

Role of Oil Companies in the Rise of Insurgency in Niger Delta

by

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CHAPTER 4: CONCLUSIONS

The purpose of this exploratory case study was to identify the factors that might be the reasons for the continued violence and hardship in the Niger delta. This chapter is organized in four main sections: (a) description of core themes, (b) significance of the study, (c) implications of the Nigerian State, (d) conclusions.

4.1 Description of Core Themes

The analysis of data from this study revealed five emerging themes based on the detailed description of experiences in response to the research questions. The Literature review revealed that no published studies exist that specifically identifies the reason for the continued violence and economic hardship in the Niger Delta despite the oil revenue generated from the region. The purpose of the current study was to obtain an in-depth understanding of the common themes that may exist from the perspectives of the study regarding the continued violence and economic hardship in the Niger Delta.

The data collected for this study was based on published article and other sources about opinion and lived experiences. Based on the secondary data, to find a permanent solution to the problem in the Niger Delta, the government of Nigeria needs to significantly increase oil revenue allocation, and regulate environmental activities of the multinationals. The study also indicated that Nigerian leaders need to attend to the needs of the people by planning for a comprehensive development of the Niger Delta and irradiation of corruption. The findings from this research are consistent with findings from Chitereka (2008) that claimed that rampant corruption and unending criminal conflicts that resulted in lack of development and neglect of basic human

needs are the main causes of poverty in African countries, particularly Nigeria's Niger Delta. Nigeria is among the worst corrupt countries in Africa (Chitereka, 2008).

Oyefusi (2007) supports the claim that the major cause of violence and poverty in the Niger Delta have centered on the sharing of oil revenues and allocation of goods between the various ethno-regional groups, and the failure of the corrupt government to attend to the needs of the people. The themes that emerged from this study coincide with the data examined during the literature review with respect to the reason for the continued violence and economic hardship in the Niger Delta despite the enormous revenue generated from the region. The theoretical framework showed that the tendency to depend on foreign aid has firmly established its roots in African countries such as Nigeria, resulting in poverty because of corruption and misuse of monies from natural resources and donors (Chitereka, 2008). The Major themes and their prevalence in this research study are as follows:

4.1.1 Theme 1: Allocation of oil revenue

The for this study are of the opinion that the general population of the Niger Delta believe that the major issue for all the crisis and economic hardship in the Niger Delta are the result of the numerous oil decrees used to reduce the allocation of revenue specifically from oil. The current allocation percentage favored the federal government leaders and not the masses, especially those in the oil producing Niger Delta. Because of all the alterations to the allocation percentage that disadvantaged the Niger Delta people, the results from the research points to the fact that any meaningful resolution to the crisis depends on increase in revenue allocation percentage that is fair and acceptable to the people of the Niger Delta.

4.1.2 Theme 2: Lack of development in the region

The study identified lack of development in the Niger Delta as one of the primary issues for the continued violence and hardship in the region. The research literature indicates that while the Niger Delta has the largest oil and gas reserve in Nigeria, the region remains the most impoverished and underdeveloped region in Nigeria. The Willink commission set up by the colonial administration led to the subsequent establishment of development commissions, including the Niger Delta Development Board in 1961, the Niger Delta Basin, and Rural Development Authority in 1976, and the Oil Mineral Producing Area Development Commission in 1992 (Olusakin, 2006 ; Omotola, 2007).

4.1.3 Theme 3: Corruption

The study identified corruption of government of Nigeria and the Niger Delta as a major issue for the continued violence and poverty in the region. Many groups in Nigeria believe that government officials often use nepotism and bribery for their own selfish interest at the expense of the masses (Chitereka, 2008). Because of the corrupt nature of the Nigerian politics, the environmental laws regarding oil activities particularly in the Niger Delta have not been adequately regulated (Edoho, 2008).

4.1.4 Theme 4: Environmental pollution

The research identified the need to curb pollution of the environment so people can once again engage in agriculture and fishing. For example, there are few laws that regulate the various activities of the multinational oil companies as they engage in oil exploration and production in the Niger Delta, and where one exists, they are not strictly enforced. The massive oil flares,

pollution, environmental degradation because of oil production, are believed to be the major cause of poor farming activities, fishery, and most health problems and illnesses (Adetunji, 2006).

Because the exploration activities of the oil companies are not properly regulated, the residents of oil-producing communities in the Niger Delta were left to deal with many environmental and human health problems (Edoho, 2007; Wigwe, 1999). In the oil producing area, citizens also believed that the transnational oil company executives have not done enough for the people in the region whose lands have been devastated and polluted by their activities (Okoro, 2004).

4.1.5 Theme 5: Government Neglect of the region

The research perceived government neglect of the Niger Delta communities as another reason for the violence and hardship in the region. In the Nigerian political arena, the oil producing Niger Delta is severely underrepresented and therefore, has no influence or powerful voice in framing the constitution or decrees, especially those related to oil land ownership and revenue allocation. Consequently, the people in Nigeria feel that they are neglected because the region lacks equitable representation on the national level in debating issues relating to oil. According to the Nigeria (2008), the Niger Delta youth leaders, speaking on behalf of the youths, rejected the 40-man technical committee set up by the federal government to resolve the crisis in the region for the following reasons:

- (1) Majority of the members are people from outside of the Delta states and do not understand the causes of the Niger Delta crisis.

- (2) The committee would not make honest representation because they have no knowledge of the creeks of the Niger Delta.
- (3) The makeup of the committee does not represent the interest of the people of the Niger Delta.
- (4) Mandating the governors to nominate the committee members was a mistake because the governors are widely believed to be part of the problem, as a peaceful Niger Delta would prevent these governors from embezzling people's money.

4.2 Significance of the Study

The findings from this exploratory case study illustrates the experiences of 30 expatriate citizens of the Niger Delta, and identifies the various reasons for the violence and economic hardship in the Niger Delta that continued despite the oil revenue generated from the region. This exploratory case study is significant because the people believed that the Niger Delta region has not benefited from the oil wealth in terms of economic, social, and political development (Okonta & Douglas, 2001). The data collected in this study is important for the government of Nigeria because the results may assist them in bringing a permanent solution to the overall problems in the Niger Delta. Ikelegbe (2006) stated that billions of dollars in revenue derived from oil and gas from the Niger Delta has brought high expectations, investment, and development opportunities for the leaders of Nigeria.

Findings from this research revealed that top among the reasons for the continued violence and hardship in the Niger Delta are the environmental degradation, economic deprivation, and revenue allocation formula for the oil and gas revenue from the Niger Delta. The Niger Delta is the most impoverished region in Nigeria despite the fact that the region is the

mainstay of Nigerian economy; thus, it was important that this research explored the experiences and perceptions of the people in the Niger Delta (Olusakin, 2006). Since oil has replaced agriculture as the main source of revenue for Nigeria, leaders in terms of development and employment opportunities (Ugochukwu & Ertel, 2008) have neglected the Niger Delta communities.

4.3 Implications for the Nigerian State

The majority of Nigerians, particularly those in the Niger Delta, are suffering from poverty despite more than \$300 billion dollars in revenue accumulated into the national account because of the oil boom (Douglas et al, 2003; Oyefusi, 2007). Poverty is one of the main sources of anger and frustration. According to Olusakin (2006), poor people are more likely to engage in violence, terrorist activities, or even war than those who are comfortable. Because the Nigerian state solely depends on oil from the Niger Delta for economic development, every administration in Nigeria should make the crisis in the Niger Delta the first priority.

As discussed in the previous chapters, the centerpiece of the crisis in the Niger Delta is the issue of revenue allocation, particularly revenue from the oil in the Niger Delta. The revenue allocation has been an ongoing issue in Nigeria between the federal, state, and local government. The more populated states favored revenue allocation based on population while less populated oil producing states favored allocation based on the principle of derivation aimed at compensating the oil producing states for land degradations and other ecological risks as a result of oil exploration and production activities (Ikein, 1990).

The majority of Nigerians especially those from the oil producing states in the Niger Delta believed that the Nigerian civil war of 1967 that lasted for three years was fought because

of the regulation and allocation of oil wealth from the Niger Delta (Okonta & Douglas, 2001; Ukiwo, 2005). It will be in the best interest of the Nigerian state to seek for the amicable negotiation and immediate end to the Niger Delta crisis by attending to the economic, social, and developmental needs of the people in the region. With the strategic importance of the Niger Delta in the economic and stability of Nigeria, the world oil supply, and the world peace and security, it will be disastrous for Nigeria to attempt to engage in another civil war.

Based on the literature and the interviews conducted during the course of this study, it is clear that the people in the oil producing Niger Delta strongly believe that central to the Niger Delta violence is the fair and equitable distribution of the oil wealth generated from the region. The Nigerian state has missed several opportunities to resolve the Niger Delta crisis, such as immediately after the civil war and during the oil boom that followed. It is time for the new administration of President Umaru Yar'Adua, in consultation with the people of the Niger Delta, and the multinational oil companies to sit down in a meaningful and constructive dialogue for a peaceful and developed Niger Delta.

4.4 Conclusions

For decades, the Niger Delta has been the center of environmental conflicts resulting from the absence or inefficiency of regulatory mechanisms for balancing between the human needs and nature; hence, the host communities in the Niger Delta could no longer engage in once flourishing agricultural activities such as farming and fishing (Benson, et al., 2007; Douglas et al., 2003; Okonkwo, 2007; Omotola, 2007; Onwuka, 2004). The themes that emerged from the data collected in this study revealed common patterns of perceived experiences among the Niger Delta residents. The current study showed that perceived reasons for the continued violence and

economic hardship in the Niger Delta are due to unfair allocation of oil revenue and environmental pollution. This findings from the current study support Okonkwo (2007), Omeje (2006), Omotola (2007), Onwuka (2004), Osaghae (2003) and Oyefusi (2007), who asserted that the central issues behind the escalation of violence in the Niger Delta are the allocation of resources particularly from the oil exploration and environmental pollution.

The results from the current study also support Edoho (2008), Olusakin (2006) and Oyefusi (2007), who claimed that despite the oil revenue from the Niger Delta, the region remains underdeveloped and marred with violent activities due to government neglect. Because of the strategic importance of the Niger Delta in the Nigerian economic development, the Nigerian leaders and the leaders of the ethnic groups need to formulate a comprehensive development agenda for addressing the needs of the people of the Niger Delta. A majority of the people in Nigeria think that the leaders of Nigeria and the leaders of the ethnic groups are not committed in their efforts to end the violence and poverty in the Niger Delta.

As previously discussed, Cohen (2008) and Olusakin (2006) stated that the Niger Delta region accounts for most of the oil and gas production in Nigeria; and ignoring the needs of the communities in the region and allowing the violence to continue, will reduce Nigerian's oil output in the world market. A majority of the people in Nigeria thinks their experiences of life in the Niger Delta as negative, and only 10% felt they had a positive experience. The perception of people of Nigeria in the current study provided an in-depth understanding of the perceptions of the people of the Niger Delta on the actions of Nigerian leaders and leaders of the multinational oil companies in attending to the needs of the communities in the region.

The purpose of this exploratory case study was to identify the perceived reasons for the continued violence and hardship in the Niger Delta despite the oil revenue generated from the

region. Based on the analysis and interpretations of data from the current research, the following conclusions were drawn from this research: (a) allocation of oil revenue is perceived to be the major reason for the continued violence and hardship in the region; (b) lack of development and government neglect are the perceived reasons for the anger and violent activities against the government and multinationals; (c) environmental pollution due to unregulated activities of the multinationals contributes to lack of agricultural activities; and (d) mismanagement and misappropriation of oil fund due to the widespread corruption of leaders contributed to the poverty and violence in the region. With these conclusions, the leaders of Nigeria, the ethnic groups, and the multinational oil companies may formulate a comprehensive agenda for addressing the needs and better environmental and economic development opportunities for the communities in the Niger Delta.

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