Placebo as Medicine
The Poverty of Development Intervention and Conflict Resolution Strategies in the Niger Delta Region of Nigeria
DEDICATION

To the Rivers State Governor,
The Rt. Hon. Chibuike Rotimi Amaechi
For his unwavering commitment to utilizing oil money for the public good through good governance, expressed in massive infrastructure and human capital development.
In the last three decades, the Niger Delta crisis has come to occupy center-stage in the drama that is post colonial Nigeria. Murdered activist Ken Saro-Wiwa’s dark premonition - his 1990 prediction of a “coming war” unless the needs of the oil producing communities were met - now hangs like a pall over contemporary Nigeria. The popular non-violent mobilization that erupted under the flag of the Ogoni struggle has now been replaced by a military insurgency led by a welter of disaffected youth groups, and counter-insurgencies launched by Federal armed and security forces. The pen and the spoken word have been replaced by the AK-47 and the Kalashnikov, the typewriters of the illiterate.

It is something of a rarity to find Nigeria emblazoned on the front page of the Wall Street Journal but on September 19th 2009 under the by-line of “Delta Farce: Nigeria’s oil mess”, the long simmering oil rebellion on the Nigerian oilfields received its dues. As the Journal put it: “every effort to stop the violence has failed, stymied by among other things, political corruption and easy access for the Delta militants to guns and money” (p.A12). Beginning in the late 1990’s, the cozy complicity between corporate oil and a despotic Nigerian state was challenged by popular, and increasingly militant, pressures from oil communities, or more properly from armed youth movements. The shift from non-violent protest to militancy and ultimately to armed struggle, was in many respects the inevitable result of the Nigerian government’s brutal repression of the Ogoni movement (MOSOP) and the murder of its influential and charismatic leader Ken Saro-Wiwa in November 1995. Popular challenges to the close kinship between international oil companies (who operated with total impunity) and the Nigerian state, or more properly a Nigerian military junta (who siphoned oil revenues from the oil producing states populated by what are referred to locally as ethnic minorities to powerful ethnic constituencies in the north and west of the country), were met with a lethal combination of repression by notoriously corrupt and violent state security forces and by naked attempts to purchase (quite literally to buy-off with oil revenues) the consent of the political elites, most especially the governors and godfathers in the nine oil states.

A decade later, the Niger Delta is home to a full-grown local insurgency. In late 2005, a new and well organized militant group the Movement for the Emancipation of the Niger Delta (MEND) exploded out of the creeks of the western delta promising to close down the oil industry. Within a matter of days close to one third of national output was shut-in. According to a report released in late 2008 – prepared by a 43 person government commission and entitled The Report of the Technical Committee of the Niger Delta – in the first nine months of 2008 the Nigerian government lost a staggering $23.7 billion in oil revenues due to militant attacks and sabotage.

On May 13th 2009 Federal troops launched a full-scale military counter-insurgency against what the Nigerian government sees as violent organized criminals who have crippled the oil and gas industry. Thousands of dirt-poor villagers in the region around Gbaramatu, southwest of the oil city of Warri in Delta State – an area known to harbor a number of militant encampments including the
notorious Camp 5 - have been displaced and hundreds of innocent civilians killed. The casualties are almost wholly Ijaw, an ethnic minority who inhabit the creeks and lowland riverine/mangrove environments where the Niger river empties into the Atlantic. The counter-insurgency elicited a ferocious response by the insurgents - Operation Hurricane Moses - quickly gutting Chevron’s Okan manifold which controls 80% of the company’ shipments of oil. Over a two month from mid-May to mid-July, twelve attacks were launched against Nigeria’s $120 billion oil infrastructure. Agip was forced to declare force majeure on its Brass fields while Shell, following several devastating attacks on well-heads and pipelines near Escravos (in the west) and the Cawthorne channel (in the east), was losing $20 million per day in deferred production from its onshore operations. 124 of the Nigeria’s 300 operating oil fields were shut by mid-July. Then late in the night of July 12th 2009, 15 MEND gunboats, led by the charismatic leader Government Ekpemupolo (aka Tompolo) himself, launched an audacious, and devastating assault on Atlas Cove, a major oil facility in Lagos, the economic heart of the country, three hundred miles from the Niger Delta oilfields (a year earlier, to accentuate both their strike capability and the ineptitude of the naval security forces, MEND operatives, led this time by Vincent Ben Ekikabowei (aka Boyloaf), overran and compromised the massive floating production and storage operating on the huge and purportedly “high security” Bonga field 75 miles offshore).

Overall the oil and gas industry, on and off-shore, has been crippled since late 2005. Oil production had collapsed spectacularly: by August 2009 it had fallen to 1.3 million barrels per day (Nigeria’s average over the last five years has been roughly 2.4 million bpd). Shell, the major operator in the country accounting for 40% of national output, has closed its western operations completely, and the eastern region is barely producing 100,000 b/d. In effect the company is at a standstill at a moment when oil prices are again creeping upward (as I write they are close to $70.00 a barrel). Agip, Chevron and Exxon-Mobil are equally compromised. Many of the engineering, construction and oil service companies have withdrawn core personnel and in some cases withdrawn completely. 12,000 oil workers have been made redundant, having fled the rigs, platforms and other facilities due to security problems. In three years they have in effect brought the oil industry to a standstill. Hostage taking – not only of expatriate oil workers, but also politicians, even children – has become a major growth industry. In the industry parlance, the international oil companies no longer have a license to operate.

The Federal Government had not only failed to address the simmering resentments in the Niger Delta over the last half century of oil development but more recently failed conspicuously to grasp the gravity of political sentiments across the multi-ethnic oilfields. A large survey of Niger Delta oil communities by the World Bank in 2007 discovered that an astonishing 36.23% of youth interviewed revealed a “willingness or propensity to take up arms against the state” (and 56% in low level violence and criminality, and 87% in peaceful protest). Government sees the problem almost wholly in terms of criminality. But history teaches us that any insurgency is a complex mix of greed and grievance. One person’s criminal or terrorist is another’s liberation fighter. While the economics of insurgent activity is important, partly because it is hard to conceive of a rebellion without resources, the lines between the economic, the political and the cultural are often arbitrarily drawn and difficult to sustain. For instance, is mass unemployment an economic, political or social fact? A survey poll released in 2009 shows clearly that local oil communities have no faith
whatsoever in the state and local government but government acts as if they do. The incontestable
fact, as Ledom Mittee, the head of MOSOP has noted, is that there is overwhelming popular
sympathy across the Delta for what the militants are doing and saying.

In September, following negotiations in Abuja, an amnesty was declared by President
Yar’Adua. In the run up to the deadline in early October, approximately 10,000 militants disarmed
and took the amnesty, and most of the major commanders (Tompolo, Boyloaf, Soboma, Ateke Tom
and their factions) took the amnesty. There have been discussions (without details) of a post
amnesty plan (though much of this is occurring in a decentralized way through the states). There
have several incidents (strikes and protest in Yenagoa and Port Harcourt) over non-payment of
stipends to militants. Monthly stipends of N65,000 are to be paid plus living expenses during a
period of training. While the government has committed N10.2 billion, the actual costs are
estimated to be N27 billion. In Bayelsa State the Governor allegedly paid one commander (Boyloaf)
N250 million for signing the amnesty (this on top of prior payments of N30 million to not attack
installations in the state).

The boundaries of the insurgency are porous and complex: the field of violence of which the
insurgency is part is multi-faceted and insurgent membership often seems labile and elastic. Rebels
fight the state but rebels fight each other: youth fight elders and oil communities take up arms
against each other. Generational, ethnic (and proto-national), organized crime, vigilantism, anti-
corporate, anti-state and intra-ethnic violence (and politics) make the questions of boundaries
(territorial, political, cultural and analytic) especially intractable. It is too soon to tell what the post
amnesty future holds. While nobody believes this represents the full complement of so-called
militants, it is an open question as to what demobilization will yield. In 2004, there were also
efforts at training and demobilization which fell apart after 6 months (largely because there were
no programs for training for youth and the allocation of funds simply became a way of government
attempting to purchase peace). Already some militants have protested non-payment of stipends,
others are on strike and some have threatened to return to the creeks. There are three related
programs in place – a draft Petroleum Law, the establishment of a new Ministry of the Niger Delta,
and the proposal to give oil communities equity in the government oil joint venture – which in
theory are fronts along which a post amnesty program could build momentum.

In late October Abuja announced that consideration was being given to a new plan which
would allocate between 10% of onshore stakes in the Nigerian national oil company joint venture
‘directly’ to the oil communities. There has been talk of the establishment of local trusts for the
considerable amounts of petro-dollars that will accrue to some oil communities. But the attractions
of a trust fund disappear with closer scrutiny. Who or what exactly is an oil community in whose
name a trust is made? And what is the basis of their rights over the proposed 10%? Does an oil
well confer the same rights as a pipeline or flow station or gas flare? And what might be the effect
of inserting large quantities of money into a region characterized by enormously complex patterns
of settlement, migration and occupation and considerable juridical ambiguity over land ownership?
The delta is awash, not only in oil but in ferocious intra- and inter-community struggles over land
rights and chieftaincy which has become the vehicle to capture oil rents. Why would inserting 10%
into Nembe or Warri be anything more than a re-ignition of past bloodletting? Indeed, why would
we have any more confidence or trust in the 10% proposal than in the other programs like
OMPADEC, the Petroleum Fund or NDDC whose history of abuse, corruption and poor performance
is legendary?

The Niger Delta, in short, stands at an historic watershed. The costs of failure now would be
potentially catastrophic. In this sense Placebo as Medicine: The Poverty of Development
Intervention and Conflict Resolution Strategies in the Niger Delta Region of Nigeria edited by Kikpoye K. Aaron and Dawari George, not only appears at an important moment in Nigeria’s history but has on offer, not only some compelling and innovative analyses of the problems and challenges confronting the Niger Delta and the political classes in Nigeria, but also a raft of possible solutions and policy interventions. This is a path-breaking book and it deserves widespread readership among the university and academic constituencies and in the hallways of Aso Rock, in the offices of civil society groups, and on the desks of the international development organizations and donors. Addressing the Delta crisis demands courage, insight and enormous political will. It is a measure of the importance of this book – and of the passion of the editors - that all of these traits are on offer within its covers. Read it now.

San Francisco, California
November 15th 2009
ABBREVIATIONS

AI: Amnesty International
CDD: Centre for Democracy and Development
CBO: Community-Based Organization
CDA: Community Based Association
CEDAW: Convention on the Elimination of All Forms of Discrimination against Women
COR: Calabar, Ogoja Rivers
CSD: Corporate Social Development
CSR: Corporate Social Responsibility
DPR: Department of Petroleum Resource
GDP: Gross National Product
EIA: Energy Information Administration
EIA: Environmental Right Action
FGN: Federal Government of Nigeria
HRW: Human Rights Watch.
JVP: Joint Ventures Partnership
MEND: Movement for the Emancipation of the Niger Delta
MOSOP: Movement for the Survival of Ogoni People
MUSIEN: Movement for the Survival of Ijaw Ethnic Nationality
NBS: National Bureau of Statistics
NCNC: National Council of Nigeria and Cameroon
NDBDA: Niger Delta Basin Development Authority
NDDB: Niger Delta Development Board
NDCC: Niger Delta Development Commission
NBPVF: Niger Delta Peoples Volunteer Force
NGO: Non-governmental Organization
NDHS: National Demographic and Health Survey
NDC: Niger Delta Congress
NPC: Northern Peoples’ Congress
NPRC: National Political Reform Conference
UPGA: United Progressive Grand Alliance
NNA: Nigeria National Alliance
NPN: National Party of Nigeria
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