



**NIGER DELTA**

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**SWEET AND SOUR**

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## **SWEET AND SOUR**

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Oil creates the illusion of a completely changed life, life without work, life for free....the concept of oil expresses perfectly the eternal human dream of wealth achieved through lucky accident....In his sense oil is a fairy tale and like every fairy tale a bit of a lie...

Ryszard Kapuscinski, *Shah of Shahs*

*The Curse of the Black Gold* marks an anniversary of dubious distinction. The first barrels of Nigerian crude oil destined for the world market departed from Port Harcourt harbor almost exactly fifty years ago, on February 17<sup>th</sup> 1958. To navigate its way through the shallows of the Bonny River, the 18,000 ton tanker *Hemifusus* left from the Port Harcourt dockside half-full. A shuttle tanker accompanied the *Hemifusus* to Bonny Bar, eight miles from the coast, where another 9000 tons was pumped into the hold. The oil on board had been discovered in the central Niger Delta in 1956 at Oloibiri, a small, remote creek community near Yenagoa - now the capital of Bayelsa State - located ninety kilometers to the west of Port Harcourt. Wildcatters had begun drilling in 1951 in the northern and eastern reaches of what was then called Eastern Nigeria, and finally on August 3<sup>rd</sup> 1956 discovered oil in commercial quantities in tertiary deposits at 12,000 feet. In its first year of operations Oloibiri produced 5000 barrels of heavy ('sour') crude oil each day. A year later, the first crude oil pipeline connecting Oloibiri to Kugbo Bay, seven miles distant, came on line. Two hundred ton barges shuttled the oil to two storage tanks in Port Harcourt; from there it was then shipped to the Shellhaven refinery at the mouth of the River Thames. Within a few weeks of its arrival, Nigerian gasoline was fuelling automobiles in and around London, the new symbols of post-war British prosperity. The Nigerian oil industry had been born.

When the first helicopters landed in Oloibiri in 1956 near St. Michael's Church to the astonishment of local residents, few could have predicted what was to follow. A camp was quickly built for workers, prefabricated houses, electricity, water and a new road followed. Shell-BP (as it then was) sunk seventeen more wells in Oloibiri and the field came to yield, during its lifetime, over 20 million barrels of crude oil before oil operations came to a close twenty years after the first discovery. Poverty and capped wellheads are all that remain now.

In the decade that followed, the Nigerian oil industry grew quickly in scale and complexity. A giant field was quickly discovered at Bomu in Ogoniland, west of Port

Harcourt in 1958, and Shell-BP, which had acquired 46 oil mining leases covering 15,000 sq. miles, rapidly expanded its operations across the oil basin. Ten years of feverish activity saw the opening of the Bonny tanker terminal in April 1961, the extension of the pipeline system including the completion of the Trans Niger Pipeline in 1965 connecting the oilfields in the western Delta near Ughelli to the Bonny export terminal, and the coming on stream of twelve 'giant' oil fields including the first off-shore discovery at Okan near Escravos in 1964. Oil tankers lined the Cawthorne Channel like participants in a local regatta, plying the same waterways that, in the distant past, housed slave-ships and palm oil hulks. By 1967, 300 miles of pipelines had been constructed, and one and half million feet of wells sunk; output had ballooned to 275,000 barrels per day (b/d). By the first oil boom in 1973, Nigerian oil crude production was comparable to the present day (2.4 million b/d), accounting for more than 3.5% of world output. Nigeria the oil nation had arrived. Despite the slide into a bloody civil war - the Biafra War 1967-1970 - fought on and around its oilfields, the Niger Delta had come of age. Nigeria emerged as a theatre of major significance in the global search for low cost, high quality oil. By some industry estimations, the Nigerian exchequer now takes in over \$1.5 billion in oil revenues each and every week, supplying a larger share of US crude imports than Saudi Arabia.

A rusting sign sits next to the 'Christmas tree' – the capped wellhead – at Oloibiri. Well No. 1. It reads: Drilled June 1956. Depth: 12,000 feet (3,7000 meters). It is a monument to an exploit-and-abandon culture, just as Oloibiri itself is a poster child for all of the ills and failed promises of what Ryszard Kapuscinski calls the fairy tale of oil. In the 1960's the town had a population of 10,000; it is now a wretched backwater, a sort of rural slum home to barely one thousand souls who might as well live in another century. No running water, no electricity, no roads, and no functioning primary school; the creeks have been so heavily dredged, canalized, and polluted that traditional rural livelihoods have been eviscerated. "I have explored for oil in Venezuela and.... Kuwait" said a British engineer " but I have never seen an oil-rich town as impoverished as Oloibiri". In the last few years the town has been rocked by youth violence; the Aso Rock armed 'cult group' dethroned the traditional ruler amidst allegations of corruption and half-finished community development projects.

It is a bleak picture, a dark tale of neglect and unremitting misery. Oloibiri said one local is now a "useless cast-away snail shell after its meat has been extracted and eaten by the government and SPDC [Shell Petroleum Development Company]". When I visited in 2001, the Chief, drunk on local gin, thrust into my hand a tattered copy of the original lease agreement with Shell, hoping that I might be able explain why the terms of the agreement had been abrogated. As if to mock the sad fact that Oloibiri is a now a sort of fossil, the piece of detritus cast off by the oil industry, a gaudy plaque dating from a Presidential visit in 2001 sits next to Well No. 1. It is a foundation stone for the Oloibiri Oil and Gas Research Institute, and for a museum and library, an homage to Oloibiri and the early history of oil. Noble ideas. But the ground has not been broken, and never will. Regularly defaced, the plaque is policed by touts looking for a commission from erstwhile visitors who want to record where it all began, the ground zero of Nigeria's oil age.

Oloibiri's intimate association with oil contains another crucial lesson, this time a sort of prophesy. It was here that Isaac Adaka Boro, an Ijaw nationalist and leader of the Niger Delta Volunteer Service ("remember...your petroleum ...pumped out daily from your veins and then fight for your freedom") was born at midnight on September 10<sup>th</sup> 1938. Declaring an independent Niger Delta Republic on February 24<sup>th</sup> 1966, Boro's famous 'Twelve Day Revolution' was a foretaste of what was to come twenty years later as the abandonment and despoliation felt so harshly by Oloibiri was replicated, with terrifying fidelity, across the Niger Delta oil fields. Boro's immediate successors in the struggle for self-determination and resource control were Ken Saro-Wiwa and the Ogoni people. The meteoric rise of the Movement for the Survival of the Ogoni People (MOSOP) during a brutal moment in Nigeria's sad parade of military governments, ended with a kangaroo court and the hanging of Saro-Wiwa and eight of his compatriots in November 1995. A novelist and poet by disposition, Saro-Wiwa was a complex and contradictory figure: a member of a ruling family yet a self-proclaimed man of the people; an Ogoni nationalist yet at loggerheads with a posse of influential Ogoni elders whose politics he vigorously opposed; a well-connected and savvy politician who had served in various levels of federal and state government yet staunchly committed to improve the plight of the poor and oppressed; a fierce critic of the ethnic majorities who dominated post-colonial Nigeria yet a fearless advocate for ethnic minorities who bore the full brunt of what he felt compelled to call genocide.

However history chooses to judge Saro-Wiwa, his legacy will rest on his commitment to democratic non-violence and his condemnation of what he called the 'slick alliance' of Big Government and Big Oil. His charismatic leadership spawned a raft of other ethnic nationality movements (the Ijaw most importantly but also the Isoko, the Urhobo and the Itsekeri) even as MOSOP itself fell into political disarray and internal squabbling after his death. Yet as he had predicted, and feared, the non-violent struggle could and would turn violent in the face of business-as-usual politics. An Amnesty report entitled "*Ten Years On: Injustice and Violence Haunt the oil Delta*", released to mark the ten year anniversary of Ken Saro-Wiwa's death, confirmed his worst fear, that conditions across the oilfields remained the same, only worse. Security forces still operated with impunity, the government failed to protect communities in oil producing areas while providing security to the oil industry, and the oil companies bore responsibility too for the appalling misery and the political violence across the region.

The pipe-smoking writer equipped with the power of the pen has now been replaced by the figure of the masked militant armed with the ubiquitous Kaloshnikov, the typewriter of the illiterate. But even Saro-Wiwa's gravest fears could not have anticipated the calamitous descent into violence over the last decade, culminating with the dramatic appearance of the Movement for the Emancipation of the Niger Delta (MEND) in late 2005. Claiming to be a 'union of all relevant militant groups' MEND's public face is a shifting, and sometimes contentious cadre of aliases: Major-General Godswill Tamuno, TomPollo, Oyinye Alaibe, Cynthia White and an articulate spokesperson Gbomo Jomo. Beginning with a massive attack on the Opobo pipeline in Delta State in December 2005 MEND subsequently destroyed the off-shore Forcados loading platform, the Ekeremore-Yeye manifold and the state oil company Escravos-Lagos gas pipeline in Chanomi Creek. In a single day something like 20% of output was compromised.

MEND insurgents, claimed Jomo in 2006, “were not communists...or revolutionaries. [They] are just very bitter men”. Between January 2006 and March 2007 over 200 expatriate oil-worker hostages have been taken and 42 attacks on oil installations. With a year of their appearance MEND had, as they themselves predicted, shut-in over one third of Nigeria’s oil output. Writing in mid-2007 *International Herald Tribune* (April 22<sup>nd</sup> 2007) captures vividly the brave new world ushered in by MEND:

Companies now confine employees to heavily fortified compounds, allowing them to travel only by armored car or helicopter.....One company has outfitted bathrooms with steel bolts to turn them into "panic" rooms, if needed. Another has coated the pylons of a giant oil-production platform 130 kilometers, or 80 miles, offshore with waterproof grease to prevent attackers from climbing the rig. .... Some foreign operators have abandoned oil fields or left the country altogether. "I can't think of anything worse right now," said Larry Johnson, a former U.S. Army officer who was recently hired to toughen security at a Nigerian site operated by Eni, an Italian oil producer. "Even Angola during the civil war wasn't as bad".

By November 2007 oil revenues were down by 40%, and 900,000 b/d shut-in; Shell alone, the largest operator accounting almost half of all oil output, had lost \$10.6 billion since late 2005. Ken Saro-Wiwa’s desolate prediction in 1990 of a “coming war” had seemingly come to pass.

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* 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; oil losses amounted to over \$1 billion annually. Already by 2003, 750,000 b/d were shut-in as a result of attacks on oil installations and beginning in April 2004 another wave of violence erupted this time triggered by so-called ethnic militias. Ateke Tom (leader of the Niger Delta Vigilante [NDV]) and Alhaji Asari Dokubo (leader of the Niger Delta People’s Volunteer Force [NDPVF]), each funded in part by their control of the oil bunkering (theft) trade, sprung to life during the 2003 elections along the Port Harcourt-Okrika-Kalabari axis, employed as political thugs and armed by local politicians. The Nigerian government claims that between 1999 and 2005 oil losses amounted to \$6.8 billion but in the Managing Director of Shell Nigeria reported that the revenue losses ran to \$61 million per day - a shut-in of about 800,000 barrels per day. The hemorrhaging is now on such a scale that massive organ failure seems inevitable. Minister for Petroleum Resources Edmund Daukoru claimed in late 2006 that in the previous twelve months the insurgency accounted for a staggering loss of over \$16 billion. His estimate excludes the billions lost to oil theft. MEND spokesperson Jomo could plausibly boast in March 2007 that he had “the oil industry by the balls”

The Niger Delta’s long festering crisis is nourished by a gigantic reservoir of anger and dissent. The reality on the ground now is a dizzying and bewildering array of militants groups, militias and cults: the Niger Delta Militant Force Squad (NDMFS), the Niger

Delta Strike Force (NDSF), the Grand Alliance, 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 Arobo Freedom Fighters, Iduwini Volunteer Force (IVF), the Niger Delta People's Salvation Front (NDPSF), the Coalition for Militant Action (COMA), the Greenlanders, Deebam, Bush Boys, KKK, Black Braziers, Icelanders and a raft of other so-called cults. Over fifty operating military camps are dotted around the creeks. A large survey of Niger delta oil communities by Professor Aderoju Oyefusi published in 2007 discovered that an astonishing 36.23% revealed a "willingness or propensity to take up arms against the state". The incontestable fact, as Ledum Mittee the Ogoni human rights campaigner has noted, is that there is overwhelming popular sympathy for what the militants are doing. Some sources estimate the number of trained militants now operating in the creeks at over 25,000 commanding monthly salaries of over N50,000 – well above the wage that might be secured by an educated youth employed in the formal sector. For their part the oil companies have lost their license to operate. How did it all come to this? How did a story that began with wildcatters and company officials preaching the virtues of oil to chiefs and traditional diviners in Oloibiri culminate in car bombs, rocket-propelled grenades, and counter-insurgency?

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Bonny Light. Nigeria's benchmark crude for international oil markets. Like all naturally occurring crude oil, it consists of a complex mixture of hydrocarbons of various lengths. Shorter hydrocarbons are typically considered to be natural gas or natural gas liquids; longer chains are viscous and heavy (the longest chains are paraffin wax). Conventional crude oil typically contains non-metallic elements such as sulphur, nitrogen and oxygen and depending on its geological configuration, petroleum, is recovered in combination with water and gas. Bonny Light is a 'light' crude – it possesses an American Petroleum Institute (API) gravity ranking of 36.7 degrees which means that it floats on water. It is 'sweet' crude (low in hydrogen sulphide and carbon dioxide, unlike the 'sour' crudes from Venezuela) much sought after by refineries world-wide for the high quality distillates, liquefied petroleum gas, gasoline and naphtha, that it yields. In the fall of 2007 the landed costs of Nigerian Bonny Light crude in the US – the consumer of almost half of Nigerian oil - was over \$80.00 per barrel.

Oil is, in other words, a natural resource and a commodity – perhaps the mother of all commodities. It happens to be the fuel of our modern, turbo-charged hydrocarbon capitalism and an item of exchange capable of yielding unimaginable wealth ('Black Gold'). In the long march toward the modern world system, mass commodities of various sorts – sugar, silver, slaves, palm oil, petroleum – have been its beasts of burden. They have come to serve not only as markers for entire epochs – the Era of Slavery, the Age of Oil – but enter the world market bearing the hallmark of what Hanna Arendt once called, 'the original sin of primitive accumulation', dripping with blood and dirt. The annals of oil, after all, are an uninterrupted chronicle of naked aggression and the violent law of the corporate frontier. Iraq was forged by this dreadful trinity of oil, empire and markets.

Commodities define the modern history of the Niger Delta. The delta was the 'Oil Rivers' long before it became a global supplier in the world oil and gas market. Bonny Island near the shores of the Bight of Biafra, was a slave port by the seventeenth century and later became a prosperous city-state exporting 25,000 tons of palm oil each year to a surging British industrial economy. One hundred and fifty years later it is home to a massive export terminal and one of the world's largest liquified natural gas complexes. The great hulks of the Royal Niger Company moored in the estuaries of the Niger delta in the nineteenth century – serving as consulate, treasury, hospital, prison and residence – were forerunners of the oil barges, the off-shore platforms and the massive Floating Production Storage and Off-Loading (FPSO) vessels that now populate the delta mangroves and Nigeria's coastal waters.

Mass commodities with their blood and dirt still attached, have always provided the Niger Delta's point entry into a world economy, its calling card to the capitalist cosmos. If the commodity is what Karl Marx called the economic cell form of capital, oil is a perfect expression of contemporary capitalism's most basic genetic material. Oil's power as a commodity in the market derives from its two-fold identity. It comes first with its usefulness – its expediency – and then with its price tag. Both seem straightforward and unambiguous but price, and the pricing of oil, is mysterious, confusing and bewildering, part of a world of appearances that obscures the operations of the system of which oil is part. Walter Benjamin, the great German critic, said that the commodity has a phantom-like objectivity. Commodities are not what they seem and for this reason are subject to all manner of mystification; they come with their own aura.

Take oil. The great Polish journalist Ryszard Kapuscinski was witness to the spectacular oil boom in West Asia during the 1970's. In his book *Shah of Shahs* he says oil "is a filthy, foul-smelling liquid that squirts obligingly up into the air and falls back to earth as a rustling shower of money". It is a resource that "anesthetizes thought, blurs vision, corrupts...[it] kindles extraordinary emotions and hopes, since oil is above all a great temptation". Oil has always been vested with enormous, often magical, powers. It has been called a 'resource curse', the 'devil's excrement', the source of the 'Dutch Disease'. Oil distorts the organic, natural course of development. Oil wealth ushers in an economy of hyper-consumption and spectacular excess: bloated shopping malls in Dubai or corrupt Russian 'oilygarchs'. There is even a psychological appellation to describe the condition: the Gillette syndrome. EIDean Kohrs studied the booming coal town of Gillette, Wyoming in the 1970s, and was witness to how a commodity boom brought a corresponding wave of crime, drugs, violence, and inflation. It would afflict new gas fields of Wyoming, indigenous oil communities Ecuador and the rough and tumble Russian oilfields of Siberia.

There is inevitably an economic and political form of the Gillette syndrome. Development-guru Jeffrey Sachs believes that every increase in oil-dependency (measured as the proportion of exports to Gross National product) produces a corresponding decrease in economic growth. For Oxford University economist Paul Collier, oil and civil war are evil twins. Oil encourages extortion and looting through

“resource predation” and it is the feasibility of predation that determines the economics – that is to say the funding - of civil war. Others argue that “oil hinders democracy” (as if copper might promote constitutionalism): oil revenues permit low taxes and encourage patronage (thereby dampening pressures for democracy); it endorses despotic rule through bloated militaries, and it creates a class of state-dependents employed in modern industrial and service sector who are less likely to push for democracy. *New York Times* columnist Thomas Friedmann has even identified a First Law of Petropolitics: the higher the average global crude price of oil, the more free speech, free press, fair elections, an independent judiciary, the rule of law and independent political parties are eroded. Hugo Chavez is, of course, the law’s most devious exponent. In sum, the oil world is cursed – a “carbontocracy” impoverished by its wealth.

There is a ring of truth here. Oil wealth can be, and often is, ill-managed. Oil producing states are among the most corrupt and venal anywhere. The world of oil-rents is one of spectacular consumption pushed to its limits. But the language of curse invokes a merciless force for adversity, a sort of commodity determinism vesting oil with capabilities it can neither possess nor dispense. The danger is that the curse substitutes the commodity for the larger truths of capitalism, markets and politics. Is Nigeria cursed by oil or corruption (or capitalism); by petroleum or politics (or ethnicity)?

If as Achille Mbembe says, regions at the epicenter of oil production are so regularly torn apart by repeated conflicts, can oil nations escape from under the implacable burden of Black Gold? Must the Niger Delta be yet another casualty?

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The complexity, diversity and magnificence of the Niger delta is best appreciated from the air. Satellite imagery reveals a massive wedge of green, cross-cut by a bewildering maze of channels, creeks, tributaries, estuaries and islands. It is a vast sediment pile laid down over sixty million years, an enormous, and strikingly symmetrical, semi-circular arcuate delta. 28,000 square miles in all, it protrudes 150 miles into the Atlantic Ocean along the West African littoral. It is one of the world’s largest deltas, comparable in grandeur and scale to the Mississippi, the Ganges and the Mekong. In the delta’s most northern reaches, the River Niger splits into the Nun and Forcados Rivers, which in turn branch and empty into the ocean through a series of inlets and estuaries that punctuate roughly twenty rainforest barrier islands – most ten to twelve miles long and two to three miles wide with maximum elevations of 10-12 feet - that rim the seaward edge. At the eastern extremity, marking one boundary of the delta, is the Benue River; 300 kms to the west is the other frontier, the River Imo.

Behind the barrier islands lies a remarkable ecology. Mangrove forests – mostly red mangroves with their distinctive prop roots - occupy a coastal zone up to 40 kms wide in an inter-tidal brackish zones of creeks and tidal channels. The third largest mangrove forest in the world, it is shaped by the interaction between the estuarine discharge of fresh water and the tidal movement of saline water. In Bayelsa, Delta and Rivers States, mangrove and associated coastal vegetation may account for between one third and one



half of the total land surface. Behind the mangroves is a vast fresh water forest, one of the largest remaining swamp forests in Africa and a zone of very considerable biodiversity and ecological fragility. Accounting for almost half of the region, swamp forests actually consist of two distinct environments: an upper delta flood forest zone in which a diverse array of swamp and cane forests are inundated during the flood period, and a lowland tidal freshwater zone, permanently swampy and traversed by narrow muddy channels. In the non-riverine interior, lowland rainforest predominates but large-scale clearance and long-term human occupancy have produced a mosaic of cropped and fallow areas and derived savanna in which grasses and shrubs have permanently replaced the forest canopy. The ecological gradient from the coast to the interior corresponds to a descent in rainfall distribution: in coastal communities like Akassa and Bonny - two of the wettest places on the continent - annual rainfall may be over 4000 mm.

In political terms, the Niger Delta consists of nine of the thirty six states within the Nigerian Federation and 185 Local Government Councils (LGCs), occupying a surface area of about 112,110 sq. kms - 12 % of Nigeria's territory. In 2007 the population of this region was estimated to be 28 million, the overwhelming proportion of which is rural and poor. The core states of the Niger Delta - Bayelsa, Rivers, Delta and Akwa Ibom - cover 45,000 sq kms, account for half of the regional population and for more than three-quarters of on-shore oil production. Settlements patterns across the delta have been shaped by the terrain, by the hydrology and by flooding patterns within a massive deltaic basin. Cities like Warri, Port Harcourt, Sapele, and Ughelli have developed on islands of drier terrain at the heads of navigable estuaries, but in general the population is predominantly rural. There are 13,329 settlements in the Niger Delta region, 95% of which have less than 5000 inhabitants. In the riverine zone, the vast majority of people live in dispersed and often quite isolated villages and hamlets - clusters of compounds housing 100-500 people and accessible only along the maze of creeks and tributaries. Here almost 90% of the rural inhabitants fall below the conventional poverty line (\$1 per day) dependent largely upon aquatic resources and petty trading for their livelihoods. The upland interior has a more developed agricultural economy - largely tuber-based - and can be very densely settled, sometimes over 800 per sq. km. It consists of a patchwork quilt of rotational farmlands, rubber and palm oil estates, derived savanna and stretches of secondary forest. Overall the population is young and dirt poor: 60% of the population is less than 30 years old and almost 40 per cent are between the ages of 15 and 29. According to Niger Delta Development Commission (NDDC) the population continues to grow very rapidly - 3.1 % per year - and is projected to be over 45 million by 2020. Sustained population growth is partly responsible for driving one of the highest rates of rural-urban migration in the world, a huge and relentless movement of humanity to the vast slum worlds of Port Harcourt, and Warri - modern oil cities that whose infrastructure resembles eighteenth century Naples.

There are at least forty different ethnic groups occupying the Niger Delta, speaking perhaps 250 languages and dialects. The riverine Ijaw are the most numerous - by some estimations 14 million strong - but the general picture is one of extraordinary ethnic diversity, a mosaic of heterogeneous and often fractious communities held together by

a robust sense of being 'delta people'. To say that the delta is composed of ethnic communities with robust local cultural identities – as Ijaws, Ogonis, Ikwerre, Itsekeri, Urhobo, Isoko, Andoni, Efik, Ibibio and so on – begs the very important question of what ethnicity means, its shifting political significance and why the language of the 1950s – 'ethnic minorities' – has now been replaced by a new lexicon: 'ethnic nationalities' and 'oil minorities'. Some form of ethnic identity is of great historical depth and antiquity. But the growing European presence after 1500 and in particular British colonists who deployed 'the tribe' as the basis for indirect rule and political administration, has radically shaped the character of ethnic identity. Whether real or fictive, the British used local chiefs as representatives of primordial ethnic loyalties and in this way the prerogatives of customary rule and traditional forms of authority were reinforced. It produced what has been called a system of 'decentralized despotism'.

At Independence Nigerian nationalist leaders provided civic rights for all Nigerians but provide a bonus, namely customary rights for what they termed 'indigenes'. In effect this perpetuated the parallel system of governance rooted in chieftaincy. Nigeria had to decide which ethnic groups were indigenous – typically the original settlers who occupied different niches within the delta as a result of successive waves of migration and settlement dating back millennia. Columbia political scientist Mamood Mandani says that as a result "the effective elements of the federation are neither territorial units called states not ethnic groups but ethnic groups with their own states". A federal mandate predicated on customary and civic rights meant that every ethnic group was compelled to seek, particularly with the discovery of oil, its own state or local government council to gain access to the oil-revenue allocation process. Only in this way can we understand why Nigeria, with four regions and fifty local governments in 1960, now possesses by 36 states and 774 local governments. But with each new political entity, the non-indigenes continues to grow. Once law endorses cultural identity as the basis for political identity, inevitably ethnic mobilization provides the idiom in which access to oil wealth – a national resource after all - is fought over.

Nowhere is this more the case than across the oil fields where oil has been, in the popular imagination, stolen through a raft of illegitimate laws and the corruption of the principles of derivation (the right to take a significant proportion of the value of a resource by virtue of its location within a given territory). It is no accident that Saro-Wiwa promoted the establishment of a state dedicated for Ogonis. At the same time, the Eleme, a small ethnic group related to but with a tense historical relationship to the Ogoni, promoted their own state (Nchia) as a response to claims of Ogoni sovereignty. Recently there has been a proposal by some militants for the establishment of two new 'Ijaw States'. Oil minorities is one expression, then, of this contested and fractious process – resource control is another – operating against a backdrop of historical marginalization and neglect in the wake of the opening up of the oil frontier.

Anthropologist Martha Anderson has made the point repeatedly that the process of human occupancy in the Niger Delta by which settlers reached the outer mangrove swamps some time around 800 C.E., produced what she calls a "unique fabric of cultural resemblance and difference". The communities are fiercely autonomous – large-scale ethnic mobilization is often trumped by local, village, clan or city-state identities– and yet

capable of social integration and the incorporation of others. These tensions between peaceful co-existence and conflict is, as Anderson observes, central to the history of the region and bound up with what she calls the “warrior ethos” of many Niger delta communities. This ethos should not imply a simple-minded sense of a proclivity for violence. Rather it starts from the recognition that physical courage and the figure of the warrior are deeply etched in the history and culture of bravado, war, and resistance. The fifteenth century Portuguese were acutely aware of the hostility and warlike demeanor among those they confronted west of the River Nun and for the British being Ijaw was synonymous with piracy and what they dubbed ‘truculence’.

Across the Niger Delta, the spirit world of supernatural powers – very much alive and well despite of the explosion of Pentecostal Christianity – is replete with such warrior figures and martial symbolisms. To this extent there is a direct lineal connection between the large war canoes of the nineteenth century royal houses – manned by young men, canons mounted fore and aft and deployed to fight the British, to defend trading territories against neighboring city-states or for piracy - and the small flotillas of speed boats that now carry masked militants armed with AK-47s. They share the presumption that great warriors command a body of magical knowledge (*atamanga* in Ijaw) and speech capable of providing immunity from bullets, invisibility under attack, and feats of military prowess. Nowhere is the continuity clearer than in the Ijaw war god Egbesu. After a period of quiescence, Isaac Boro’s Niger Delta Volunteer Service revived Egbesu in the 1960s. Some of the earliest militants in the Warri creeks in the early 1990s named themselves the Egbesu Boys of Africa; the first major clashes between Nigerian federal forces and youth groups in the wake of the Kaiama Declaration of 1998 are referred to as the Egbesu Wars. And not least, the MEND militants carry their belts, amulets, war paint and herbal concoctions derived from Egbesu. It is no accident that the Grand Commander of MEND, whose interview appears later in the book, wears a white head-wrap, a sign that he is under Egbesu’s protection.

If the warrior ethos is alive and well, it is nonetheless true that oil has turned this world of customary rule, chiefly authority and cultural affinity in the Niger Delta upside down. It is seen in the rise of youth groups willing and able to throw out what they see as corrupt chiefs (even installing their members in their place); just as it is seen in the raft of inter-ethnic conflicts, often long and bloody, over land rights and territorial jurisdictions, the determination of which has direct consequences for access to oil rents and community development resources provided by the oil companies. Perhaps one of the most radical consequences of the oil revolution has been the extent to which it has up-ended a gerontocratic system of rule dominated by elders, kingship and dynastic rule.

The Niger Delta remains of course a great paradox: why is an oil-rich region at the same time a space of such unrelenting misery. At birth, the probability of the average Niger deltan not surviving until the age of 40 is 25%; armies of unemployed men (‘the restive youth problem’ in local parlance) face not simply the prospect of structural unemployment but something far worse: no future at all. The well of youth rage runs very deep. Desperation and penury mired in corporate and state irresponsibility is a

volatile mix. Young men, says Ike Okonta, “are guns for hire, as in the American West during the gold rush. Only here crude oil is the new gold.”

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Oil is King! screams the headlines of a Nigerian newspaper. And with good reason. Nigeria is the eleventh largest producer and the eighth largest exporter of crude oil in the world. Nigerian oil production (crude production and natural gas liquids) is currently running at roughly 2.45 million b/d. Roughly two-thirds of production is on-shore, the remainder is derived off-shore from the continental shelf in both shallow and deep water. The Nigerian government expects proven reserves (in 2007 estimated to be 36.2 billion barrels) to grow to 40 billion by 2010. Nigeria contains the largest natural gas reserves in Africa (176 trillion cubic feet) and is a global player in the production of liquefied natural gas. The new government expects to invest over \$75 billion in oil and gas over the next five years.

The enormity of the oil presence in the Niger Delta is hard to fully appreciate. Virtually every inch of the region has been touched by the industry directly through its operations or indirectly through neglect. Over 6000 wells have been sunk, roughly one well for every 10 sq. kms quadrant in the core oil states. There are 606 oilfields (355 on shore) and 1500 ‘host communities’ with some sort of oil or gas facility or infrastructure. There are 7000 kms of pipelines, 275 flow stations, ten gas plants, fourteen exports terminals (five on-shore at Qua Iboe, Pennington, Forcados, Escravos, Brass and Bonny, and nine FPSOs), four refineries and a massive LNG and gas supply complex. The six-train Bonny LNG facility produces 22 million tons each year, with new plants in train at Brass, Olokola and Escravos. The national oil company (NNPC) and its joint-venture partners (Shell, Exxon, Mobil, Agip and TOTAL) directly employ an estimated 100,000 people.

Nigeria is archetypical oil nation. Oil has seeped deeply and indelibly into the political economy of Nigeria. In 2007 over 87 percent of government revenues, 90 percent of foreign exchange earnings, 96 percent of export revenues and almost half of Gross Domestic Product (GDP) is accounted for by just one commodity: oil. With oil prices now close to \$100 a barrel, oil rents – what economists call unearned income - will provide the Nigerian exchequer will at least \$50 billion annually. Nigeria is an oil-state, driven by two cardinal principles: how to capture oil rents and how to sow the oil revenues? Like other OPEC countries – by most estimates the thirteen OPEC members will pocket over \$700 billion in oil revenues in 2007 alone - Nigeria is currently awash in petro-dollars. According to the consultancy group PFC Energy, it is entirely possible that between now and 2020, Nigeria might pocket over half a trillion dollars in oil revenues. What this oil wealth has wrought, and is likely to bring, is another question entirely.

An el-Dorado Nigeria is not. Flying into Port Harcourt or Warri at night – viewing the panorama of harsh gas-flares burning bright – conveys a sense of the Dantean universe one is about to enter, the unforgiving, ruthless, and austere world of oil. To compile an inventory of the achievements of Nigerian petro-development is a salutary if dismal,

exercise: 85 percent of oil revenues accrue to 1 percent of the population. According to former World Bank President Paul Wolfowitz, at least \$100 billion of the \$600 billion in oil revenues accrued since 1960 have simply “gone missing”. Nigerian anti-corruption czar Nuhu Ribadu, claimed that in 2003 70% of the country’s oil wealth was stolen or wasted; by 2005 it was “only” 40%. By most conservative estimates almost \$130 billion was lost in capital flight between 1970 and 1996. Over the period 1965-2004, the per capita income fell from \$250 to \$212 while income distribution deteriorated markedly. Between 1970 and 2000, the number of people subsisting on less than one dollar a day in Nigeria grew from 36 percent to more than 70 percent, from 19 million to a staggering 90 million. Over the last decade GDP per capita and life expectancy have, according to World Bank estimates, both fallen. The Bank put it this way in 2007: “Per capita GDP in PPP [purchasing power parity] terms fell 40 per cent from \$1215 in 1980 to \$706 in 2000. Income poverty rose from 28.1% to 65.5% and other indicators of welfare – notably access to education and health – also declined.” According to the United Nations Development Program (UNDP), Nigeria ranks in terms of the Human Development Index [HDI] - a composite measure of life expectancy, income, and educational attainment - number 158 below Haiti and Congo; over the last thirty years the trend line of the HDI index has been upward, but barely.

Nigeria appears close to the top of virtually everyone’s global ranking of corruption, business risk, lack of transparency, fraud, and illicit activity. If readers of this book have any association with Nigeria it is probably through email fraud – “Dear Sir: I am a former oil minister and I have the privilege of requesting your assistance in transferring \$47 million” - what are called 419 scams in Nigeria. Nigerian fraud has its own FBI website. Nigeria is not country, as someone once noted, it is a profession. To suggest, as the International Monetary Fund has, that \$600 billion dollars have contributed to *decline* in the standard of living – that most Nigerians are poorer today than they were in the late colonial period as Nwafejoku Uwadibie says - is mind boggling and at the same time a gigantic failure of leadership and governance. Nigeria has become a model failure. After the discovery of oil in Mongolia, a local leader pronounced: “we do not want to become another Nigeria”.

What is on offer in the name of oil-development is the catastrophic failure of secular nationalist development. It is sometimes hard to gasp the contours of such a claim. From the vantage point of the Niger Delta—but no less in the barracks of the vast slum worlds of Kano, Port Harcourt or Lagos—oil-development is a pathetic and cruel joke. It is not simply that Nigeria is a sort of Potemkin economy – it is of course - but the cruel fact that the country has become a perfect storm of waste, corruption, venality and missed opportunity. To say that Nigeria suffers from corruption – organized brigandage is how Ken Saro-Wiwa once put it - does not really capture the nature of the beast. Money-laundering and fraud on gargantuan scales, missing billions and inflated contracts in virtually every aspect of public life, areas boys, touts, mobile police all taking their cuts and commissions on the most basic of everyday operations. Perhaps there is no better metaphor for this oil-fuelled venality than the stunning fact that huge quantities of oil are simply stolen every day. Over the last five years between 100,000 and 300,000 barrel of oil have been stolen daily (perhaps 10-15% of national output), organized by a syndicate of ‘bunkerers’ linking low-level youth operatives and thugs in

the creeks to the highest levels of the Nigerian military and political classes and to the oil companies themselves. Managing Director of Chevron Nigeria, Jay Prior, once observed that he had “run companies that have had less production than is being bunkered in [Nigeria]”. The stolen oil, siphoned from the manifolds and flowstations, shipped onto barges and transported to tankers off shore, is a multi-billion business run *through* the state. The head of the Economic and Financial Crimes Commission [EFCC] Nuhu Ribadu put matter with great precision: the state is “not even corruption. It is organized crime” .

Nowhere are the failures more profound and visible than across the oilfields of the Niger Delta. For the vast majority, oil has brought only misery, violence and a dying ecosystem. A new United Nations report on human development in the delta was unflinching in its assessment: the “appalling development situation” reflects the shameful fact that after a half century of oil development “the vast resources from an international industry have barely touched pervasive local poverty”. By conservative oil-industry estimates there were almost 7000 oil spills between 1970 and 2000, more than one each day (the real figure might be twice or three times that number). My back of the envelope calculation suggests that an equivalent of one gallon of oil has been spilled for every 100 square meters of the Niger delta. Gas flaring – the explosions of white light that dot the night-time horizons as you fly into the oil cities of Warri or Port Harcourt – is declining. But associated gas - natural gas founded in dissolved in crude oil or as a cap above the oil reservoir and released in the extrusion process - still produces 70 million metric tons of carbon emissions a year, that is to say “a substantial proportion of worldwide greenhouse gas” according to the World Bank. Two independent studies completed in 1997 reveal total petroleum hydrocarbons in Ogoni streams at 360 and 680 times the European Community permissible levels. Canalization dredging, large scale effluent release, mangrove clearance, massive pollution of surface and groundwater, these are the hallmarks of a half century of oil and gas extraction – all qualified, it needs to be said, but the fact that no serious scientific inventory has ever been conducted because environmental impact assessments by the companies and the government regulatory agencies are practically national secrets. Human-induced erosion rates at Escravos, Bonny and Imo can be in excess of 60-70 feet per year. Global climate change and rises in sea-level is likely to make the problem much worse. A World Wildlife Fund report released in 2006, simply referred to the Niger Delta as one of the most polluted places on the face of the earth.

By almost any measure of social achievement, the core producing oil states are a calamity. The United Nations in the most systematic account of development trends estimates that between 1996 and 2002 the Human Development Indices actually *fell* in the core oil-producing states. Literacy rates in the core states are barely 40%, the proportion of primary school children enrolled is, according to an Niger Delta Environmental Survey (NDES), 39%. The decree of decrepitude in primary schools –whether in Port Harcourt of the further reaches of the riverine areas - is simply staggering: no desks, no teaching materials, no teachers, and not unusually no roof. Each secondary school serves 14, 679 people serving a catchment area of 55 sq kms. The ratio of doctor-to-population is 1: 27,000 in Delta State (and 1 to 282,000 in some of the local government areas in Southern Ijaw, Bayelsa State). There is one secondary

health care facility for every 131,000 people serving an area of 583 square kms. The number of persons per hospital bed is three times higher than the already appalling national average. Electricity is a running joke. Outside of the urban areas only 20% of settlements are linked to a national grid that does not function in any meaningful sense. A striking discovery of the UN was the fact that local government areas with oil facilities are more likely to have significantly higher indices of human poverty. Were Bayelsa a sovereign state it would, according to its HDI, be ranked roughly 160<sup>th</sup> in the world. One of the horrors of the delta is that the ultra-modernity of oil sits cheek by jowl with the most unimaginable poverty. Around the massive Escravos oil installation with its barbed wire fences, its security forces, and its comfortable houses are nestled shacks, broken down canoes and children who will be lucky to reach adulthood. “You will just shake your head” says Ugborodu resident Dorothy Ejuwa casting an eye on the glare of the nighttime lights of Escravos: “For how long can we remain like this? That is our bitterness”.

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 African continent - but if truth be told EFCC Chair Nuhu Ribadu was surely right when he observed in 2006 that the Niger Delta situation was “not being taken seriously” and might “end up like...Somalia”.

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To sift through the ruins of contemporary Nigeria is to inevitably be brought back to the operations of the petro-state. It is comprised of several key institutional elements: a body of laws establishing statutory monopolies over all aspects of the oil industry; a national oil company (NNPC) that operates through joint ventures with international oil majors who are granted territorial concessions (blocs) as Oil Prospecting Licenses (OPLs) or Oil Mining Leases (OMLs); a phalanx of state security apparatuses of the state often working in a complementary fashion with the private security forces of the companies to secure ‘national oil assets’; and a political mechanism by which oil revenues are distributed. In the center of the petro-state is the national oil company which 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 history of oil development in Nigeria is the history of the politics of oil revenue distribution. Nigeria possesses four key distribution mechanisms for oil revenues: the federal account (rents appropriated directly by the federal state), a state derivation principle (the right of each state to a proportion of the 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. The latter includes monies designated directly for the Niger Delta through a raft of 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] founded in 2000 and the new (2006) Consolidated Council on Socio-Economic Development of the Coastal States of Nigeria.

Since 1960, the shifting geometry this quartet of mechanisms has a clear trend-line. There has been a process of radical fiscal centralism in which the principle of derived income has diminished while the oil revenue flowing to the federal account has expanded dramatically. As a consequence, the oil-producing states have lost and the non-oil producing ethnic majority states have gained. By 1980 the non oil-producing states accounted for over 75% of total federal allocations; derivation had fallen by 1985 to barely 1% from 50% in 1960.

Driven by the popular pressures for resource control from below, Niger Delta states were able to roll back the secular decline in derivation income. In 1999 President Obasanjo was compelled to up derivation to 13%. As oil prices rose after 2001 enhanced derivation inserted a vast quantum of monies into the oil-producing states through the machinery of state and local government. Nobody believes of course that all of the legislated quantity of money actually reaches the beneficiaries. But the indisputable fact is that Rivers and Delta States, for example, garnered in 2006 in excess of \$1 billion in federal revenue. In 1990 Ken Saro Wiwa could plausibly claim 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) but that situation has changed.

The new fiscal situation has produced new political alignments on the ground. First corruption has flowed downward - in effect been decentralized - with the vast local takings to be had since 1999. Second, there has been something like a democratization of the means of violence as militants, often armed by politicians and a porous military, And third expanded derivation has fuelled the rise of a political class – Godfathers as they are called - who become not only counterweights to the federal centre but machine politicians in their own right. It from this trio of forces that the current wave of violence has emerged.

The current crisis extends beyond an armed insurgency in the creeks. The Niger Delta is to all and intents and purposes ungovernable. According to a UNDP report in 2007 there are currently 120-150 ‘high risk and active violent conflicts’ in the three core oil producing states. The field of violence operates at a number of levels. There are a number of insurgent groups engaged in armed struggle against the state and the oil companies. There are also inter-community (both inter-ethnic and intra-ethnic) conflicts often driven by land and jurisdictional disputes over oil-bearing lands (and correspondingly over access to cash payments and rents from the oil companies). There is urban inter-ethnic warfare - most dramatically seen in the decade-long battles between Ijaw, Urhobo and Itsekeri communities in Warri over “who owns Warri”. Central to these struggles in which perhaps 700,000 people have been displaced and thousands killed, is the ethnic delineation of electoral wards and local government councils which are central to gain access to both the rents paid by oil companies and the now flush local government coffers awash with excess oil profits. Other communities are torn apart by intra-community youth violence – the famed city-state of Nembe is



case in point – in which armed youth groups do battle with one another and their chiefs in order to provide protection services to the oil companies and get access to various sorts of standby (a salary for doing nothing) and cash payments dolled out in the name of “community development”. Into this mix of endemic turbulence and volatility enters federal security forces widely known for their indiscipline, violence and corruption. Extraordinary state violence meted out on communities like Odi (1999) and Odiama (2005) by federal forces allegedly seeking out militants is legendary. The Nigerian state “is an extremely vicious state especially when it comes to oil” says Kayode Fayemi of Lagos-based Center for Democracy and Development.

In all of this the oil companies themselves, as they have come reluctantly to acknowledge, play a key role. 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. 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 \$200 million per annum, perhaps 10% of the operating budget; some companies spend up to 15-17% on such activities. They represent 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. Corporate social responsibility on the ground typically appears as a raft of unfinished community projects all of which have contributed to festering resentments among the youth. Environmental Impact Assessments are rarely made public and the record on spills and compensation is deplorable. The companies have always thrived on a policy of divide and rule. Only too happy to invoke national sovereignty when pressures are placed on them to improve their human rights or social responsibility records; and yet only too happy to operate – in Nigeria for the better part of two or three decades - in an environment in which they could get away with just about anything.

Oil companies have a long history of doing very little in the name of community development. It was only in the wake of Ken Saro-Wiwa’s death that significant resources were deployed but the rhetoric of corporate social responsibility obscures a much more pernicious set of practices. 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 shadow-world of illicit activity - have had the effect of generating enormously violent conflicts among and within youth groups. Some of these payments are made to militias who have ‘security companies’ of their own. Young men who are given ‘standby payments’ (hired to do nothing) or hired as local security inevitably engage in struggles among themselves to capture or preserve the rents from competitors (other youth groups). They may threaten or depose corrupt local chiefs 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 conflicts that have so

destabilised kingdoms in 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 and elders are routinely thrown from office, publicly abused or flogged by militant youth – actions unthinkable three decades ago – is an indication of how the old system is being replaced by the Niger Delta's own version of vigilante rule and Mafia-style privatized violence.

Oil has unleashed a set of forces in Nigeria that have at once held Nigeria together and pulled it apart. The deployment of oil wealth to purchase political consent through massive corruption and state multiplication has probably prevented another war or state collapse. At the same time it has fuelled a sort of dispersion and fragmentation seen in the hardening of local and ethnic identities and, in the Niger delta, in the explosion of insurgent politics. All of this has contributed to a profound sense of the unraveling – the un-imagining – of Nigeria as a nation. The patchwork quilt that is Nigeria is now deeply frayed, it's stitching pulled apart by at the seams by all manner of forces. At Independence in 1960 Obafemi Awolowo, the first Nigerian Premier of the Western Region, said that Nigeria was not a nation but a "mere geographical expression". Today after a half century of oil, it is the same, only more so.

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And what of the future? The April 2007 elections were recognized as being perhaps the most corrupt in Nigerian history. Nowhere was electoral fraud and intimidation more pronounced than in the Delta. Deeply flawed elections and a victory by the ruling People's Democratic Party produced an Ijaw Vice President, Goodluck Jonathan from Bayelsa State, with strong connections to a younger generation of activists and civic groups. Musa Yar'Adua, the new Nigerian president, is a machine politician from an influential Katsina political family in northern Nigeria has clearly put some stock in his Niger Delta running mate's capacity to address the insurgency. Whether the President can sell the northern powerbrokers on increased derivation or greater control of what delta ethnic nationalities see as 'their oil' is another matter. There were some positive signs early on: the release from detention on June 14 2007 of Ijaw leader Asari Dokubo, and on July 27 the freeing of Chief Alamiyeseigha met key demands of many of the Ijaw militants. Alamiyeseigha, the former Governor of Bayelsa State, was apprehended in London for money laundering but escaped, dressed in drag, to triumphantly return to the delta where in some quarters of the Ijaw community as a freedom fighter. Whatever their respective track records, both are seen as Ijaw heroes to many across the delta.

A one-month truce was declared by MEND on June 15 2007. The Vice President himself met with insurgents on June 28<sup>th</sup> at Okerenkoko, the heart of MEND territory. Several all night meetings were held in July and August 2007 in the creeks. Senator David Brigidi and other representatives of the Niger Delta Peace and Conflict Resolution Committee, established on July 2 2007, were present. While the government has in principle agreed to the insurgents' preconditions for negotiations – including the rebuilding of Odi and Odiamas, two towns destroyed by federal forces, as well as the

demilitarization of the Delta on the part of federal forces – one has to say that the prospects for some sort of resolution remain unclear. In late summer of 2007, Rivers State Peace and Rehabilitation Committee were doling out one million Naira to anyone who professed to be a “cultist,” a term which covers a multitude of sins but implies gang membership, and rejects the life of the “cultism.” Gang leaders and thugs were subsequently reported in the local press as parading through the Government House chapel clutching bibles and preaching redemption. Port Harcourt devolved into street-fighting and mayhem in July 2007 surrounding a contested Governorship in Rivers State and since October MEND, in the wake of one of the arrest in Angola of one their operatives and reputed arms merchants Henry Okha, has resumed its activities. Hostage taking has now become simply another growth industry for organized crime in which gangs and government representatives split the dividends of hostage payments. . The fact that the new 2008 budget has an enlarged national security line item (20% of the budget) is also cause for concern.

Profound changes will be required if there is to be lasting peace. Some of needs - large-scale training programs and mass employment schemes, major infrastructure projects, and environmental rehabilitation - will take many years, perhaps even generations. To confront resource control – not as a matter of money but as a legal, constitutional and political project - will need to address questions like corruption, the reform of the electoral commission, and transparency within a notoriously ineffective, indeed pathologically unaccountable system of local government. The oil companies must radically rethink by the same token what passes as responsible business practice. It will necessitate building new democratic institutions from below, perhaps trust funds for oil-producing communities and a radical strengthening of the weak citizenship that current passes for Nigerian democracy.

Building such a peace in a post 9/11 world will not be easy. In the background stands the US empire, energy security policy, tight oil markets, and the Global War on Terror. African oil has become of considerable national strategic interest to the US. General James Jones, in testimony offered to the Senate Armed Services Committee in 2005, claimed that the US goal must be "to eliminate ungoverned areas, to counter extremism, and to end conflict and reduce the chronic instability" because of Africa's "potential to become the next front in the Global War on Terrorism." A year later at the African Seapower Conference in Abuja, Admiral Harry Ulrich, the European Commander of US Naval Forces Europe and Africa in referring to Shell's massive Bonga oil field - Nigeria's largest oil field, costing \$3.6 billion to develop and lying within Nigeria's territorial waters - admitted that American ships were patrolling Nigerian oil fields within the 200 mile limit. In the wake of the establishment of an African Command in February 2007, the US is now in search of a forward operating base capable of securing oil assets in the Gulf Of Guinea. The perception that Nigeria is being squeezed from the north (the pan-Sahel anti-terror initiative) and from the south (the militarization of the Gulf of Guinea) is likely to be a major source of tension and destabilization as the Nigerian government attempts to reap the potentially vast benefits of a peace dividend in the Niger Delta.

There is, nonetheless, window of opportunity here even though the current negotiations have stalled. The Grand Commander of MEND, Tompolo, garners

enormous respect and authority across the creeks and among virtually all of the militant groups. A peace pact was brokered in December 6<sup>th</sup> 2007 under the auspices of the Bayelsa Government – but predictably in an avalanche of email followed in which MEND accused the government of stage-managing “rent-a-militants” in a “bad B-grade movie”. It will not be easy. In some small way, we hope that *The Curse of the Black Gold* may contribute to a better and deeper understanding of what it will take to defuse and rebuild the violent economies of the Niger Delta.