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Document date: 2010

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Nigeria: a prime example of the resource curse? Revisiting the oil-violence link in the Niger Delta

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Mähler, A. (2010) 'Nigeria: a prime example of the resource curse? Revisiting the oil-violence link in the Niger Delta', *GIGA Research Programme: Violence and Security*, no. 120, pp. 5–6, 13–15, 19, 20, 23–4,

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50 years of substantial oil production have not resulted in sustainable socioeconomic development in the country. The poverty rate today is extremely high, with 50 percent of the population living on less than US\$1 per day; in fact, the current poverty rate exceeds that of the period before the first oil boom in the 1970s, which was 35 percent. The national social and transport infrastructure is in a desolate condition, and the country is marked by chronic internal instability and periodic flare-ups of violent conflict.

Focusing on the aspect of violence, this paper investigates the extent to which oil influences the occurrence of violence as well as what other causal factors are also contributing to its occurrence. Moreover, the relative significance of the particular factors triggering violence and their specific interplay is analyzed. This approach does not imply a general denial of the oil-violence link in Nigeria, but it does demonstrate the necessity of undertaking a comprehensive analysis of this assumed link in a way that systematically takes into account domestic and international contextual factors, which are indispensable in explaining the historical dynamics of violence in Nigeria.

The following section will analyze how the illustrated increase in violence, as well as its changing dimensions, can be explained. It will focus especially on identifying those mechanisms via which the factor oil has a decisive influence on the dynamics of violence, but also other relevant contextual conditions and causal mechanisms which have to be taken into consideration.

I Oil Dependence and Abundance

Commercial oil production in Nigeria began in 1956 and has been of predominant importance for the national economy since the 1970s. During that decade the absolute oil production as well as the dependence of the country on the oil exports increased significantly. Nigeria's dependence on oil, measured by oil exports as a percentage of total national exports or by oil rents as a percentage of overall government revenue, has been extremely high since the middle of the seventies. Nigeria's oil abundance in terms of national revenues deriving from oil exports is highly volatile and depends on the global oil price. Measured in absolute numbers it is, nevertheless, quite substantial; in recent years in particular, oil exports have generated significant revenue for the Nigerian government. Today Nigeria is the eleventh-largest oil producer in the world and, due to its low internal consumption, the eighth-largest oil exporter (bfai 2008). Considering the rapidly growing population of Nigeria, which in 2005 exceeded 140 million, the fuel revenues per capita are remarkably low. Seen from a historical perspective, they decreased even more during the 1980s; however, even in 2007, when the oil price was very high, they accounted for only US\$391 per capita, whereas in Saudi Arabia, for example, oil revenues per capita accounted for US\$8569. This low per capita oil wealth can be considered to be one of the factors explaining why oil in Nigeria cannot have a stabilizing or conflict-reducing effect comparable to that in oil-exporting countries such as Saudi Arabia or Kuwait. Moreover, the substantial decline in oil revenues in the 1980s and 1990s can also be viewed as having contributed to an increase in the potential for conflict (Danler/Brunner 1996: 34). However, it

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was not only the shrinking abundance of oil but also its interplay with the weak resource management performance in the country that caused further socioeconomic problems.

II Geographic Location of Resources within the Country

The Niger Delta is located in the south-eastern part of Nigeria and is largely covered with marshes, forests and creeks. It is – especially for nonlocals – a difficult-to-access territory and was hence an excellent area for militant groups to retreat to once the violent conflict had started (Ukeje 2008: 10). While probably not of superior importance, this aspect can nevertheless be considered one of the reasons for the prolongation of existing conflicts between militant groups and governmental actors. Further, the geographical characteristics of the Niger Delta make the area extremely vulnerable to oil spills and other collateral damage resulting from oil exploitation. For example, spilled oil is often caught up in the stagnant water of the marshland and contaminates the drinking water.

III Domestic and International Actors Involved in the Resource Sector

The Nigerian oil sector has for a long time been dominated by Shell Petroleum Development Company (SPDC), which had already acquired exploration licenses in the country in 1938 (IDEA 2001: 241). Additionally, Exxon Mobil, Chevron, Total (Elf) and Eni/Agip have become increasingly important operators in recent decades. By contrast, private Nigerian oil companies only produce a small amount of oil (Ukiwo 2008: 76).

Because of their economic importance (for example, technical know-how), the multinationals and especially Shell have influenced the dynamics of the violent conflicts, mainly through three causal channels: Firstly, they obviously carry at least part of the blame for the environmental pollution caused by oil production in the Delta. Furthermore, they have indirectly contributed to the increased militarization of the conflicts, for example, by demanding that the Nigerian state provide official security services (Omotola 2006: 16), even when the civil protests were still mainly peaceful, as in the mid-1990s (Engel 2005: 196). The oil companies also make use of private security services, some of which are extremely brutal. Some oil companies have also provided financial assistance to potential militant actors in order to 'pacify' them (ICG 2006: 24-25). While this might reduce violence in the short term, the risks of further empowerment of militant groups in the long run are obvious (Hazen/Horner 2007: 38).

Finally, foreign oil companies provide financial support and different types of 'development projects' to their so-called host communities. This engagement was increased after the Ogoni protests, and while it – in the absence of responsible state actors – brings about some short-term mitigation of daily burdens for the local people, it also has conflict-triggering impacts. The donations for example generate resentment between the people of the host communities and other (ethnic) communities which do not benefit from such financial support (Human Rights Watch 1999a: 102).

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IV Efficiency and Legitimacy of Political Institutions

Nigeria is not only ethnically and religiously fragmented but is also marked by the fragmentation of its political structure, something which results in the persistent weakness of the political institutions and a lack of central coordination (Lewis 2007: 282). Reinforced by the regional tripartition of colonial rule (Brunner 2002: 132ff.) and the existing cultural fragmentation, the weakness of the political system was not at all remedied when Nigeria became independent in 1960. The historically weak political institutions, which undermined the effectiveness of the political output and reduced the state's capacity to provide internal stability, were never sustainably consolidated. Moreover, the rudimentary political institutions were further destroyed and delegitimized by the successive military regimes, which reinforced paternalistic patterns of political rule. The military dictators, especially Babangida and Abacha, used the oil rents to co-opt the traditional rulers (for example, chiefs or, in the north, emirs) of the country in order to bolster their political legitimacy, thereby fostering a culture of rent seeking and endemic corruption.

Despite the institutional weakness, violent state repression under military rule was obviously one of the factors limiting the occurrence of more violent protests and broader social conflicts in the Niger Delta until the end of the 1990s (Hazem/Horner 2007: 72). Brutal repression also helps to explain the relatively rapid abatement of the Ogoni protests in the middle of the 1990s. Consequently, many studies emphasize that the increase in violence in the Niger Delta occurred parallel to the process of democratization (Hazem/Horner 2007:10; World Bank 2003:2). Indeed, there have been two main mechanisms through which democratization has invoked an increase in violence in the Delta. First, since 1999 there has generally been less governmental repression, increasing the *opportunity* for the mobilization of (violent) protests and other kinds of struggle. Although violent, and sometimes excessively violent, repression by security forces still occurs in the Niger Delta selective and inconsistent – for example, because of the collaboration of security forces with some of the violent actors, because of the security forces' participation in the illegal oil and weapons trade, and because the security forces lack financial resources and qualification. As a result, governmental repression is today fostering counter-violence activities rather than curbing violence.

Second, with the return to democracy, especially in the context of elections, politicians began, on a large scale, to recruit mostly unemployed young men in the Niger Delta. They provided them with weapons to protect themselves, to fight political opponents, and to intimidate potential voters to vote for the 'right' candidate. The weapons allocated have for the most part never been re-collected (Hazem/Horner 2007: 13/14; Human Rights Watch 2004a: 2), meaning that there are a considerable number of well-armed, disillusioned young people, many of whom were 'dismissed' after the elections as the politicians no longer had any use for them.

In sum, the failure of the democratic political institutions can be considered one of the basic contextual conditions providing the opportunity for the increase in and especially the enduring continuity of violence in the Niger Delta.

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