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PETRO-INSURGENCY OR CRIMINAL SYNDICATE?

**Conflict, Violence and Political Disorder in the
Niger Delta**

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[I]f low income and slow growth make a country prone to civil war....why [?].low income means poverty, and low growth means hopelessness. Young men, who are the recruits for rebel armies, come pretty cheap....*Life is cheap and joining a rebel movement gives these young men a small chance of riches.....*[People in the Niger Delta] with a sense of grievance were no more likely to take part in violent protest than those who were not aggrieved. So what did make people more likely to engage in political violence?.....well, being young, being uneducated, and being without dependents....[There] was no relationship between social amenities that a district possessed and its propensity to political violence. Instead the violence occurs in the districts with oil wells.[A]lthough the risk of violence jumps sharply is there is at least one oil well, if there are two oil wells in the district it starts to go down. And with twenty oil wells it is lower still...*To my mind this looks more like a protection racket than outrage provoked by environmental damage.* In the absence of an oil well there is no scope for extortion and so no violent protest. With an oil well the protection racket is in business. But the more oil wells...the greater the incentive for an oil company to pay up and buy peace.[O]ver time the situation has evolved. There is now a huge amount of money being directed by the Nigerian federal government to the delta region and the oil companies are desperately paying protection money.....Within the region local politicians are fighting it out for control of all this money and violent protest has become an orchestrated part of the political rent seeking. *Grievance has evolved, over the course of a decade, into greed.*

- Paul Collier, *The Bottom Billion*, 2007, pp.30-31. Emphasis added

Among Washington's chattering classes there is a deep concern, bordering on panic, with the growing Chinese presence – diplomatic, economic and political - on the African continent. Driven in large measure, of course, by China's assertive and aggressive expansion into the energy sector, Sino-power has been cast as part of a new 'scramble for oil' against a backdrop of tight global oil markets, and a post-9/11 US obsession with energy security (in effect a dovetailing of the Global War on Terror [GWOT] with the 2001 Cheney Report's trepidation over Middle East oil dependency (Lubeck, Watts and

¹ Director of the Centre for African Studies, University of California, Berkeley. This is one part of a much longer article on the rise of the insurgency in the Niger delta. I am grateful for support and input from Von Kemedi, Oronto Douglas, Elias Courson, Anna Zalik, Sofiri Peterside, Ike Okonta, Patterson Ogon and Ibiba Don Pedro.

Lipschitz 2007)). There are those – Frynas and Paulo for example (2007) – who argue that the oil scramble bears no affinity to its late nineteenth century counterpart and that Sino-oil power is in any case much exaggerated. Historical parallels notwithstanding, the African oil complex – the dense networks of actors and agents organized around the exploration and development of oil and gas – is being refigured by tectonic shifts in the pattern of oil operations. First, Chinese oil contracts from the three largest oil companies (Sinopec, CNOOC and CNPC, with a combined market value of \$225 billion) have mushroomed– from virtually nothing in 1995 to 70 contracts in 16 countries by 2007 covering a total acreage of over 8.2 million sq, kms (Yan 2007). Chinese oil operations, predicated upon an “integrated independent energy and security model” – mercantilism in short - develop long-term stable agreements linked to large infrastructure and aid projects sustained by China’s massive reserves of accumulated liquidity now in excess of \$1 trillion.² This is a strategy that includes a number of other Asian national oil companies (NOCs), most especially KNOG (Korea) and PETRONAS (Malaysia), constructing oil operations around self-contained mercantilist alliances, typically bi-or tri-lateral arrangements lubricated by aid, capital, and expertise. Second, the Gulf of Guinea is a ‘hot’ new and dynamic supply zone – the so-called ‘new Gulf states’ – and has emerged as a major supplier to the seemingly insatiable US market: its obvious geo-strategic advantages – large and accessible reserves of ‘light, sweet crudes’, a large liquefied natural gas sector and proximity to north American markets – have all contributed to the fact that Nigeria alone now (2007) supplies over 12% of total US crude imports. And not least, there are the twin-developments of new institutional and financial complexity of oil projects, especially deepwater off-shore production and multi-train liquefied natural gas infrastructures, coupled with what the industry sees as the assertive ‘petro-nationalism’ (see www.ihs.energy.com) of African oil-states and their national oil companies (the passing in 2007 of an ambitious new local content law in Nigeria is simply one case in point).

Whether or not such a dynamic energy sector warrants the term this scramble, oil investment is incontestably vast (the six train LNG plant on Bonny island in Nigeria, with its attendant gas infrastructure, is already a \$12billion investment), diversified and growing. The Cheney energy report highlighted the fact that the region was driven by a “huge exploration investment” contributing over 30% of world liquid hydrocarbon production by 2010. Over the last five years, when new oil-field discoveries have been a very scarce commodity, Africa contributed one in every four barrels of new petroleum discovered outside of North America. The West African Gulf of Guinea, encompassing the rich on and off shore fields stretching from Nigeria to Angola, represents a key plank in Bush’s alternative to the increasingly volatile and unpredictable oil-states of the Persian Gulf. Oil investment now represents over 50% of all foreign direct investment in the continent (and over 60% of all FDI in the top four FDI recipient countries) and almost 90% of all cross-border mergers and acquisition activity since 2003 has been in the mining and petroleum sector (WIR 2005, 43). Between 1995 and 2001, FDI inflow amounted to \$7 billion per year but almost two thirds of the portfolio was destined for three countries (Angola, Nigeria and South Africa) in which oil FDI accounted for 90%

² Sino-Nigerian trade is currently about \$3billion. During a state visit in April 2006 President Jintao announced a \$2 billion loan in return for exploration rights offshore and in Lake Chad.

of all FDI inflow. Naturally, the Gulf Guinea figures centrally in this new African oil landscape and within the West African oil triangle Nigeria rules the roost (currently producing 2.4 million bpd with an ambitious program to expand output to over 4 million bpd).

Running across this landscape of dynamic energy-capitalism is a deep vein of political volatility capable of roiling the commodity exchanges (as I write the combination of a Nigerian national strike and the occupation of an ENI operated Ogainbiri flowstation in Bayelsa have pushed spot market oil prices over \$70 per barrel). Nowhere is this volatility more pronounced, and seemingly intractable, than in the Niger delta of Nigeria, a vast sedimentary and oil-rich basin of some 70,000 sq. kms and composed officially of nine states (Abia, Akwa-Ibom, Rivers, Bayelsa, Delta, Imo, Cross River, Ondo and Edo), 185 local government areas (LGAs) and a population of roughly 28 millions. To put the matter as starkly as I can: the Niger delta possesses a massive oil infrastructure - 606 fields (40% off shore), 5,284 wells, 7,000 kilometers of pipelines, ten export terminals, 275 flow stations, ten gas plants, four refineries and a world class six-train liquefied natural gas (LNG) installation on Bonny Island - that is more or less ungovernable. The ninth largest oil producer in the world, in the wake of the April 2007 elections - widely seen to be even worse than the fraudulent electoral process of 2003- is now tottering on the edge of chaos. Roughly half of the delta's 3000 communities have some sort of oil operations within their jurisdiction and the very presence of oil has been, almost invariably, a source of tension and conflict. Nigeria meets its OPEC quota yet currently something like 900,000 barrels per day are 'deferred' (or shut-in) because of attacks on installations and personnel, and another 100,000 barrels per day are stolen ('bunkered'). [To extend the metaphor, the entire corporate oil sector now resides pretty much in a bunker of its own, its staff and workers to the extent they have not been repatriated or withdrawn from the oilfields, are shuttled around in military convoys]. Collectively this shut-in amounts to over one third of national output. Apparently, this is the cost that the oil companies must bear for their 'social license to operate' (as they put it). But it is not at all clear that the majors have a license at all. Sources put the figure of trained militants at over 25,000 strong, commanding monthly salaries of over N50,000 - well above the wage that can be plausibly commanded by an educated youth in the formal sector .

The Niger delta has become the home of an oil insurgency (see Obi 2004): remotely detonated car bombs and highly sophisticated arms and equipment are the tools of the trade; over 250 foreign hostages have been abducted in the last fifteen months and close to 1000 Nigerian workers detained or held hostage on facilities; major and often spectacular attacks on and on and off shore facilities are endemic and can be perpetrated at will. Unlike the 1980s or 1990s, militants are willing and able to directly confront federal and state security forces. The vast cache of sophisticated arms are skillfully deployed in an environment - the mangrove creeks running for hundreds of miles along the Bight of Benin - in which the Nigerian security forces to quote the new Vice-President Goodluck Jonathan "cannot cope with the situation" (*Daily Trust*, February 27th 2007). According to a World Bank report (Jua 2007), over 600 people have been killed in the course of these conflicts -often engagements between militias and the joint military task forces - since 2000. Pipeline breaks due to vandalization and

sabotage have almost doubled between 1999 and 2004 (from 497 to 895); product loss (in metric tons) due to pipeline ruptures have grown steadily from 179,000 to 396,000 metric tons over the same period (a figure roughly equal to four supertankers) [see STATOIL 2006: 25]. The direct assaults on oil installations and infrastructure cost the Nigerian government \$6.8 billion losses in revenue between 1999-2004 but in the last three years the figure has increased dramatically (currently the conflicts cost Nigeria \$60 million per day, roughly \$4.4 billion per annum in damages and lost revenue (www.strategypage.com/qnd/nigeria/20070630.aspx). In May 2007 Nigeria drew upon \$2.7 billion from its 'domestic excess crude' (a windfall profits account) to plug revenues shortfalls from oil deferment. President Obasanjo ordered the military in mid-2006 to adopt a 'force for force' policy in the delta in a vain effort to gain control of the creeks; in early 2007 the Nigerian navy had embarked upon its biggest sea maneuver in two decades deploying 13 warships, four helicopters and four boats to the Bight of Bonny to test 'operational capability'. Yet the month of May 2007, according to a Norwegian consulting company BergenRiskSolutions (BergenRiskSolutions2007), witnessed the largest monthly tally of attacks since the appearance of a shadowy but militarily well-armed insurgent group called the Movement for the Emancipation of the Niger Delta (MEND) eighteen months ago.

Many of the oil-producing communities across the delta are torn apart by all manner of internal (for example Nembe or Finima) and inter-community (Ogoni-Andoni) conflicts or both (Soku-Kula-Oluasiri)³. There has certainly been no period since the first oil boom – palm oil in the nearly nineteenth century – in which the delta has been in such turmoil other than the civil war. The conflicts have an organic connection to oil but their genealogies are complex: in some cases communities fight over land and territorial disputes over oil bearing lands (Odiana); in some cases they are successional disputes, often of great historical depth, driven by the prospect of access to oil rents and company cash payments (Okrika) compounded by party politics; in other youth groups struggle among themselves or with elders over access to companies (Nembe); and in other cases they are sectional and communal, as ethnic communities in multi-ethnic settings, rural and urban, struggle over the establishment of electoral wards or local government councils to ensure they too can feed at the oil trough (Warri). The social forces are at once ethnic, generation, gender, class (chiefs, politicians), corporate and of course state (military and security). Conflicted communities across the oilfields entail complex configurations of such forces. They constitute a social field of violence in which the delta is now embroiled is a multi-headed hydra.

According to UNDP (2007) there are currently 120-150 'high risk and active violent conflicts' in the three key oil producing states. Standing at the heart of these contested communities is the 'restive youth problem'⁴ as it is known in local parlance, a tectonic

³ According to the National Commission on Refugees, 800,000 Nigerians were displaced between 2000 and 2004 by communal violence, perhaps 200,000 in the Niger delta alone.

⁴ Youth is a "complex, fluid and permeable category which is historically and socially situated" (Gore and Pratten 2003:215) shaped of course in the Niger delta by the political economy of oil and the cultural economy of chieftainship and customary rule – themselves shaped by long waves of accumulation extending from slavery through palm oil to the discovery and petroleum and natural gas.

shift in inter-generational politics in the region that has occurred over the last two to three decades driven by the consequences of structural adjustment and state authoritarianism, and given a huge boost of adrenaline by the return to civilian rule in 1999. Youth as a social category of great historical and cultural depth, provides an idiom in a gerontocratic and authoritarian setting in which power, secrecy and sometimes violence can be harnessed as a sort of counter-movement, built on the ruins of failed oil-development (Watts 2005). Youth organizations have multiplied and metastasized: they often refigure cultural traditional institutions like *egbesu*, *agaba* or mutual support club⁵; since the 1980s they have directly attempted to capture organs of community power (for example Community Development Committees), but also challenge directly gerontocratic rule; not least they have adopted an increasingly militant stance acting as the erstwhile liberators – vanguard movements in effect – for the oppressed of the region. As Gore and Pratten (2003, 240) properly put it, youth represent ‘shadow structures’, they are:

covert and secret forms of organization....salient to the practices of everyday life. As a basis for access to resources and the distribution of power, these modes of collective youth action are generated at the interesting and interfacing of top-down modes of governance and bottom-up responses to disorder....expressed as counter-movements against marginalization and coercion.

The social field of youth violence is as complex as it is variegated, a diversity captured in the breadth of the local lexicon itself (militias, ‘area boys’, vigilantes, gangs, cults, secret societies) (Ukeje et al., 2004). One of the challenges of any analysis of youth militancy in the delta is precisely to understand the shifting alliances and networks that link sometimes shadowy and subterranean groups of rather different provenance and politics (compare Pratten 2006 with Watts 2005 and Peterside 2007). But the well of youth rage – there is no other way to put it - is deep and has shown itself capable of hewing a very rough and tumble political (dis)order. A large survey of Niger delta oil communities by Oyefusi (2007) discovered that 5% of the population felt satisfied with the status quo and an astonishing 36.23% revealed a “willingness or propensity to take up arms against the state” (p.16). More generally survey data shows clearly that many of the youth grievances – poverty, lack of employment, minimal educational opportunities – are felt widely across the region beyond a generation who would identify as militants⁶. A far greater proportion of deltans perceive economic neglect (‘marginalization’ in local parlance) than other regions in the federation and over 50% of all respondents identify governance as the fundamental problem working against their opportunity to benefit from oil (UNDP 2006; STATOIL 2006).

⁵ Egbesu refers to a local diety within the forty or so Ijaw clans associated with warfare but it has, as one might expect (and here a parallel with jihad is instructive), a complex set of shifting meanings (including a sense of personal or interior truth or purity); agabas are urban dance societies (see Pratten 2006).

⁶ In Ikelegbe’s (2006:97) sample of youth (including militants, opinion leaders and others), ethnic neglect and political marginalization (including state repression) were the overwhelmingly dominant reasons given for the rise of youth militia.

It is really an extraordinary train wreck and it represents not just the conversion of the delta into what Ikelegbe (2001) calls “a region of insurrection“ but radical a shift from the days of Saro-Wiwa’s non-violent struggle of the late 1980s and early 1990s to outright insurgency⁷. In some respects the current crisis confirms Ken Saro-Wiwa’s prescient and bleak prediction in 1990 on the “coming war” in the delta; “the people must be allowed to join in the lucrative sale of oil” he said to avoid “the cataclysm that is building up” (ICG 2006, p.16). Small arms and light weapons (SALW) are now ‘endemic’ in the delta and the “pace of acquisition and the lethality of weapons is increasing” (Ginifer and Ismail 2005 :21; NDPEHRD 2004)⁸. Chief Philip Asiodu’s confident claim two decades ago that the oil-producing communities “cannot threaten the stability of the country nor affect its continued economic development” (cited in Ukeje 2001, p.15) now seems naïve and delusional. The Oputa Commission – the Human Rights Violations Investigation Commission – sitting in Port Harcourt in February 2001, focused much of its attention on the Niger delta and concluded, in the words of its Chairman Chukwudifu Oputa, that the situation was political dynamite (*The Guardian* February 3rd 2001). With the emergence of the MEND in late 2005, the dynamite had exploded. MEND’s spokesperson referred to a “malignant growth” spreading violently and fast becoming “Nigeria’s Vietnam” (ICG 2006a, p.29). The mix of violence, corruption, and theft has reached a tipping point. Managing Director of Chevron, Jay Prior cryptically observed that “I have run companies that have had less production than is being bunkered [stolen] in this country” (cited in Peel 2005, p.11). How has it come to this? Does it all amount to, as some suggest (Collier 2007), little more than a vast criminal syndicate overlaid with a patina of social justice rhetoric?

Nigeria’s Perfect Storm

The rise of Nigeria as a strategic player in the world of oil geopolitics has been dramatic and has occurred in the wake of a bloody civil war that ended in 1970 and in which several million were killed. In the late 1950’s petroleum products were trivial, amounting to less than 2% of total exports. Between 1960 and 1973 oil output exploded from just over 5 million barrels to over 600 million barrels. Government oil-revenues in turn accelerated from 66 million naira (N) in 1970 to over N10 billion in 1980. Over the last two years oil and gas revenues have averaged roughly \$50 billion and nominal GDP is in excess of \$100 billion (*Nigeria Oil and Gas* 2007). A multi-billion dollar oil sector has, however, and a set of expectations driven by the aura of ‘black

⁷ By insurgency I (following Fearon and Latin 2003:79) mean “a technology of military conflict characterized by small, lightly armed bands practising guerilla warfare from rural base areas”. Of late of course the delta militants are not simply lightly armed and operate in some way from urban bases.

⁸ For what it is worth the Centre for Strategic and international Studies in Washington DC in a briefing in April 2007 refer to a five fold increase in Kalashnikovs in the past 30 months and the profusion of RPGs, night vision equipment and anti-aircraft missiles; the ‘five best armed’ militias have 10,000 combatants and 25,000 weapons. The weapons vary from AK47s to M-16s purportedly smuggled from Equatorial Guinea, Gabon and Cameroon but also acquired from Nigerian soldiers (Wellington 2007; Best and Kemedi 2005; Kemedi 2003).

gold' proven to be a little more than a nightmare⁹. An el-Dorado Nigeria is not. To inventory the 'achievements' of Nigerian oil development is a salutary exercise: 85 percent of oil revenues accrue to 1 percent of the population; perhaps \$100 billion of \$400 billion in revenues since 1970 have simply gone "missing"¹⁰ (the anti-corruption chief Nuhu Ribadu, claimed that in 2003 70% of the country's oil wealth was stolen or wasted; by 2005 it was "only" 40%); almost \$130 billion in capital flight between 1970 and 1996 (Eberlein 2005); and over the period 1965-2004, the per capita income fell from \$250 to \$212; income distribution deteriorated markedly over the same period. Between 1970 and 2000 in Nigeria, the number of people subsisting on less than one dollar a day grew from 36 percent to more than 70 percent, from 19 million to a staggering 90 million. According to the IMF, oil "did not seem to add to the standard of living" and "could have contributed to a decline in the standard of living" (Martin and Subramanian 2003:4). Over the last decade GDP per capita and life expectancy have, according to World Bank estimates, both fallen¹¹. Nigeria has become a model failure, a reference point for other resource-dependent states: after the discovery of oil in Mongolia, a leader pronounced: "we do not want to become another Nigeria" (*Guardian Weekly*, January 12-18th 2007, 17).

What is on offer in the name of petro-development is the terrifying and catastrophic failure of secular nationalist development (ICG 2006; UNDP 2006; Mbembe 2000). It is sometimes hard to gasp the full consequences and depth of such a claim. From the vantage point of the Niger Delta—but no less from the barracks of the vast slum worlds of Kano or Lagos—development and oil wealth is a cruel joke. The costs of oil are experienced not only in class terms but equally importantly geographically. The paradoxes, contradictions and traumatic costs of oil are nowhere greater than on the oilfields of the Niger Delta where it has wrought only poverty, state violence and a dying ecosystem (Don Pedro 2005, 2006; Douglas and Okonta 2000). The recent UNDP report on human development in the delta (UNDP 2006) was unflinching in its assessment: the "appalling development situation" (p.2) reflects the uncontested, and shameful, fact that after a half century of oil development "the vast resources from an international industry have barely touched pervasive local poverty" (p.1). In 2003 the government launched a joint military task force called Operation Restore Hope, named ludicrously after the ruinous US operations in Somalia, to secure the delta but government's presence, Ike Okonta notes, "is only felt in the form of the machine gun and jackboots" (2005:206). By conservative estimates there have been over 6000 oil spills since 1970, and gas flaring while down by 40% from its historic high (80%) still produces 70 million metric tons of carbon emissions ("a substantial proportion of worldwide greenhouse gas" according to the World Bank/UNDP, 2004) amounting to a

⁹ There is substantial ambiguity and confusion over oil revenues numbers, a problem that has been only partly remedied by the reports of the Nigerian Extractive Industries Initiative (NEITI). The Memorandum of Understanding between the government and the majors has not been made public but it has been suggested that government take increases substantially during periods of windfall profits (the government take is apparently 95% when spot prices reach \$70 per barrel, STATOIL, 2006, p.9).

¹⁰ The Africa Development Bank estimates \$600 billion in total oil revenues since 1960.

¹¹ If the 2006 oil revenues were distributed directly on a per capita basis, it would amount to almost double per capita income (current (2005) GDP per capita is \$560.00).

loss of \$2.5 billion annually in associated gas (*This Day*, June 6th 2007, <http://allafrica.com/stories/200706060047.html>). According to the World Wildlife Fund report released in 2006, the delta is one of the most polluted places on the face of the earth. A much-publicised Commission of Nobel Laureates on Peace, Equity and Development in the Niger Delta Region concluded that the “wealth earmarked for the region” was “large stolen by politicians”; the frustration and violence, they concluded, was “rising...and getting worse” (*Vanguard*, December 2 2006, p.1). It is all too easy to be apocalyptic in tone – and to endorse a certain sort of catastrophism that afflicts so much writing about the continent - but if truth be told Executive Chairman of the Economic and Financial Crime Commission (EFCC) Nuhu Ribadu was surely right when he observed in that the Niger Delta situation was “not being taken seriously” and might “end up like...Somalia” (*This Day*, March 11 2007, <http://allafrica.com/stories/200703110090.html>).....or Colombia?

The heart of the Nigerian development failure is the politics of unearned income (Moore 2005); its central dynamic is the fiscal sociology of access to and distribution of oil rents¹². The Nigeria petro-state – a particular form of state-formation driven by particular forms of rent - is comprised of several key institutional elements: (i) a statutory monopoly over mineral exploitation (there are almost 50 acts and laws that constitute control over, and regulate, state control over petroleum and gas), (ii) a national (state) oil company (the Nigerian National petroleum Company, NNPC) that operates through joint ventures with oil majors who are granted territorial concessions (blocs) as Oil Prospecting Licenses (OPLs) or Oil Mining Leases (OMLs), (iii) the security apparatuses of the state (often working in a complementary fashion with the private security forces of the companies) who ensure that costly (and vulnerable) investments are secured, and (iv) a political mechanism by which oil revenues are distributed. The petro-state is, in sharp contrast to the broad-based tax state, is seen to contain all manner of ‘pathologies’ derived from oil (Moore 2005): autonomy from citizens, external intervention. vulnerability to subversion, non-transparency, ineffective bureaucracy, ‘coupism’ and so on¹³. Within this nexus, the national oil company stands as the blackest of black holes: a dark star of theft, corruption and fictional accounts typically under the direct control of the President. State oil, said one commentator, “is like a party with the lights out and the music on full blast”.

The failure of the petro-state resides in the oil revenue distribution question – whether in a federal system like Nigeria or in an autocratic monarchy like Saudi Arabia –and is an indispensable part of understanding the combustible politics of the oil complex. Rentier-capitalism in Nigeria turns on four key distribution mechanisms (Suberu 2001, Ikein and Briggs-Anigboh 2002): the federal account (rents appropriated directly by the federal state), a state derivation principle (the right of each state to a proportion of the

¹² The entity currently charged with that mandate is the Revenue Mobilisation, Allocation and Fiscal Commission (RMAFC) established in 1988.

¹³ The logical and causal connection between rentier income from oil and the shopping list of pathologies is, however, very far from clear. Why should a central oil income necessarily produce ineffective bureaucracy or an absence of direct taxation produce political apathy (when in Nigeria one might argue the reverse).

taxes that its inhabitants are assumed to have contributed to the federal exchequer), the Federation Account (or States Joint Account) which allocates revenue to the states on the basis of need, population and other criteria, and a Special Grants Account (which includes monies designated directly for the Niger Delta, for example through the notoriously corrupt designated entities such as Oil and Mineral Producing Areas Development Commission (OMPADEC) founded in 1993 and abandoned in the late 1990s, the Niger Delta Development Commission [NDDC]¹⁴ founded in 2000 and the new (2006) Consolidated Council on Socio-Economic Development of the Coastal States of Nigeria). The quantum of oil revenues around which these distributive mechanisms operate is in turn a product of the Memorandum of Understanding (MoU) associated with joint ventures activities in which companies and the national oil company (NNPC) have equity. Since the 1970s state equity has been in the order of 55-60%; while the proportion of each barrel as government take is directly related to oil price, the government take per barrel (equity, taxes, rents and royalties) is never less than 70% and under current conditions may be 90% or more (Omeje 2005).

Over time the relative weight of central versus direct state (regional) control has shifted as a function the often violent political struggles among ethnic majorities that shaped the post-civil war (1967-1970) development of the federation. Since 1960, in general, there has been a process of *radical fiscal centralism*, a process that simultaneously refers to both the extent to which the federal center controls revenues (through what became in 1979 the federation account) and the degree to which it retains revenues for federal use (increasingly under military rule through 'special accounts' outside of the federation account). There was in effect a double movement in operation over the last forty years: one the one side, the multiplication of states all of which are largely dependent upon central (oil) revenues, and on the other a series of statutory monopolies over mineral (including oil and gas) resources and land (put in place between 1967 and 1978 and continued to date through the 1999 constitution (Decree No. 24) which was itself the retention, adopted in the last hours of military rule prior to Obasanjo's tenure, of the 1979 constitution) (see ERA 2000). The evil-twin of the control over resources was a state-centred revenue allocation process that by definition vastly enhanced the power of the state¹⁵. One expression of this centralism is the extent to which the oil and gas sector has been run, especially since the Babbangida period, as a personal fiefdom of the Presidency (President Obasanjo directly controlled the oil and gas portfolio throughout his two terms). A second is the fact that a series of revenue allocation commissions have changed the metric of allocation such that the principle of derived income (states can command a proportion of the revenue from resources within their territory) has diminished while the oil revenue flowing to the through the federal account by other distributional criteria has expanded dramatically.

¹⁴ Between 2001 and 2003 NDDC spent \$474.5 million; almost 60% on transportation, drainage and buildings.

¹⁵ The key legislation – now much reviled across the delta – includes Decree 13 (1970) which centralized revenue allocation, Decree 9 (1971) which abrogated states rights over minerals, the 1969 Petroleum Act, and the 1978 Land Use Decree.

The history of revenue allocation is far too complex to rehearse here. Suffice to say, that the creation of new states in 1967 in the context of a successional war and enormous ethno-regional enmity, raised a panoply of political challenges (Akinleye 1996; Suberu 1991): how were monies from the central bourse - then-named the distributable pool account (DPA) - to be shared, how would the new states share assets from the regions from which they were created, and how would the fiscal demands of new administrative machineries be met (NES 1999)? Prior to 1967, revenue allocation from about the time of the end of the Second World War had been handled in an ad hoc fashion through fiscal commissions which gave a priority to derivation as a principle of allocation for mining rents, coupled with shared regional revenues from the distributable pool account (DPA). Between 1967 and 1979 the DPA was enlarged as mining and other rents directed to it were increased and conversely the derivation principle de-emphasised. Over the period 1946-1979, the federal appropriation declined from roughly 82% of all government revenues in 1950 to roughly 60% during the 1960s, then growing subsequently to 81% by 1979. In 1969 a set of principles were introduced for a simple system of revenue sharing among the states (including criteria such population, equality of states and so on). In 1979 the Federation Account was created into which virtually all revenues collected by government were to be paid and a strict formula established in 1982 (subsequently amended in 1984 and 1992) for sharing revenues among the three tiers (so-called vertical allocation): federal government (typically between 50 and 48%), states (varying between 30-24%) and local governments (20-15%). This system was endorsed in principle in 1999 at the time of the return to civilian rule even though by that time several important changes had occurred in the political economy of revenue allocation during the military period (Reno 2002): first, the federal government had in practice proportionally increased its revenues through a number of special accounts (for example the National Economic Recovery Fund, the National Priority Projects account, the Joint Ventures Cash Calls Payment Account and so on); the derivation principle had shrunk to roughly 1% by the mid-1980s from 50% in 1960; and the lower tiers of government had become almost wholly dependent upon centrally allocated revenues (rather than raising revenues themselves from state or local taxes). The share of the states revenue averaged 22% between 1971 and 1978 and worsened cyclically thereafter (averaging 10% by the late 1990s). The combined share of state and LGA revenues fell by almost 60% between 1986 and 1996. Federal government's share grew, over the same period, from 67% to 86%.

Overall the relations between state and LGA multiplication and centrally-controlled oil wealth is quite clear. More and more political entities depend upon (limited and changeable) oil revenues: the poorer the state or LGA the greater the degree of dependence for revenues upon the federation account. In practice since oil-revenues constituted, until the mid 1990s, the vast proportion of all government revenues collected, but this dependency had a spatial expression in that oil-producing states experienced a net decline the share of what previously had been deemed as 'their' (i.e. derived) resources. As a consequence of the reconfiguration of revenues principles and distributional criteria, the oil-producing states (composed largely of so-called ethnic or 'oil minorities') have lost and the non-oil producing ethnic majorities have gained - by fair means or foul. By 1980 the non oil-producing states accounted for over 75% of total federal allocations; between 1980 and 1990 the proportion of federal allocations to

Rivers State, for example, fell from 10 to less than 3% (Ikporokpu 2004, 333). The changed topography of revenue allocation has its irregularities, however, and despite the clear overall historical trend since 2000 there has been the beginning of an important counter-movement in the sense that the oil producing states have expanded their control (in theory and practice) over national oil income through the derivation principle¹⁶. In the past eight years, for example, the delta states have received \$30 billion in oil income; the 2006 budgets for Rivers and Bayelsa States were respectively N168 and N125 billion (*Daily Independent* December 30th 2005; *Port Harcourt Telegraph* January 2-8th 2006). The history, nevertheless, of post-colonial Nigeria is the history of the reconfiguration of, and the Olympian struggles over, revenue allocation.

The complex politics of fiscal centralization, and decentralization, provides the ground on which three important aspects of what one might call the 'new' Nigerian political economy: first the *decentralization of corruption* associated with in the case of the delta the vast increase in revenue flows associated with the increase of derivation to 13% in 1999. In 2004 the four largest oil states received over \$2billion capable of being pillaged; nowhere is this moreso than in through the wholly non-functional (and unaccountable) systems of local government which have grown in absolute terms quite dramatically (HRW 2006)¹⁷ Second, the *democratization of the means of violence* (or the extent to which the state monopoly of the violence means of destruction has been undercut by the widespread deployment of arms locally by militia and other militants (Peterside 2004, 2007)). And third the rise (in part associated with changing revenue allocation) of *enormous power and wealth at the level of the state governors who become not only counterweights to the federal centre but machine politicians (the regional Godfathers) in their own right.*

This trio of forces frame what has is called the 'resource control debate' in the delta, a political movement with a deep history dating back at least to the issues raised by the Willinck Commission on the 'fears' of the ethnic minorities in the delta during the 1950s¹⁸. Propelled since the 1980s by youth and other ethnic movements - and subsequently captured by the southern political classes from the oil producing states as a means providing political pressure on the revenue allocation process¹⁹ - the minority

¹⁶ The Ogomudia (2000) and Mantu Commissions (2006) suggested increases in derivation – the proportion of revenues allocated to the states from which it is derived. Both reports have been shelved but the increase in derivation to 3% in 1992 and to 13% in 1999 from virtually nothing in the mid-1980s has meant that between 2000 and 2004 revenues to the four largest oil producing states have increased 100 fold.

¹⁷ In Bayelsa State 26 'new' LGAs were established (in addition to those constitutionally mandated in the establishment of the new state in 1996) that have never been formally recognized. In January 2007 for example the LGA's, constituting less than 2 million people, received a statutory allocation of N651 million. The transparency and accountability associated with the allocation of revenue to these entities is almost zero, what a local Nigerian academic called "sheer madness" (cited in HRW 2007, 24).

¹⁸ The resource control issue was in fact central to the first revenue allocation commission (the Phillipson-Adebo Commission) set up in 1946 though the Hicks-Phillipson Commission of 1951 was the first to spell out the distributional criteria (see Dibua 2004).

¹⁹ For the first time the governors of the six South-South states formed a pressure group around the question of 'true fiscal federalism'. A conference of political elites held in Effurum, Delta State in February

fears of the 1950s's became minority grievances in the 1980s and minority militancy by the 1990s (Osaghae 1986). Since 1999, Obasanjo has endeavored to maintain a balancing act –weighing a growing Niger delta clamor for resource control backed by an insurgency against the array of political forces rooted in the hegemony of powerful northern and southern political interests. For example, the Federal center has increased derivation to 13%, though it drew a line in the sand in its refusal to meet the delta delegation's demands of 25% derivation or more during the 2005 National Political Reform Conference²⁰. Obasanjo has steadfastly refused to apologise for, or acknowledge, the unwarranted violence and human rights violations of federal forces in the slaughter at Odi or Odioma (see ERA 2002; Courson 2006) (or acknowledge the casualties inflicted by the joint military task force in and around Warri) yet he capitulated to Niger delta demands over granting off-shore littoral oil fields as amenable to derivation (largely in an effort to purchase support for his failed attempt at a third Presidential term). In sum, a hegemonic deployment of force (militarization) and consent (purchasing compromise through oil revenues) has pockmarked the state's struggle to contain the resource control movement. To take the Gramscian argument one stage further, however, from the vantage of the subaltern classes for whom resource control has been the avatar of mobilization, the struggle – the balance of force and consent) has gradually shifted from a 'war of position' (a discursive struggle to legitimate the call for resource control) to a 'war of movement' (insurgency)

It is indisputable that the oil boom since the late 1990s and the surge of windfall oil profits as prices rose to \$70 per barrel, have inserted a vast influx of monies into the delta via the state and local government structures (even though it is perfectly clear that the actual disbursement of monies and the flow of oil revenues from Abuja to the oil producing states is marked by massive malfeasance and diversion). In 2006, Rivers and Delta States, for example, received in excess of \$1 billion in federal revenues; in the first six months of 2006 the 23 local governments in Rivers State received more than \$115 million in federal allocations (including derivation). There is a sense, then, in which the delta is – and here is a sharp contrast with say the mid 1980s when derivation had plummeted to 1% on the backs of the oil price collapse – the delta is awash in oil monies notwithstanding the fact that nobody believes that the full complement of statutory allocations are received in their entirety by the oil-producing states (HRW 2006). When MOSOP was founded in 1990 a plausible case could be made that the oil-producing states and the local councils were starved of oil revenues (the "politics of minority suffocation" was how the Association of Minority Oil States put it in 1992); fifteen years later, this is a much harder case to make (writing in 2007 Human Rights Watch referred to a "vast increase in financial resources" since 1999 (HRW 2007, 25).

2001 summarised their position ("dispossession, exploitation and impoverishment of the people of the Niger Delta") namely "a minimum allocation percentage...(of derivation) of 50%" (Dibua 2004, 161).

²⁰ The CONFAB proposed a figure of 17%. President Obasanjo was compelled to overturn a Supreme Court decision in 2002 which proposed an on shore-off shore dichotomy such that littoral states could not command derivation over oil revenues from fields located on the continental shelf. A suit was brought by 22 states challenging the constitutionality of this ruling but in December 2005 the Supreme Court unanimously dismissed the claim(*The Guardian* January 4th 2006).

Overlaid upon the Nigerian petro-state and its fiscal sociology is, in turn, a volatile mix of forces that give shape to what one might call the 'oil complex' (Watts 2005). First, the geo-strategic interest in oil means that military (foreign and local, private and state) and other security forces are part of the local oil complex. Second, local and global civil society enters into the oil complex either through transnational advocacy groups concerned with human rights and the transparency of the entire oil sector, or through local social movements and NGOs fighting over the consequences of the oil industry and the accountability of the petro-state. Third, the transnational oil business – the majors, the independents, the indigenous operators, the national oil companies, and the vast service industry – are actively involved in the process of local development through community development, corporate social responsibility and 'stakeholder inclusion'. Fourth, the inevitable struggle over oil wealth – who controls and owns it, who has rights over it, and how the wealth is to be deployed and used – inserts a panoply of local political forces (ethnic militias, para-militaries, separatist movements and so on) into the operations of the oil complex (the conditions in Colombia are an exemplary case). Fifth, multilateral development agencies (the IMF and the IBRD) and financial corporations like the export credit agencies appear as key "brokers" in the construction and expansion of the energy sectors in oil-producing states (and latterly the multilaterals are pressured to become the enforcers of transparency among governments and oil companies). And not least, there is the relationship between oil and the shady world of drugs, illicit wealth (oil theft for example), mercenaries and the black economy. The oil complex is a vast enclave of corporate, state and military power²¹ of unimaginable robustness and reach, at once shadowy, intimidating, secret, corrupt and violent, and now draped in the cloak of security, terror and war.

It would be wrongheaded to see in the Caspian, in Colombia or in the Gulf of Guinea identical oil complexes at work – they differ obviously in their historical, cultural and political specificities. Yet they do all operate as enclaves of economic and political calculation – in essence a form of governmentality or rule – characterized by enormous turbulence and wealth creation. In short, the oil complex looks very much like an embattled zone of the most primitive accumulation (Harvey 2005). Empirically, the current operations of the oil complex have been radically shaped by the twin forces of post 9/11 politics, the failure of post war US oil policy, and the tightness of global oil markets (Barnes 2005). In the face of support by neoconservative promoters and opportunistic Washington lobbyists, strategists at the Pentagon have invented a new security threat to increase funding for European Command (EUCOM's) footprint in Africa (Lubeck, watts and Lipschitz 2007; Klare and Vollman 2006). Recently, Deputy Assistant Secretary of Defense for African Affairs Teresa Whelan announced the discovery of a "new threat paradigm" – the threat of "ungoverned spaces" in Northwest and West Africa (<http://www.jhuapl.edu/POW/rethinking/video.cfm#whelan>). In practice all four of the military services – including an Africa Clearing House on security information, supported by a Pentagon think-tank, the Africa Center for Strategic Studies

²¹ The history of state violence and the deployment of the military and security forces to secure oil assets and to crush internal political dissent is laid out in all of its gory horror in the Oputa Panel Report, a report that has not been released to the public by government but was unofficially released in January 2005 by the Nigerian democratic Movement (<http://www.nigerianmuse.com/nigeriawatch/oputa/>).

housed at the National Defense University – are now involved and implicated in the new scramble for the continent. Against a backdrop of spiraling militancy across the Delta, US interests have met up with European strategic concerns in the Gulf in the establishment of the “Gulf of Guinea Energy Security Strategy” (GGESS). By December 2005, the American ambassador and the Managing Director of Nigerian National Petroleum Corporation (NNPC) agreed “to establish four special committees to coordinate action against trafficking in small arms in the Niger Delta, bolster maritime and coastal security in the region, promote community development and poverty reduction, and combat money laundering and other financial crimes” (*This Day* December 9th, 2005). US military activity increased from almost no activity in 2004 to “104 ship days” in 2006 (Skorka 2007: 9). The establishment of a new African command (AFRICOM) in February 2007, and the appointment of its first head William ‘Kip’ Ward, is the final capstone in the militarization of American energy security policy in Africa.

Energy security it turns out, is a terrifying hybrid, a perplexing doubleness, containing the old and the new: primitive accumulation and American militarism coupled to the war on terror (Harvey 2003, 2005; RETORT 2005; Barnes 2005). Into this vortex of forces are set of other global and imperial forces: on the one side the presence of aggressive Chinese (and other Asian) oil companies and the new imperial intentions of the South African energy companies on the other. Put into the mix the resurgence of Islamism in Nigeria, and indeed across the Sahelian belt, and the political clout of urban evangelical Christianity across the southern oil producing conurbations and one has the makings of a perfect storm of instability, violence and conflict (Davis 2004).

An Ungovernable Delta?

It is a measure of a certain sort of notoriety when Nigerian politics reaches the pages of *Vanity Fair*, penned no less by a prize winning journalist and writer who, to the best of my knowledge, knows nothing of Africa or in this case the Niger delta (Unger 2007). Sebastian Unger’s account of Ijaw militants operating in the oil-rich creeks of the Niger delta is little more than tabloid journalism but the realities to which it speaks have been, over the last eighteen months, an extraordinary combination of the theatrical and the incendiary, worthy perhaps of any tabloid’s scrutiny. On September 15th 2005, the Governor of Bayelsa State (Diepreye Alamiyeseigha), a major oil producing state in the heart of the Ijaw homeland, was arrested by the British security agencies at London airport (a trip purportedly made to undertake cosmetic surgery) on three counts of money laundering (to the tune of 1.8 million pounds). The Governor’s arrest – designed to send a signal to unruly Governor’s everywhere in the run up to the 2007 elections and Obasanjo’s ultimately fruitless effort to run for a third term - clearly involved close collaboration between the Obasanjo and Blair governments. Released on \$1.25 million bail in early October, Alamiyeseigha dramatically escaped from house detention in central London (disguised as an old woman) and appeared rather magically in the capital of Bayelsa, Yenagoa, on November 20th to adoring crowds after, as far as we can tell, an extraordinary escape via Paris, Yaounde and finally by small boat along the creeks along the Cameroon-Nigeria border (*Le Monde diplomatique*, April 2006). On December 9th amidst considerable political confusion, he was seized by police in Government House

after the state House of Assembly had voted 17-24 to impeach him – all under tight security presence of the Joint Task Force and the State Security Services (SSS) (*Independent Monitor*, December 5-7th 2005).

Shortly after the London arrest, on September 21st 2005, against a backdrop of deepening militancy and oil-supply disruption and undemocratic maneuvers by President Obasanjo to quite literally purchase the support from the senate for his third term ambitions, Alhaji Asari-Dokubo, the charismatic and savvy leader of the Niger Delta People's Volunteer Force (NDPVF) - an insurgent militia force fighting, by its own account, for resource control and self-determination in the eastern delta - was arrested by Federal forces on treason charges. Asari, a forty year old son of a Calabar judge, former Ijaw Youth Congress (IYC) President and sometime political operative to the Governor of Rivers State, was arrested by police in the River State's Governor's house in a sting operation and was taken to Abuja in spite of the fact that ostensibly a peace settlement, between some of the Niger Delta militants and government, had been brokered in on October 2004 by Obasanjo himself²². Asari has been held in Abuja in SSS custody and appeared in February 2007 to stand trial amidst claims that his previous unruly behavior in court justified the decision to hold the proceeding with Dokubo *in absentia*. In something of a circus atmosphere, Asari referred to the Judge as 'an idiot' and the 80 security agents in the courtroom were unclear as to whether and how the accused was to be removed from the courtroom²³.

And finally, in what proved to be a trifecta of political crises for the Ijaw community, the Central Bank reported to the Economic and Financial Crimes Commission (EFCC) on October 6th 2005 that the head of Allstate Trust Bank and Ijaw capitalist, Chief Ebimiti Banigo, was guilty of corruption. He was subsequently arrested and the bank was, as a consequence, closed (amidst the loss of substantial personal savings by many depositors in River State). All of these events – in effect the arrest and detention of three major Ijaw notables – were inevitably read as a political attack by Obasanjo's government on a region (the Niger delta) and people (the Ijaw) that had been at loggerheads with the federal centre, a hostility marked both by the collapse of the national CONFAB in 2005 on the allocation of oil revenues (in which the Delta representatives led by Oronto Douglas walked out) and the militarization of the delta under the auspices of two special military task forces (Operation Restore Hope and Operation Flush Out) instructed to adopt a 'shoot to kill' policy as the oilfields descended into chaos.

²² NDPVF was founded in 2003 after Asari stepped down as President of the IYC in the context of accusations over corrupted elections. In the wake of the 2003 national elections in which his militias was deployed by Governor Odili, his Buguma-based group fell into conflict with Okrika-based Niger Delta Vigilante (NDV) led by Ateke Tom. Between October 2003 and October 2004 the violence was deep and extended in Port Harcourt and the Cawthorne Channel and culminated with Asari's September 27th 2004 declaration of 'all out war' on government. This led to the so-called truce and the subsequent (limited) disarmament of the Rivers State Cash-for-Arms program (see Best and Kemedi 2005). In practice the violence continued in early 2005.

²³ Asari was, as anticipated, released by the newly elected President Musa Yar'Adua on June 16th 2007, as a symbol gesture of his of his commitment to acting directly to resolve the delta crisis.

Out of this vortex of events – one part soap opera, one part machine-politics – there emerged in late 2005, in a most dramatic fashion, a hitherto unknown group of masked insurgents (MEND) claiming to be a “union of all relevant militant groups” (*Daily Champion* February 2nd 2006) and whose public face is a shifting, and sometimes contentious cadre of leaders (and aliases) including Major-General Godswill Tamuno, TomPollo, Oyinye Alaibe, Cynthia White and the eloquent spokesperson Gbomo Jomo. Beginning with a massive attack on the Opobo pipeline in Delta State in December 2005²⁴, MEND began calling for the international community to evacuate from the Niger Delta by February 12th, or “face violent attacks.” In a fantastically audacious series of attacks, MEND struck an oil vessel belonging to TIDEX Nigeria fifteen kilometers offshore on January 11th 2006 and four workers were kidnapped (and reportedly released for a N120 million ransom) shutting in over 100,000bpd; on January 15th 13 members of the Joint Task Force were killed during an attack on the Shell Benisede flow station and in late January an AGIP platform and its riverfront Port Harcourt offices were attacked in which eight policemen were killed. On January 18th an email promised “our operations will shift from the creeks to the cities” and from February 1st 2006 “more aggressive tactics aimed at oil company workers” (*Nigerian Tribune* January 18th 2006). Following an earlier ultimatum and a promise to reduce Nigeria export capacity by 30%, , on February 15th MEND declared a ‘state of emergency’ and the launch of Operation Black February to demonstrate “its rugged guerilla wit and dogged intelligence in hunting down every foreign foot” (*Daily Independent* February 15th 2006). Then, in the wake of a purported peace accord held in Yenagoa on February 11th, the joint task force embarked upon a vicious aerial bombardment of Ijaw villages in Okerenkoko territory (ostensibly to bomb oil bunkering barges) which is the heartland of the Gbaramantu clan. In retaliation on February 18th MEND launched the most audacious and coordinated of its attacks. Forty rebels overpowered guards and military on Willbros barge 318 (nine foreign hostages were taken) and subsequently destroyed the offshore Forcados crude loading platform, the Ekeremore-Yeye manifold and the NNPC Escravos-Lagos gas pipeline in Chanomi Creek. In a single day something like 20% of output was compromised.

The political agenda of MEND was not clear in the weeks of late December 2005 except that it self identified as a “guerilla movement” whose “decisions like its fighters are fluid”. In fact, in a press release by email – this is the modality of their politically savvy Subcommandante Marcos-like exhortations and pronouncements – Jomo claimed that MEND’ was “apolitical in structures fighters “were not communists...or revolutionaries. [They] are just very bitter men’ (Bergen Risks 2007). But in spite of a welter of email denials –calling an Oporoza-based Ijaw militant group the Federated Niger Delta Ijaw Communities (FNDIC) a ‘tribal assembly’, claiming to have ‘co-opted’ the NDPVF, rejecting any connection with oil bunkering, claiming not to be “an Ijaw militia group’ (see SaharaReporters 2007), - there was in fact a clear political platform. In a signed

²⁴ Four speedboats with 100 militants arrived at 1.00am on December 20th 2005 at Agbaokwam community and demanded evacuation. The explosions occurred at Agbaokwam Asarama and spread over to about 20 other communities all in Andoni Local Council. To curb the fire, SPDC shut down production from Diebu Creek and Nun River fields as well as all land area facilities except Rumuekpe. Some 170 000 barrels per day (bpd) net oil were "deferred."

statement by field commander Tamuno Godswill in early February, MEND's demands were clearly outlined:

- Immediate and unconditional release of Alhaji Asari-Dokubo
- Immediate and unconditional release of Governor Alamiyeseigha
- Immediate and unconditional release of youth leader Joshua Macaiva
- Immediate and unconditional demilitarization of the Niger delta
- Immediate payment of \$1.5 billion compensation from Shell approved by the Nigerian National Assembly covering four decades of environmental degradation²⁵.

In an interview with Karl Maier on February 21st 2006, Jomo made it clear that MEND had “no intention of breaking up Nigeria” but had no intention of dealing directly with government which “knows nothing about rights or justice”. Resource control meant that the states would “directly manage” oil. Other communiqués reiterated that these demands were not pecuniary and “we shall receive no money from any quarters” (*Vanguard* February 4th 2006).

Into 2006, MEND's claims that it was capable of delivering a “crippling blow” to the oil industry, was increasingly born out. More than fifteen Nigerian soldiers were killed and between May and August 2006, and there were at least three kidnappings per month in the first half of 2006 (typically the hostages are all released following the payment of substantial ransoms by the government though it is unclear whether these payments are being made to MEND).²⁶ In the last nine months, the escalation of attacks (forty-four in 2006, nineteenth in the first three months of 2007) including electronically detonated car bombings, brazen attacks on government and military buildings, massive disruption of oil installations deploying sophisticated military equipment, and the audacious kidnapping of workers of virtually every nationality including Chinese and South Korean sometimes from platforms 40-60kms off shore have confirmed the worst fears of the oil industry. In a deteriorating environment in which many oil companies have withdrawn personnel and cut back production –by mid 2006 there was 500,000-600,000 barrels per day deferment meeting MEND's earlier goal of a 30% shut-in. Julius Berger, the largest construction company operating in the country, announced its withdrawal from the

²⁵ A Federal High Court sitting in Port Harcourt in February 2006 ordered SPDC to pay \$1.5 billion to “Ijaw Aborigines of Bayelsa State”. Justice Okeke rejected a stay of execution by Shell and ordered the company to pay the Central bank of Nigeria the full amount no later than May 22nd 2006.

²⁶ The companies and government have typically denied the payments of ransoms to militants but there have been reports in the press, by activists and others of payments in excess of \$250,000. For example, the release of a group of Korean hostages in June 2007, mediated by Asari while still in detention (!), produced a payment of N120 million covered by the company and by River State government (interview with Nigerian mediator, San Francisco, June 26th 2007). On June 29th a ransom of \$102,000 was paid for the release of the three year old son of a politician; the Niger Delta Militant Force Squad (NDMFS) demanded \$417,000 for six kidnapped Russians. In fact the decline in oil bunkering since 2004 has seen militias turning to kidnapping and extortion as sources of revenues as bunkering income has fallen. The ransoms are paid from the so-called state ‘security’ budgets which are vast and largely unaccountable; it is widely reported that government officials cream a significant proportions (up to 50%) of paid ransoms (Briggs 2007). MEND seems to hold hostages longer than other groups (two Italian hostages were held for 99 days).

Niger Delta and many companies began to withdraw personnel as oil workers were increasingly reticent to be posted in the delta (many of whom were holed up in Lagos hotels). President Obasanjo bolstered the Joint Military Task Force (JMTF) in the Delta but the seeming ease with which MEND can operate – “we navigate the creeks in pitch blackness” crowed Jomo - and overcome local security forces suggests that the MENDF ‘freedom fighters’ control the creeks uncontested.

The violence has continued – indeed deepened. In April 2006 two car bombs – one at the Bori Military Camp in Port Harcourt, the other in the midst of 200 oil tankers in Ekpan Delta State adjacent to the Warri refinery (*Daily Sun*, May 9th 2006) – were deployed as ‘warning blasts’ threatening more to come. According to the Centre for Strategic and international Studies (CSIS 2007) 123 expatriate hostages have been taken since January 2006 (until early March 2007) and there have been 42 attacks on oil installations over the same period. Against a backdrop of escalating attacks on oil facilities and a proliferation of kidnappings (Figure 1), the Joint Revolutionary Council (apparently an umbrella group for insurgents) threatened “black November” as an “all out attack on oil operating companies” (*The Observer*, November 5th 2006). A month earlier, MEND launched a brazen attack by 50 fighters on the Central Police Station and State Criminal Investigation Department in Port Harcourt, keeping the full combined force of the police and army at bay for six hours and successfully withdrawing to the creeks after freeing one of their ‘commanders’ (Saboma George, a former NDV militant who broke with Ateke) from imprisonment. As I write, the residence of the new Vice-President elect (the Governor of Bayelsa State) has been bombed, Chevron has temporarily shut down its operations, and following a massive pipeline explosion at

Figure 1 2006 Oil Disruptions in the Niger Delta (Source: Bergen Risks, 2007).



Bomu, and a total of 900,000 barrels of oil per day are currently shut in (30% of official production). It is quite unclear, when located on this larger canvas, what Petroleum Minister Edmund Daukoru could possibly have meant when he announced to OPEC in February 2007 in Greece that “the worst is over”, that “it is a very, very temporary thing” (United Press International January 28th 2007, http://www.upi.com/Energy/analysis_nigeria_hopeful_for_oil_future).

The rise of MEND – and its complex and shifting relation to other insurgent groups, such as the Martyrs Brigade and the Coalition for Military Action in the Niger Delta (COMA) – marks a watershed in the turbulent history of the delta oil fields, but it arises on the back of a long arc of deepening violence and protest across the oilfields, especially since the late-1990s. The periodization of this deepening conflict is, however, far from clear (see Ikelegbe 2006 and 2005). During the 1970s communities, typically in an uncoordinated way – this is the case for Ken Saro-Wiwa and the Ogoni before he founded MOSOP who had laid out these issues clearly in 1968 during the civil war! - aired their grievances to oil companies and occasionally to government but the first civic organizational flowering around the oil question in the delta occurred in the mid-1980s (during the Buhari ‘opening’), followed by a period of mass ethnic political mobilization led by the Ogoni movement up to the mid-1990s but also the establishment of political groups like the Ijaw National Congress (INC) and the Chikoko Movement in the 1990s. As Ukeje (2004) and Okon (2007), women’s groups were some of the foundational protestors, elevating the struggle in the mid 1980s and 1990s (the 1984 Ogharefe and Ekpan uprisings, and by Ogoni and other groups in 1994 and 1995) and especially the July 2002 protests by Itsekeri women near Ugborodo (Escravos) and by Ijaw women from the Gbaramantu and Egbema clans in the Dibi and Olero Creeks. Thereafter a number of ethnic and pan-ethnic youth movements, marked by the 1997 founding in Eleibiri of the Chicoco movement and in 1998 the founding of the IYC and the drafting of the Kaiama Declaration, signaled a new phase of both new tactics and deepening militancy. The period between 1998 and 2000 was especially turbulent across the entire delta as military forces responded violently and with impugny: Warri went up in flames in 1997 and 1999, strikes crippled the LNG plant at Bonny in 1999, 64 Shell staff were held hostage in Isokoland in 1998, a pan-Eket group (Afigh Iwaad Ekid) closed Mobil operation in Akwa Ibom State, while there were 114 line-breaks in the Port Harcourt-Warri pipeline in two months in late 1999 and early 2000 ((Ukeje 2001; Ikelegbe 2006). By 2002-3, there were a number of explicitly militant movements (usually referred to as militias) - for example the Egbesu Boys of Africa, Federated Niger Delta Ijaw Communities (FNDIC), MOSIEND and Niger Delta Volunteer Force ²⁷ - some were military spin-offs from non-militant groups such as the IYC, and some operating by

²⁷ It is commonplace to see the Kaiama Declaration in 1998, the ferocious state violence that followed and the so-called Egbesu Wars of 1988-1999 as the funding moment of Niger delta militancy (Ikelegbe 2006). In fact Isaac Boro (the Niger Delta Volunteer Force) and his sixty or some comrades was their fore-runner three decades earlier in early 1966, but in any case the use of various tactics (direct action such as the seizure of flow stations and other agitations) were already in evidence in the 1980s and early 1990s especially in the so-called Warri axis.

building explicit alliances and connections with multifarious cult and vigilante groups (some university based) and drug-related urban gangs with a variety of both political and criminal goals(Peterside 2007)²⁸.

The appearance of MEND marked a new phase both in terms of strategic capacity but also in the franchise character of the insurgency, linking to and speaking for a number of militias and rebels. Whether it is, as Okonta (2006) suggests, not an organization but “an idea” is difficult to assess. Certainly the MEND militias operate with ease in and around Warri; the leadership appears, as Okonta says, articulate and politically very savvy. But MEND emerged, and is inseparable from, a number of local and regional issues the most important of which are the longstanding antagonisms between the oil companies (especially Chevron) in the Gbaramantu and Egbema clan territories and the crisis and struggle over the creation of local government councils in Warri (itself a long festering inter-ethnic struggle) that broke open in 1997. MEND has of course been framed by a wider and pan-ethnic struggle for resource control and at the same time detonated so to speak by what Ijaw see as a deepening assault on their aspirations – what Oboko Bello calls “being cut off from being a nation” - under President Obasanjo. The extraordinarily violent gunship and helicopter attacks on Okerenkoko in February 2006 and the the attacks by the Joint Task Force on MEND in the wake of a truce brokered between MEND and the government in August of the same year, were consistent with a much longer history of state violence across the Warri axis. In this sense, Okonta is surely right to say that MEND is “the violent child of the deliberate and long running constrictyion of the public space in the Niger delta...Behind the mask of MEND is a political subject forced to pick up an KA47 to restore his rights” (2006:20).

Whether or not it is an umbrella organization, a franchise or an ‘un-united hydra’ (Jomo cited see ICG 2006, 7), MEND emerges on the back of a long process of mobilizing from below and of widening the social base, of the institutional incorporation of various youth groups in complex and unstable networks (MEND for example has allegedly made an alliance with the Outlaws, a renegade group previously linked to the Icelanders), and a shift from non-violent protest and demonstrations to occupations, sabotage, vandalization and to outright organized armed assault including, since 1998, the tactical use of kidnapping and ransom. Running across this story is the deepening involvement of the organized militias, since the late-1980s, in various economic ‘enterprises’ including oil bunkering (and refining), ransoms, extortion, protection services and the drugs trade. To see oil theft or hostage as either new or as evidence of a simple linear shift from grievance to greed is not helpful. In part because one person’s greed is another’s grievance and because inevitably these mix of forces – always open to different definitions and meanings – always operate as part of a complex whole. In this sense the oil insurgency in the Niger delta is not terrible different from any insurgency in the history of militant political struggles everywhere.

²⁸ A major study on the relations between gangs, cults and militias is about to appear by CASS (the center for Advanced Social Science) in Port Harcourt.

By any estimation, the costs of this oil insurgency are vast. A report prepared for the Nigerian National Petroleum Company (NNPC) published in 2003 entitled *Back from the Brink* – before the latest insurgency took off - painted a very gloomy “risk audit” for the Delta. NNPC estimated that between 1998 and 2003, there were four hundred “vandalizations” on company facilities each year (and 581 between January and September 2004); oil losses amounted to over \$1 billion annually. Already by 2003 oil supply had been compromised by 750,000 bpd as a result of attacks on oil installations across the region. In April 2004, another wave of violence erupted around oil installations (at the end of April, Shell lost production of up to 370,000 barrels per day, largely in the western Delta), this time amidst the presence of armed insurgencies. Two so-called ethnic militia led by Ateke Tom (the Niger Delta Vigilante [NDV]) and Alhaji Asari Dokubo (the Niger Delta People’s Volunteer Force [NDPVF]), each driven and partly funded by oil monies and actively deployed (and paid) by high ranking politicians as political thugs during elections in the Port Harcourt-Okrika-Kalabari axis, have transformed the political landscape of the Delta.. Within the first six months of 2006, there were nineteen attacks on foreign oil operations and over \$2.187 billion lost in oil revenues; the Department of Petroleum Resources claims this figure represents 32% of the revenue the country generated that year. The Nigerian government claims that between 1999 and 2005 oil losses amounted to \$6.8 billion but in November 2006 the managing director of Shell Nigeria reported that the loss of revenues due to ‘unrest and violence’ was \$61 million per day (a shut-in of about 800,000 barrels per day), amounting to a staggering \$9 billion since January 2006. By the end of 2006, Minister for Petroleum resources Edmund Daukoru claimed that the costs of the insurgency was N7.5 billion per day²⁹, amounting to a total loss of \$16 billion since 2005 (*Africa Confidential* 2007).

The elections of April 2007 – even more fraudulent than the widely condemned elections of 2003 – and the emergence of an Ijaw politician, Goodluck Jonathan, Governor of Bayelsa State , as the Vice President elect has done little to dampen the ire of the militants. Since May 1st 2007 (I write in late June 2007) forty-two foreign workers have been kidnapped and four pipelines have been blown up (<http://www.alertnet.org/thenews/newsdesk/L20301606.htm>, May 20th 2007). In spite of the one month post-election truce called by MEND in early June, attacks and ransoms have continued almost unabated (there were seven between June 1st and June 23rd 2007).

By 2007 the reality on the ground is a dizzying and bewildering array of militants groups, militias and so-called cults³⁰ – the Niger Delta Militant Force Squad (NDMFS), Niger Delta Coastal Guerillas (NDCG), South-South Liberation Movement (SSLM), Movement for the Sovereign State of the Niger Delta (MSSND), the Meinbutus, the November 1895 Movement, ELIMOTU, the Arogbo Freedom Fighters, Iduwini Volunteer Force (IVF), the Niger Delta People’s Salvation Front (NDPSF), the Coalition

²⁹ According to Timi Alaibe, Managing Director of the Niger Delta Development Commission (NDDCV), N1.7 trillion was lost to militancy between March 2006 and March 2007 (*Vanguard*, March 23 2007, p.1).7.

³⁰ The Rivers State Secret Cult and Similar Activities Bill passed in 2004 identified 103 different cults in the state and over 50,000 small arms in circulation (AISS 2004).

for Militant Action (COMA), the Greenlanders, Deebam, Bush Boys, KKK, Black Braziers, Icelanders and a raft of other so-called cults. AT present, according to some source,s between over 50 operating military camps in the creeks (*This Day*, March 23rd 2007). With good reason the MEND spokesperson Jomo could boast in March 2007 that he has “the oil industry by the balls” (*Economist* March 17th 2007, p.52).

Oil Insurgency or Organized Crime?

There have been a raft of new books on African oil in the last year (Ghazvinian 2007; Shaxson 2007; Margonelli 2007; Forest and Souza 2006). Written for the most part by journalists (and in one case by two military men), the books are replete with colorful stories – of the devastating intersection of frontier capitalism and the worst of African kelpocracies – neatly captured by such titles as ‘instant emirates’, ‘the Chinese are coming’, ‘wielding the oil weapon’ describing ‘some of the most dangerous and dysfunctional nations on the planet’. None of this work would have been possible without twenty or so years of critical academic research and excellent investigative work by the like of HRW, Amnesty, Global Witness and Oxfam. Whatever one thinks of the ‘resource curse’ literature (see Ross 1999) – and I think it comes close to a sort of commodity determinism – this body of worked exposed the pathologies of petro-states, the complex complicities between Big Oil and African ‘oilgarchies’, and the disastrous consequences – environmental, political and economic – of rentier political economies driven by a logic of politicized distribution of oil revenues rather than systematic accumulation, or disciplined development or the construction of transparent and accountable institutions of governance. Over the decade, the resource curse which for the most part examined the political economy of oil-dependency has been taken up by economists, some concerned with the relations between resource-dependency and poor economic performance for example (Jeffrey Sachs) and more recently with the politics of oil, not so much at the level of corruption or fiscal mismanagement but rather sub-national conflicts and the relations between oil, civil war and rebellion. By far and away the most ambitious, and sophisticated, research program emerged from the World Bank and the leadership of Paul Collier, former member of International Socialist and the World Bank now at Oxford, whose new book *The Bottom Billion* (2007) turns resource dependency into a field theory of poverty. Oil-dependency in this analysis turns on the relation between petroleum (not so much natural gas) and the means by which rebellions and insurgencies are economically sustained and financed – and by extension the devastating costs for development of long and protracted conflicts (Collier et al 2003)³¹.

This complex and variegated body of research³² might be dubbed the ‘*the predation or rebellion as organized crime*’ theory of oil dependency. Collier’s clever theory focuses on

³¹ Parenthetically, this approach is related to Michael Ross’s (1999) claim about another aspect of the oil-politics, namely that it hinders democracy through rents (no taxation=no representation), militarization (oil-funded securitization), and service employment (as a way of purchasing ideological consent).

³² I shall not address here the corollary questions of the duration and intensity of civil conflict, and relatedly the question of post-conflict recovery or recidivism (see Collier et al 2003).

the important question of financing violent politics and argues that oil provides a ground on which rebels can finance rebellions (through looting of oil resources) which are a self-interested, criminal movements against the state. Collier's 'economics of war' argument ("rebellion is large scale predation of productive activities") draws upon a related and now large body of work that explores the character of oil as a source of predation by focusing on its point (as opposed to diffuse) character and its location (in relation to state power) and the ease with which it can be looted. Different political outcomes can then be deduced from specific resource attributes (Le Billon 2005): *warlordism* (distant/diffuse), *rebellion* (proximate/diffuse), *coups* (proximate/point) and *secession* (distant/point). Oil is captured in the latter two cases (it is a point resource that varies in relation to centers of power) for which Angola and Chechnya, and Colombia and Yemen are paradigmatic cases. Relatedly, Michael Ross (2003) explores the dynamics of oil politics along two parallel axes: 'lootability' (understood to be "easily appropriated [resource] by individuals or small groups of unskilled workers" (p.47)) and 'obstructability' (that is to say the ease with which its movement or its productive networks can be interrupted or blocked). Oil (on-shore and off-shore) is unlootable; it is however readily obstructable (pipelines can be detonated, flow stations occupied) on shore but not off shore.³³ He holds open the possibility that oil (as an unlootable resource) may yield different types of outcomes (separatist in Cabinda), and non separatist in Sudan), but believes that non-lootability yields general associations; to wit: unlootability is likely to yield separatism (control the territory not the wealth), benefits to government (rather than the poor), reduced duration of conflicts, and enhanced army discipline.

Much could be said about Collier's work in particular (Collier and Hoeffler 2000; Collier 2005, 2006): its deep cynicism ("rebellion...is like organized crime"), its belief that motivation of conflict is unimportant (what matters is whether the organization can sustain itself financially), its assumption that history can be reduced to rates of economic growth or the existence of prior civil conflict, its troubling problems associated with the nature of the data and evidence (and sampling), and its claim that insurgent predation is 'worse' than state extortion (or exaction) and so on. I shall focus on its foundational claims (and their ability to provide a compelling account of the genesis of an oil insurgency across the Niger delta): namely, that greed is opposed to grievance, that peaceful protest stands in opposition to rebellion, that government opposes rebellion, and that rebellion equals organized crime.³⁴ From these assumptions Collier concluded in 2003 that the Niger delta resembles an "American gangland" involving a ferocious struggle over drugs; by 2007 he suggested it was a vast "protection racket" run by young, unemployed and poorly educated criminals for whom life is cheap³⁵. At the same time, as Zinn (2005) has noted, Nigeria seems to represent a striking exception to Collier's predictions: namely, his model (Collier and Hoeffler 2000) saw civil war an

³³ From this fact it is claimed, as we shall see, that rebels cannot loot oil and must turn to extortion and through this extortion it is the figure of the warlord ('the rebel leader') who appears as the new predator associated with the notion of the 'end of politics' in the post Cold War era.

³⁵ This is a position apparently shared by Nigerian scholars such Ikelegbe (2006, 49) for whom there is an "illegal, criminal, informal economy....engaged in the resistance of the political economy of oil"

unlikely between 1965 and 1969 (when the Biafran war erupted), while on the other hand the possibility for civil war was high between 1985 and 1999 (when there was no such conflict). How then does the predation-lootability thesis hold up?

The first thing that needs to be said is that the very idea of an impermeable membrane separating or opposing two discrete entities – government and rebels – breaks down immediately. Not only because the corporate actors are not present in any serious conceptual way, but also because the so-called militias, for example, got their start by being supported (financially and with arms) by politicians in the oil-producing states. The NDPVF was, as Oronto Douglas says (*Niger Delta*, July 27th 2004), “the creation of the Nigerian State”; it is widely understood that former Federal Minister Of Transportation Abiye Sekibo supported the Okrika Vigilante (established in 1998) and its successor organization the NDV led by Ateke (see Best and Kemedi 2005, 21-22). The decentralization of corruption, the rise of powerful gubernatorial machine politicians, and the enhanced state-level influxes of petro-dollars since 2000 that mark post-1999 Nigeria all signal how porous is the state/rebel divide. The NDV and the NDPVF were deployed as political thugs to deliver votes and intimidate voters in the notoriously corrupt and violent 2003 elections (although there were of course militias and militant groups that pre-date 2003 and indeed 1999). Furthermore, a number of the arms used by the militias have been acquired from the Nigerian military (directly in relationship to electoral political thuggery and indirectly from a notorious corrupt and undisciplined army). And last but not least, the low level oil theft ‘(bunkering)’ (see Figure 2 – located at end of article) that is controlled by the rebels as a way of financing their struggle, is organized directly with and through the complicity and involvement of the security apparatuses, the Niger delta special military task forces, and the coast guard³⁶. The Nigerian state in its various institutional expressions and the rebels are both oppositional *and* organically self-sustaining. The head of the Economic and Financial Crimes Commission [EFCC] Nuhu Ribadu put the issue with great precision: the state is “not even corruption. It is organized crime” (*The Economist* April 28th 2007, p.56). Ribadu’s views might endorse the criminal aspects of the insurgency but this criminality is at odds with Collier’s suggestion that predation operates outside of state criminality. If there is organized crime it seems to operate across the entire panoply of institutions and organizations involve din the oil business.

In the same way, Collier’s (and Ross’s) claim that oil cannot be looted stands in sharp contrast to the existence of a vast oil theft industry. This is not the place to detail the dynamics of its structure (from low level bunkering territories policed by differing sorts of political actors up to the syndicates – global in scope – that orchestrate a vast criminal industry (an estimated 10% of US imports are stolen) [see Davis 2007; Davis and Kemedi 2004). My point is that oil is looted and very effectively – at its peak in 2004/5 some 350,000 barrels per day were stolen perhaps inserting \$4-5 billion per year into the financial system – and while the criminal proceeds are unevenly distributed along the commodity-chain (the low-level operatives gain little in relation to the barge

³⁶ It is also clear that the state-organized oil theft business could not function without the implicit and explicit complicity and participation by the private sector, namely oil company employees (past and present) [see Davies and Kemedi 2005; ICG 2006].

owners, the shippers and the military and so on), the fact is that both rebels and the political-security classes benefit from it³⁷. There is no question that the oil bunkering trade embraces all manner of agents motivated by all manner of desires (greed, grievance, employment, excitement) but there is no reason in principle why organized crime – or extortion and sabotage as the ‘obstructability’ thesis claims – and grievance cannot co-exist perfectly well. Theft by definition is crime but not all crime can be read simply as self-interested greed (“we are using our resources to fund this struggle” as Asari put it). Indeed this is the hybrid nature of insurgent politics. Equally the history of oil theft (even if the scale has waxed and waned) has a long history in the delta dating back to the 1970s even if it was only recognized as a serious problem in the late 1990s, and in this sense there has been no linear shift as Collier suggests from grievance to greed (2007: 31).

Many of these delta realities represents an empirical challenge to conceptual claims about lootability. This structure of ‘predation’ has benefited a section of the military-political class, sustained all manner of insurgents (and indirectly sections of the unemployed youth), further contributed to corruption and indiscipline within the military and contributed to a vast and complex field of violence encompassing as well-organized insurgents confronting the state, ethnic militias, vigilante groups resembling the Mafia, anti-chieftainship conflicts, inter-ethnic struggles, and criminal activities sometimes called ‘cultism’). Needless to say the very idea (taken from Ross) that offshore oil cannot be obstructed has been shown to be spectacularly wrong: in the last few weeks, hostages were once again taken (and oil operation stopped) by MEND from a platform 30 miles offshore (and MEND’s charismatic communications chief – Jomo Gbomo – often refers to MEND’s abode as ‘200 miles offshore’).

A most striking aspect of these views of oil politics and civil conflict is that the agency of the oil companies – whether the national oil companies (NOCs) or the supermajors (IOCs) with whom they operate or the oil service/construction companies– have no analytical presence whatsoever in the models of rebellion or civil war. At most they appear as the unfortunate corporate entities that are preyed upon by rebels (extortion, sabotage, and kidnapping). Corporate practice and agency are conspicuously absent in any account of politics and this is astonishing because the companies *themselves* have acknowledged that they are a central part of the political dynamics of community conflict (most obviously in the internal reports by Shell and Chevron widely leaked in 2003 and 2004 [see WACS 2003]). This is not to suggest that corporations have deliberately instigated or encouraged rebellion. Rather, what passes as community development in the delta and their related interactions with what are called ‘host communities’ is a central part of conflict dynamics (ICG 2006, 2006c; Watts 2005;

³⁷ The Oputa Commission has substantial evidence from military officers of involvement of the navy and army in bunkering; community members in Warri also alleged that the JTF was involved in criminal dealings with oil thieves (ICG 2006 a, 9). The Chief of the JTF resigned under a cloud of suspicion concerning bunkering in 2006.

Omeje 2006c; Ibeanu 2002;Kemedi 2003; Zalik 2005)³⁸. It is estimated that Shell spends \$60 million per year on community development yet cash payments amount to at least double that figure. In total these payments amount to perhaps \$200 million per annum, perhaps 10% of the operating budget; some companies spend up to 15-17% on such activities³⁹. They represent in practice to a massive infusion of cash designed to purchase consent or compliance –but in practice they are central to the dynamics of rebellion and community violence. On the one hand the companies are constitutionally obliged to pay rents to local communities in which they have operations and have typically cut deals with local chiefs (many of which operate as unaccountable fiefdoms), a number of whom are not even resident in their communities. Community projects and Memoranda of Understanding, to the extent that they exist at all, are shrouded in secrecy and ambiguity, and corporate responsibility on the ground often appears as a raft of unfinished community projects all of which have contributed to festering resentments among the youth. Environmental Impact Assessments (EIAs) are rarely made public and the record on spills and compensation is deplorable. And last but not least the policy of ‘cash payments’– used to pay for protection services from local unemployed youth, to buy off local opposition and to feed a vast networks of illicit payments - have had the effect of generating enormously violent conflicts among youth groups. Some of these payments are made to militias who have ‘security companies’ of their own⁴⁰ (see Omeje 2006, 2006c). Young men who are given standby payments or hired as protection services, inevitably engage in struggles among themselves to capture or preserve the rents from competitors (other youth groups) or who threaten or depose corrupt local chiefs (that is to say they upend the system of gerontocratic rule at the village level) in order to gain access to the company rents and payments that flow from oil operations in their territories. Corporate practice and the struggle over oil rents to chiefs has contributed directly to the longstanding inheritance and dynastic politics in kingdoms such as Nembe, Bonny, Opobo and Okrika and more generally to what can only be described as a crisis of chiefly rule across the oil fields. The fact that so-many chieftainships are ferociously contested and that in some cases chiefs are thrown from office or publicly abused and flogged by militant and angry youth – surely unthinkable three decades ago – is a measure not simply of the governance crisis of customary rule, but of the endemic nature of the local conflicts and struggles which are key ingredient in the rise of the larger militias such as the NDV or FNDIC.

The challenge of the Niger delta case to the resource-dependency/predation thesis is four-fold. First, in its relatively brief petro-history, Nigeria contains of all four of the possible political outcomes hypothesized by Le Billon and the predation thesis more

³⁸ See the excellent collections of case studies associated with the Economies of Violence project published as Working Papers of the Institute of International Studies, University of California, Berkeley, (<http://globetrotter.berkeley.edu/NigerDelta/>).

³⁹ These figures were provided to me by an oil consultant with many years of experience in the Niger delta (London, April 29th 2007).

⁴⁰ The deputy leader of NDPVF claims to have been paid \$7000 per month by Shell for his company Dukoaye Servies, for security; Shell also admits that two FINDC security companies – Shad-Ro Services and IPPS – are on its list of approved contractors (see ICG 2006, p.10-11). In May 2006 Nigeria also granted a first right of refusal on a small oil block to a “militant faction” (ICG 2006a, p.24).

generally, namely: coup d'état (beginning in 1966), succession (the Biafran War), rebellion (MEND) and warlordism (the militias). What do these multiple outcomes suggest about the power of the theory, namely predation, location and resource characteristics? Second, the importance of commodity attributes – lootability most obviously - seems undercut by the extent to which, in the Nigerian case, the purportedly unlootable (oil as opposed to say diamonds) and the unobstructable (offshore platforms and rigs) are clearly looted and obstructed. And third, how does the predation thesis deal with an insurgency that has been at least fifty years in the making – what has to be explained is the co-evolution of ethno-national and inter-generational shifts in political power detonated by a recurrent history of state violence - and confounds the easy generalizations that governments and rebels and greed and grievance are easily separable. In practice they are indissoluble. And finally organized crime which is, as Collier predicts, central to the economics of insurrection, has an organizational structure and reach that far exceeds the circumference of the rebels themselves and must include, at the very least, state and corporate operatives. Embedded within this claim is a larger issue of the nature and consequences of corporate power for the predation thesis.

A New Dispensation?

The insurgency across the Niger delta, involving a welter of differing groups and interests it needs to be said, is inextricably wrapped up with the intersection of generational politics, a corrupt and violent petro-state, irresponsible and short sighted oil company practice, and the existence of a vast oil bunkering network. As Kalyvas (2001: 113) suggests, viewed from the micro-level these sorts of insurgencies – an oil insurgency in this case – resemble “welters of complex struggles” in which the notion that the rebels are criminals who operate against law abiding states fails to capture the dynamics at work⁴¹. Group interests are often “localistic and region-specific” (Kalyvas 2001: 112) yet, as I have tried to argue, their specificity emerges from the structured totality of the national and regional oil complex. It all makes for an enormously unstable and volatile mix of political, economic, political and social forces, now located on a larger, and more intimidating, canvas of global oil instability and the Global War on Terror.

And what of the future? The April 2007 elections were widely held to involve massive electoral fraud and ballot rigging – almost certainly worse than the atrocious thuggery and fraud associated with the 2003 electoral process. Nowhere was the fraud and intimidation more pronounced than in the delta. At the same time the elections have produced an Ijaw Vice President from the delta, a former Bayelsa Deputy Governor with strong connections to a younger generation of activists and civic groups. The new President Musa Yar'Adua, a machine politician from an influential Katsina political family, has clearly put some stock in his delta running mate's capacity to address the insurgency. Already there has been talk of a Niger delta summit, Asari Dokubo has been released

⁴¹ I shall explore these dynamics in a forthcoming article. By far the best and fullest account of MEND to date to Courson (2006); the forthcoming studies by Peterside (2007) on gangs and militias is the standard for the region as a whole.

from detention (a key demand of many of the militias) and speculation (first voiced by Obasanjo) of a N 6.7 trillion Marshall Plan for the delta building upon the recently released Niger Delta Master Plan and of a delta indigene as Minister of Petroleum. A one-month truce was declared by MEND and the Joint Revolutionary Council – purportedly speaking for all militant groups - announced on June 15th that rebel operations were suspended but within days there were a number of occupations of flow stations and a spike in hostage taking. In the last two months the Soku-Buguma pipeline alone has been attacked on sixteen occasions.

That said, the presence of Goodluck and the depth of the crisis has pushed the new government into negotiations with the insurgents – which in turn has brought, for the first time, a number of key actors together under the umbrella of MEND (or more properly Tompollo who garners enormous respect and authority across the creeks and across virtually all of the militant organizations and networks). Several all night meetings have been held in July and August 2007 in the creeks in which Senator Brigidi and other representatives of the oil states peace committees have been present; the Vice President himself met with a number of key actors in the Warri creeks in June. While the government has in principle agreed to the insurgents' 'preconditions' for negotiations – the release of Alamiyeseigha, the rebuilding of Odi and Odiana, the demilitarization of the delta including the release of political prisoners - one has to say that the prospects of some sort of resolutions remain limited. In part this is a function of the fact that the descent of the region into its current state and the pent up political rage will mean that radical changes are required, some of which (training and mass employment schemes, large scale infrastructure, environmental rehabilitation) will take many years, perhaps even a generation. To confront resource control – not as a matter of money or percentage of revenues but as a legal and political project - will require a massive restructuring of both the constitution and the governance structure (such as it is). It must also I think necessarily take on the prevailing forms of decentralized despotism that are embodied in the continued powers of chiefs and systems of customary rule, and the deeply ethnicized forms of political claims making.

The possibility of some sort of mediated settlement in the delta can be realised however on the basis of seeing the insurgency as large scale organized crime, or of once legitimate grievances have since been abandoned to outright predation is zero. Insurgencies must have funding as much as committed militants and the role of oil is certainly key as Collier and his colleagues surmise. But the relations between oil and insurgency are complex and multiform and like any insurgency the mélange of insurgents in the delta represent a many-headed hydra perhaps operating under the ideological or discursive banner of resource control but containing a panoply of local, regional and national grievances refracted through a number of different political prisms including ethnicity, chieftainship, clanship, generation and political party.

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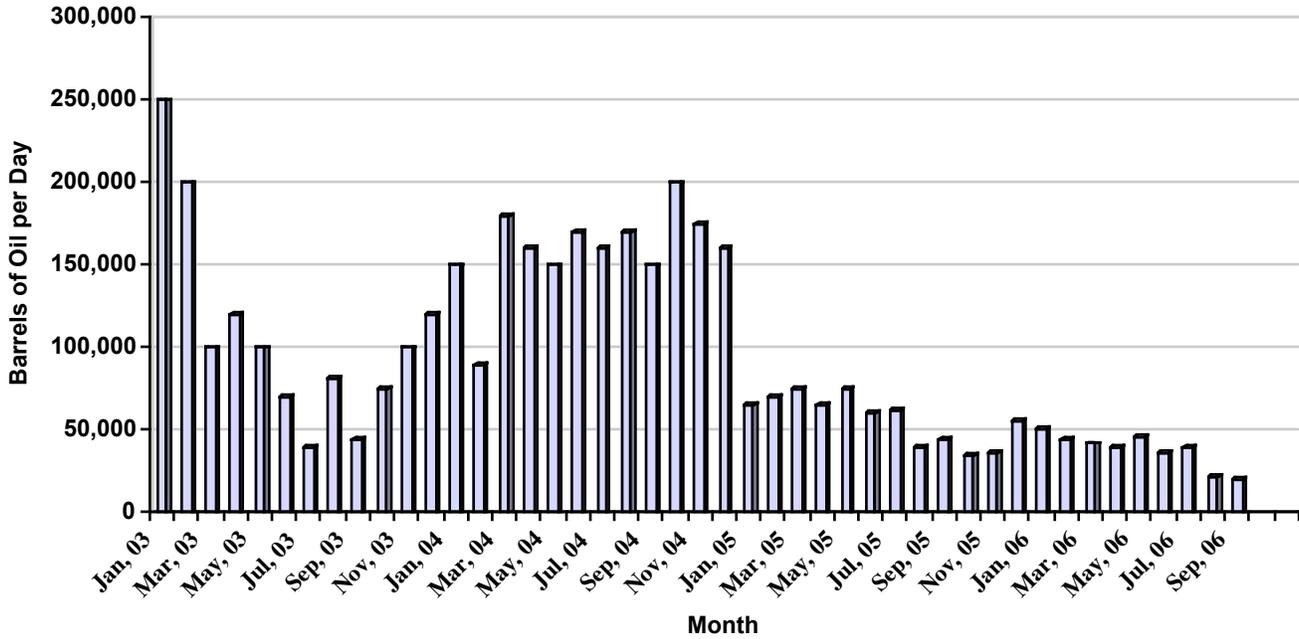
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Figure 2

Crude Oil Stolen Daily in Nigeria 2003-2006



Source: www.legaloil.com, 2007.