



**NIGER DELTA**

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**Blood Oil:  
The Anatomy of a Petro-Insurgency  
In the Niger Delta, Nigeria**

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**Michael Watts<sup>1</sup>**

Blood may be thicker than water, but oil is thicker than both,

- Perry Anderson, *New Left Review*, 10, 2001, p.30.

**I. Lawlessness on the Oil Frontier**

Some years ago *The Economist* (December 22, 2001) published a witty piece recommending to its readers “unusual excursions.” Pyongyang topped the list, but Port Harcourt, a sprawling city of almost three million in the heart of Nigeria’s oil-rich Delta region, was listed among the prime destinations. “(H)ot, humid, malarial, polluted and prone to sporadic bursts of violence” was how *The Economist* summed it up. Local color included “potholes up to half a mile long” and cars that are driven “at incredible speeds on the wrong side of the road to avoid the potholes.”

Port Harcourt, the capital of the Nigerian oil industry and located at the epicenter of the oil-producing Niger Delta, has recently (summer of 2007) descended into another of its sporadic periods of bloodletting, but this time the crisis is more serious and troubling than much of what has come before. Beginning in early August 2007, on the back of a rash of hostage taking -- including the seizure of young children and aging mothers along the Port Harcourt-Yenagoa axis -- the city has witnessed an explosion of gang violence. Amnesty International noted that beginning on August 6, there was an 11 day period of total mayhem in which gangs fought one another openly in the streets and randomly shot ordinary civilians. The Nigerian newspaper *Newswatch* (August 12, 2007) referred – with no exaggeration – to the “killing fields of Port Harcourt.” According to the Institute of Human Rights and Humanitarian Law in Port Harcourt, 400-500 people have died over the last month. Medics Sans Frontieres, in its small clinic, treated over 100 gunshot wounds, as well as wounds from stabbings and beatings in the first two weeks of August. Economic and social life in the city has been paralyzed. According to the Port Harcourt Chamber of Commerce, almost \$1 billion in revenues were lost in the violence that accompanied the April 2007 Nigerian elections.

The grim reality is that since the elections, and particularly since early August, Port Harcourt has become to all intents and purposes ungovernable: it is disorderly and lawless, and this lawlessness now extends from the waterside slums to the middle class Government Residential Area (GRA). In particular, organized robbery by well-organized gangs of alienated and angry youth has exploded since April. I myself was a casualty of this explosion in July of this year when a group of close to a dozen heavily

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armed thugs followed me from a commercial bank to the offices of the *National Point* newspaper -- edited by the brilliant young journalists Ibiba Don Pedro and Asume Isaac Osuoka. The thugs shot their way into the building, and amidst much mayhem and gunfire made off with money and laptops after threatening the staff and ransacking many of the offices. Brazen criminality of this sort might not seem surprising in an oil city with a rough and tumble character, but it can't be fully understood unless it is placed on the larger canvas of the wider collapse of security in the city of Port Harcourt. That is to say, this crisis is not solely or even largely about crime narrowly construed, but about politics, or more properly about the legitimacy of government, the rule of law, and the unraveling of a political order (however corrupt and beholden to local political godfathers).

Endemic robbery across the city is a reflection of the fact that criminals know full well that they will not be apprehended because the operations of so much of government are a fraud and a racket: the conduct of those in public office seems nothing more than organized crime itself. How else would any sensible person interpret the images in the mainstream press of high-ranking politicians cavorting with political thugs, warlords, and gang leaders? To put the matter differently, the proliferation of armed robbery is inseparable from the wider struggle for power in Rivers State in the wake of the massively corrupt elections and now the legal tussle between Chief Rotimi Amaechi (former Speaker of the Rivers State House of Assembly) and incumbent Governor Celestine Omehia (former Special Advisor to Governor Odili) over the governorship.

Amaechi was elected in the People's Democratic Party (PDP) primaries by an overwhelming majority to run for the Rivers governorship, but following accusations of corruption by the Economic and Financial Crimes Commission (EFCC), and much internal struggle within the party, he was deemed ineligible to run for office -- and was in fact arrested in December 2006. The PDP then substituted Omehia as its candidate in the April voting. Amaechi sued, claiming that he was in fact the party's candidate when the April voting took place, but the Federal Court of Appeals ruled against him on July 20, 2007. The case currently resides with the Supreme Court, which is expected to rule over the next few months. Whatever the ruling, the expectation is that it will precipitate more political violence. Amaechi and Omehia are part and parcel of the People's Democratic Party (PDP) political machine that emerged under the previous governor, Peter Odili, an almost archetypical example of the new breed of "Godfathers" who wield enormous power within a decentralized federal system. Vast quantities of oil money (the Rivers local governments alone collectively receive over \$200 million per year) now course through the Godfather-network because of elevated oil prices and the expansion of the so-called derivation principle by which states of origin receive 13% of the revenues of oil located within their territorial jurisdiction.

While the Omehia government is right to say that the violence "is not an isolated scenario but part of the Niger Delta crisis," it is mildly astonishing to read that it also believes the "sporadic gunfire...was the handiwork of people who plan to discredit the Government for their own selfish gains" ([www.saharareporters.com/www/interview/detail/?id=56](http://www.saharareporters.com/www/interview/detail/?id=56)). At least a part of the violence was related to what an insurgent group called MEND (the Movement for the

Emancipation of the Niger Delta) – who exploded onto the political stage in December 2005 - cleverly called “government workers”, that is to say gangs demanding that they be paid for political operations they undertook during the April polls. Odili allegedly approved some 400 million Naira (US\$3 million) for gangs to prevent disruption of Omehia’s inauguration. The rumors were that that “boys” from the area of Tombia, a town that was the site of much violence during 2003-2004, were primed to cause a commotion (see Akanimo Sampson [www.scoop.co.nz/stories/](http://www.scoop.co.nz/stories/), August 29, 2007). Tombia was a center of militia activity in the struggles between Ateke Tom’s Niger Delta Vigilante and Asari Dokubo’s Niger Delta People’s Volunteer Force, rival Ijaw militias.

Gang warfare in the oil city of Port Harcourt represents nothing more than desperate attempts by politicians, in an environment of great political instability and indeterminacy, to gain the upper hand by making use of political thugs. In turns the thugs are attempting to reassert their power after being marginalized and in some cases hounded by the security forces as they fell out of favor during the last years of the Odili administration. All of this has introduced Port Harcourt to a level of violence and conflict that it has probably not witnessed since the Nigerian civil war of 1967-1970. Paradoxically, the Warri area in Delta State to the west of Rivers now seem calm in comparison to the fighting and chaos that reigns in Port Harcourt. Warri has been decimated by from 1997 by brutal inter-ethnic violence from both within the city itself and by blockades, protests, and hostage taking along the oil producing creeks linking Warri city and the Escravos-Forcados oil installations on the coast.

Port Harcourt is currently in lockdown. A curfew declared by President Musa Yar’Adua in conjunction with the Chief of Defense Staff and Acting Inspector General of Police on August 11, is now in place. There has been a call by Chief Edwin Clark, a prominent Ijaw leader and high ranking government civil servant, for the imposition of a state of emergency; but for obvious reasons the ruling political classes at the local level do not want to cede control to the federal center. Nonetheless, the city is in an effective state of emergency as federal troops occupy key points in the metropolis and security forces patrol the streets and the peri-urban communities.

## **II. An Oil Insurgency**

The problems of political disorder and insecurity in Port Harcourt extend far beyond the fraudulent elections of 2007. The fact is that since the late 1990s, the Niger Delta generally has been more or less ungovernable. The Niger Delta has, in effect, become home to a full blown insurgency. According to a UNDP report there are 120-150 active and high risk violent conflicts across Bayelsa, Delta and Rivers States (the three core oil-producing states). 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 1,000 Nigerian workers have been detained or held hostage on facilities. Major and often spectacular attacks on both offshore and onshore facilities are endemic and can be perpetrated at will. Militants are now willing and able to directly confront federal and state security forces, which was not the case in the 1980s and early 1990s. A vast cache of sophisticated arms is skillfully deployed in an

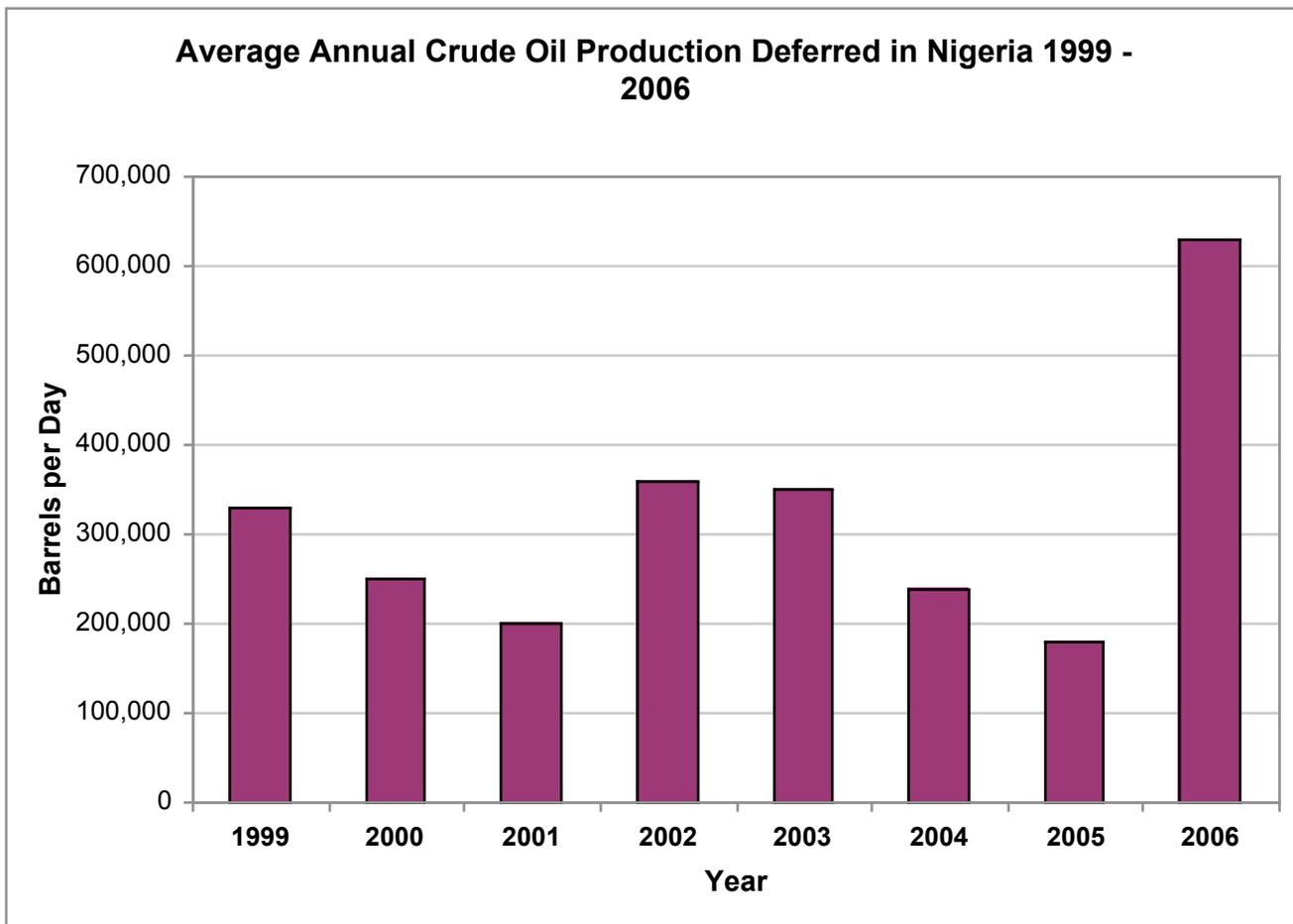
environment – the mangrove creeks running for hundreds of miles along the Bight of Benin – in which, to quote the new Vice-President Goodluck Jonathan, Nigerian security forces “cannot cope with the situation” (*Daily Trust*, February 27, 2007). Pipeline breaks due to vandalism and sabotage have almost doubled, from 497 to 895, between 1999 and 2004 (estimated currently at \$6.8 billion). Product loss due to pipeline ruptures has grown steadily from 179,000 to 396,000 metric tons over the same period – a figure roughly equal to four supertankers. In the last three years costs of the insurgency have increased dramatically to \$60 million per day, or roughly \$4.4 billion per annum. 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 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, witnessed the largest monthly tally of attacks since the appearance MEND. On September 22<sup>nd</sup> 2007 MEND issued a new pronouncement, in the wake of the arrest of one of its operatives Henry Okah in Angola, to resume attacks.

The turn toward violence was in evidence of course in the ways in which the Ogoni movement (MOSOP) under the leadership of Ken Saro-Wiwa was brutally repressed by the Nigerian state in the 1990s. There has been a very substantial escalation of violence across the delta oil fields, accompanied by major attacks on oil facilities and civil violence among and between oil producing communities and the state security forces is endemic (it is estimated that more than one thousand people die each year from oil-related violence). The tactics and repertoires deployed against the companies have been various: demonstrations and blockades against oil facilities; occupations of flow stations and platforms; sabotage of pipelines; oil “bunkering,” or theft (from hot-tapping fuel lines to large-scale appropriation of crude from flow stations); litigation against the companies; hostage taking; and strikes. A large group of Ijaw women that occupied Chevron oil refineries near Warri in 2002, demanding company investments and jobs for indigenes (*New York Times*, August 13, 2002), reflected the tip of a vast political iceberg. Mounting communal violence in the following year resulted in many mortalities and widespread community destruction and dislocation around the Warri petroleum complex. Seven oil company employees were killed in March 2003, prompting all the major oil companies to withdraw staff, close down operations, and reduce output by more than 750,000 barrels per day (40 percent of national output). 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 amid the presence of armed insurgencies, specifically two so-called “ethnic militias” in the eastern delta led by Ateke Tom (the Niger Delta Vigilante [NDF]) and Alhaji Asari (the Niger Delta People’s Volunteer Force [NDPDF]), each driven, and partly funded, by oil monies (and specifically organised oil theft). Ten years after the hanging of Ken Saro-Wiwa and the militarization of the Ogoni oilfields little has changed. An Amnesty Report (2005) entitled “*Ten Years On: Injustice and Violence Haunt the oil Delta*”, noted, conditions across the oilfields remain the same, only worse. Security forces still operate with impunity, the government has failed to protect communities in oil producing areas

while providing security to the oil industry, and the oil companies themselves bear a share of the responsibility for the appalling misery and the political instability across the region (see ICG 2006, 2006a).

Since late 2005, the situation in the Delta has only worsened. Following attacks on oil installations and the taking of hostages in late December 2005 and early 2006, a hitherto unknown group of insurgents from the Warri region, the Movement for the Emancipation of the Niger Delta (MEND) began calling for the international community to evacuate from the Niger Delta by February 12<sup>th</sup>, or “face violent attacks.” Two weeks later, the group claimed responsibility for attacking a Federal naval vessel and for the kidnapping of nine workers employed by the oil servicing company Willbros, allegedly in retaliation for an attack by the Nigerian military on a community in the Western Delta. More than fifteen Nigerian soldiers were killed and between May and August 2006 there have been at least three kidnappings per month (typically the hostages have all been released following the payment of substantial ransoms by the government).<sup>1</sup>

**Figure 1 Oil Loss in the Niger Delta: 1998-2006**



Source: [www.legaloil.com](http://www.legaloil.com)

The costs of the oil insurgency are vast. A report prepared for the Nigerian National Petroleum Company (NNPC) published in 2003 entitled *Back from the Brink* paints 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 (Figure 1). In early 2006 MEND claimed a goal of cutting Nigerian output by 30% and has apparently succeeded. 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 this 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 8000,000 barrels per day), amounting to a staggering \$9 billion since January 2006. Against a backdrop of escalating attacks on oil facilities and a proliferation of kidnappings, 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 5<sup>th</sup> 2006).

The armed robbers, gang turf wars, and political thuggery that make up the crisis of urban disorder and violence in Port Harcourt in 2007 are part and parcel of a long simmering political struggle about oil in the Niger Delta: who ‘owns’ it, who gets access to the federal allocation of oil revenues and how, and who amongst the competing political forces – political Godfathers, the military, angry and alienated youth, ethnic movements corrupt government and company officials, customary chiefly powers - will take home the proceeds of black gold. The rise of a militant insurgency within this melee of forces, building upon what was referred to by the United Nations Development Program as “oil wealth....that has barely touched The Niger Delta’s own pervasive poverty” (2006: 16), is part of a remarkable ‘democratization’ of the means of violence. According to some estimates there are at least 10,000 militants and 25,000 weapons in the Niger Delta at present.

### **III. Oil and The New African Gulf States**

In his 2006 State of the Union address, George Bush finally put into words what all previous Presidents could not bring themselves to utter in public. Addiction. The US, he conceded, is “addicted” to oil – which is to say addicted to the car – and as a consequence unhealthily dependent upon Middle East suppliers. What he neglected to mention was that the post-WWII US “global oil acquisition strategy” as Michael Klare (2004) calls it – a central plank of US foreign policy since President Roosevelt met King Saud of Saudi Arabia and cobbled together their ‘special relationship’ aboard the USS Quincy in February 1945 – is in a total shambles. The pillars of that policy – Iran, Saudi Arabia and the Gulf oil states, and Venezuela – are hardly supplicant sheep within the US

imperial fold. Fifty years of a special relationship with the Saud family, after all, brought September 11<sup>th</sup>.

With surplus capacity in OPEC at an all time low and speculation running rampant in the commodity exchanges, Big Oil conversely is awash with money. Corporate profits are historically unprecedented. Chevron netted a cool \$14 billion in 2005, and first quarter earnings in 2006 are 50% higher than the previous year, an historic high obscene enough to have Congress muttering about a windfall profits tax. So-called 'supply risks' in Iran, Venezuela and Nigeria coupled with the speculative impulses of the oil traders have driven up the price of oil to around \$70 a barrel, and a former oil-man (surrounded by a posse of other former oil men) stalk the halls of the White House. As if that were not enough, the *New York Times* (March 27<sup>th</sup> 2006, p.1) reports that through a 'vague law' the US government will waive, for the oil supermajors, about \$7 billion in state royalties over the next seven years. All of this, as Toby Shelley (2005) reminds us in his new book *Oil*, takes us back to the 1973 oil embargo and President Nixon's Project Independence designed to achieve US self sufficiency by 1980 (for the record US dependency upon imported oil in the late 1960's was 20% and is expected to be about 66% by 2025). The policy failed miserably, and Nixon resorted to maximizing domestic supply and turning to reliable foreign suppliers at minimal cost - just as George Bush intends to do (*Oil*, p.117).

It is no surprise, then, that alternative sources of oil-supply should be very much on the Bush radar screen (since conservation strategies or increased gas taxes are conspicuously absent). Cheney's *National Energy Strategy* Report in 2001 bemoaned US oil habit - "a dependency on foreign powers that do not have America's interests at heart" - long before the State of the Union address. A recent report in the *Financial Times* headline (March 1<sup>st</sup> 2006) makes the new agenda crystal clear. If Africa is not as well endowed in hydrocarbons (both oil and gas) as the Gulf states, nevertheless the continent "is all set to balance power", and as a consequence is "the subject of fierce competition by energy companies" (*ibid.*, p.1). IHS Energy - one of the oil industry's major consulting companies - expects African oil production, especially along the Atlantic littoral, to attract "huge exploration investment" contributing over 30% of world liquid hydrocarbon production by 2010. Over the last five years when new oil-field discoveries were a scarce commodity, Africa contributed one in every four barrels of new petroleum discovered outside of Northern America. As the Catholic Relief Services put it in their exemplary study of oil geopolitics, *The Bottom of the Barrel*, (Gary and Karl 2003), a new scramble is in the making. The battleground consists of the rich African oilfields - the continent's "copious reserves of natural gas and its sweet light oil" (*ibid.*, p.1).

Energy security is the name of the game. No surprise, then, that the Council of Foreign Relations call for a different US approach to Africa in its new report *More than Humanitarianism* (2005), turns on Africa's "growing strategic importance" for US policy (p.xiv). It is the West African Gulf of Guinea, encompassing the rich on and off shore fields stretching from Nigeria to Angola, that represents a key plank in Bush's alternative to the increasingly volatile and unpredictable oil-states of the Persian Gulf. Nigeria and Angola alone account for nearly 4 million bpd (almost half of Africa's output) and US oil

companies alone have invested more than \$40 billion in the region over the last decade (and another \$30 billion expected between 2005 and 2010). 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). Strategic interest for the US certainly means cheap and reliable low-sulphur ('sweet') oil imports but also keeping the Chinese (for example, in Sudan) and South Koreans (for example, in Nigeria) – aggressive new actors in the African oil business – and Islamic terror at bay (Africa is, according to the intelligence community, the 'new frontier' in the fight against revolutionary Islam). 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; RETORT 2005; Barnes 2005).

The continent accounts for roughly 10% of world oil output and 9.3% of known reserves. Though oil fields in Africa are generally smaller and deeper than the Middle East - and production costs are accordingly 3-4 times higher - African crude is generally low in sulfur and attractive to US importers. As a commercial producer of petroleum, Africa arrived, however, rather late to the hydrocarbon age. Oil production in Africa began in Egypt in 1910 and only in earnest in Libya and Algeria (under French and Italian auspices) in the 1930s and 1940s. Now there are twelve major oil producers in Africa – members of the African Petroleum Producers Association - dominated, in rank order of output, by Nigeria, Algeria, Libya and Angola which collectively account for 85% of African output<sup>2</sup>. All of the major African oil producers are highly oil-dependent. Among the top six African oil states, petroleum accounts for between 75 and 95% of all oil export revenues, between 30-40% of GDP and between 50 and 80% of all government revenues<sup>3</sup>. Up until the 1970's North Africa dominated production of oil and gas on the continent but in the last three decades it has moved decisively to the Gulf of Guinea encompassing the rich on and off shore fields stretching from Nigeria to Angola (Hodges 2001; Frynas 2004; Yates 1996). The Gulf – constituted by the so-called West African 'Gulf States' - has emerged as the predominant African supplier to an increasing tight and volatile world oil market. The Washington DC think tanks and the phalanxes of oil lobbyists (CSIS 2004; CWC 2004) are deeply concerned with Gulf of Guinea security<sup>4</sup>, whether "US interests are at risk" and "whether heightened US engagement is warranted" (CSIS 2005:2)<sup>5</sup>.

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<sup>2</sup> Nigeria, Algeria and Libya are respectively the world's 8<sup>th</sup>, 10<sup>th</sup> and 12<sup>th</sup> largest oil exporters.

<sup>3</sup> Gabon and Equatorial Guinea are the only African oil producers with high oil per capita (so called 'petroleum endowments') comparable to the oil rich and sparsely populated Mid-East petro-states such as Kuwait and Qatar.

<sup>4</sup> Coup attempts were launched against Equatorial Guinea, Sao Tome and Chad in 2004-2005; Gabon, Congo and Angola all face internal political instabilities and civil conflict.

<sup>5</sup> The Petroleum Finance Company (PFC) acknowledged the enhanced significance of Nigerian oil in a March 2000 presentation to the US Congressional International Relations Committee Sub-Committee on Africa. By early 2002, the Jerusalem-based neo-conservative thinktank, the Institute for Advanced Strategic and Political Studies, was actively promoting Africa as "a priority for US national security".

There are twelve major oil producers in Africa<sup>6</sup> – members of the African Petroleum Producers Association - dominated (in rank order of output) by Nigeria, Algeria, Libya and Angola which collectively account for 85% of African output. Gabon and Equatorial Guinea are the only African oil producers with high oil per capita (so called ‘petroleum endowments’), comparable to the oil rich and sparsely populated states such as Kuwait and Qatar. All of the major African oil producers are highly oil-dependent: for the top six African oil states, petroleum accounts for between 75 and 95% of all oil export revenues, between 30-40% of GDP and between 50 and 80% of all government revenues. Only Nigeria ranks within the world’s top fifteen oil producers (it currently ranks number 12). Nigeria, Algeria and Libya are respectively the world’s 8<sup>th</sup>, 10<sup>th</sup> and 12<sup>th</sup> largest oil exporters. These three states and Gabon are all members of OPEC.

All African governments have organized their oil sectors through state oil companies that have some forms of collaborative venture with the major transnational oil companies (customarily operated through oil leases and joint memoranda of understanding). In general the international oil companies operating in Africa have production share arrangements with state oil companies (Nigeria is the exception which operates largely through joint ventures). African governments guarantee the companies a minimum profit according to geological, technological and investment criteria. The country receives royalties through the national company of the quantity of crude produced after deductions are made to cover costs of the oil operations. All of these petro-states are marked by staggering corruption, authoritarian rule and miserable economic performance (the so-called resource curse). The deadly operations of the alliance between corporate oil and autocratic oil states, have partially forced the question of transparency of oil operations onto the international agenda. Tony Blair’s Extractive Industries Transparency Initiative, the IMF’s oil diagnostics program and the Soros Foundation’s Revenue Watch are all ‘voluntary’ regulatory efforts to provide a veneer of respectability to a rank and turbulent industry (Zalik 2004; Gary and Karl 2003; Watts 2005).

## **V. The Nigerian Oil Complex and the Crisis of Secular National Development**

Nigeria is the jewel in the African oil crown. Nobody would doubt the strategic significance of contemporary Nigeria. One of every five Africans is a Nigerian - the country’s population is currently estimated to be 137 million - and it is the world’s seventh largest exporter of petroleum providing the U.S. market with roughly 8 percent of its imports. A longtime member of OPEC, Nigeria is an archetypical “oil nation”. With reserves estimated at close to forty billion barrels, oil accounted in 2004 for 80 percent of government revenues, 90 percent of foreign exchange earnings, 96 percent of export revenues according to the IMF, and almost half of GDP. Crude oil production

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<sup>6</sup> African gas production – a by product of oil drilling - was close to 4 trillion cubic feet by 2000. Algeria produces almost 70%. Algeria and Nigeria account for the largest reserves of gas. African gas consumption is expected to grow substantially as domestic and transnational gas-to-power plants are developed and as major oil producers such as Nigeria and Angola developed their liquefied natural gas capacities (the majority of which is currently flared).

runs currently at more than 2.1 million barrels per day valued at more than \$20 billion at 2004 prices. Mostly lifted onshore from about 250 fields dotted across the Niger Delta, Nigeria's oil sector now represents a vast domestic industrial infrastructure: more than three hundred oil fields, 5,284 wells, 7,000 kilometers of pipelines, ten export terminals, 275 flow stations, ten gas plants, four refineries (Warri, Port Harcourt I and II, and Kaduna), and a massive liquefied natural gas (LNG) project (in Bonny and Brass).

The rise of Nigeria as a strategic player in the world of oil geopolitics has been dramatic and has occurred largely in the wake the civil war that ended in 1970. In the late 1950's petroleum products were insignificant, amounting to less than 2% of total exports. Between 1960 and 1973 oil output exploded from just over 5 million to over 600 million barrels. Government oil-revenues in turn accelerated from 66 million naira in 1970 to over 10 billion in 1980. A multi-billion dollar oil industry has, however, proved to be a little more than a nightmare. 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" (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%). Over the period 1965-2004, the per capital 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 fallen.

What is on offer in the name of petro-development is the terrifying and catastrophic failure of secular nationalist development. It is sometimes hard to gasp the full consequences and depth of such a claim. From the vantage point of the Niger Delta (see Don Pedro 2005, 2006, Douglas and Okonta 2002)—but no less from the vast slum worlds of Kano or Lagos—development and oil wealth is a cruel joke. These paradoxes and contradictions of oil are nowhere greater than on the oilfields of the Niger Delta. In the oil rich states of Bayelsa and Delta there is one doctor for every 150,000 inhabitants. Oil has wrought only poverty, state violence and a dying ecosystem says Ike Okonta (2005). The government's presence, Okonta notes, "is only felt in the form of the machine gun and jackboots" (2005:206). It is no great surprise that a half century of neglect in the shadow of black gold has made for a combustible politics. All the while the democratic project initiated in 1999 appears ever more hollow.

The nightmarish legacy of oil-politics must be traced back to the heady boom days of the 1970s. The boom detonated a huge influx of petro-dollars and launched an ambitious (and largely autocratic) state-led modernization program. Central to the operations of the new oil economy was the emergence of an "oil complex" that overlaps with, but is not identical to, the "petro-state" (Watts 2005). The latter is comprised of several key institutional elements: (i) a statutory monopoly over mineral

exploitation, (ii) a nationalized (state) oil company that operates through joint ventures with oil majors who are granted territorial concessions (blocs), (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 investments are secured, (iv) the oil producing communities themselves within whose customary jurisdiction the wells are located, and (v) a political mechanism by which oil revenues are distributed (Figure 2).

The oil revenue distribution question – whether in a federal system like Nigeria or in an autocratic monarch like Saudi Arabia – is an indispensable part of understanding the combustible politics of imperial oil. In Nigeria there are four key distribution mechanisms: 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 (which includes monies designated directly for the Niger Delta, for example through the notoriously corrupt Niger Delta Development Commission. Over time the derivation revenues have fallen (and thereby revenues directly controlled by the oil-rich Niger Delta states have shriveled) and the States Joint Account has grown vastly. In short, there has been a process of radical fiscal centralism in which the oil-producing states (composed of ethnic minorities) have lost and the non-oil producing ethnic majorities have gained - by fair means or foul.

Overlaid upon the Nigerian petro-state is, in turn, a volatile mix of forces that give shape to the oil complex (Figure 3). First, the geo-strategic interest in oil means that military and other 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 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). In some circumstances oil operations are the object of civil wars. 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.

## **VI. The Anatomy of An Oil Insurgency**

How then can one grasp the growth of something like an oil insurgency in the Niger Delta since the mid 1990 from within the bowels of the oil complex? A full accounting of this insurgency has yet to be told but the structural forces at work are clear. The first is the deepening of Ijaw nationalism. The Ijaw are one of the largest ethnic (or so-called 'oil') minorities in the Delta but stand at the heart of the oil fields. Their exclusion from the oil wealth (and the federal revenue allocation process) to say nothing of bearing the costs of oil operations across the oilfields, became central to the emergence of a new sort of youth politics (in effect a disenfranchised generation). The establishment of the Ijaw Youth Congress in 1998 marked a watershed and became the vehicle through which new generation of youth leaders took up the struggle. Many were mobilized and came to assume local positions of power, including a number who took up an explicitly militant anti-state insurgent stance (Asari is the obvious case in point). The second, was the inability and unwillingness of the Nigerian state in its military and civilian guises to address this political mobilization in the Delta without resorting to state-imposed violence by an undisciplined military, police and security forces. In this sense the history of the Ogoni struggle was a watershed too insofar as it bequeathed a generation of militants for whom MOSOP represented a failure of non-violent politics.

Third, the militant groups themselves often got their start by being bankrolled by the state and politicians. The NDF and NPDVF were both fuelled by machine politicians and the local state especially during the notoriously corrupt 1999 and 2003 elections. Fourth the proliferation of oil theft in which insurgent groups were able to insert themselves (and be deployed by high ranking military and politicians) enabled them to acquire arms and embolden their military offensive (and their popular appeal to a generation of enraged youth). And finally, the operations of the companies – in their funding of youth groups as security forces, in their willingness to use military and security forces against protestors and militants alike, and the their corrupt practices of distributing rents to local community elites – all contributed to an environment in which military activity was in effect encouraged and facilitated.

These structural forces operated within the circumference of what I have called the oil complex. One of the consequences of emphasizing this relation is that it points to the deep problem of seeing the Nigerian oil insurgency as a simple function of the 'resource curse' (Ross 1999; Collier et al 2002). Oil neither produces as some predict successional tendencies (Le Billon 2005), neither was oil simply predated by the insurgents (oil rents were certainly extorted but it was also stolen through a highly organized bunkering trade in which the insurgents controlled the lower levels of these so-called oil syndicates). But more profoundly, oil did not play a determinative role – a sort of commodity determinism. Rather the insurgency emerged from the political struggles over centralized oil rents, a struggle in which party politics, the electoral cycle, inter-generational politics, organized oil theft and the history of ethnic exclusion played constitutive roles.

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; also Omeje 2006). 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. 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 (Omeje 2006, 2006a; 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 <sup>7</sup> - some were military spin-offs from non-militant groups such as the IYC, and some operating by 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)<sup>8</sup>.

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

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<sup>7</sup> 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.

<sup>8</sup> 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.

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 constriction 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.

By 2007 the reality on the ground is a dizzying and bewildering array of militants groups, militias and so-called cults<sup>9</sup> – 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 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 23<sup>rd</sup> 2007). With good reason the MEND spokesperson Jomo could boast in March 2007 that he has “the oil industry by the balls” (*Economist* March 17<sup>th</sup> 2007, p.52).

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<sup>9</sup> 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).

## VII. Africa and Imperial Oil

The oil complex is a sort of corporate enclave economy but also a centre of political and economic calculation that can only be understood through the operation of a set of local, national and transnational forces that can only be dubbed as ‘imperial oil’. Not surprisingly the deadly operations of corporate oil, autocratic petro-states and the violent potentialities of the oil complex have forced the question of transparency and accountability of oil operations onto the international agenda. Tony Blair’s Extractive Industries Transparency Initiative, the IMF’s oil diagnostics program and the Soros Foundation’s Revenue Watch are all (voluntary) efforts to provide a veneer of respectability to a rank and turbulent industry (see Christian Aid 2003; CSIS 2004; Global Witness 2004). But the real action lies elsewhere. The danger is that the ongoing US militarization of the region could amplify the presence of mercenaries and paramilitaries, creating conditions not unlike those in Colombia. In February 2006 Nigeria’s Vice President Atiku Abubakar unsuccessfully requested 200 patrol boats and a military package from the US. In turn, Nigeria appealed directly for China for military aid, citing that the United States was slow to support them in this area. The *Financial Times* (March 1st 2006, p.1) cited the Africa director at the Washington based Center for Strategic and International Studies, Stephen Morrison, to the effect that the “Chinese are very competitive players and we have to come to terms with that. They are going to places that really do matter.” It is in the intersection of a more aggressive scramble for African oil by China and the US twin concerns of secure oil supply (national energy security) and the global war on terror meet up in a perfect storm of political volatility.

American energy security has always been military in tone since at least the 1930s but after 9/11 it was merged into the portfolio of the Global War on Terrorism (GWOT)<sup>10</sup>. What distinguishes this military incorporation is a trio of forces: first a proactive counter terrorism rather than training for peacekeeping and human rights; second, the growing role of China in Africa oil zones; and third bureaucratic competition and among the regional commands of the US military. Former Defense Secretary of course offered in this regard a new strategic doctrine—*Force Transformation*—which emphasized flexible mobility operating through a network of “lillypads” in conflicted zones such as the Gulf reinforced the strategic shift to counter-terrorism in Africa. In short, the GWOT offered EUCOM strategists an opportunity to copensate for lost opportunities by looking southward to reposition and redeploy their forces to the Sahel and the Gulf of Guinea. All of this was facilitated by an unholy lliance of energy lobbyists, politicians and right wing activists who promoted the energy security-new military fix.

In the face of support by neoconservative promoters and opportunistic Washington “bottom feeders” strategists at the Pentagon have invented a new security threat to

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<sup>10</sup> This section draws directly from a paper prepared for the Centre for International Policy in Washington, DC (Lipschitz, Lubeck and Watts 2006). Much of this material was gathered by Professor Paul Lubeck as part of that project.

increase funding for EUCOM's footprint in Africa. 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>). Significant numbers of terrorists, currency smugglers, and criminals, assumed to be active in the Sahel, have become the threatening agents legitimating EUCOM's new mission. "Enhancing regional peace and security," the US military's stated objective for the Sahara's and Sahel's impoverished and often famine-ridden people, may be a noble abstraction, like democratizing Iraq, but it obscures and glosses over America's interest in securitizing recent oil discoveries in the Sahel, especially in Mauritania, Niger and the Chad Basin (Lipschitz, Lubeck and Watts, 2006, p.23). According to General James Jones, in testimony offered to the Senate Armed Services Committee in 2005, the "objective in Africa should 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." ([http://www.eucom.mil/english/Command/Posture/SASC\\_Posture\\_Statement\\_010305.asp](http://www.eucom.mil/english/Command/Posture/SASC_Posture_Statement_010305.asp)). 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 housed at the National Defense University - are involved and implicated in the new scramble for the continent. The US Navy is also becoming a semi-permanent fixture in the Gulf of Guinea, represented by EUCOM's Sixth Fleet. General Jones has stated that he expects EUCOM's navies to spend about half of their time off the coast of West Africa and, to sustain this effort, he has requested Congressional funding for the Gulf of Guinea Guard, a 10 year initiative to train navies, implement a maritime radar system, the Automated Identification System (AIS), and, securitize oil supplies in the Gulf (Lipschitz, Lubeck and Watts 2006, p.24).

The forces compelling what has been dubbed 'mission creep' – the gradual escalation of military presence – across the Gulf of Guinea are considerable, and probably given the current oil markets and energy geopolitics in the Persian Gulf and parts of Latin America, inevitable. At a West African oil and gas conference in June 2005, General Wald addressed the question of "Measures to protect oil operations in the Gulf of Guinea" while in August, 2006 Navy Secretary Gordon England noted that the Navy was looking to enhance its operations in what he termed "the ungoverned areas of Africa." [<http://www.energybulletin.net/498.html>]. The Marine Corps - also gearing up for growth in its Africa deployments – sponsored, in January 2006, a conference on "The 21<sup>st</sup> Century Marines in West and Central Africa." At the May 2006 African Seapower Conference in Abuja. Admiral Harry Ulrich, EUCOM's Commander of US Naval Forces Europe and Africa in referring to Shell's Bonga oil field - Nigeria's largest oil field, costing \$3.6 billion to develop and lying within Nigeria's territorial waters 75 miles offshore - admitted that American ships were patrolling Nigerian oil fields within the 200 mile limit: "We are concerned for Nigeria and we want to help her protect the region from the hands of the maritime criminal. In all parts of the world, the US and any good nation want a safe coast for countries who are supplying their energy and that is why we are often there. So there is nothing to fear for Nigeria" (<http://www.legaloil.com/NewsItem.asp?DocumentIDX=1157889298&Category=news>).

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” (GCESS). By December, 2005 the American ambassador and the Managing Director of Nigerian National Petroleum Corporation (NNPC) agreed “to establish four special committees to co-ordinate 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 9<sup>th</sup> 2005). Not surprisingly the oil companies – facing shut in of up to 500,000 barrels per day – also put their shoulder to the wheel. A senior maritime analyst at the U.S. Office of Naval Research, revealed to participants at March conference at Fort Lauderdale “Shell led a group of oil companies in an approach to the US military for protection of their facilities in the Delta,” and warned that “Nigeria may have lost the ability to control the situation.” ([www.platformlondon.org/carbonweb/documents/utcw\\_newsletter04.pdf](http://www.platformlondon.org/carbonweb/documents/utcw_newsletter04.pdf)). The recent (2007) establishment of the African Command (AFRICOM) and the desperate search by the US for countries in which to locate forward bases is seemingly the capstone for the new African energy security policy.

The operations of the oil complex under the conditions of US military neoliberalism creates the violent and unstable spaces that David Harvey (2005, 2003) identifies as accumulation by dispossession. The oil complex is a vast forcing house of primitive accumulation, repeating the original sin of robbery. It operates as if through a chain of enclosures, violent economies that dispossess at a variety of levels and through a raft of modalities. The rise of the resource control movement over the last fifteen years, the rise of the oil minority, and the complex mix of ethno-nationalism and insurgent politics across the Delta are the reactive to – or drawing from Polanyi (1947) one might say a double movement against - Imperial Oil. What it has produced of course is a fragmented polity in which we have a form of parcellized sovereignty (Mbembe 2001), including insurgent spaces, rather than a robust modern oil nation.

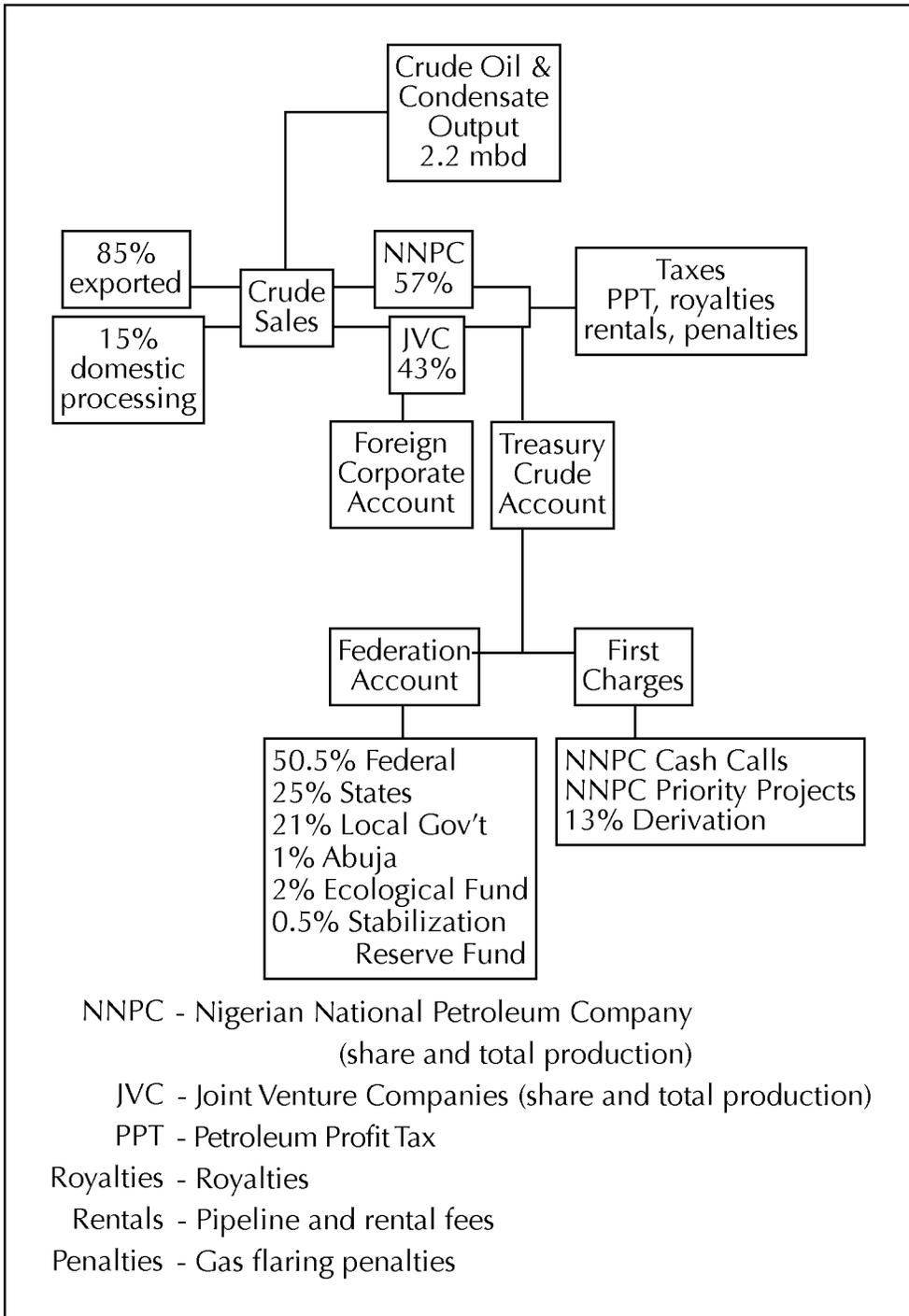
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Figure 2

Oil Revenue Flows: Nigeria 2004



source: IMF 2003, Ahmed and Singh 2003

Figure 3

The Oil Complex

