially the extension of Chapter 3, explores the politics of decolonization. It also describes how the British purposefully engaged in a kind of decolonization that only facilitated the re-emergences of the invisible empire in the political economy of the post-independence Nigeria.

Chapter 5 examines the forces of indigenous colonialism and how it has been responsible for the present territorial fragmentation and revenue allocation formula that marginalizes the people of the Niger Delta. In Chapter 6, the thesis shows how the forces of invisible empire have frequently propped up military dictatorship to help them manipulate and destabilize the economy. The chapter also goes further to describe how the military mismanagement of the economy created the enabling environment for the emergences of an outward market economy and neo-dependency in Nigeria.
In an effort to examine the possible ways to resolve this ongoing conflict, Chapter 7 will demonstrate why the nature and causes of this conflict defy the present theoretical frameworks proposed by the students of negotiation and conflict resolution to an extent that even good intentions and desires of the parties will not be enough to achieve conflict resolution, without of course, dissolving the forces that generate and sustain the conflict.

As is the case in many contemporary problems, most of the critical participants in this intractable conflict, are not the beneficiaries but policymakers, legislators and academics, who unfortunately have low stakes in the conflict. Their low level stakeholding reveals why the solutions they offered so far failed to meet the expectations of the disputing parties. It is on the basis of these realities that Chapter 8 attempts to propose the basic needs development approach and environmental democracy - as the remedy that is stakeholder-and-people centered. It also proposes a sovereign national conference as a way to constitute a functional federalism in Nigeria that responds to the majority and minority interests always.
CHAPTER 1

The Oil Conflict

(i) Oil Mining and Concerns

The first commercial oil mining in Nigeria began in 1958 by Shell at Oloibiri in the Niger Delta, two years before Nigeria became independent from Britain in 1960. By 1962, however, other major multinational oil companies, mainly the North American and those from other Western European countries such as Mobil, Agip, Elf, and Texaco joined Shell in the race to explore and exploit hydrocarbon in Nigeria. By competing, they broke Shell’s monopoly and rapidly increased Nigeria’s share of the global oil market. The competition was so intense among these multinational oil companies that it quickly led to an increase on the number of exploratory wells drilled, as well as led to the reduction in the cost of exploration and development.

The reasons for this rush and competition among the foreign oil companies for Nigerian oil are numerous and complex. First, Nigeria’s proximity to the Atlantic Basin makes it closer to the Western European and North American markets. Second, its low sulfur content, low bitumen residue, and its high gasoline and heavy gas oils characteristics make Nigeria’s sweet, crude oil probably the best in the world. Third, Nigeria was considered to be geographically and politically more stable than the Middle East.
Fourth, the 1973 Yom-Kipper war between the Arabs and Israelis that led to an Arab oil embargo on some Western countries made Nigeria the only alternative to meeting the shortfall that was caused by the embargo. Also, given Nigeria’s the freight advantage during the same period that witnessed the closure of the Suez Canal, Nigerian oil became a vital product for the industrialized economies.¹

Fifth, Nigeria had the most favorable fiscal incentives and pricing for oil exploration and production. Sixth, oil companies had the discretion of determining both their volume of production and their taxable profits.² And finally, the extraordinarily high oil reserves discovered within a short period of exploration in the country made Nigeria’s oil fields more attractive.³ In sum, these oil companies entered Nigeria inheriting a favorable set of regulations from the colonial period.⁴

The outcome was a swift increase from a mere 46,000 barrels a day in 1961, to 1.4 million barrels a day in 1970. By the mid-1970s, Nigerian oil had become highly priced and sought after as well as the major source of government revenue – to the extent of representing over ninety percent of export earnings. But another factor that led to the increased oil revenue to Nigeria was as a result of the increase in both production and price made possible by the powerful OPEC cartel.⁵ Increasing oil production became central to Nigeria’s development, as well as constituted the mainstay of the country’s

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¹ See Kirk-Greene and Rimmer, 1981
economy development. The influence of oil has been enormous. In the 1960s the growing importance of oil ended up dividing Nigeria. In the 1970s it provided the basis for recovery form the devastating civil war while in the 1980s, it became the root cause of Nigeria’s economic crisis and the present intractable Niger Delta conflict.

(i) Consequences and Concerns

The purpose of increasing oil production at all cost was not only to be able to meet Nigeria’s daily oil quota from OPEC (which stands at two million barrels of oil per day) but more importantly, to meet the foreign exchange needs of the country’s dependency on oil export as well as running an open-door import-based economy. But meeting targets also meant compromising environmental standards as well. The consequences became over 480 incidents of oil spills annually in over 244,600 barrels of oil discharged into the fragile Niger Delta ecosystem.

Seismic explosions, pipeline blowouts, gas flaring in turn turned the oil region (once pristine environment) into an ecological and socioeconomic nightmare. Farmlands, forests, and streams, as well as creeks, rivers, and ponds have been permanently threatened in the Niger Delta. Even the risks do not end there. High load of hydrocarbon vapors, methane, carbon dioxide and carbon monoxide, have been built up into the atmosphere to such a frightening extent that it could be argued that the atmosphere can one day be ignited into flames.
But the realization by the people of the Niger Delta that to allow these activities to continue would not only worsen their social and economic well-being but it would also expose them to high health risks as well as permanent extinction. To these communities, both the activities of the oil companies operating in their region and the legislation of the government - such as the 1969 Petroleum Decree, the 1971 Minerals Decree, and the 1978 Land Use Decree - as well as the Associated Gas Re-injection Act of 1979, the Oil Pipeline Act of 1990, and the National Inland Waterways Authority Decree No. 13 of 1997, denied them a role in the decision-making process.

The Niger Delta people have begun to be afraid that when the oil wells become empty (as is the case with the first oil well at Oloibiri), they will all be abandoned and left to inherit an environmental and social catastrophe - a burden they are ill-equipped to deal with under the present system imposed by the government and joint venture oil companies. This systematic exclusion from the oil wealth, the communities argue, has given the multinational oil companies four decades of free-rider status and billions of dollars in oil profits in the region with scarce social returns to them.

The contributions made by the oil companies the communities argue, are intangible when quantified and compared with what huge profits the multinational oil companies have taken away and the damage they have caused to the environment. The communities, therefore, have challenged the multinational oil companies to demonstrate their
environmental and social irresponsibility. They equally challenged them to demonstrate that they have over the years been conducting sound environmental impact assessments (EIA) in their major projects. In fact, as the communities claim, most of the multinational oil companies have never conducted EIA at all in most of their oil operations in the region. Even when they claim to have done so, often times, such environmental impact statements only reflect their operations elsewhere that have nothing to do with the Niger Delta’s unique environmental and social realities.⁹

(ii) Claims and Counter-claims

Both the people of the Niger Delta and the multinational oil companies have continued to trade claims and counterclaims. The multinational oil companies have routinely claimed that their memorandum of agreement for joint ventures with the Nigerian National Petroleum Corporation (NNPC) exempts them from taking social responsibility in their host communities. They assert also that it is the duty of the Nigerian government to provide social services to its citizens – including to the communities in the Niger Delta. On the issue of sharing oil revenue, the oil companies seem to claim that it is the responsibility of Nigerian government to make fiscal policies to which they must comply.

Even in the midst of all these difficulties, the multinational oil companies claim to have funded development programs in most of their host communities. Shell, for instance, claims to be spending US$30 million annually on its community programs. But critics, however, are quick to argue that Shell’s community development programs have been
carefully designed to bribe and corrupt local champions rather than targeting the real people.

On environmental pollution and degradation, the multinational oil companies shift the blame to the local folks who they claim usually often engage in sabotaging their facilities – particularly pipelines laid across their farmlands or near their communities to demand compensation. They equally argue that the growing incidence of kidnapping of their personnel on duty, have not only resulted in the disruption of their operations but have also contributed to oil spills in the region. But the counterclaim by the communities says that the multinational oil companies have found those statements as a cheap way of shifting their responsibilities – since they lack proof to drive home their claims.

While the oil producing communities in Nigeria furthermore accused the multinational oil companies of acting to frustrate their efforts to become part of the oil wealth, these communities, however, seem to focus most of the blame on the government and the present federal structures. These oil-producing have come to the conclusion the government has continuously forced the oil producing minorities on the political and economic back seat. As a result, the people of the Niger Delta have, over the years, sought the restructuring of the federal fiscal policies and revenue sharing formula to reflect an equitable federalism.

The claims being made by the people of the Niger Delta can be summarized into the following four points. First, the Niger Delta communities want the restructuring of the
federation in such a way to guarantee more autonomy to states and local authorities, as well as to permit minorities the opportunity for self-determination. These communities believe that resource control and self-determination are the only way to maintain good federal union, stable democracy, and economic stability in Nigeria.

Second, these oil-producing communities have pushed their demand further to now include the return to the derivation revenue allocation principles. Their argument is it is only the return to the derivation principle – where regions are in control of the revenue generated in their own territories - which made the North and West be excluded from the initial oil boom in Nigeria – that will make them bring their present agitation to an end. The Niger Delta communities also want the decentralization of the present fiscal system that has forced the state and local governments to lose control over the resources they generate federal government. The oil communities have argued that Decree No.51 of 1969 and No.38 of 1971, which gave the federal government complete ownership and control of all petroleum produced in Nigeria be repealed as a way to ensure justice, equity and fairness.

Third, the Niger Deltans have joined other minority ethnic nationalities in the call for a Sovereign National Conference. The conference, as they argue, is inevitably the best avenue for the representatives of the different ethnic groups to negotiate the terms of their existence in Nigerian federation. In addition, such a national conference as they argue,
will help redefine the fate of about 250 different ethnic groups and cultures that were forcefully brought together in 1914 by an administrative fiat by the British.\textsuperscript{11}

Fourth, for the environment to be protected, they claim, the oil communities must be allowed a voice in all the stages of environmental policy decision-making process. In other words, environmental policies must reflect the values of the local communities placed on natural resources.

The federal government easily agrees on the need to improve on environmental protection policy-making and management -because as it believes, that will help do away with the present vague policy framing and narrow project-planning logic that have undermined environmentally friendly mining industry. However, the government disagrees with the need to change the present revenue allocation formula because it has curtailed the power of the states to be strong enough to challenge its political and economic domination.

But it is not only the federal government that opposes the return to allocative principles of derivation. The non-oil producing states (mostly the northern states) are equally supporting fiscal centralization and revenue sharing formula based on the principles of the equality of states and the size of the population. The non-oil producing states are basing their argument on federal control on the fact that if citizenship should be equal and universal, then resources within the federal territory and political boundaries should also belong to all the citizens - especially when no particular citizen(s) could claim to have

\textsuperscript{11}
contributed the stocks of those resources. What these northern states have failed to say is whether they would support the federal government to exploit their own resources and redistribute them equally among other states without opposition.

But what complicates the ongoing oil ownership conflict is the lack of a strong coalition among these oil rich communities. Either it is the Ogonis demanding reparation and secession, or the Ijaws giving ultimatums both to the oil companies and government, or the Itsekiri, Ijaws, Isokos, and Urhobos fighting over land ownership and resource control, or it becomes a dispute over the sharing of revenue from oil. In a situation like this, it is obvious that there must be some opposing views that explain why the communities cannot come together to pursue their common problem. One of the arguments is that the mutual distrust that runs deeper in the Niger Delta is due largely to the level of frustration caused by the over forty years of oil exploitation that has left the communities worse than they may have been without oil.
CHAPTER 2

The Politics of Oil Pollution

(i) The Burden of Free Ridership

Oil that has earned Nigeria over $324 billion in revenue from Nigeria from 1970 to date,\textsuperscript{15} (though little shown for it) has also cost over $39.3 billion in economic, ecological and health damage in the Niger Delta.\textsuperscript{16} With Nigeria producing about 2 million barrels of oil daily, this oil mining generates, and discharges, enormous pollution. For instance, between 1976 and 1983, over 1,360 oil spills were recorded that resulted in the discharge of 1,425,794 barrels of oil into the Niger Delta environment.\textsuperscript{17} During the period between 1987 and 1996 the number of oil spills is estimated at 1629.\textsuperscript{18}

The impacts of these oil spills are devastating on the ecosystem as well as on socioeconomic life of the surrounding communities. The Forcados Terminal oil spill of July 1979 that discharged 570,000 barrels of oil into the open estuary, creeks and ponds, for instance, permanently damaged some aquatic ecosystems and the fishing activities in the Niger Delta.\textsuperscript{19} Whereas the Funiwa-5 Texaco Oil Well blowout of January 17, 1980 with the release of over 400,000 barrels of crude oil into the coastal waters and farmlands
devastated marine and aquatic life and hectares of community farmlands. In addition, the Oyakama oil spill in 1981 polluted the Okpodu and Orashi Rivers with 120,000 barrels of oil. Furthermore was the Fantua oil spill episode in 1984 which discharged over 200,000 barrels of oil, destroying its surrounding ecosystems and rendering many communities without drinking water.

Unfortunately, oil spills are not the only pollution caused by the oil industry in the Niger Delta. The daily production of about 2 million barrels of oil also leaves about 2 billion cubic feet of associated natural gas produced daily with 90 percent of this gas, an equivalent of 400,000 barrels of oil, flared daily. This intense gas flaring alone releases over 35 million tons of carbon dioxide and 12 million tons of methane into the atmosphere annually. Pollution from the three refineries located in the region release oxides of (nitrogen, carbon, and sulfur), phenol, and cyanide. Other pollutants realized into the environment, include sulfide, chromium, as well as suspended solids, temperature, and biochemical oxygen demand (BOD).

Two petrochemical companies located in the area have also contributed to the intense pollution buildup in the Niger Delta region. High-pressure oil pipelines are also sources of environment pollution – as they crisscross community farmland, human settlements,

20 See Nwankwo N. and Ifeadi C.N.
21 See Maynell, 1981.
22 See Aprioku and Bereiweriso, 1996.
25 See Nwankwo
and estuaries, as well as swamps and fishing ponds.\textsuperscript{27} Oil exploration activities equally pollute the region with its hydrogeological turbidity, water turbidity, sound waves, and acid slurry.\textsuperscript{28}

While oil spills generate considerable impact on farmlands, aquatic life, and socioeconomic welfare of communities surrounding it, the consequences of air pollution buildups have been a far greater threat to health. This is because of the efficient dispersion that occurs in the air and multifactorial interactions with other chemicals. For instance, the intense oil-led air pollution in the Niger Delta has led to many children being born with physical deformations, low intelligence quotient (IQ) and respiratory tract, while adults have had their ability to reproduce greatly reduced over the years.\textsuperscript{29} Even outright impotency has become a common illness among adults. Psychiatric, tumor, and cancer patients are equally on the rise in the few community clinics in the Niger Delta.\textsuperscript{30} But more important, is the absence of health education facilities and healthcare databases necessary to monitor pollution related health problems in the area.\textsuperscript{31}

Although the nature of the oil industry makes it difficult to control pollution, the intensity and frequency of pollution in the Niger Delta remains unnecessarily higher than most oil producing regions of the world. Why has this been so? Is it an inevitable consequence of the region’s biogeophysical conditions or because of the country’s weak environmental protection laws? Can it be as a result of inefficiency and double standard on the part of

\textsuperscript{27} See Saro-Wiwa, K.
\textsuperscript{29} Enwegbara B.O. 1999b.
\textsuperscript{30} See Ejobowah, 2000
the multinational oil companies? Or are the multinational oil companies engaging in free ridng because of their economic and political network and influence over the Nigerian government? Can it be blamed on the oil-producing communities themselves?

A careful examination of these questions reveals seven major causal factors. First, the government in its efforts to increase its foreign exchange earning to support the country’s dwindling economy has compromised environmental protection. In other words, the federal government’s full dependency on oil as the major source of foreign revenue for “development” has forced it to abandon its environmental protection and regulatory responsibilities, since (as has been assumed) doing so will threaten the expansion of production.

Second, the multinational oil companies operating in Nigeria have acquired a well-structured access to the state institutions, government bureaucrats, and economic power that allow them to be environmentally irresponsible in the Niger Delta. The power to operate in deviance with the state laws is fully manifested by the level of impunity these multinational oil companies have enjoyed with their frequent violation of the state’s anti-gas flaring legislation.

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31 Enwegbara B.O. Solving the Niger Delta Crisis, Daily Times (Lagos) 17 August p.18, 1999.
33 See Hutchful
34 Frynas , J.G. Political Instability and Business: Focus on Shell in Nigeria.
35 Khan
Third, the absence of a comprehensive system of liability and compensation in Nigeria has fostered pollution.\textsuperscript{36} Fourth, technology and scientific data used in the oil industry are lacking in Nigeria so regulatory agencies have to rely on the same multinational oil companies they regulate.

Fifth, Nigeria, with 60 percent equity in most of these multinational oil companies, has found it difficult to perform its environmental regulatory responsibilities because of conflict of interest.\textsuperscript{37} The federal government has found itself positioned as a partner in oil activities on the one hand and as a regulatory body on the other. Sixth, the government’s alienation of oil-producing communities from the oil industry makes hostile to the oil industry.\textsuperscript{38}

Seventh, the legal system has been ill conceived and intended to victimize the poor peasant because they cannot afford the huge costs of lawsuits.\textsuperscript{39} The court, in deciding lawsuits against the multinational oil companies, follows the political and ideological directions of the government rather than promote justice. Moreover, because these judges are appointed by government appointed \textsuperscript{40} and constrained to implement decisions or

\textsuperscript{38} See Akolokwu, 1981.
\textsuperscript{39} Emole C.E. Regulation of Oil and Gas Pollution, Environmental Policy and Law, 28 (2) pp. 103-112, 1998.
\textsuperscript{40} Enwegbara B.O. “Between Political Negotiation and Litigation,” Thisday (Lagos) 6 (1914), July 19, 2000, p6.
invent new constitutional and legal right, they cannot act as crusaders to prevent the oil pollution.\footnote{For more information see: Rosenberg, G.N. The Hollow Hope: Can Courts Bring About Social Change? Chicago: University of Chicago, 1993}

A good example of the court’s inaction and inconsistency in the interpretation of environmental law is in the Oronto Douglas v Shell Petroleum Development Company. In this case, the plaintiff was asking the court to compel the defendant to comply with the environmental impact assessment legal requirement before embarking on its gas development project – the Nigerian Liquefied Natural Gas Project. But the federal court did not hesitate to dismiss the case on the grounds of the plaintiff’s lack of locus.\footnote{Enwegbara B.O. Collaborative Efforts in Resolving the Niger Delta Conflict, September 12, 1999.} The lack of locus in this case is a legal technicality frequently used to protect the multinational oil companies from public scrutiny especially concern individual (no matter the potential impact on him or her) from bringing a lawsuit against the oil companies.

The many years of military government that operated under harsh economic conditions have produced the environmental protection and regulation that Nigeria has today. It destroyed any sense of environmental democracy. Agencies were created to protect the interests of the government and the multinational oil companies, rather than the people and environment.\footnote{Onyeagucha U. Environmental Rights and the Constitution of the Federal Republic of Nigeria, in “The Emperor has no Clothes,” Port Harcourt (Nigeria): Environmental Rights Action, November 2-4, 1999.} In other words, these government agencies are fully disconnected with the people they are supposed to protect. That could be seen from how the Federal Constitution of 1999 denied individuals the right to bring lawsuits against the polluting
oil companies, despite the impact on their health or property. Because Nigerian environmental protection laws are based on scientific assumptions or on laboratory standards of risks and exposures, they have proven inadequate in addressing the locational realities of the Niger Delta. In short, these laws (often of photocopies of either the British or US environmental laws) are out of context in Nigeria.

Operating under these conditions, the multinational oil companies seem to have no serious reasons to engage either in the protection of the environment or control of pollution in the region. Because their interests are to maximize profit and increase production, they will continue to give health risks to their host communities, low priority. For instance, Gulf Oil once opposed reducing its gas flaring on the basis that it would cost the company $56 million to switch from water injection to a gas reinjection technique. In contrast, not doing would only result in a $1 million fine for violating the law.

Even the establishment of an Oil Mineral Areas Development Commission (OMPADEC) by the government in 1992 to deal with the environmental and socioeconomic problems in the region ended up only as a bureaucratic venture instead of addressing environmental and socioeconomic problems created in the region by oil mining. The failure of OMPADEC only confirmed government’s lack of interest in the welfare of the people of

47 See Khan
the Niger Delta. Attempts by the multinational oil companies to directly disburse royalties and compensation to influential community leaders without ensuring their legitimacy and accountability increased the damage and burden the people are exposed to.

(ii) Niger Delta Uprising

For over four decades the people of the Niger Delta have had to contend with the realities of contaminated farmlands, water bodies, and intense atmospheric toxins. They also have been forced by the law not to do anything while witnessing the growth of diseases, high rate of birth defects and early death of their children. Not to mention the growing number of cancer and tumor patients; the respiratory diseases, psychiatry patients; and low level of reproduction adults. In the presence of continued economic exclusion, political marginalization and environmental devastation, the people of the Niger Delta have not only said “enough is enough” with their disproportional exposure to these unregulated health hazards but have also begun the struggle to reclaim what they believe are their resources.

Since 1990s the struggle out of desperation has degenerated from a mere civil protest to direct confrontation with both the state and the multinational oil companies. Just like the

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50 Ibid Enwegbara 1999b
Brassmen who after all attempts to appeal to the British government for fair trade in the 1880s took reprisal against British traders, numerous communities in Niger Delta are now taking the law into their hands. The Movement for the Survival of Ogoni People (MOSOP) was the first to success confront the government and Shell and received worldwide coverage and publicity. Notwithstanding the setback witnessed in the struggle (by the hanging of Ken Saro-Wiwa, the champion of the Ogoni predicament), Shell had its corporate image seriously damaged.

It was on the back of this huge success by the Movement for the Survival of the Ogoni People (MOSOP) that other ethnic minorities in the Niger Delta rode. Today, the situation in the Niger Delta can be described as a ‘mini civil war.’ The Isoko youths successfully blocked the roads to Shell’s Orion oil flowstation for five days in their demand for employment and social infrastructure. Also, the growing overt and covert activities of the Niger Delta Volunteer Force (an armed wing of the Ijaw youths) also demonstrated the seriousness of emerging violence in the region. Others such as the Izon Ethnic Nationality in the Niger Delta; the Movement for Reparation to Ogbia (MORETO); the Council for Ikwerre Nationality (CIN); and the Southern Minorities Movement (SMM) are not left out in this growing arms struggle in the Niger Delta. Is the present state of intense struggle in the Niger Delta confirming Franz Fanon’s hypothesis

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53 Ken Saro-Wiwa, was the leader of the Ogoni Uprising who was hanged to death on 10 November by the Abacha military dictator, despite international condemnations.
that the same violence used by the colonialists to occupy and exploit native resources, be used by the natives to reclaim them? 56

As violence has grown, so the frequency of kidnap and sabotage has risen in the Niger Delta region. Although, the Kaiama Declaration, Ogoni Bills of Right, Urhobo Economic Summit Resolution, among others point to the common problems of the people of the Niger Delta, the lack of a common and united front in the approach has been a source of setback in legitimizing their demands. 57 In fact, it is this fragmented and micro nature of the groups that make their efforts lack weight. Under these circumstances, it is possible that any direct confrontation over the control of the oil resources or to protect the environment by each group has to be outweighed by the government reprisal.

The massacre of 80 villagers at Umuechem in November 1989 by the Nigerian Mobile Police Force, 58 demonstrated how vulnerable a weak and small group could be. Reprisals on Iko, Opia, Kaiama, as well as on Ilaje, Ekeremor-Zion and Uzere, 59 equally showed the ease with which the government forces could round up small group. Another weakness of micro-nationalism is the ease with which one group is set against the other. Therefore, with the absence of consensus and focus of interests, it has been easy for the multinational oil companies and the government to play one community against other – they fight over the location of one community development project or the other.

56 Fanon F. The Wretched of Earth, Harmondsworth: Penguin, 1967
58 Ibid Douglas
This strategy of “divide and conquer” adopted as far back as the period of slave trade, could be successfully used on the people of the Niger Delta by the multinational oil companies. Oil companies directly supply arms to the communities so that they can intensify their fights or they entice them with financial assistance in the effort to ignite communal conflicts. Chevron Oil and Shell Petroleum were recently implicated in the supply of arms to disputing communities in the Niger Delta. 60

The ambush of a passenger boat whose occupants were machine-gunned bore all the professional sophistication” of military and multinational oil companies’ strategy of “instigating animosity and bloodletting” in the region. 61 While the bloody communal clash in May 1999 – where for days the Ijaws, Itsekiris, and Irhobo armed with sophisticated (supplied by the multinational oil companies) led to a mini-civil war that claimed hundred of deaths and property in the oil city of Warri. 62 This 1880s British attitude of dumping cheap riffles 63 has reemerged in the region with less difficulty.

But why have the people of the Niger Delta remained alone in this struggle? In other words, why have the non-oil producing regions in Nigeria been less attracted to this struggle? Stigler calls it “the granite of self-interest upon which the palace of economics is built.” 64 Boyd and Richerson, argue that it is natural that people only participate in a struggle that will benefit them rather than one that will lead them to loss - especially

59 Ibid Douglas
60 Ibid Douglas
62 Ibid Aboro
63 See Pakenham
when the struggle has no direct threat to them – and when the struggle is in opposition to what they benefit from. The evolutionary biologists believe that cooperative behavior can only be possible when cooperators are more likely than non-cooperators to receive the benefits of the cooperative acts. According to Allport, in a multiethnic (majority and minority) society deeply rooted in a long history of mutual suspicion and narrow-mindedness, to perceive or pursue common goals, can only be possible if the common goals are really common and sanctioned by laws or customs.

The people of the Niger Delta are struggling alone because just as they want to control the oil resources in their territory, so do other communities that benefit from these oil resources (no matter have small), see no reason why to join in a struggle that if won, will lead to their giving up their own benefits from the status quo. In short, it will be against self-interest for the non-oil producing region and communities that are beneficiaries to the oil revenue from the Niger Delta to give up their benefits when sustaining it costs them nothing - materially or morally (see Stephan’s contact hypothesis).

(iii) Promoting Instabilities

Fueling or perpetuating political conflict and economic instability has helped the multinational oil companies put both the government and the citizens further apart and

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67 See Enwegbara B.O. Nigeria in the Crisis of a Multiethnic Society. The Guardian August 2000
out of touch with their activities in the country. Because naturally the maintenance of law and order and conflict management tend to be more preoccupying and prioritized by any government than examining the books of industries and companies, multinational oil companies have benefited from generating conflicts in the country. The benefits of instability are huge and have frequently been demonstrated by the operations of the multinational oil companies in Nigeria.

Despite the risk the Abacha military rule (1993-1998), created in Nigeria for both life and property, most of the foreign oil companies in Nigeria paradoxically, had both their investments and profits increased. Shell in 1995, for instance, earned an unprecedented $2.947 million profit from its operations in Nigeria – representing 43 percent of its total worldwide profit from oil production, with only 12 percent of the company’s worldwide operations taking place in Nigeria the same year. The same year, the company’s 40 percent worldwide oil spills was recorded in Nigeria. Within six days of the hanging of Ken Saro-Wiwa (an opponent of Shell), Shell’s investment in Nigerian oil industry was increased to $4.5 billion. This paradox, led Frynas to conclude that the more politically unstable Nigeria is, the greater the incentives for the foreign oil companies to invest in the country.

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69 See Frynas 2000
70 See Saro-Wiwa
71 See Frynas
72 See Cayford
73 See Cayford
74 See Olukoshi
Who should blame these multinational oil companies generating political and economic instability in Nigeria as a means of perpetuating and strengthening control over the country’s oil industry? Did their ancestral companies that devastated Nigeria and other African countries during the slave trade and post-slavery raw material exploitation, not walk away freely? If the slave traders could be praised home for destroying the future of over 24 million West Africans traded as slaves, why should these multinational oil companies that not only receive praises from their home countries but also from the same people of Nigeria being exploited, not continue with the exploitation of the weak people of the Niger Delta? Randal Robinson, puts clearer, in his book “The debt: what America owes to blacks.”75

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(i) The Coastal Trade

The Niger Delta is a land of creeks, islands, mangrove swamps and most conducive only to fishing settlements, salt mining and trade, and as a refuge for those unable to withstand the intense pressure and competition in the hinterlands. The arrival of the Portuguese traders in 1472 began to transform the Niger Delta into an attractive coastal marketplace. Within a short period of time, the Niger Delta experienced large immigrations from Ijo, Igbo, Jekri, Ibibio and Efik. Gradually, the area became a mixing ground for old and new ideas, and a place where the cultures of the tribal hinterland met the Atlantic community.

The dynamic and energetic Igbo migrants gave Niger Delta a turbulent individualism, as well as the social foundations on which ambitious men would raise kingdoms and republics. The Igbo migrants provided the basis for political organization, creativity in commerce, and the boldness to trade with the Europeans. The Igbo achieved complete
monopoly in the trade for gold, ivory, and pepper, as well as ostrich, feathers, and gum. They exchanged these commodities for textiles, alcohol, glass beads and cowries.

This trade went long smoothly until European demand for slave labor increased in the seventeenth century, and drastically changed the coastal societies and their neighboring hinterlands. The slave trade turned West Africa into a free-for-all of slave raids, inter-group warfare and military expansionism. This attracted powerful rulers, warlords and rich merchants who priced material wealth. As the new economic system of Europe and America rises in the price of slaves led to the intensification of warfare, raids, and kidnapping all over Africa.

The high prices for slaves, together with inelastic demand, stimulated captive warfare that benefited the local kings, warlords, and rich merchants, who exchanged slaves for liquor, glass beads, and bangles, as well as textiles, cowries, and firearms. Ships from Europe and Americas entered creek after creek along the Niger Delta coastal waterways and left to take millions of strong men and women to work in American plantations, mines and cities. The toil, skills, and achievements of these African slaves helped build the great American civilizations.
The human trafficking of twenty million able-bodied Africans destroyed many great civilizations in Africa and the organic economic systems of much of the continent. Free-for-all warfare waged for this market fueled military expansions and exposed small and weak societies and stateless villages to enslavement at the hands of their powerful neighbors.

Even after the trade ended in 1860 with the closing of the Cuban and the United States markets, Africans remained psychologically and culturally devastated and dehumanized. They had lost the human pride which shaped their interactions with Europeans before the slave trade. Slavery portrayed Africans as if they stood outside the human race. The indelible imprint it left on identity and pride of the peoples of Africa manifested itself in the palm oil trade which replaced slavery as the medium of exchange between the Europeans and Africans in the Niger Delta. This trade made palm oil the next big industry in the Niger Delta.

The trade in palm oil, unlike the slave trade, changed the established trade relationships between Europeans and West Africans. First, the Europeans who strategically avoided being directly involved in the slave capturing, became actively involved in sourcing of palm oil. Second, although palm oil was an essential raw material for new factories, the Europeans maintained they were doing West Africans a favor by buying the product.

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83 Robinson
New forms of manipulation and exploitation were developed to keep the West Africans from controlling the price or monopolizing the supply.\textsuperscript{87}

It became clear to the European traders that their West African suppliers and middlemen had discovered the economic importance for palm oil and palm kernel for greasing factories, and manufacturing soap, candle, and nut butters.\textsuperscript{88} Rather than engage in price negotiation the European traders began to bypass these middlemen and to buy directly from peasant producers. In most cases they offered advance payment to peasants to cut supplies to middlemen and large local traders. Companies such as the Niger Company already had over 300,000 sterling in annual turnover.\textsuperscript{89}

There was fear that West African traders would begin refining the palm and boost indigenous production. The only option was to undermine the nascent West African industrial challenge.\textsuperscript{90} Europeans destroyed indigenous industrialization and disrupted the local economy in an increasingly unequal trade.\textsuperscript{91} Monetization and granting of excessive “soft” loans led West African craftsmen to abandon their trades and join the lucrative palm oil trade.\textsuperscript{92} At the same time the British flooded local markets with inferior products

\textsuperscript{89} See Pakenham
at low prices, even granting credit to West African traders.\textsuperscript{93} This way, the British exchanged palm oil for rifles\textsuperscript{94} permeating the region with arms under the pretense that each and every community needed to be able to defend itself.\textsuperscript{95}

The only group with the capacity to challenge this exploitative strategy was the web of sophisticated middlemen and brokers, on the coast of the Niger Delta known as the Brassmen (otherwise known as the African Mafia). They had managed to retain a monopoly of the palm oil trade in this region. The conflicts with the black middlemen were inevitable considering the huge annual revenues at stake. Before the emergence of British monopoly, the Brassmen were exporting 5,000 tons of palm oil through their port.\textsuperscript{96} But this was taken over by the British. It had allowed the British trade in palm oil purchases to rise from its 500,000 sterling ($2,500,000) annually in the 1850s to 1,500,000 sterling ($7,500,000) in the 1860s.\textsuperscript{97}

This new commercial empire under the British flag (an unofficial empire) had gradually been able to block the brokerage practices of the Brassmen to the extent that they were left with only 1,500 tons of palm oil export. The frustration that generated by the British trade monopoly led the Brassmen to appeal to the British Foreign Office in London for fair trade protection in the region. Their appeal was ignored by the British government – who saw no reason the interests of local middlemen should worry them.\textsuperscript{98} As their market

\textsuperscript{93} Dike K.O. \\
\textsuperscript{94} See Pakenham T. \\
\textsuperscript{96} Pakenham \\
\textsuperscript{97} Fage JD. A History of Africa (3\textsuperscript{rd} Edition), London: Routledge, 1998 \\
\textsuperscript{98} Brass Chiefs Wrote British Foreign Office, 7 July 1876, (FO: 84/149) Flint Goldie.
was taken away, the Brassmen felt they had no options but to attack British commercial ships. 99 This triggered a series of British violent reprisals – from burning Brass towns and villages to killing of thousands of villagers in Brass. 100

These attacks and counterattacks between British traders and Brass middlemen, made the region a literal trade war zone. Property and life were regularly lost on both sides. The British army was better equipped with machine guns and artillery. The black middlemen (the African mafia) used their superior knowledge of the creeks and swamps, their secret societies (the merchants’ government 101 ) and their ‘house system’ (powerful cooperative trading warriors) to undermine British trade interests. 102

The British had also had to contend with King Jaja of Opobo who was also active to the palm oil trade in the region. Jaja, a local monopolist, was already a successful palm oil exporter who sent 9,000 tons of palm oil to Germany annually. 103 In addition, the encroachment of the French traders posed another threat that the British traders found difficult to handle because the French traders were fully backed up by their government. 104

The frustration and the growing threat of the French encroachment forced the British trading companies to come together to form Royal Niger Company (RNC) in the hope of

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99 Isichei, E.
creating a trading house. Powerful enough to put the black middlemen out of business, give the British much sought monopoly, and establish advantage over their European rivals in the palm oil trade.\textsuperscript{105} The newly formed RNC equally began lobbying the British government to colonize the entire palm oil region for the protection of British commercial interests. The RNC chose Edward Hewett, the British Consul in West Africa, as its lobbyist. He was seen as the only person that could convince the Foreign Office and Colonial Office that an official takeover of the region was inevitable if British trade interests were to be protected.\textsuperscript{106}

The argument for colonization ran as follows. First, it was necessary to bring the black middlemen under British control. Second, formal colonial rule was the only way to ensure British trade monopoly in the oil region. Third, it was only by effective occupation of the territory that the French could be kept out of the Oil River. Without the imposition of formal military control over the district of the Oil River, no amount of economic and organization would be enough to protect British trade monopoly.\textsuperscript{107}

If there was anything clearer now than before in the oil region, it was the overwhelming level of the British military presence.\textsuperscript{108} The threats and violence that followed occupation made the role of this presence increasingly clear. By 1886, several towns in the palm oil coast had been destroyed in punitive expeditions. This became a common

\begin{thebibliography}{9}
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\bibitem{Pakenham} Pakenham, 1992
\bibitem{Davidson} Davidson, 1998.
\bibitem{Northrup} Northrup D. The Compatibility of the Slaves and Palm Oil Trades in the Bight of Biafra, Journal of African History, 17 (3) 1976
\end{thebibliography}
sight in the region. Despite British military superiority, the people of the territory staged successful counter-attacks against the Company and other British interests in the region.

Even naval reinforcements could not stop the forest men from controlling the situation. King Jaja of Opobo, the powerhouse of black trade monopolists saw destroying British colonization a survivalist strategy.\textsuperscript{109} He ruthlessly challenged the authority of both the British traders over the territory. Confrontations between the two sides grew and the number of casualties both sides. At the end of the day, the British came to discover how difficult it was to legitimize British supremacy in the Niger Delta – territory that had witnessed the bloodshed of the slave trade for centuries.\textsuperscript{110}

As the use of force failed to give the British control over the territory, the only possible option for the British was to diplomatically annex the territory.\textsuperscript{111} Thus, in the absence of a formal empire to sustain resource control in the Niger Delta, the British used persuasion and divide and conquer to gradually have effective control over the palm oil territory.\textsuperscript{112}

\textbf{(ii) Scrambling for the Niger Delta}

While colonial consolidation in the Americas, Europe and most parts of Asia had weak social control, military force, tax revenue and law enforcement system, in Africa, the

system was very different. First, the scramble for Africa was a very competitively intense, concentrated and multiple venture. Second, the African conquest was ideologically and racially elaborated to such an extent that the Europeans imperialists projected what they believed were their cultural, biological and technological superiority. Third, colonial expansion in Africa occurred at a time when European states were fully consolidated and comprehensive. Their professional bureaucrats and strong military force assured the success of adventurism in Africa.

The Berlin conference of 1885 allowed the “Scramble for Africa” to move ahead with clearly delineated spheres of influence that removed the threat that competition in Africa might precipitate war in Europe. The shadow of the slave trade still hung over Africa as colonization began. It was consistent with claims of African inferiority and provided historical context in which Africans bargained their colonial relationships with Europeans.

In the case of the scramble for the coastal colonies like the Niger Delta, the General Act of the 1885 Berlin conference was quite specific. It specified ‘effective occupation’ as one of the rules of the game. The insufficiency of a paper claims to support a sphere of influence soon made the Niger Delta one of the most celebrated

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113 See Ake C.
African ‘cakes.’ The struggle between Britain and France to control the Niger Delta’s strategic economic potential brought them to the brink of war.

Palm oil, and other natural and human resources, made the region economic dynamite in the relationship of Britain, France and Germany. Its coastal waters were fully developed and integrated for navigation and sea commerce which made these resources all the more attractive. Captain Fred Lugard, a veteran of African warfare was charged by the Royal Niger Company with ensuring the company’s effective presence in the territory. The French government dispatched Decoeur in naval gunboat (latter replaced by Ballot, the governor of the neighboring Dahomey) to do everything possible to secure and protect French trade interests in the region. This led not only to a “war of flag” between the two countries, but it also to direct military confrontations in the spring of 1896.

The Anglo-French confrontations enhanced the Brassmen’s challenge to Royal Niger Company that had threatened their role as middlemen between European traders and West African palm oil suppliers and condemned the Brass people to starvation and

120 See Pakenham, P
misery. The Brassmen lost their patience in January 1895. During the Brass rebellion over 1000 warriors led by King Koko poured and sacked and burnt the RNC’s Akassa facilities. The rebellion was retaliation not only the raging plague of smallpox, but also for RNC’s efforts to eradicate the marginal smuggling in palm oil that provided their only source of livelihood.

Numerous pleas to the British government and the Prince of Wales were rejected, leaving the Royal Niger Company to determine their fate. The Royal Niger Company, which had been using its trade monopoly to stifle the Brass middlemen, now could use its political and military power in the territory to exterminate the Brass people.

The gradual decline of price of palm oil on world market (as a result of its growing substitutes) the inability of the Royal Niger Company’s Charter to lead the imperial trade expansion, the continued threats of the French forced for British government to realize that private enterprise no longer provided an adequate vehicle for colonial economic expansion and for the strategic political values of effective occupation. Breaking the political and economic power of the Niger Company became a necessity for opening up of the Niger Delta to other British companies and to increase the revenue stream to the British government.

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126 The Brassmen were the Indigenous Businessmen on the Coast of the Niger Delta that had competed with the Royal Niger Company in palm oil trade monopoly, who because of the nature of their environment had no other occupation than trade and were condemned to starvation and misery by RNC.
129 Fieldhouse, D. K. Economics and Empire, 1973
130 Pakenham, 1992
Revoking the RNC's monopoly became recognized as the only way to expand trade interests, political dominance, and cultural influence to a level that met the General Act of the Berlin Conference's doctrine of effective occupation. The minimally capitalized Royal Niger Company was more interested in the swift returns that their export-import trade could achieve through monopolies. These steps were also expected to lead to more structured governmental resources to fight off the French encroachment that the Company never had and would not have. More importantly, the British government felt that it could no longer spend hundreds of thousands of sterling to secure claim against the French while RNC continued to take the profits.

The British curtailed the power of RNC in a buy-out in February 1889 that turned the region into a British Protectorate endowed with wild palm oil and numerous natural resources. This paved the way for Britain to stage a “3,000-strong imperial force (the West African Frontier Force)” in the looming rivalry war against the French in the Niger Delta. Goldie, the owner of the RNC, was the major loser in the deadlocked war of flag. He lost his trade empire to the British government shortly after the Niger Convention with the French was signed in June 1898. In fact, the outcome was so successful that it finally settled not only the disagreements over the spheres of commercial interests that began in the fifteenth century, but also brought Europe more

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136 See Pakenham
138 See Pakenham
united at least with settled policy on how to aggressively perpetuate and maximize their interests in the region without any African rivals.\textsuperscript{141}

The end of Anglo-French confrontation gave the British effective occupation of the entire Niger Delta territory also brought to an end the frightening trade monopoly of the Royal Niger Company and its imposition of trade permits on both Africa and foreign traders alike. British occupation also brought to an end the frequent punitive attacks on villages and towns for opposing the Company’s monopoly regime on palm oil and timber.\textsuperscript{142} Goldie’s RNC lost the political authority it had once used to deport King Jaja of Opobo to the West Indies for challenging the monopoly of the Royal Niger Company,\textsuperscript{143} deport Nana Olumu, the Governor of Itsekiri kingdom, for hindering British trade on Benin River, and to destroy the Benin Kingdom and loot of the Benin’s 2,500 bronzes treasures because of Oba Ovenramwen’s refused to withdraw his trade embargo on European traders.\textsuperscript{144} The change of ownership of the Niger Delta’s imperial territory meant that the era of “petty squabble over the Niger trade” was over.\textsuperscript{145}

The sigh of relief with which the people of the Niger Delta greeted the end of the Royal Niger Company’s informal empire was short-lived. They soon realized that the British colonizers were creating more onerous structures than Goldie had accomplished with his Company. They came to realize that the emerging colonial political and economic

\textsuperscript{140} Perham, M., Luggard, II: The Years of Authority 1898-1945, London, 1960.  
\textsuperscript{142} Onimode  
\textsuperscript{144} Onimode  
\textsuperscript{145} Pakenham
institutions denied them all forms of rights – right to self-rule, right to property, cultural, and even right to religious worship.

One of the first steps the British took was to disband the ‘house system’ (a capitalist heritage that involved families and groups in trade and production partnerships) that might have provided the organizational basis to move from a primitive economy to an early formal capitalism. The destruction of indigenous capitalism was necessary to avoid a threat to unilateral integration of the region into Britain’s international capitalist hegemony. This effort was followed by the destruction of the regional trade networks, indigenous craft industries, and subsistence agriculture. In their place, the British introduced new export products, took mineral lands as ‘crown-lands,’ provided merchant capital, organized forced-labor and capital-labor that disrupted social cohesion and deepened exploitation.

It became clear that just as West African slaves had served as the engine for British Industrial Revolution, West African natural resources would serve as the raw materials for the consolidation and internationalization of the British industrial economy. To be most effective productive forces in the colony had to pushed to raw material production.

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150 Fuglestad
151 Onimode
Trade could then exchange low priced West African raw materials for high priced British manufactured goods.\(^{153}\)

(iii) The Colonization of Nigeria

The same Major Fred Lugard who led the British imperial forces in the conflict with the French over the control of the Niger Delta now led the British empire building in Nigeria. The massive nature of the territory covering over 900,000 square kilometers and its diversity made Lugard’s task a difficult one.\(^{154}\) These territories that were brought together to form what Flora Lugard (in the London Times of 1898) proposed as Nigeria, comprised of the Lagos Colony, the Oil River Protectorates and the Royal Niger Protectorates, as well as the savanna countries in the upper Niger territories.\(^{155}\) To create a profitable trade empire, Lugard brought together 250 ethnic nationalities together notwithstanding their sharp religious, linguistic and sociopolitical and economic diversities. Century-old differences were completely ignored by Lugard in his effort to build a profitable empire.\(^{156}\)

Among the ethnic nationalities that were violently brought together to become Nigeria were the Oyo and Fulani empires, as well as the Bornu, Ife and Benin kingdoms. Others

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\(^{153}\) See Fage
\(^{155}\) Pakenham
\(^{156}\) Olayiwola
were the city-states of Hausa and the Niger Delta, as well as the stateless societies in the middle belt and eastern Nigeria. At the pre-colonial North was dominated by a feudal system of production and a highly centralized government in a loose emirate confederacy. It had the Sultan of Sokoto as the spiritual head of the Sokoto Caliphate and the Fulani Empire. The Fulani Empire expanded as a result of numerous bloody jihad expeditions and Islamic fundamentalisms directed toward their pagan (later Christian) neighbors to the south. It was the same Fulani Empire that Lugard brought together with the Christians to form Nigeria.

Little wonder in the overthrow of the Sokoto Caliphate in 1902, Lugard, was quick to clarify to the leader of the Caliphate that the conquering, religious intimidation, deposing and raising of new kings, as well as the revenue and tax collection that the Caliphate used to impose on the pagan neighbors would now be extended and directed on the Fulani Empire by the British as its new master. Should the need arise the British would set people apart and aside in the interest of Britain.

Lugard's expectations never materialized. A deep look into the revenue level of the northern Nigeria shocked him. He realized that the level of poverty in the northern protectorate was so high extent generating enough revenues to sustain administrative costs colonial government could not be achieved. Therefore, he knew that the only way to maintain British colonial order there would be indirect rule. In direct rule seemed inevitable.

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given the British colonial policy that emphasized self-sufficiency in colonial administration. Northern Nigeria should not be an exception. Indirect rule was a system of colonial government that allowed governmental activities in the hands of the local rulers under the supervision of the colonialists.

This system of indigenous political elites to keep running the colonial government on behalf of the British had been successfully experimented in India by the British. Therefore Northern Nigeria with its old feudal machinery suited the indirect rule. Therefore experimenting indirect rule in northern Nigeria was envisaged to pose no administrative and security problem to the British.

The question becomes: Why were the British still interested in keeping the northern Nigerian protectorate when it was clear that the territory lacked the revenues the British sought in its imperial expansion? What were the benefits of keeping northern as part of the British colony? The north was perceived as more of a strategic territory than for economic exploitation. Lugard knew that the smallness of its forces and the meager financial resources available to him from Britain could not be sufficient enough to control the vast northern territory and population. The strongly fortified feudal institutions in the Fulani empires were similar the monarchical institutions Britain had, making more comprehensible to Lugard.

159 See Young C, 1988.
160 Onwumechili, C. 1998
Also the institutional networks it encouraged were expected to serve more of British interests than otherwise. These potential gold mines led him to embrace the north as Britain’s strategic force to be used in exploiting the resources of the south – particularly the resources of the Niger Delta. In short, Lugard saw the partnership potentials of the north to be used by Britain to intimidate and exploit the vast economic and human resourceful of the dynamic south.

First, north’s territorial superiority made it an inevitable source of indigenous colonialism in Nigeria. Second, the population of northern was sufficient enough for Britain’s interest in maintaining majority tyranny in Nigeria. Based on these emerged realities, Lugard, not only dropped the colonial penance he had earlier prepared for the feudal political class in the north, but also went to the extent of “protecting” the northern religious and political institutions from southern pollution. Based on these interests, he ensured that Christianity and western education never advanced to the north without local approval.

While Lugard was eager to exploit the gold mines discovered in the north, he was rather concerned about his political maneuvering of the Yourba states. Yoruba kingdoms and aristocracies, as he knew, had had century-old internecine wars. These descendants of

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163 Lugard F. The Diary of Lord Lugard (eds.) M. Perham and M. Bull, 1959.
165 Onimode
Oduduwa had either fought wars among themselves to destroy old kingdoms or to raise new aristocracies and kingdoms to replace the old ones.\textsuperscript{167}

Britain in several occasions had penetrated the Yoruba states during the RNC trade empire to forcefully open up and maintain British trade routes.\textsuperscript{168} This experience and knowledge about the political economy of the Yoruba kingdoms were inevitably important for Lugard’s colonial mission.\textsuperscript{169} He was able to execute his mission successfully in Yoruba, moreover, because of the centralized system of government in place that posed less difficulty to overrun.

However, Lugard had to contend with one major obstacle in the conquest of the Yoruba kingdoms. The Yoruba kingdoms, unlike the Fulani empires, were already advanced in both religious freedom and in western education. This intercourse with western civilization posed the problem of bending these politically and economically forward-looking people to the rules of colonialism.\textsuperscript{170} This was unlike the north where the British territorial occupation was perceived as non-confrontational to the northern political and religious classes.\textsuperscript{171}

The progressive and skilful stateless Igbo societies, posed more challenges to the British colonial rule in Nigeria. This was partly because of the lack of centralized institutions of government that could be easily conquered, and partly because they were fragmented into

\textsuperscript{167} Davidson B.
\textsuperscript{170} See Fage

56
stateless societies which in most cases buried in eastern forests.\textsuperscript{172} Lugard and his men found it difficult to defeat these decentralize and democratic people or even to convince them to join British colonial government.\textsuperscript{173}

Their cherished individual liberties further made the art of crafting them into Nigeria problematic for Britain.\textsuperscript{174} For the British to bring the Igbos into imperial government had to require a village-to-village explanation and campaign.\textsuperscript{175} This is because otherwise had proved not only difficult but also non-sustainable. Therefore, Igbos became the last to be brought into Nigeria – to the extent some Igbo communities were not in Nigeria until 1918.

As we have already seen, the Niger Delta region was composed of peoples with diverse origins in an equally diverse environment. Some lived in creeks, others on islands, and still others in dense forests. For centuries they had been able create some ways to be able to live together with their differences. Thus the people created some levels of compromises and ways to exploit their differences in a way to advance their forward-looking political institutions and brokerage economies – based on independence and individualism.\textsuperscript{176} The city-states of Bonny, Kalabari and Warri ruled by elected kings while Brass and the Old Calabar were among those ruled by the merchants’ governments

\textsuperscript{171} Akinola A.A. Nigeria: The Quest for a Stable Polity: Another Comment, African Affairs 441-445  
\textsuperscript{172} Davidson B.  
\textsuperscript{175} Onimode  
\textsuperscript{176} See Dike O.
who sought political power simply for the purpose of protecting and perpetuating their trade.\(^{177}\)

The Igbos, Yorubas and Hausa-Fulanis, as well as the Bini and Niger Deltans who the British brought together had long historical differences and distinct sociopolitical, economic, and linguistic heritages and institutions. It was almost impossible, with these century-long differences for them to come together to pursue common interests as a nation opposing British hegemony.\(^{178}\) These incompatible ethnic nationalities with their distinct histories, values and ideologies, with fragile unity created a colonial benefit for the British.\(^{179}\) Forcing these groups together could only lead to a zero-sum fight over power and constant contest over the state resources and revenues\(^{180}\) – a stumbling block in the way of nation-building that would produce conditions for easy control and exploitation.\(^{181}\)

The intense ethnic conflicts would be sufficient enough to put to a hold any form of sociopolitical, economic or cultural integration and mobility. The bringing of these 250 divers ethnic nationalities together with all their factional hatreds and mutual suspicions made them to rely on the British to arbitrate their disputes.\(^{182}\) Lugard’s strategy of yoking together these diverse societies with their intractable differences therefore provided the

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\(^{178}\) See Olaiwola


foundation for secure colonial power. James O’Connell expresses it much clearer when he states that:

No other colonial territory grouped people so large and divers. The Hausa-Fulani and Kanuri, and other peoples of the savanna country, whose religious traditions were Muslim and who possessed developed administrative structures, were linked with tropical forest peoples like the Yoruba and Edo, who possessed sacred chief and hierarchical system of government, and Ibo, who were segmentary in their social organization and who were politically fragmented. 183

Besides bringing incompatible nationalities together, Lugard also destroyed their pre-colonial social networks and systems of justices that had been outcomes of centuries of experimentation. 184 He wasted no time in posing existing kings and emperors, particularly those that were known to have opposed the RNC. 185 Even those rulers who were spared became mere colonial messengers who no longer put themselves to the scrutiny of their subjects. 186 To replace those he deposed, Lugard handpicked successors whose primary interest was in serving and promoting colonial interests. n, to serve the British interests of without the checks and balances that had no relationship with the realities and histories of the groups.

Violent attacks on the sociopolitical and economic life of Nigerian people were a product of this colonial monopoly. Local and customary courts, carefully designed to meet local rule of law and social justice, never survived colonial review. 187 The colonial regime made sure colonial authorities maintained a monopoly on legal adjudication. Only those civil and criminal matters that had no direct or indirect impact on the colonial realm and

186 Jones, G.I. The Trading States of the Oil Rivers
concerns remained under the jurisdiction of customary legal institution, although, even here, colonial authorities screened outcomes.188

(iv) The North-South Amalgamation

The British Treasury Office’s insisted that colonial states remain self-sufficient and responsible for the cost of governance - a policy doctrine the British instituted everywhere. The implementation of this colonial policy made the unification of Nigeria, inevitable. Amalgamation ensured the British colonial policy of centralization of the colonial government.189 Second, administrative costs had to be minimized.190 Third, amalgamation meant the rich south could bail out the poor north.191 Fourth, the amalgamation contributed to the development of the divide and rule strategy and the emergence of internal colonialism in Nigeria.192

By 1914 amalgamation had become more realizable because most of the stateless and stubborn Igbo societies, had been pacified and now accepted British rule. As Karl Maier, argues, amalgamation had little or nothing to do with nation building.193 It was purposefully designed to eliminate British subsidy of the north by linking it to the

193 See Maier K.
economy of the rich south. The fact was not only that the profitable south would be one responsible for the deficits the north was running.\textsuperscript{194}

The amalgamation of administrative departments such as the Treasury, Railways, and Surveys, as well as Judiciary, Defense, Post and Telecommunications, and Audit was only allowed because it benefited the colonial administration, British trade and extractive industries. Those departments where consolidation would have benefited the colonized - such as industry, agriculture, works and housing, education, and health - were left out.\textsuperscript{195}

For instance, the centralized construction of railways in Nigeria and management made it cheap and easy to ship raw materials\textsuperscript{196} - such as palm oil, cocoa and peanuts, as well as extractive mineral resources – from the hinterlands to the ports.\textsuperscript{197} Centralization of the Survey department facilitated the mapping and cataloguing of natural resource deposits – particularly the hydrocarbon oil deposits in the Niger Delta.\textsuperscript{198} Unification of the Defense Department for the British colonizers was essential for effective occupation and protection of colonial interests at all times.\textsuperscript{199} Centralization of the treasury was necessary for effective funding of the colonial government.\textsuperscript{200} The Post and Telecommunications had the same importance as the Railway.

The nonexistent of industry department in colonial Nigeria came not as a surprise. Colonialism in Nigeria, as in other parts of Africa, had destroyed indigenous industry and crafts to create demand for colonial manufactures. The practice of the discouraging domestic industrialization to perpetuate dependency and enhanced the supply of raw materials that prevailed during this period was continued with RNC’s trade empire violence in the pre-colonial Nigeria which was prohibited indigenous manufacturing. The violation of which by some Onitsha indigenous manufacturers was responsible for Britain’s bombardment of the City in 1879.

The British granted local entrepreneurs fiscal incentives to trade rather than engage in production. The Nigerian economy failed to expand and industrialize during the period of colonization. The colonialist restricted economic activity to the exchange of raw material for British manufactured goods. This began the pattern of reliance wealth from natural resources. In an industrialized Nigeria could have been used to further local industry, as was the case in the United States where individuals and communities controlled their natural resources because the economy is industrialized.

Even agriculture was not spared during colonial rule. Efforts to modernize agriculture beyond cash crops (exportable industrial raw materials) such as cocoa, coffee, cotton, groundnuts, and palm were frustrated. The lack of incentives led to a gradual

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202 Onimode
abandonment of food production that still has effects in food shortages. The exploitative policies of the British Nigeria forced Nigerians to produce what they never consumed and consume what they never produced.

Land in pre-colonial Nigeria was largely owned by a whole community or held in trust by family became either Crown Lands for plantations and mineral exploitation or privately owned for commercial estates. The result of these colonial land policies led to the commercialization, illegal disposal and more importantly, sharing of community lands among British colonial bureaucrats and their local cronies. Most of the intractable land disputes that have torn communities apart (and still persist) are the product of colonial land policies. One of these intractable conflicts is in the Niger Delta, where communities are not only fighting the oil companies over their land leases and concessions, but also fighting among themselves over land rights.

With the systematic passing of the daily activities of government over to faithful indigenous rulers (emirs and paramount chiefs), Lugard demonstrated that British interests were economic dominance. Colonialism was simply a means to further such interests for the government and British traders. Therefore, indirect rule was adopted as a system that allowed native authority a de facto and de jure rule over his people on behalf of the British. Although indirect rule provided an affordable and effective way of controlling colonial subjects, while extracting revenues and exploiting their resources,

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204 Pakenham
it required constant vigilance to ensure that the indirect rulers did not grow wings that could threaten the British colonial integrity.\textsuperscript{206}

Indirect rule had suited the north, because the northern rulers were used to denying self-government to the people they ruled. Indirect direct rule became a system that reinforced absolute power.\textsuperscript{207} Despite its absolute rejection in the south, particularly in the southeast where people were used to the rule of democracy, the British made sure that indirect rule was forcefully imposed as the system of government.

Education was unevenly promoted in the country by the British who made sure that the colonized people were never give access to Western education. The missionaries responsible for education only extended it very few believers who were taught European languages and theology. Even those who were given access to Western education were condemned to cultural alienation. In fact, they were educated to worship European culture, with a deep sense of inferiority. A cultural crisis emerged as they came to identify and equate European culture with civilization. Unfortunately, a tiny disoriented elite class dominated both the political and socioeconomic scene from the period of decolonization to post-independence.\textsuperscript{208}

These political elites and the British colonizers formed an alliance against the people. As later in this thesis, this alliance clearly divided the battlefield with exploited Nigerians on

\textsuperscript{206} Fage J.D.
side and the British-Nigerian elite class on the other. In sum, while the period of slave trade witnessed the shipment of millions of Nigerians away to Europe and the Americas to do slave work, colonialism became an era for Nigerians to do slave work in their country.
CHAPTER 4

Invisible Empire and Decolonization

(i) Understanding Invisible Empire

Did Britain begin decolonization in Nigeria and Africa because of anti-colonial pressures for independence by activists? Was it (as most have argued) a result of the weakening impact of the two world wars of 1914-1918 and 1939-45? Was it as a result of the pressure from two emerged superpowers - the United States\textsuperscript{209} and the (former) Soviet Union\textsuperscript{210}? Could it be argued that the justification was based on moral grounds? Or did the Europeans granting Nigeria (and other African states) independence to harness the Nigerian market and resources for the benefit of their industrial economies? In other words, did the British leave because the mission of colonialism had been accomplished? Had they established conditions where economic control their main reason for effective occupation - could be protected and perpetuated in Nigeria, regardless of who would in power in Nigeria?

Students of the Nigerian (African) decolonization school have reached the conclusion that what drove the scramble out of Nigeria (and African) was largely the efforts of astute Nigerian leaders fully equipped with the forces of nationalist and anti-colonial activism.

\textsuperscript{209} Roosevelt as anti-imperialist demanded that the postwar objective of the Atlantic Charter be self-determination for all colonies and access on equal terms to trade and to raw materials of the world.
The immediate realities that shaped their analysis might have provided a basis for their conclusion - and on this basis, they have genuine argument. But this still leaves the question: Did Nigerian (African) nationalist activism and the emerging postwar realities lend to the hands-off, or at least, necessitated the immediate departure of Britain from Nigeria?

While these realities contributed to the scramble out, an important and underemphasized reason for decolonization remains that administering the colony no longer served British interests. The purpose of empire harnessing colonial resources for the benefit of the British industrial economy had been successfully instituted Britain and its local allies. Not only would this economic hegemony remain irreversible without political controls from Britain, but it would also through faithful local allies be expanded and strengthened.

Fredrick Lugard’s analysis demonstrates this account of the economic basis for the scramble for the Niger Delta (and Africa) that:

With the uneven benefits that decolonization has brought Africa, it has well suited the interests of Europe. Missionaries have continued to offer Christianity and civilization to the needy. White businessmen have continued to make their fortunes in Africa...Trade preceded the flag and has outlasted it. Giant European and North America companies continued to dominate the economies of the fledgling African states.  

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210 Africa offered the Soviets fertile ground for the spread of communism abroad.  
211 John Fredrick Lugard, 1858-1945, was Governor of British Nigeria, and one of the great proconsuls of the British Empire.  
212 Pahenham, Thomas was quoting Lugard in his book: “----- “P.680
Even Pierre Ryckmans, the Belgian Proconsul to Africa, threw his weight in support of this decolonization argument. He claimed that although the conditions at the end of World War II could be said to have undermined the continuation of European colonial power in Africa, the legacies Europeans left behind were suited to the continuation of European trade dominance than to African political self-rule. In fact, as Ryckmans argued the economic network Europeans in postcolonial Africa could not have been undermined by mere political independence.\textsuperscript{213}

The British Foreign Secretary, Lord Granville, already familiar with how the forces of the invisible empire operate in 1883, rejected a proposal for formal British annexation of the Oil River region of the Niger Delta on the grounds that the forces of the invisible empire offered more effective in support for trade monopoly and domination than formal empire, which required putting together an administrative machinery.\textsuperscript{214}

The recognition of the power of invisible empire of trade drove the massive British investments in Nigeria that began during the period of decolonization. The colonial government assisted British companies in their efforts to reinforce and expand their monopoly in Nigeria – from trading and manufacturing to mining ventures. For example, the colonial government granted cheap loans to British investors ready to invest in


\textsuperscript{214} Grenville, J.A.S. Lord Salisbury and Foreign Policy, London, 1964
Nigeria. This assisted subsidiaries of giant British multinational corporations in expanding their presence in all spheres of the Nigerian economy.

Those considered too weak to play the game of the invisible empire were persuaded to merge. Nowhere was the influence of the colonial government’s effort more profound than in the oil industry. Huge capital was invested in a Shell/BP oil venture in Nigeria – from 1937 until Nigeria’s political independence in 1960 – that gave the two companies oil mining right over the entire Nigerian territory. These measures consolidated the colonial economy’s outward-orientation and external-ownership - whose major structure was not that of a public versus private sector – but of center versus periphery.

(ii) Reinforcing Invisible Empire

Why, after 40 years of postcolonial experience, has Nigeria been unable to dissolve or reduce the forces of the invisible empire? Why, rather than mastering these forces, has the invisible empire mastered them? The answer to these questions depends on a careful exploration of its linkages with public and private structures. The overlapping political, economic, cultural, and religious interactions with mainstream government policy-making and implementation machinery - and with private activities of citizens provide the best explanation for continued European economic domination.

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215 See Osoba
216 Onimode
The forces of invisible empire operate covertly; they reinforce and reproduce themselves through a series of vertical and horizontal networks in Nigeria. These networks frequently prop up military dictators as their official links. Because these governments are neither open nor accountable to the public, collaborations with the dictators become an inevitable force to perpetuate control of the oil industry. These authoritarian governments provide the privileged links and official channels that can also be easily lobbied for influential positions for their allies.\textsuperscript{219} This engine of exploitation was qualified as pirate capitalism and inert economy in Nigeria by Schatz in 1984.\textsuperscript{220}

Second, the forces contribute to the formation authoritarian personalities the elite class in Nigeria. The most influential members of the elite end up becoming chairmen of the multinational oil companies. The privileged chairmanship positions reserved for Nigerians go in most cases to retired civil servants. This “compensation” for their cooperation while in privileged public positions highlights the potential benefits of facilitating the interests of the multinational oil companies for their successor currently in office.\textsuperscript{221} Chairmanship positions are also given to retired military generals who effectively protected the interests of the multinational oil companies.\textsuperscript{222} Positions are offered to influential local chiefs. Scholarships at prestigious foreign colleges for the children of this elite class and jobs in privileged companies cement these relationships.

\textsuperscript{219} Saro-Wiwa
\textsuperscript{222} See Osoba corruption in Nigeria.
Those who cannot get access to these positions are frequently awarded petty contracts for subsistence or become employment agencies for short-term hiring by the multinational oil companies.223

The invisible empire also propagates corruption. Nigerian public servants are routinely underpaid and depend on bribes for subsistence.224 Nigerian public administrators who do not collaborate risk their careers. They may not be promoted or even lose strategic positions.225 This pattern erodes human resources of the federal government.226 Bright and smart civil servants are frequently offered more attractive and rewarding jobs in the oil industry.227 The reason is to ensure that government jobs only attract the mediocre, who could not pose any technical or administrative threat to the multinational oil companies.

The services of the metropolitan financial institutions are frequently employed to generate fiscal crisis,228 a prerequisite for the external dependency and the macroeconomic instability that benefits the operations of invisible empire of trade.229 The recent fragmentation of Nigeria’s banking industry – a handiwork of IMF, ensured that the contribution of the banking sector financing of productive sectors of the economy was

227 Turner T. 1978
228 Olayiwola P.O. Petroleum and Structural Change in a Developing Country: The Case of Nigeria, New York: Praeger 1987
minimized. The present number of banks operating in Nigeria, for instance, makes it difficult for most of these banks, that struggle for survival daily to survive intense capital competitions (sometimes necessitate fraudulent financial activities), to sustain commitments to financing local industrial production.

The situation has continuously led to a high-powered network of metropolitan capital control. The passage from one financial crisis to another an ongoing search in the metropolitan capital markets for the next sources of financial rescue in the pursuit of bourgeois economic development. This was what Franz Fanon feared when he wrote about the national bourgeoisie economy turning its back more and more on the interior and on the real facts of its underdeveloped country, to continue to embrace the foreign capitalists and donor agencies as the only people who matter in terms of development. 230

In unending economic and social instability nongovernmental organizations (NGOs) have become an instrument for gauging the temperament of the masses and for gathering information for their home governments on local opponents. 231 NGOs and donor-machinery contribute to the forces on the invisible empire that not only creates economic and sociopolitical instability, but influence local culture. 232

231 Enwegbara B.O. 1999b
232 Koehn

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Finally, violence and instability create a favorable environment for invisible empire. Violence has contributed to the ongoing intractability of the Niger Delta conflict. Religion distracts people from the real problems that have become more visible in Nigeria. Sponsorship of new churches has shifted the concerns of the people, especially the youth. Religion dilutes the anger threatens the status quo. Nigerian religious differences have been manipulated in many cases to create violence, instability and mutual hatred.

Local public administrators have to cooperate with the local agents of invisible empire, but their importance will depend on the strategic nature of oil deposits. Scholarships are in some cases offered to the local citizens through a list submitted by their local employers, but they will never be employed neither in the company nor in a serious public enterprise to undermine their influence and ensure that they do not challenge the status quo.

Democracy remains the greatest enemy of the forces of the invisible empire because it gives the people the power to oppose the status quo, the freedom to speak out, the ability to seek for transparency and accountability. Although democracy has been the greatest threat to the activities of the invisible empire, it has ways to neutralize the anti-invisible empire forces. Allies and faithful politicians are sponsored politically, while those politicians who are seen as a threat to the status quo are frustrated out and opt out of

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elective office in Nigeria. In cases where the anti-status quo politicians are popular, the multinational oil companies employ the services of the media (in most cases under their payroll) to dent the public images of these politicians.

(iii) The Politics of Decolonization

Because Nigeria had been the most important British colony in Africa, the British carefully structured and executed its decolonization and transformation into independence.236 With interests high and oil explorations in the Niger Delta promising, the departing British colonizers sought to safeguard their economic interests in a post-colonial Nigeria.237 The general strike over low wages, rising prices, and growing unemployment that swept the entire colony in 1945 remains the turning point in Nigerian decolonization.238

For the British, the task of finding a constitutional arrangement that would secure and promote its economic interests was a nightmare. Their efforts to undermine Nigerian interests during the process were opposed by the most frontline nationalists, particularly by Dr. Nnamdi Azikiwe, an American trained political scientist and Chief Obafemi Awolowo a British trained lawyer. But the lack of support from the northern emirs, who had become more powerful as a result of indirect rule, frustrated the quest for

236 Birmingham
237 See Osoba
independence, and weakened the forward-looking constructional projects that most nationalists (aware of the complex nature of the country) were fighting for. 239

With time these nationalists began to deal with the realities of bringing 250 ethnic nationalities into a nation they knew little about or had little in common. Those concerns quickly began to manifest. With its advanced education and more organized economy, 240 the north saw no compelling reasons to support statecraft it feared would be commandeered by the south. The Sarduana of Sokoto, Sir Ahmadu Bello, 241 did not hide his fear on his first visit to Lagos when he argued that “the whole place was alien to our ideas and we found the members for the other regions might well belong to another world as far as we were concerned” 242

Even the nationalists who were pressing for more rapid decolonization had yet to sit down and define their visioning of how Nigeria could benefit from its diversity. The same Awolowo who was seeking decolonization at all costs, did not hesitate to express his reservations about the complex nature the people they were trying to bring together, when he called Nigeria “a mere geographical expression” and “merely a distinctive appellation to distinguish those who live within the boundaries of Nigeria and those who do not.” 243

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240 Second in command in the Caliphate that rules the entire northern Nigeria.
241 Sarduana of Sokoto is Sokoto’s religious leader.
243 See Meredith M, p87.
Nnamdi Azikiwe, the arch-nationalist, also had begun to appreciate the intense ethnic dimension of the nation-state they were fighting for. Abubakar Tafawa Balewa called the state they were fighting to inherit, a paper country inhabited by peoples of different ethnic groups with different languages, different religions, different customs and traditions, and entirely different historical backgrounds. 244

The British found a gold mine in these differences that they could exploit. The gap between the conservative north and the radical forward-looking south could be exploited by imposing the north on the south. Lugard realized the invaluable benefits of working closely with the northern elites could be used to soft-pedal the aggressive southern elites. Dividing the south into two regions while the north remained unified served British interests. With the south divided along ethnic lines, it would be difficult for them to pursue common interests. Second, demographic and territorial superiority gave the conservative northern political class control over Nigeria’s process of decolonization.

(iv) Constituted Instability

Finding a constitutional arrangement to satisfy all the ethno-cultural interests in Nigeria was difficult. To make things worse any constitutional arrangement had to protect British economic interests. From the beginning it was clear that a politically dominant north could work in favor of British interests.

The north had more than half of Nigeria’s population. The resource poor north would find a united Nigeria more attractive than separate states. Also, the north did not have the political and economic sophistication to challenge British interests. The north’s Islamic fundamentalism created the potential for mini-jihad that would disrupt and subdue the liberal and democratic south. This created a basis for affinity between the British and the people of Northern Nigeria, demonstrated in the decolonization constitutional projects.

Richards Constitution of 1946 proposed local native authorities that should be dominated by traditional elements as the core source of representation. From these representatives would the emerge delegates to regional House of Assembly. And from the members of the regional House of Assembly would emerge representatives to the central Legislative Council. This arrangement, as argued by its proponent Sir Arthur Richards, would, promote unity through rested “units of political consciousness.” Their purpose was to: (a) perpetuate indirect rule that had ready only served the British colonial interests and those of the traditional rulers imposed on the people; (b) use the monarchic system to impose an autocratic absolutism over the people; (c) use the traditional rulers as the metropolitan economic bridgehead.

This constitution that for the first time brought both northern and southern representatives into a central legislative council as well as created regional councils for the north, west, and east on the basis of a federation that short-lived. Although, it was well received by the emirs in the northern region and the obas in the western region, as it was seen as advanced form of with indirect rule. This system native authority received opposition and
criticism from two leading nationalists - Azikiwe and Awolowo, who forced the British to abandon their mini-monarchic system of government in Nigeria.

The announcement in 1948 of a new constitution that would involve full consultation with Nigerians throughout the country created new ethno-regional and religious ties that sharpened animosities in Nigeria.\textsuperscript{245} The political camp in the east became the National Congress for Nigeria and Cameroon (NCNC); the Action Group (AG) drew its power from the west, whereas the Northern Peoples Congress NPC had its own base in the north.\textsuperscript{246} This federal Constitution that took effect in 1951 gave both the center and the regions considerable powers and made the country ripe for independence – which the north had to oppose since they claimed not to be yet ready for that.

The 1954 Lyttelton Constitution began Nigeria’s move toward federalism. It provided for substantial regional autonomy even removing the center’s power to intervene in regional matters to an extent that undermined the central government monopoly on the legitimate right to maintain law and order. The Lyttelton Constitution created a federation of ‘regions,’ each of which ran as a unitary state. Nigeria ended up with ‘unitarism’ at regional level and ‘federalism’ at the center.\textsuperscript{247} The sovereign powers granted to the three regional governments made it possible for four “Nigerias” to emerge. One was the politically and financially weak and unstable federal center. The other three were regions that had independent fiscal policies and judiciary systems, and even independent foreign

\begin{footnotesize}
\textsuperscript{246} Nolutshungu S.C. Fragments of a Democracy: Reflecting on Class and Politics in Nigeria, TWQ 12(1) January 1990 p.86-87
\end{footnotesize}
policies and diplomatic offices in London – an aberration of the concept of one nation one foreign and fiscal policy.248

The Lyttelton Constitution attracted criticism much as the earlier Richards Constitution did. One source of opposition was Azikiwe who feared that such a constitutional arrangement with weak center was going to jeopardize national feeling and national loyalty. Shouldn’t “the objective of creating regional independence with a premier heading the government be to promote ethnic nationalism” while diminishing the true concept of, and consciousness for one nation? Azikiwe queried. Did this not mean granting sovereignty to the three regions rather than to Nigeria as entity?

This raised questions about why the departing colonialists created such a defective federal constitution that led to the emergence of political and economic regionalization in Nigeria? The weak center then promoted instability and divide and rule legacy in post-independence Nigeria was advantageous for the British. With a weak revenue base, the central government soon became incapable of promoting micro and macro-economic politics that were necessary for the economic development and industrialization takeoff that the post-independence Nigeria desired. The four Nigerias, with distinct fiscal and foreign policies, and with regionalized civil service and judiciary, provided fertile ground for the legitimatization of secession as an inalienable right in Nigeria.249

In sum, the emergence of regional federalism in Nigeria in 1954 led the emergence of irreconcilable and intractable ethnic, religious, and linguistic solidarities in Nigeria. The Constitution encouraged power tussles that drifted toward tyranny by ethnic majority both regional and central levels. Ethnic power and autonomy struggles dominated each region, and fight for control dominated the center. This crippled the nation that emerged from British dependence. Minority groups that once had big dreams and hopes began to come to terms with the new realities. They found themselves totally excluded from these political struggles.

These problems were not a natural outgrowth of federalism as a system of government. Nigerian federalism as designed by the British made nonsense of the system. A simple contrast with American federalism demonstrates federalism is more than a matter of choosing size and number of decision-making units. Federalism should be also about power dynamics and power sharing mechanics within and among subunits, while the center with its progressive revenue base could redistribute and enforce federal jurisdictions to the benefit of all.\textsuperscript{250}

\textbf{(v) The Willink Commission}

The inevitable product of the federal constitution hastily put together by the colonial administrators was minority protests. At the regional level they demanded political rights to regional autonomy or a system of regions that protected their political and economic
interests. On the federal level, the minority groups in Nigeria looked for a system of representation that would guarantee them a voice in the decisions of the federal government. They argued that domination of the regional governments by three major ethnic groups had marginalized minority interests – from political decisions to economic benefits.\(^{251}\) Even the Ijaws in the Niger Delta went to the extent of demanding their own independence from Britain, since, as they argued, the treaties signed with their chiefs in the late-nineteenth century did not provide for Britain to pass them to another colonial rule.\(^{252}\) Without looking into their grievances, or not meeting their demands, they believed, the ongoing process of decolonization could not be justified.

In September 1957, a commission named the Willink Commission (led by Lord Willink) was constituted with clear responsibilities. It was empowered to examine the fears of minority groups in Nigeria and establish whether the alleged fear had a strong factual basis. It also had the authority to come up with ways to address legitimate concerns by reviewing the federal constitution. Such recommendations, given sufficient urgency, could extend to creating more states and proposing an appropriate structure for the government, and the economic and administrative viability of such states. The effects of such states on the regions in which they would be created out as well as on the federation were to be given careful consideration.

The Willink Commission, after listening to testimonies and data made available to it by the minority groups rejected their demands on the basis that the grievances were not


\(^{251}\) See Ofiaja
supported by evidence. The fear expressed by the Commission was that any effort to
create new states out of the three regional federal system of government would only
trigger endless demand for states in Nigeria. In other words, the Commission saw the
state creation the last option to be tried in Nigeria.\textsuperscript{253} The Commission did express
sympathy for those minorities it found truly marginalized.\textsuperscript{254}

The Commission believed that ethnic sentiments would be weakened in an independent
Nigeria. It also recommended that protection of all minorities against government neglect
or discrimination could be achieved by the minorities’ voting power. The logic of Willink
Commission seemed to misplace the principle of democratic majority.

How could minorities, who were minorities because their votes could not lead to the
majority needed to form a regional government, rely on the same votes to ensure that
their views would be heard? Moreover, how could the Commission recommend special
social measures to address developmental neglects in Ijaw, and at the same time,
assuming that the problems could resolved through the minorities’ voting power?

Some critics believe, the Commission left the problems of the minorities exactly as they
were. Others argue that doing otherwise would have contradicted British efforts to build a
local partnership so as to exploit the oil reserves of the Niger Delta. The marginalization
of the Niger Delta people provided a political weapon that strengthened the power of the

\textsuperscript{252} See Maier, K.
\textsuperscript{253} Rotchild, D.S. “Safeguarding Nigeria’s Minorities,” Duquisne Review 8(Spring)35-51.
\textsuperscript{254} Akinyele R.T. State Creation in Nigeria: The Willink Report in Retrospect, African Studies Review,
39(2) pp71-94.
emerging British oil companies. Some historians of Nigerian decolonization even believe that Willink Commission was only in the Niger Delta to intervene on behalf of the British oil companies in Nigeria and to gather information for the British Foreign Office.255

Such a mission is analogous to Lugard’s efforts on behalf of RNC and the British government before the engines of colonization were rolled out. Carefully put together for the purpose of finding the best route to “partnership in development” these proposals consolidated new form of invisible empire led by Shell and British Petroleum Companies in Nigeria.256 This provided the rationale for the Commission’s recommendation that all the regional police forces be unified and brought under the federal government. It also saw the centralization of prisons in Nigeria necessary. Centralizing these institutions provided a way to promote indigenous colonialism in Nigeria?

CHAPTER 5

Indigenous Colonialism

(i) Biafran Civil War

Nigeria became independent in October 1960 without resolving its fundamental differences that all the colonial steps and constitutional transfers simply heightened. Even the traps and snares that lay ahead were equally either downplayed or accepted as the inevitable colonial legacy\textsuperscript{257} – with the assumptions that the country would be able to deal with them later – that is, when it finally settled down. But lack of national leaders (whose interests were beyond their ethnic nationalism) in no short time, furthered mutual suspicions and sharpened ethnic divisions in the newly independent Nigerian state.\textsuperscript{258}

In fact, the first decade of independence was marred with difficulties and lack of compromises by politicians who saw access to government as the access to the power of political patronage and the awarding of government contracts.\textsuperscript{259} These narrow ambitions were manifested in the first federal government where the coalition of the north and east caused political disruption in the west - where politicians felt cut off from the power of patronage. While the successive federal government, a coalition of the north and minority faction in the west, forced eastern politicians feel excluded. By 1965, it became evident

\textsuperscript{257} Davidson B. The Black Man’s Burden ......
that law and order had vanished from the country. This triggered the collapse of the federal system like a house built of cards. 260

With the federal and regional governments deadlocked by rival groups, it became clear that without drastic change to prevent further paralysis, the country would be disintegrating. By January 1966, a handful of middle-ranking military officers, mostly Igbo, brought to an end the ethnic and self-serving politics of the First Republic. 261 But the military rather than bring the situation under control, further worsened it by turning the country into a unitary system. 262 With paralysis persisting, came a counter-coup in July 1966. This time, it was a group of young northern officers led by colonial Gowon in retaliation to the overthrow of a north-led federal government. A civil war became inevitable in 1967, when the Igbo led eastern Nigeria sought a breakaway from Nigeria as the Republic of Biafra. 263

The civil war showed not only how difficult the reconciling of political differences was in countries where the colonizers had introduced no democratic tradition, but also how determined the former colonial powers were to retain or expand their spheres of influence. Although the war was civil, it attracted more or less discreet interventions from both Britain and France who backed rival military factions in the hope of winning long-term strategic benefits. 264

262 See Owolu D.
The civil war as the first casualty of the weakly formed Nigerian state exposed the dangers the colonial legacies the British carefully crafted in Nigeria. It also showed how the West were no interesting in profiting from the civil war than to bring it to an end. There was no disagreement among the forces of invisible empire on how to benefit more from the civil war. It was Britain and Soviet Union for Nigeria vs. France and Portugal for Biafra – each struggling to control the territory rich in petroleum.\textsuperscript{265} The United States was formally neutral. Distressed by the starvation in Biafra, the US intervened with food aid and financial to save millions of Biafran children.\textsuperscript{266}

The war confirmed the fear and grievances of the people of the Niger Delta. These minority groups found themselves stranded on which side could protect them. In Biafra or in Nigeria, their fear was the same. The choice of Nigeria was because the belief that the Biafran state might be tempted to expand its territory toward its oil rich neighbors.\textsuperscript{267} Also, given the derivative revenue formula in force, they calculated that they would be fiscally and physically better in Nigeria than in Biafra.\textsuperscript{268} Moreover because the problem of state creation that the Willink Commission failed to resolve had been taken care by the federal government led by Gowon.

While judgments were justifiable, given the circumstances of the war, what the people of the Niger Delta took for granted was the predatory nature of the federal government and

\textsuperscript{266} Coleman J.S. and Sklar R.L. African Crisis Area: The Concept of Crisis, in G.J. Bender et al. (eds.) African Crisis Area and U.S. Foreign Policy, Berkeley: University of California Press, 1986.
why it opposed the Biafran secession. They failed to read between the lines – that is, why the civil war was inevitable. The realities did not take long to manifest. Even when the war was in course, the federal government began oil resource control and fiscal centralization. The actions to centralized and control the oil in the region were consolidated in 1969, when, the federal government promulgated Decree 51 which vested entire ownership and control of all petroleum in Nigeria with the state and its agencies.269

(ii) Race to Centralization

In search of reasons to support the revenue centralization, the federal had argued that it was doing in order to reduce the political and economic autonomy enjoyed by the former regional governments that led to the civil war. In other words, the Gowon military administration resorted to centralization as the only way to curtail the huge economic and political power the pre-war federal constitution granted the regions. Therefore, the progressive fragmentation of the federal territory was seen as the only way to address the fundamental causes of sociopolitical, ethnic and religious tensions and at the same time to create the foundation for economic growth, social mobility and integration.

But within this race to centralization were the forces of indigenous colonialism carefully buried. First, the centralization of national revenues was expected to give the majority ethnic groups more access to the oil revenue than they would have had in a decentralized economic system - after all that was the main reason for rejecting the Biafran secession. Second, economic centralization and the fragmentation of the former four regions into

multiple states would deny the new state the financial and human resources necessary to challenge federal authority. Third, it was obvious that military governments almost always sought control and consolidate political power through resource and revenue control for onward patronage network as well as to encourage collaborative behavior in the periphery. What really made the centralization inevitable was the huge oil revenue that the country witnessed in the 1970s as a result of oil boom.

Also meeting huge debts incurred by the federal government during three years civil war equally could only be achieved by bringing the national revenues under federal control and supervision. Besides, the Federal government was under intense pressure from the multinational oil companies saw revenue centralization as the only way they could bypass the oil communities and have harmonious and mutually beneficial relationship with those in power. Centralizing the oil revenue would make the center attractive for the military which itself could make it easy for the multinational oil companies to bolster military dictator at ease.

Even the integration of the minority groups into the federal political mainstream and freeing them from dominance of the three ethnic groups sought through state creation not only failed to lead to political empowerment but also failed to materialize into an economic and social equalizing impact, since the same federal government controlled by

271 See Ejobowah
the three major ethnic now controlled a large portion of the Niger Delta oil revenues.\textsuperscript{273} The reality was that the quest for political inclusion that was anticipated to translate into increased economic empowerment could not be the case. By centralizing the economy it became obvious that what Gowon gave with one had he had equally taken with the other hand – as he increasing federal share of national revenue from 30 percent before the creation of 12 States to 65 percent after State creation.

Therefore, while the minority won political inclusion at the same time they lost the economic power that would have been the main purpose for in the first place to seek political empowerment. At the end of the day, rather than centralization achieving economic growth and social mobility (seen as the only way to gradually dissolve the forces of ethnicity) it further reinforced divisions not only among the ethnic groups but now among the contending elite class that became increasingly dependent upon government contracts in an economy predominantly public sector driven.\textsuperscript{274}

(iii) The Politics Revenue Sharing

The distributive revenue sharing formula in Nigeria allows the federal government to engage in the collection of petroleum profit taxes, mining rents, and royalties that it pays directly into a consolidated federation account.\textsuperscript{275} The collected revenues are then shared


among the three levels of government in the federation – the federal, state and local governments. The legislations that legitimized revenue centralization were Decree No. 15 of 1967, No.13 of 1970, No.9 of 1071, and No.6 of 1975. Revenue centralization as argued earlier, was a response to the fiscal situation that made the civil war easily possible. So reducing the sheer fiscal power of the subunits after the war (during the war) became the only option to discourage reoccurrence.

But the necessity to replace derivation formula with a distributable pool account (the Federation Account) a result of intense political pressure from the ethnic majority and the same pressure put on the military governments to create more states out of the majority ethnic groups (the Hausa-Fulani, Yoruba and Igbo) to increase their access and share of the federally collected revenues. It was anticipated that that would reduce the income gaps that the earlier formula created among Nigerians. Under this distributive system, collected revenue in 1977 was distributed at a ratio of 60 percent to the Federal Government, 30 percent to the States 10 percent went to the states.

The grievances of the people over the centralization of revenue was not only because of the fact that the Federal had increased its share in the distributive formula to 77 percent in 1979, but also the way the States’ share was being calculated. For instance, the states under this distributive system divided their revenue share from the consolidated federation account on the weights of equality (40%); population (30%); social

276 See Olukoshi A.O and Agbu O.
development factor (10%); internal revenue generation effort (10%); and land mass and
terrain (10%).\textsuperscript{280} Although, the fact that this scheme has discouraged efforts for each
State to pursue revenue generation efforts may be a concern to the people of the Niger
Delta, what borders them go beyond that. For the oil-producing communities, the main
concern is not only that the distributive arrangement at the State level deprives them of
fair and just access to the oil revenue but also that it fails to recognize the environmental
burden as a result of the activities of the oil mining in the region.

Basing 40 percent on equality of States and 30 percent on population seemed a double
tragedy for the people of the Niger Delta. The first tragedy is the arbitrary manner with
which the military governments created the States to favor majority ethnic groups
because of their political influence at the expense of minority groups. The second tragedy
has been that without any nationally reliable census, the majority ethnic groups have
arrogated to their States inflated population so as to increase their share of the 30 percent
of the States’ population weight.

Outside the 10 percent based on internally generated revenue that favor the States in the
Niger Delta, the 10 percent shared on social development needs and another 10 percent
based on land mass equally disfavor them. The reasons are clear. First, the social
development needs on the basis to share 10 percent gives more weight to largely
populated States than their scanty populated counterparts in the Niger Delta. While the 10

\textsuperscript{279} See Olowu D. 1990
\textsuperscript{280} Suberu R. “Integration and Disintegration in the Nigerian Federation,” in Beach D.C. (ed.)
percent on the basis of land mass gives more weight to bigger States because of their territorial superiority to the Niger Delta States that are locked up creeks and swamps, even though the fragile nature of these creek and swampy States requires more money to achieve the same level of development that is achieved in the environmentally soft States.

(iv) The Federal Character

As the fear of political marginalization that led the establishment of the Willink Commission in 1957 to look into the grievances of the minorities in Nigeria, came the fear of some groups not being adequately represented in the federal institutions. Resolving that problem led to the federal character enactment in 1979. Section 14 (3) of the 1979 Federal Constitution states:

The composition of the Federal Government or any of its agencies and the conduct of their affairs shall be carried out in such manner as to reflect the federal character of Nigeria and the need to promote national unity, and also to command national loyalty thereby ensuring that there shall be no predominance of persons from a few States or from a few ethnic or other sectional groups in that government or in any of its agencies.281

What this means is that the distribution of political and economic power must be done in a way to avoid the domination of a particular state or group over the others.282 It also means that the composition of the federal government, including its agencies and the

conduct of its affairs, must give every Nigerian a sense of inclusion as well as reflect the interests of all ethnic groups in its national outlook.  

This way, the president of Nigeria is bound by law to appoint at least one of his ministers from each of the states and who shall also be the indigene of the state. In other words, all the federal posts from ministerial to agency employments must be composed of all the ethnic and social groups in a nondiscriminatory manner. The indigene of a state in the Nigerian context means more than birth or residence, even as a birth of one of the parents is not enough for one to claim to be the indigene of the state. But rather, it means a person that has the state as the ancestral home.

This raises the question about whether federal character aims to unite or divide Nigeria. That is, what is the purpose of federalism when its citizens cannot claim residence with all the privileges in any state other than his or her state of natural origin? Why shall the desire for national unity be compromised merely because of equitable distribution of federal jobs? How could the protection of citizens’ rights be achieved when they can be discriminated on the grounds of ethnic origin? In sum, what kind of social integration and national unity is expected from policies that are at best offering more vertical integration than broader horizontal mobility?

Even if we pretend to set aside all the discrepancies raised by the introduction of state or origin in deciding the Federal Character Principle (quota system), we shall still be

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confronted with potential political, administrative and efficiency problems arising from the implementation of this law. First, the discriminatory nature of the quota system has is more attractive to mediocre politicians rather than qualified professionals because it required no minimum standards or professionalism. Second, the quota system has sharpened ethnic lines, territorial bias as well as polarized Nigerians. Third, the adoption of the quota system in Nigeria has led to poor results in the public institutions rather than excellence public good.

The politics of federal character has inhibited the development of a sense of unity and common citizenship. Furthermore has further marginalized minorities such those in the Niger Delta Federal Character without defining how federal jobs shall be divided – that is, which group gets what federal job. After all, there are ministers of state as well as cabinet ministers. Being one minister or the other may not mean equal power.

Chapter 6

Advancing Invisible Empire

(i) Petroleum and Military Interventions

Because of the compelling evidence of the involvement of the multinational oil companies in Nigeria’s military interventions and how they used these privileged relationship with these authoritarian rulers to legitimize instability and violence in the Niger Delta, I will dedicate a major part of this chapter exploring this phenomenon. Therefore, this chapter will describe how Nigeria’s bourgeois dictators are raised and perpetuated in office by the multinational oil companies for the mutual benefit in the exploitation of Nigerian oil.

But is the Nigerian situation different from other developing countries that produce oil? The exploitative realities in Venezuela led Juan Pablo Perez Alfonzo, one of the founders of OPEC, to uncover the exploitative nature of the multinational oil companies in Venezuela:

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286 See Frynas.
287 See Saro-Wiwa
If there is something absolutely undeniable...it is the situation created and maintained in Venezuela by the oil companies. The manner in which they have exploited the wealth belonging to the Venezuelan people, even though aware of the people’s needs, is a public and notorious fact. Exploiting the weaknesses of those who, with and without right, have represented the nation, acting beyond the margins of rights and justice, these companies obtained illegitimate profits and caused tremendous ills that cannot be erased by merely introducing a simple legal clause in any law; there does not, and cannot, exist any legal design that can right a wrong.289

With petroleum becoming Nigeria’s main source of foreign exchange – from a mere 24.76 percent in 1965 to 57.56% in 1970,290 Nigeria began radical policy changes in the oil industry that were seemingly consistent with national interests. In other words, it became obvious that for oil to become the major source of a balanced national budget, guaranteed economic growth, and future national development plans, the country had to have had direct involvement in the industry.291 This led to Nigeria’s joining of the Organization of Petroleum Exporter Countries (OPEC) in 1971 and the establishment of the Nigerian National Oil Corporation (NNOC) the same year.292

Nigeria’s membership in OPEC was seen to facilitate its adoption of the cartel’s Declaratory Statement of Petroleum Policy – that is, participation in and control over all aspects of petroleum activities.293 In other words, the multinational oil companies feared that Nigeria would engage in an accelerated involvement to the tune of future

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nationalization.\textsuperscript{294} Of more concern was that the level of the country’s participation in petroleum mining and in investment decisions could foster national experience in the oil industry and control of negative externalities in the entire oil industry.\textsuperscript{295} In addition, Nigeria’s membership in the oil producers’ club was seen as another way of strengthening OPEC’s influence over oil production and pricing in the world market.\textsuperscript{296}

Not only were the multinational oil companies unaware of these changes but they also saw them as the main source of uncertainty for the industry. Theirs concerns were genuine. First, the oil companies entered Nigeria under a favorable set of regulations inherited from the colonial period that guaranteed no constraints other than paying taxes, rent and royalty to Nigeria, the oil industry was now being challenged by the new government’s interests, and this increased uncertainty that the new interventionist policies of the government could trigger in the industry.\textsuperscript{297}

Second, the growing concentration of indigenous oil experts in the petroleum sector could lead to intense competition in the industry with the possibility of the nationalization of the oil industry.\textsuperscript{298} Third, there was the anxiety that the government’s direct involvement would force the oil companies to internalize the negative externalities and by so doing, increase their costs of production.\textsuperscript{299}

\textsuperscript{293} Khan
\textsuperscript{294} Onoh
\textsuperscript{297} Turner
\textsuperscript{299} Angaye
But the multinational oil companies did not hesitate to fight back. First, the emergence of technocratic and bureaucratic factions paralyzed the activities of the newly established national companies. Second, rather than the government intervening to resolve the conflict in NNOC, it compromised the national objectives of the company by supporting government officials acting against the survival of the NNOC. The Udoji Award denied NNOC professionals a salary increase. Explorers and miners were frustrated because they were no longer motivated to work and as a result, rendered irrelevant. In other words, their responsibilities were not commensurate with their training, experience and aspirations. Third, in the absence of motivation they were not able to compete with the multinational oil companies. The workers became attracted to administrative activities in the company and boardroom politics, to compensate for their redundancy. Fourth, with more attractive offers coming from the multinational oil companies, many left NNOC and joined the competing multinational oil companies.

As Terisa Turner asserts, the NNOC management was eventually co-opted by the multinational companies. The NNOC failed not as a result of Nigerian technical and managerial constraints or capital limitation, but rather because of mutually rewarding transactions and networked deal exchangers between the government officials and the multinational oil companies. These collaborative relationships further granted the

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300 See Turner
301 The Udoji Award was a salary increase for all government employees in 19--
302 See Turner T.
multinational oil companies absolute access to government policies. This “triangular clique” led to the overthrow of the government by Muritala Mohammed in July 1975.

The new government wanted to restore national interests in the oil industry, restructure the economy and create democratic institutions. The government instituted panels of inquiry to address these problems. One of these problems was the Indigenization Decree of 1972 that excluded the activities of the oil industry. Some of these panels of enquiry were to examine the level of distortions and inconsistencies in the economy, while others articulated ways to transform the economy and foster a democratic environment. Additional states were also created to reflect the political realities of the country and address distortions inherent in the current federal system.

These policies threatened the interests of the foreign oil companies, political elites and those who benefited from the old system. The opposition to these nationalistic policies led to the tragic death of Mohammed in 1976. There were many conspiracy theories surrounding his death. Colonel Dimka, who assassinated Mohammed, implicated the British government, while others speculated that it was the handwork of the Central Intelligence Agency (CIA) who was concerned with protecting American oil interests in

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305 See Turner T.
306 Olayiwola
308 Turner
309 Kirk-Greene and Rimmer
Nigeria. Although there is no doubt that Mohammed’s assassination involved foreign conspiracy, an examination of that involvement is not necessary here.

In succeeding Mohammed, Olusegun Obasanjo, realized that the interests of the oil companies must be included in national priorities. As a result, he cultivated functional relationships with the oil companies. But Obasanjo would not have been more confrontational with the West, given the fact that the newly discovered North Sea (as good as Nigerian crude) and Alaskan oil, had begun to threaten the demand for Nigerian oil from late 1970s.

Thus, the Nigerian Enterprises Promotion (NEP) Decree of 1977 promulgated by the Obasanjo military government although did not exempt any company from indigenization however, it took care to protect the interests of the multinational companies operating in the country. Therefore, unlike the 1972 Indigenization Decree, NEP stipulated in section 7 that regardless of the classification of expatriate businesses:

Any alien who immediately before the commencement of this Decree ... may continue to be owner or part-owner of any such body if the annual turn-over of the body corporate was not less than 25 million; the business of the body corporate was being carried on in not less than 10 States in the Federation; and the equity participation of the Nigerian citizens or association is by June 30 1977, not less than sixty percent.

311 Nnoli
312 Balabkins, p 199
By so doing, the Decree protected the oil companies because they met these criteria. Moreover, it was difficult for Nigerian entrepreneurs to acquire the 60 percent equity in the oil companies. Therefore, the government purchased these shares.

Notwithstanding all the reasoned guidelines in the formulation of the decree (especially the increase to 60 percent in government’s equity interests in the oil companies), it did not enhance national control over the foreign oil companies. First, the government guaranteed that it was not going to interfere in the day-to-day operations of the oil company. This allowed the oil companies to still maintain control over the oil industry and sensitive technical and managerial positions. Second, the petroleum industry being equipment-and technology intensive made it more difficult for Nigerians to participate in the industry. Third, Nigeria even with its 60% equity remained a junior technical partner and by this, the oil companies thwarted indigenous manpower development.\footnote{Edogun C. The Structure of State Capitalism in the Nigerian Petroleum Industry, in C. Ake (ed.) Political Economy of Nigeria, Lagos: Longman, 1985.}

The overall decision-making power remained in the hands of expatriates making Nigerian oil capitalism external and at the mercy of foreign manipulation. The government held its exploited citizens, particularly the Niger Delta people, at bay while the multinational oil companies and top government officials continued to benefit from oil wealth.\footnote{Edogun C. The Structure of State Capitalism in the Nigerian Petroleum Industry, in C. Ake (ed.) Political Economy of Nigeria, Lagos: Longman, 1985.} Furthermore, to strengthen the interests of the oil companies, a land use decree was enacted in 1978 that allowed the oil companies to exploit the land with little compensation to the host communities. It also enabled the oil companies to engage in
different kinds of ‘free ride’ in the industry.\textsuperscript{315} In fact, the British Petroleum Company (BP) was exporting Nigeria’s oil to South Africa in violation of Nigeria’s policy toward the apartheid government in South Africa.\textsuperscript{316} Granting the oil companies these allowances, Obasanjo administration was sustained.

(ii) Market Economy and Neo-Dependency

On December 31 1983, Muhammadu Buhari overthrew the Shagari civilian government to which Obasanjo handed power. First, the Shagari administration led the country to economic crisis due to the mismanagement of the economy and poor understanding of Western oil politics. Second, the pervasive corruption and distorted priorities of the government led to the squandering of $26 billion in oil revenues in 1980, while illegal exports of Nigerian oil through smuggling and bunkering went on with or no efforts to stop them.\textsuperscript{317} Third, the government’s lack of foresight and planning led to huge trade deficits. But rather than deal with the internal structural realities, they sought temporary solutions from foreign loan which a debt crisis.\textsuperscript{318}

Managing these deficits required the involvement of the World Bank and the International Monetary Fund (IMF).\textsuperscript{319} But doing so would lead the government to

\textsuperscript{316}Aluko, O. Essays on Nigerian Foreign Policy, London: George Allen and Unwin, 1981.
compromise national interests. The inability of the civilian government led to the coup of 1983 that toppled the Shagari government. Buhari overthrew the civilian government purposefully because of the fear that it would drag the country into a fiscal trap - that is, the devaluation of the nation’s currency, the removal of public subsidies, and the liberalization of trade and free flow of capital. But also he wanted to bring sanity into the oil industry. As Obasajo’s Petroleum Commissioner in 1977, Buhari helped establish the Nigerian National Petroleum Company (NNPC) out of NNOC and the Ministry of Petroleum (a company fully integrated into the oil industry responsible for exploration, production, transportation, refining, and marketing of oil).^{320}

Some of the reasons behind the federal government’s refusal to accept the IMF conditionalities were expressed by General Buhari as:

> The way the IMF sees it, if we devalue our exports would be cheap, imports would be dearer. If so, the effect on Nigeria is irrelevant because we hardly export anything other than oil which is in dollars and which is subject to currency fluctuations, so devaluation doesn’t make sense, because our industries hardly satisfy our needs up to 50 percent. So we are not exporting anything other than oil; finished goods are second, so that argument does not hold. On the cost of imports, we need cheap imports, because our essential raw materials for our industry are mostly imported from the United States and Europe so we don’t want to make it expensive. If we make it expensive our end product would be more expensive, and the inflation will go up again, so the argument against devaluation in Nigeria is real, and we hope the IMF will see it that way.^{321}

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^{321} Olayiwola P.O. ........p.130 (quoted)
The debt burden, the shortfall in foreign exchange holdings, the need to increase oil exports beyond the OPEC imposed quota, led the government to resort to counter trade policies rather than succumb to the IMF conditionalities.\textsuperscript{322} The option of counter-trade was equally seen as a means of diversifying and creating new trade relations by exchanging oil for automobile parts, military hardware, raw materials, and consumer goods – with France, Brazil, Austria, and Rumania.\textsuperscript{323} Selling Nigerian oil through counter-trade also gave the country the opportunity to expand its oil exports that was restricted by the OPEC quota policy.\textsuperscript{324} Counter-trade further forced more centralization of the economy.\textsuperscript{325} Although the Buhari government only lasted 20 months, it did demonstrate its sincerity in championing economic interests of Nigerians.

In the face of these difficulties posed by the refusal to accept the World Bank and IMF conditionalities, coupled with the growing social policy contradictions, declining oil revenues, and the pressure to keep up economic nationalism, the Buhari government was toppled.\textsuperscript{326} It was speculated that the World Bank and IMF supported the overthrowing of the Buhari government by Babangida in 1985.\textsuperscript{327} The new military government immediately re-opened negotiations with the Bank and the Fund. Babangida also reversed Buhari’s fiscal policies, including the counter-trade and payment of the country’s debts with oil.\textsuperscript{328}
Notwithstanding the consensus among Nigerians that the World Bank and IMF conditionalities would exacerbate the problems of the economy, Babangida implemented the IMF structural adjustment program in 1986. Structural Adjustment policies required trade liberalization, removal of import restrictions and licensing, market based and floating exchange rates. These policies also mandated currency devaluation and removal of subsidies as well as the commercialization and privatization of public sector enterprises.

The few changes in the oil industry that increased Nigeria’s involvement in the oil industry were reversed in the interest of the multinational oil companies. Among these were two official Memoranda Of Understanding (MOUs) that improved tax and production allowances. Others were changes in fiscal policies in favor of the multinational oil companies and emergence of new production-sharing contracts. This diminishing influence of the state in the oil industry meant that even though the state held equity interest in the concession, as well as production-sharing contract, however, the fiscal legislation and participation terms continued to give premium to the multinational oil companies in Nigeria – an unfortunate contradiction to the rules that the OPEC had set out to ameliorate fiscal and participation terms for member countries.

By forcing an illegitimate and non-democratic military government to carry out massive macroeconomic restructuring, the World Bank and IMF policies dismantled the state’s
These structural changes opened up the domestic market to foreign goods and competition as well as the infusion of recycled loans not meant for development projects but to maintain previous levels of current expenditures and imported consumer goods. In fact, the Fund and the Bank were able to make the Nigerian economy a subsidiary - with an endless socioeconomic and environment crisis.

In short, the Structural Adjustment Program devastated the indigenization and nationalization that benefited the multinational companies. Today, Nigeria struggles with $30 billion debt and arrears of up to $6 billion for debt re-servicing and commitments to the Paris Club of creditors. This does not include the annual interest rates that range from $1.5 to $3 billion. In addition, the IMF and World Bank support a military decree 1996 that called for the privatization of Nigeria’s oil fields at a mere $40 billion.

How can Nigeria escape from high unemployment, inflation above 60 percent annually, inadequate education and health care infrastructure, broken down educational system, corruption and increasing illegal oil exports? How can the people of the Niger Delta continue to be silent in the presence of complex political realities, environmental degradation and economic marginalization? How can they allow their oil to be mined to finance the national debt and bogus government expenditures that after all, do not benefit them? Why should the people of the Niger Delta accept that oil revenues be used to
finance Nigerian military interventions around Africa while they themselves continue to struggle on the edge of poverty and intractable health risks?

But who would blame the people of the Niger Delta for saying that enough is enough? On what basis should citizens continue adhering to policies designed to protect and perpetuate the invisible empire of trade? In short, to whom can the people of the Niger Delta cry to, to help deal with the present socioeconomic and ecological neglects? What benefits have these minority groups had being part of Nigerian state? Should people in the Niger Delta bear the social and ecological burden of fiscal recklessness?

Some of these questions answer themselves. Others uncover the striking desperation and the need for remedial action. In summary, these questions demonstrate the seriousness of the Niger Delta situation and why they must protect themselves against further exploitation.
(i) Ripe for Negotiation

While it is true that negotiation has worked in a wide range of difficult and politically charged conflicts, it is, also true that the process of negotiation has only worked in situations where the disputants have been able find common ground to put their differences behind them. In other words, unilateral tension-reducing initiatives among disputants could only be possible if there is mutual willingness to escape the conflict in the first place. But for a conflict to be said to be ripe for negotiation or for disputants to be willing to escape a conflict, such a conflict must be problematic for all the stakeholders.

First, the conflict must be perceived to be hurting the stakeholders. Second, the cost of continuing the disagreement must be seen to be increasingly harder and harder to bear by the parties involved. Third, most parties must be experiencing catastrophes and deteriorating positions as a result of the conflict. Fourth, parties must be in a position of believing that resolving the conflict will result in more windows of opportunity. More importantly, there must be a legislative climate that gives premium to alternative conflict
Theorists such as Susskind, Arrow, and Zartman argue that when these factors are in sight, a conflict is ripe for negotiation (although they never assume that negotiation would mean resolution).

Unfortunately, the Niger Delta conflict has not presented these factors. Even if it did the fact would remain that the psychological sense of the conflict, the social identity of parties and numerous economic, political, historical, and cultural forces embedded in this conflict all tend to complicate parties’ behaviors. Therefore, to understand ripeness (or lack of it) in this intractable conflict, it is necessary to understand the social perceptions of the three major stakeholders (communities, government, and oil companies) and the reciprocal relations that have been perceived and communicated in this conflict.

The fact that disputants in the Niger Delta conflict have invested substantial political capital in this conflict, as well as have reinforced their different positions on the issues over the years, seem enough to suggest parties’ unwillingness to negotiate their differences. There is no doubt that parties have begun to recognize the growing difficulties of either to win or to continue this conflict. This is not only because of the huge financial burden it imposes on them, but also because of the growing forces of democracy make it difficult to carry on business as usual. However, it is plain that corrupt institutions, lack of transparency in the oil industry, and nonexistence of


legislation in support of seeking alternative approaches to conflict resolution have made any consensual process difficult to contemplate. In short, there is no incentive for the oil companies to come to the bargaining table.

Another difficult problem with bringing parties together here is the identity of the stakeholders. Stakeholder analysis in this conflict is as difficult as it is controversial. This is partly because of dynamic nature of the conflict, and partly because of the strategic importance of oil to the Nigerian economy. Over the years there have been ethnic strife and community clashes around claims of various communities to ownership of oil mined in the Niger Delta.

While some communities argue that the rightful claim to the ownership of the oil in the region should be limited to those communities that are geographically bound together, others believe that it must be only those specific communities where oil is mined, independent of the socioeconomic and environmental impact or others within the geographic space. Unfortunately, this lack of unity among the communities has been source of exploitation by both the government and the oil companies who have readily fueled this interethnic disagreement.

(ii) Conflict De-escalation

In dealing with a complex conflict like the Niger Delta where firm positions have been built, the first, most appropriate step would be finding some of those issues where the
disputants are not necessarily in disagreement. According this logic, to proceed with the process of de-escalating of the ongoing Niger Delta conflict, parties would need to focus on identifying those peripheral issues that they may not have much difficulty agreeing on - agreements that may not necessarily eliminate the ongoing hostilities but can minimize further tension generation.

A good example of such an agreement is the minimization or suspension of violence by the communities and by the government, who have been using force to silence their opponents. Another important area may be making parties more judicious about what they say about their opponents in public. For instance, both the oil companies and the government can start organizing conferences, workshops and informal meetings as a way of creating new communication links with all the communities.

At the second level, the mediator focuses on some aspects of their ongoing relationship without trying to challenge or transform fundamental values. Agreement reached at this level should simply aim at creating a new way of relating to the other parties. People from one party can now engage in interpersonal relationships with people from other parties and meet individually. Referencing common values can equally help diminish adversarial positions as parties work more on problems they have in common. For example, the parties can come together to build data base and information-sharing centers where disputants and their agents can easily and freely access information.
A third kind of change, the most difficult, involves shifts in identities parties hold dear. At this level, not only do working relationships change, but also the way parties view each other. However, these changes must be gradual and allowed to take place over a long period of time - beginning with unofficial analysis of the fundamental issues in conflict, even though there is no group-wide urgency to end the conflict. Private diplomacy and appreciation of each other’s strengths and weaknesses can form the basis for the new relationship. This level of relating with each other is an obvious way to advanced de-escalation and the readiness to collaborate. With these changes in mind-set and perception of the conflict by all the parties, it is possible to begin consultation among individual parties to appreciate both the benefits of escaping the conflict and the dangers of not doing so.

Openly discussing doubts held about others can become the next route to a total de-escalation. For instance, the oil companies could openly acknowledge past mistakes of not being environmentally responsible and not having fully taken the communities as true partners in progress. But for these to carry convincing weight, not only had they better be accompanied by apologies, but also the oil companies should those that have borne the burdens over the years that it is now over and will not be repeated. Also, the oil companies should accompany their sincere apology with the readiness to commit themselves to compensation, joint problem solving, and better future behavior.

Meanwhile the government, on its part, could publicly condemn past policies that have caused hardships to the communities in the oil region. To convince these communities that this not more political rhetoric, the government can set up panels of enquiry that will involve all the stakeholders in carefully investigating the level of social, economic, and environmental damage that occurred in the Niger Delta region over the past four decades and what needs to be done to make sure that the situation never reoccur. Also, the government may initiate legislation to encourage alternative and democratic approaches to conflict resolution. If the government and oil companies, the most powerful groups, are to commit to seeking consensus, they should first recognize that raw political power is no longer the basis for resolving the Niger Delta conflict.

The communities should seriously consider any conciliatory efforts and equally regard them not as signs of weakness on their part, but as the wisest way to escape the conflict and reach a lasting outcome. Accepting this change of heart should be accompanied by an equal change in attitude on the part of the communities as new partners in progress. The wronged communities should realize that in such a complex dispute as the Niger Delta, to focus on winning outright always results in deadlock and losing outright. In addition, the communities will endeavor to put their house in order – that is, have one single voice and organize themselves around authentic representatives rather than those that simply work for selfish gains. The communities should not forget the proverb that “when spiders webs
unite, they can halt even a lion.” They must see that their future lies in weaving a series of spider webs in order to halt the lion of intercommunity disputes and restiveness.

(iii) Choosing the Right Mediator

The success or failure of the consensual resolution of the Niger Delta conflict depends on two essential things. One is the readiness of disputants to escape the conflict, and another is the effective analysis of the conflict dynamics, as well as performing the necessary groundwork before and during mediation. If the parties are seriously seeking agreement, then the choice of the mediator must be a collective decision by all the disputing parties. Such a collective choice not only ensures trust, accountability, and nonpartisanship, but also demonstrates the confidence the parties could place in such a neutral mediator. But in making this decision, parties should also take into account the origin of the mediator. In other words, the weight of being a Nigerian mediator - that is, one who facilitates cultural harmony - or a non-Nigerian mediator - that is, one devoid of patriotic or ethnic sentiments - should be seriously taken into account.

But given the level of frustration and aggression presently associated with this conflict, and the fact that the conflict has generated political, economic, and environmental stakes so high, with all the disputing parties so emotionally and psychologically entrenched in their differing position and unprepared for anything that would weaken them, the mediator should include talking to parties separately so as to become familiar with and
understand what each party holds dear and why. In such unofficial meetings with members of each camp, the mediator may find the need to educate them about how mediation works – that is, the benefits and limits of negotiating this complex conflict responsibly. The unofficial dialoguing and exploratory brainstorming must also be media for improving each party’s analysis of the issues at stake. Discussion with each party in private sessions, also help parties understand and appreciate the mediator’s creative skills and interests in solution finding.

The intensity and complexity of the Niger Delta dispute would make recourse to a marked set of prescriptive guidelines difficult to follow as the best guiding strategy. The best is an approach that permits a genuine process. For example, parties may agree not to commence mediation unless an environmental impact statement (EIS) or a geographic information system (GIS) is completed, or every remedial option fully explored and detailed cost estimates prepared. Or parties may disagree over liability on the basis of the history of the conflict

(iv) Barriers to Negotiation

The fear of losing oil royalties on the part of the corrupt judiciary and the bureaucrats will impede negotiation of the Niger Delta conflict. The use of official channels that has, so far, enabled the multinational oil companies to hide vital health and pollution information and data from both the oil-producing communities and the general public, could pose a

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great challenge to the former’s embracing of negotiation. Doing so would increase the communities’ understanding of the true implications of exposure to oil spills and gas flaring, and of course would lead to demands for stricter regulatory measures and more compensation.

Reluctance to forego what, over the years, has become an easy way of making money for the managers of most oil companies and their cronies in the legal and security industries, gives them incentive not to honor the agreements. They could even go to the extent of conspiring with internal vandals to build possible false claims of non-cooperative attitudes on the part of the communities, so as to falsely present the enforcement of agreements as ineffective. Even the local communities, local nongovernmental groups and community-based initiatives, as well as others who benefited from the continuation of this conflict, may not welcome an outcome that aims at rendering them irrelevant or that cuts their source of livelihood.

However, to help the Niger Delta reduce the manipulative tendencies expected from the oil industry, it will be necessary to conduct an independent and comprehensive environmental survey in the region so as to document the history of pollution during the past four decades of oil mining. The Niger Delta environmental records no doubt will show the extent and intensity of ecological, socioeconomic, cultural, and hydrological damage suffered as a result of unsustainable oil exploration and exploitation in the region. Such a survey can only be done on the initiative of the communities.
While it is true that negotiation has worked in a wide range of difficult and politically charged conflicts, it is equally true that the process of negotiation is less likely to work in situations where the dispute involves parties whose personal and economic well-being depends on the dispute.\textsuperscript{345} This is apparent in the Niger Delta conflict. The oil companies, the government, and some of the communities have strong interests in this conflict. It is this that makes the resolution of this conflict difficult, since parties see any step toward compromise as a huge economic loss.

In addition, because this conflict involves oil mining with all its complex technical issues, it will be difficult to predict the risks involved – that is, there will be more reliance on probabilities rather than certain facts. The fact that the people of the Niger Delta lack knowledge of the technical issues involved – rendering them less-than-equal participants in any forum in which this conflict is to be negotiated. This makes it difficult to negotiate, since parties may bring to the negotiation very different assessments of the risks and different confidence levels on the possibilities of escaping the risks.\textsuperscript{346} Moreover, multilateral tension-reducing initiatives among the three major disputants in the Niger Delta conflict are only possible if they have a mutual willingness to escape the conflict in the first place.\textsuperscript{347}

Lack of credible representatives on the part of the communities remains one of the most difficult challenges to the bringing of the communities to the negotiation table.\textsuperscript{348} This is
either because some of their so-called leaders are easily co-opted or they are so rigid within their positions that it will be either their conditions or none at all. Lastly, true negotiation will include the stakeholders that I hold central to these conflicts, the invisible empire.
In this thesis, we have explored the history of the invisible empire in the Niger Delta, and showed how the invisible empire has perpetuated and maintained itself over time. They only became formal during the period of colonialism because of the need for effective territorial occupation – which was necessary as the basis for preventing direct confrontations among rival Europeans in the exploitation of the resources in the Niger Delta.

The 20th century return to the pre-colonial form of the invisible empire (which exists today) became possible because the Europeans had installed petit-bourgeois representatives in African governments to ensure the maintenance of European economic domination. Furthermore, the changes to the global power structure after World War II created the necessity to expand and open up the territorial exploitation of Africa to the two newly emerged world powers, the United States and Soviet Union. The IMF and World Bank became the referees in the contemporary scramble for African resources; acting as financial clearing-houses and regulators in order to ensure the effectiveness of the forces of invisible empire of trade without confrontations between rivals that necessitated the Berlin Conference in 1885.

We have also seen how the British transferred political power to the political bourgeoisie in Nigeria, and how this in turn led to political instability among elites,
underdevelopment, and mass poverty. This thesis also has argued that the country’s progressively increasing oil revenue triggered economic centralization that led to an unprecedented fight for control over the central government and the allocation of the revenues accruing from the oil boom.

This thesis attempted to shed light on the efforts of the people of the Niger Delta to prevent ecological and socioeconomic disasters in the region, and how these efforts were frustrated by the Nigerian government in collaboration with multinational oil companies. In the course of our analysis, we came to discover why the present conflict defies the logic of alternative dispute resolution, and will continue to do so until the country is first removed from the international system that generates and sustains the conflict.

Although diagnosing the problems is relatively straightforward, finding a solution to them remains difficult. Notwithstanding, I propose three possible policy remedies. First, Nigerian federalism must be reformed through a sovereign national conference. Second, an extensive internal transformation of the economy should be effected in order to satisfy the basic needs of the people. Not only will this help create a more people-centered basis for the economy, but it will also make the country’s development more integrating, independent, and self-sustaining. Third, environmental democracy must be developed to curtail the ‘free ride’ presently enjoyed by the oil companies in the Niger Delta. Being an open process, environmental democracy will also ensure that environmental policymaking and pollution control decisions are transparent to all the stakeholders and the public.
(i) Reforming Nigerian Federalism

To create a functional federalism that promotes national integration, social mobility among states, and allegiance to national institutions, but at the same time preserves group identities and regional autonomy, Nigeria must undergo constitutional reform. But for such a constitutional reform to be worthwhile, it must be undertaken in conjunction with a sovereign national conference that brings all the ethnic nationalities together to discuss methods for overcoming the differences and concerns that they have lived with since independence.

This sovereign national conference would be an avenue to discuss all the issues of national importance from the implications of religion and ethnicity to human rights. The conference should determine what Nigeria should be. Areas of severe disagreements should be subjected to national referenda – so as leaving the final decision in the hands of the people, who must ultimately be responsible for deciding which measures are appropriate to maintain the union. The conference should also affirm individual and group rights – such as freedom of speech and association – which will foster a tolerant but ultimately stronger union.

The new Nigerian federalism cannot be achieved without also undergoing fiscal reform. Currently, the Constitution mandates the federal government to collect all revenues, pay them into the Federation Account. It also compels the government to, on the basis of the allocation formula to share out all what it paid into the Federation Account. But because
this incorporation of fiscal clauses in the Constitution has helped generate considerable controversies over revenue allocation, especially each time a new Constitution is to be promulgation, it would be better this Constitutional mandate be replaced with ordinary legislation. Resolving fiscal relationships through ordinary legislation will make revenue allocation not as a rigid constitutional exercise but as a means of financing developmental programs in Nigeria. In other words, revenue allocation must be regularly reviewed to ensure that at all times all levels of government are able to perform their developmental and governmental functions.

In considering how to create a successful federation, Nigeria must learn from the United States’ example, where through creative dialogue and consensus, the founding fathers, were able to bring a geographically, economically and socio-politically diverse people together to pursue a continental defense and security, a continental economy and market, and a continental foreign policy. They did so without compromising the unique differences that existed among the subunits. And more importantly, not through democratic majority tyranny, but through a continental government that had to protect the interest of all the states participating in the Union - small and big alike.

(ii) Breaking the Invisible Empire Economy

Nigerians have witnessed how since the 1970s, when the country became a major oil producer and exporter, oil wealth has not been able make to country economically self-sufficient. Rather, the more the oil revenues the more indebted and underdeveloped the
country becomes. What this scenario demonstrates is that Nigeria cannot achieve the level of development that reduces mass poverty by focusing on what Okwudili Nnoli calls "the western artifacts."\textsuperscript{349} Neither seeking Western capital nor luring multinational corporations into the country can lead to the country’s development.

What happened to the over $300 billion dollars generated from 1970 to date? Was it not the same Western capital networks that helped prop up dictators and bureaucrats that squandered the country’s oil revenues? It is clear therefore that assembling the so-called technocratic and bureaucratic forces remains out of the solution because these “policymakers” and “managers” approaches to development, in most cases, are the source of problem rather the solution. Their theoretical formulas and methods, for instance, are only products of assumptions unsuitable to the Nigerian sociopolitical and economic realities.

Our analysis has demonstrated that path for development taken so far by Nigeria has been the wrong one. Nigeria has come face to face with these painful realities that neither development based on trade and foreign capitalization principles - that makes it heavily dependent on its US and European trained managerial class nor development built around petroleum economy that only reinforces structural weakness - could provide the basis for autonomous and sustainable development. And not even

\textsuperscript{349} Western artifacts are those luxury products that are consumed not necessary because they are essential commodities but because they are prestigious and class distinction.
What Nigeria should begin to do is emphasize a development program that is focused on the basic needs of the people of Nigeria – by expanding agriculture, and increase social infrastructure that alleviates mass poverty. Emphasis must be placed on basic health care, education and water supply, and not on the present bogus infrastructure that only benefits the local bourgeoisie. In other words, development must be allowed to be the decision of the people from the top to the bottom – all stakeholders in the welfare and sustenance of Nigeria. No one should have exclusive right to undertake development on behalf of the entire people of Nigeria. It is the people who have the problem who can find permanent solutions. In contrast, the development program we have today that is alien to the people both in process and in outcome.

The duty of the government in this internally controlled, directed and influenced economic transformation must be to put in place those institutional safeguards and fiscal measures that promote national economic independence and interdependence, national social integration and mobility. When put in place, this will mobilize Nigeria to contribute to the development of the country. Nigerian engineers will be challenged with the building of the country’s roads, dams, bridges, and waterways; and the military will be given the responsibility for rural development in an era of peace.

Research institutes across the country must also be given the responsibility of finding solutions to the country’s problems - from health and security to household appliances. Human development at university levels must be focused on areas that are relevant to Nigeria’s needs. In short, gifted citizens, technicians, experts and scientists must be
supported financially in their efforts to finding alternative ways to meet the country’s basic needs – especially how to meet nutritional needs and feed the over one hundred million Nigerians.

This alternative approach will not threaten the interests of the invisible empire in Nigeria (which are mostly in oil) because the basic needs products are localized, and as such, do not translate into the type of international market or attract metropolitan capital. In fact, the agents of the invisible empire operating Nigeria will not only find the basic need products unattractive, but also their home headquarters will be skeptical and reluctant to commit their global financial resources in such localized ventures. Moreover, the fact that these localized products will be locally driven by cooperative efforts and government subsidies make them more unlikely to attract the interests of the giant multinational operators. Unlike a socialist economy for which success or failure is dependent on the level of cooperation or non-cooperation, the basic needs approach is driven by competition-based cooperation.

But the problem with this basic needs approach will be challenged by many forces. First, the bourgeois class that benefit from a bourgeois economy will not allow the fiscal policies of government to deviate from its control. Second, the social and ethnic diversity in Nigeria will be an obstacle to the launching of a people-centered development program because it will be difficult to bring people together people who lived in mutual suspicion. Third, bureaucratic structures and corrupt institutions that exist in Nigeria will frustrate this alternative approach to development. Fourth, this strategy cannot be sustained with
the present lack of entrepreneurial and innovative minds in Nigeria. Finally, the small size of the local market will hinder the scaling-up of this approach to development.

Notwithstanding these limitations, seeking this alternative approach to development is an effort to tackle underdevelopment in the country and will mobilize people with a high spirit of nationalism. In addition, the sheer possibility that the products will be made in Nigeria by Nigerians for Nigerians will make Nigeria work towards the success of basic approach to development. Moreover, most Nigerian’s believe that basic needs development (aimed at reducing the invisible empire’s domination) will create the urgency in Nigerian to make it succeed at all costs. In sum, Nigerian fiscal and international trade policies must begin to prioritize goods and services that satisfy the basic needs.

(iii) Environmental Democracy

Environmental democracy is the opening up of all the processes of environmental decisions – from policy-making and implementation to monitoring and enforcement – not only for the stakeholders but also for the general public. It also entails removing redundant and conflicting mandates that inhibit efficiency and innovation in promoting a greener environment. Environmental democracy will encourage a better understanding of the causes and the consequences of environmental pollution. It will also educate the public on how to protect themselves from unnecessary exposure to harmful pollutants.
Environmental democracy will provide the public with more access to a variety of data with the right to know, and to better comprehend these environmental problems. With environmental democracy, the community rights to know will expose the multinational oil companies in the Niger Delta to public scrutiny and accountability. As a key to sustainable development, environmental democracy will broaden and mobilize active involvement of those who bear the cost of environmental decisions.

Democratizing environmental information by instituting a toxic release inventory (TRI) will expose the activities of the multinational oil companies and open them to global scrutiny. For instance, if this information were to be posted on the Internet (mandated by law), the public will have more access to information with which to compare to oil mining activities in other parts of the world and determine whether the multinational oil companies adopt lower environmental standards in Nigeria or not. Moreover, it will provide them with access to documents to substantiate national and international legal claims.

The oil companies can benefit from indigenous knowledge through a participatory process of managing the environment and formulating environmental policies. Another added benefit to community participation is that it will diffuse tension, and curb mutual suspicion between the oil companies and their host communities. The informal nature of the process will help create new social relationships and trust, since those who feel that they have participated in the decision are more likely to accept the outcomes, whether the
outcomes benefit them or not. After all, one of the causes of ongoing tensions in the Niger Delta is the effort of the government regulatory agencies and the oil companies to continuously exclude the oil producing communities from monitoring and enforcement activities.

The growth in collaboration among the participating parties will result in increased social and economic partnership that leads to a transparent oil industry and numerous benefits to the host communities such as: the reduction in sabotage and frequency of oil spills; increased compensation and without prolonged legal battles; reduction in the falsification and fabrication of data to suit the oil companies; and increased employment of the host communities in the oil industry.

To help the Niger Delta escape from the manipulative tendencies of the industry, it will be necessary to conduct an independent and comprehensive environmental survey in the region to document the history of pollution dumping the past four decades of oil mining. The Niger Delta environmental will expose the intensity of ecological, socioeconomic, cultural and hydrological damage suffered by the area. Geographic Information System (GIS) analysis of hydrology and area species can build a technically comprehensive and reliable database of environmental impact. GIS analysis will not only open up informed historical knowledge about the impact of oil mining in the area, but will also serve as a tool for policy making and reappraisal. Such outcomes will form the basis for credible inquiry into the past activities of the multinational oil companies during the long period of military dictatorship in Nigeria. Through civil disobedience and constant public

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350 See Beyond Self Interest.
protests, both the government and the multinational oil companies can be forced to open up the process.

But to give credence to the outcomes of the survey, all the stakeholders must agree to rely on the impartiality of the independent surveyors. This is necessary since most experts and professionals fabricate data and bend evidence to the benefit of the highest bidder. Furthermore, let me paint a picture of what the informed government would look like.

One step will be the establishment of a Pollution Cleanup Agency (PCA). This Agency, unlike the Federal Environment Protection Agency (FEPA), will focus only on the oil industry, with the responsibility of monitoring oil spills and gas flaring. PCA will always collaborate with the appropriate courts to determine the level of damage and appropriate compensation due to communities. The Agency will be composed of Nigerian scientists and experts in the oil industry, whose employment will be determined jointly by the three major stakeholders (the communities, oil companies, and the government). With the activities of the Agency and its employees only scrutinized by the country’s lawmakers, the National Assembly, PCA can thus operate with less pressure from the political leadership.

A special court to be known as the Federal Green Court (FGC) shall be established to handle all cases of oil and gas pollution in the Niger Delta in particular. The main reasons for the establishment of FGC is to speed up environmental and pollution lawsuits, as well

as make the decisions much more effective, less expensive and more transparent and public. The burden of proof must be made to fall upon the polluter(s). In cases of sabotage, the polluter must show concrete evidence to support any claims. Also to make sure the FGC is not co-opted by any party, the Court’s decisions must be decided by a maximum of five justices and minimum of three justices, who will also determine the social costs and the compensation to be paid to those impacted. The FGC will also determine the cost of cleanup and restoration of the damaged environment, prison sentencing and the length of imprisonment. To prevent lengthy and time-consuming appeals against FGC decisions, appeals must only be made to the Federal Supreme Court.

The Niger Delta Development Commission (NNDC) was established in 1999 by the Federal Government to coordinate infrastructure development in the oil producing states of the federation. The creation of the Commission is a decision in the right direction and demonstrates the interest of the Obasanjo administration in reducing the poverty burden on the people of the Niger Delta. The NNDC bill demonstrated the interests of the lawmakers to see the suffering of the people of the Niger Delta reduced.

But the NNDC may not meet the expectation of the Niger Delta people for several reasons. First, the 13 percent of oil revenues generated from onshore oil production is inadequate (because oil companies have the option of engaging in offshore production while polluting onshore) for major reconstruction and rehabilitation that the NNDC has to undertake. Second, mandating the regional State to contribute 15 percent of monthly statutory allocation from the Federal Account due to each member state to the
commission lacks teeth because some States may end up defaulting. Rather, it would have been more effective to have the 15 percent go directly to the Commission without passing through the state governments. Third, instead of the Federal Government appointing members of the board of administration, the communities should directly elect their representatives to the Commission so that they become accountable to those they represent.

Fourth, lack of a clear mandate and direction regarding the activities of the Commission could lead to the possibility of seeing NNDC dumping on all the communities development projects that do not reflect their development needs and perpetuate bureaucratic inefficiency. NNDC can develop, with the communities, viable social and economic infrastructure projects that will include improved education and scholarships. More focus will be placed on improving healthcare, sanitation, water supply, as well as on transportation and rehabilitation of the devastated farmlands in the region. Devising a mechanism of permanent income and asset distribution remains the most critical assignment NNDC can take on.
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