

## Macalester International

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Volume 24 *Whither Development?: The Struggle for  
Livelihood in the Time of Globalization*

Article 11

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Summer 2009

# Oil, Development, and the Politics of the Bottom Billion

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### Recommended Citation

Watts, Michael (2009) "Oil, Development, and the Politics of the Bottom Billion," *Macalester International*: Vol. 24, Article 11.  
Available at: <http://digitalcommons.macalester.edu/macintl/vol24/iss1/11>

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# Oil, Development, and the Politics of the Bottom Billion<sup>1</sup>

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Michael Watts

The secret of great wealth with no obvious source is some forgotten crime, forgotten because it was done neatly.

Honoré de Balzac

[R]egions at the epicenter of oil production are torn apart by repeated conflicts.

Achille Mbembe (2001)

*The Economist* of 4 August 2007 called it a “slip of a book” and “set to become a classic.” Paul Collier’s *The Bottom Billion* argues that most of the bottom billion, the world’s chronically poor, live in 58 countries (almost three quarters of which are African) distinguished by their lack of economic growth and the prevalence of civil conflict. Most are caught in a quartet of “traps,” two of which (in Collier’s account they are deeply related) concern me here: the civil war trap (the average cost of a typical civil war is about \$64 billion) in which 73% of the poor have been caught at one time or another; and a natural-resource trap (resource wealth or dependency turned sour), which accounts for another 30%.<sup>2</sup> Collier’s argument is not simply that civil conflict is expensive in human and developmental terms nor that wars are associated with economic stagnation and poverty (“low income means poverty, and low growth means hopelessness. Young men, who are recruits for rebel armies, come pretty cheap...Life itself is cheap”<sup>3</sup>). Rather, he sees this nexus of forces as arising from resource dependency (“Dependence upon primary commodity exports...substantially increases the risk of civil war”<sup>4</sup>). That is to say, there is a robust relationship between resource wealth and, paradoxically, poor economic performance, poor governance (resource predation), and the likelihood of falling into (debilitating and enduring) civil conflicts. Collier’s book speaks to a wider interest taken by economists and political scientists in what seems like a challenge to economic orthodoxy, namely, that resource wealth (as a source of comparative advantage) turns out

to be a “curse.”<sup>5</sup> The “resource-curse” literature—whether emphasizing poor economic performance, state failure (oil breeds corruption or “resource rents make democracy malfunction”<sup>6</sup>), or the onset of civil violence (blood diamonds, oil secession)—has generated a vast amount of research of which Collier and his colleagues have been central contributors.

Perhaps not surprisingly, Nigeria figures centrally in Collier’s book. An oil state gone awfully wrong, a black hole for foreign aid (\$280 billion in 30 years with “depressingly little to show for it”), endemic (perhaps Olympian) corruption and rent seeking, mass miscomprehension or false consciousness (the popular Nigerian belief that the poverty of the 1980s was a function of structural adjustment rather than the massive mismanagement of the oil boom-bust cycle), and a litany of military governments interspersed with periods of civilian rule which confirm his claim that “resource-rich democracies” and an abundance of oil rents alters how electoral competition is conducted (“it lets in the politics of patronage”<sup>7</sup>). Big Oil engenders Big Patronage (“the law of the political jungle: the survival of the fittest”<sup>8</sup>). Oil wealth relaxes political constraints, most obviously by obviating the need to tax. The sort of democracy that resource-rich states engender is “dysfunctional for economic development,” especially if they are low income and ethnically diverse. To round out the story, the combustible mix of the law of the survival of the fittest under the dispensation of oil provides ideal grounds for resource predation and the illicit economy of rebellion (the economic basis of civil war). Nigeria and its oil-producing Niger Delta is a textbook case of why rebellions have much less to do with what rebel leaders say about their political project (liberation, justice, equity) and much more to do with organized crime and the readiness with which the resource upon which the fittest depend can be looted.

[I]f low income and slow growth make a country prone to civil war... why[?]. . . low income means poverty, and low growth means hopelessness. Young men, who are the recruits for rebel armies, come pretty cheap... . *Life is cheap and joining a rebel movement gives these young men a small chance of riches...* . [People in the Niger Delta] with a sense of grievance were no more likely to take part in violent protest than those who were not aggrieved. So what did make people more likely to engage in political violence?...well, being young, being uneducated, and being without dependents... . [There] was no relationship between social amenities that a district possessed and its propensity to political violence. Instead the violence occurs in the districts with oil wells... . [A]lthough

the risk of violence jumps sharply if there is at least one oil well, if there are two oil wells in the district it starts to go down. And with twenty oil wells it is lower still...*To my mind this looks more like a protection racket than outrage provoked by environmental damage.* In the absence of an oil well there is no scope for extortion and so no violent protest. With an oil well the protection racket is in business. But the more oil wells...the greater the incentive for an oil company to pay up and buy peace. ...[O]ver time the situation has evolved. There is now a huge amount of money being directed by the Nigerian federal government to the delta region and the oil companies are desperately paying protection money...Within the region local politicians are fighting it out for control of all this money and violent protest has become an orchestrated part of the political rent seeking. *Grievance has evolved, over the course of a decade, into greed.*<sup>9</sup> (emphasis added)

Oil democracy, says Collier, is an oxymoron. In this rendering, oil accounts for a delusional body politic, psychopathic criminals dressed as freedom fighters, state institutions resembling those of Albanian socialism, and rafts of Big Man patrons armed with real estate in Nice and offshore accounts in the Cayman Islands. Furthermore, it ensures a descent into civil conflict that is likely to last seven years and make people 15% poorer. Albanian socialism, in fact, looks pretty good by comparison.

There is the 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 corporate capitalism); by petroleum or politics (or ethnicity)?

## I. Globalization, Resource Development, and Oil

Oil is fluid and fugitive.

A petro-geologist, cited in *Variant* 28 (2007)

Oil is a fungible global commodity

*Oil Shockwave*, Robert Gates et al. (2005)

Oil is arguably one of the most global and strategic commodities within the “capitalist cosmos,” as Max Weber called the modern world of commodity production. In fact, it is the very basis of development as we know it. Oil, in this regard, sheds light on two key concepts: globalization and development. Much has been written about both phenomena. For the purposes of this essay, oil as an emblem of globalization refers simultaneously to the fact of a worldwide global market (for oil and gas), the organization of its commodity chain (from production to consumption) characterized by “overcoming the friction of distance” (that is to say, complex forms of social relations stretched over time reflected in transnational interdependencies), and complex transnational flows of capital. The lineaments of global oil are clear. The global oil and gas infrastructure—the material basis of the oil and gas supply, otherwise known as the global value-chain—is nothing short of gargantuan. To say that the value of the industry now totals over \$4,000 billion says everything and nothing. Close to one million producing oil wells puncture the surface of the earth (77,000 were drilled in 2007, with 4,000 offshore; 3,300 are sub-sea). More than two million kilometers of pipeline blanket the globe in a massive trunk-network: 75,000 km move oil and gas along the sea floor. Another 156,000 km of pipeline is anticipated to be completed between 2008 and 2012. There are 6,000 fixed platforms and 635 offshore drilling rigs (the international rig total for March 2008 is 3,259, according to Baker Hughes). In 2007, \$68 billion was spent on offshore drilling. In addition, 4295 oil tankers (vessels greater than 1,000 long tons or more deadweight) move 2.42 billion tons of oil and oil products per year, 34% of global seaborne trade. There are 717 refineries that process crude oil. More than 80 massive floating, production, and storage vessels have been installed in the last five years.

Deepwater exploration is the very embodiment of the global urge, the ceaseless territorial imperative to locate new fields, with deepwater offshore expected to grow by 78% between 2007 and 2011. On

2 August 2007, a Russian submarine with two parliamentarians on board planted a titanium flag two miles down under the North Pole. At stake were the lucrative new oil and gas fields (by some estimates 10 billion tons of oil equivalent) on the Arctic sea floor. Two weeks later, it was announced that the Northwest Passage was navigable, facilitating the opening of a new oil frontier, the ecological precondition of which—global warming—was the product of Big Oil. Environmental crisis (the second contradiction of capital) creates the conditions for another round of capitalist investment and a new and spectacular capitalist frontier—in short, recursive primitive accumulation. Sub-zero temperatures and almost year-round darkness presented no obstacles to the purveyors of oil. In late 2006, a consortium of companies discovered oil at a staggering depth, 150 miles into the Gulf of Mexico. The test well, Jack-2, delves through 7,000 feet of water and 20,000 feet of sea floor to tap oil in tertiary rock laid down 60 million years ago. The drill ships and production platforms required for such an undertaking are massive floating structures, much larger than the biggest aircraft carriers, and more expensive, costing well over a half-billion dollars (and close to a million dollars a day) to rent. In 2007, the vast new Tupi field in Brazilian coastal waters was discovered in 200 meters of water below a massive layer of salt in hugely inhospitable geological conditions. One test well cost over \$250 million. In short, what is on offer is a deepwater land grab. Primitive accumulation and globalization at 7,000 meters!

None of this is to suggest that globalization produces a frictionless world of homogenous space. Quite the contrary. Globalized oil and gas reveals precisely how global forces are always localized in place- or region-specific “oil complexes.”<sup>10</sup>

As a global commodity central to the development project of oil and non-oil producers alike, we must take seriously the Janus-faced properties of any commodity: it is a particular unity of use and exchange values, and at the same moment, an object of mystification and fetishization. As Fernando Coronil put it in *The Magical State*, “oil illustrates...the mystification of natural resources in the modern world.”<sup>11</sup> To this extent, we should be careful not to be seduced by the fetishism of oil or invest in it powers that it does not deserve. It is important to carefully specify the complex traffic between petroleum and economics or politics in order to be able to chart the contours of the work that oil is doing for us in talking about petro-states or oil politics. Ryszard Kapuscinski, the brilliant Polish journalist (recently deceased),

noted that, "oil is a fairy tale...and like all fairy tales a bit of a lie."<sup>12</sup> Oil is 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, or "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 to enter the world market bearing the hallmark of what Hannah Arendt once called, "the original sin of primitive accumulation,"<sup>13</sup> dripping with blood and dirt. Mass commodities, with their blood and dirt still attached, have always provided Nigeria's and the Niger Delta's entry point into the world economy, its calling card to the capitalist cosmos.

If the commodity is what Karl Marx called the economic cell form of capital, then 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. Yet the pricing of oil is mysterious 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. Ryszard Kapuscinski was witness to the spectacular oil boom in West Asia during the 1970s. 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."<sup>14</sup> Oil has always been vested with enormous, often magical, powers. Sometimes I think we are too easily seduced by these deceptions.

It is perhaps no surprise, then, that oil of all resources has been invested with almost Olympian transformative powers. 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 and corrupt Russian "oilygarchs." There is even a psychological appellation to describe the condition: the Gillette Syndrome. El Dean 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 in Wyoming, indigenous oil communities in Ecuador, and the rough-and-tumble Russian oil fields of Siberia. Other scholars, like Michael Ross, 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 creates a class of state-dependents employed in the modern industrial and service sectors, who are less likely to push for democracy.<sup>15</sup> *New York Times* columnist and world-class autodidact 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.

I wish to take on three aspects of this variegated body of work as a way of opening up a larger argument about how to understand the dynamics of oil states, and specifically the relationship between oil, politics, and forms of rule. The first I shall call “*rebellion as crime*.” It speaks to the work of Paul Collier (and Michael Ross) and his World Bank comrades who address the economics of civil war. They offer an argument that oil provides a ground on which rebels can finance a self-interested and criminal movement against the state through the looting of oil resources.

The second, which I shall call “*the territoriality/materiality claim*,” is associated with a body of largely geographical work. I shall use Philippe Le Billon’s important research disseminated in 2005, which turns on the fact that oil has a specific materiality and a territoriality that shapes particular sorts of political outcomes, for example, coups or secessions.

The third, “*the predation claim*,” examines the idea of an oil insurgency or an oil rebellion rooted in the claim that the “lootability” of oil is central to grasping the character of the insurgency itself.<sup>16</sup>

In exploring (and departing from) these ideas, I want to provide a rather different analysis and shed some light on Mbembe’s question that opens the essay: why is oil so frequently the epicenter of violence? I also suggest that in states in which oil is a national resource (established through statutory monopolies) and a territorial (i.e., place or regionally based) commodity, the centralization of oil revenues through



the state joint venture (I am using this term to cover a variety of legal-institutional arrangements from production share agreements to service contracts) provides a terrain on which we can explore Foucault's claim that government is concerned with "men in their relations, their links, their imbrications with those things that are wealth, resources, means of subsistence... [and] territory with its specific qualities."<sup>17</sup> In short, I want to explore the new governable spaces<sup>18</sup> that emerge from "the oil complex." They are violent and unstable, suggestive of a sort of political splintering and fragmentation. They seem to indicate that oil politics, including oil insurgency and the rebellion across the Niger Delta oil fields, works through complex forms of dispossession. What is on offer, then, is a recursive form of primitive accumulation (here I endorse Arendt's idea of the essential repetition of the "original sin of robbery") in which oil and violent rule are inextricably linked.

## **II. The Smash-and-Grab for African Oil**

Among Washington's chattering classes there is a deep concern, bordering on panic, with the growing Chinese presence—diplomatic, economic, and political—on the African continent. Driven in large measure by China's aggressive expansion into the energy sector, "Sino-power" has been cast as part of a new "scramble for oil" against a backdrop of tight global oil markets and a post-9/11 U.S. obsession with energy security (in effect, a dovetailing of the Global War on Terror with the 2001 Cheney Report's trepidation over Middle East oil dependency.)<sup>19</sup> There are those, Frynas and Paulo for example, who argue that the oil scramble bears no affinity to its late 19th-century counterpart and that Sino oil power is much exaggerated. Historical parallels notwithstanding, the African oil complex—the dense networks of actors and agents organized around the exploration and development of oil and gas—is being refigured by tectonic shifts in the pattern of oil operations.

First, Chinese oil contracts from the three largest oil companies (Sinocpec, CNOOC, and CNPC, with a combined market value of \$225 billion) have mushroomed from virtually zero in 1995 to seventy contracts in sixteen countries by 2007, covering a total acreage of more than 8.2 million sq. km.<sup>20</sup> Chinese oil operations, predicated upon an "integrated independent energy and security model," in short, mercantilism, develop long-term stable agreements linked to large infrastructure and aid projects sustained by China's massive reserves of accumulated liquidity now in excess of \$1 trillion.<sup>21</sup> This is a strategy

that includes a number of other Asian national oil companies, most especially KNOC (Korea) and PETRONAS (Malaysia), constructing oil operations around self-contained mercantilist alliances, typically bi- or tri-lateral arrangements lubricated by aid, capital, and expertise.

Second, the Gulf of Guinea is a hot new and dynamic supply zone in the so-called “new Gulf states,” and has emerged as a major supplier to the seemingly insatiable U.S. market. Its obvious geo-strategic advantages—large and accessible reserves of light, sweet crudes, a large liquefied natural gas (LNG) sector, and proximity to North American markets—have all contributed to the fact that Nigeria alone supplies over 12% of total U.S. crude imports.

Not least, there are the twin developments of the new institutional and financial complexity of oil projects, especially deepwater offshore production and multi-train liquefied natural gas infrastructures, coupled with what the industry sees as the assertive “petro-nationalism” of African oil-states and their national oil companies<sup>22</sup> (the passing in 2007 of an ambitious new local content law in Nigeria is simply one case in point).

Whether or not such a dynamic energy sector warrants the term “scramble,” oil investment is incontestably vast, diversified, and growing (for example, the six-train LNG plant on Bonny Island in Nigeria, with its attendant gas infrastructure, is already a \$12 billion investment). The Cheney energy report highlighted the fact that the region is driven by a “huge exploration investment,” expected to contribute more than 30% of world liquid hydrocarbon production by 2010. Over the last five years, when new oil field discoveries have been very scarce, Africa contributed one in every four barrels of new petroleum discovered outside of North America. The West African Gulf of Guinea, encompassing the rich on- and offshore fields stretching from Nigeria to Angola, represented a key plank in the Bush administration’s alternative to the increasingly volatile and unpredictable oil-states of the Persian Gulf. Oil investment now represents over 50% of all foreign direct investment (FDI) in the continent, and more than 60% of all FDI in the top four FDI recipient countries. Almost 90% of all cross-border merger and acquisition activity since 2003 has been in the mining and petroleum sectors.<sup>23</sup> Between 1995 and 2001, FDI inflow amounted to \$7 billion per year, but almost two-thirds of the portfolio was destined for the three countries (Angola, Nigeria, and South Africa) in which oil FDI accounted for 90% of all FDI inflow. Naturally, the Gulf of Guinea figures centrally in this new African oil landscape. Within the West

African oil triangle, Nigeria rules the roost, currently producing 2.4 million barrels per day (bpd) with an ambitious program to expand output to over 4 million bpd.

Running across this landscape of dynamic energy-capitalism is a deep vein of political volatility capable of roiling the commodity exchanges. Nowhere is this volatility more pronounced, and seemingly intractable, than in the Niger Delta of Nigeria, a vast sedimentary and oil-rich basin of some 70,000 sq. km. and composed officially of nine states (Abia, Akwa-Ibom, Rivers, Bayelsa, Delta, Imo, Cross River, Ondo, and Edo), 185 local government areas (LGAs), and a population of roughly 28 million people. To put the matter starkly, the Niger Delta possesses a massive oil infrastructure—606 fields (40% off shore), 5,284 wells, 7,000 kilometers of pipelines, ten export terminals, 275 flow stations, ten gas plants, four refineries, and a world class six-train liquefied natural gas installation on Bonny Island—that is more or less ungovernable. The ninth largest oil producer in the world, in the wake of the April 2007 elections (widely seen to be even worse than the fraudulent electoral process of 2003), is now tottering on the edge of chaos. Roughly half of the delta's 3,000 communities have some sort of oil operations within their jurisdiction and the very presence of oil has been, almost invariably, a source of tension and conflict. Nigeria meets its OPEC quota yet currently something like 900,000 barrels per day are "deferred" (or shut-in) because of attacks on installations and personnel. Another 100,000 barrels per day are stolen ("bunkered"). To extend the metaphor, the entire corporate oil sector now resides pretty much in a bunker of its own, its staff and workers (to the extent they have not been repatriated or withdrawn from the oil fields) are shuttled around in military convoys. Collectively, this shut-in amounts to more than one-third of national output. Apparently this is the cost that the oil companies must bear for their "social license to operate," as they put it. Yet it is not at all clear that the majors have a license at all. Sources put the figure of trained militants at more than 25,000 strong, commanding monthly salaries of over 50,000 nairas (N), well above the wage that can be plausibly commanded by an educated youth in the formal sector.

The Niger Delta (see Figure 1) has become the home of an oil insurgency.<sup>24</sup> Remotely detonated car bombs and highly sophisticated arms and equipment are the tools of the trade. More than 250 foreign hostages have been abducted in the past fifteen months and close to 1,000 Nigerian workers have been detained or held hostage on facilities.

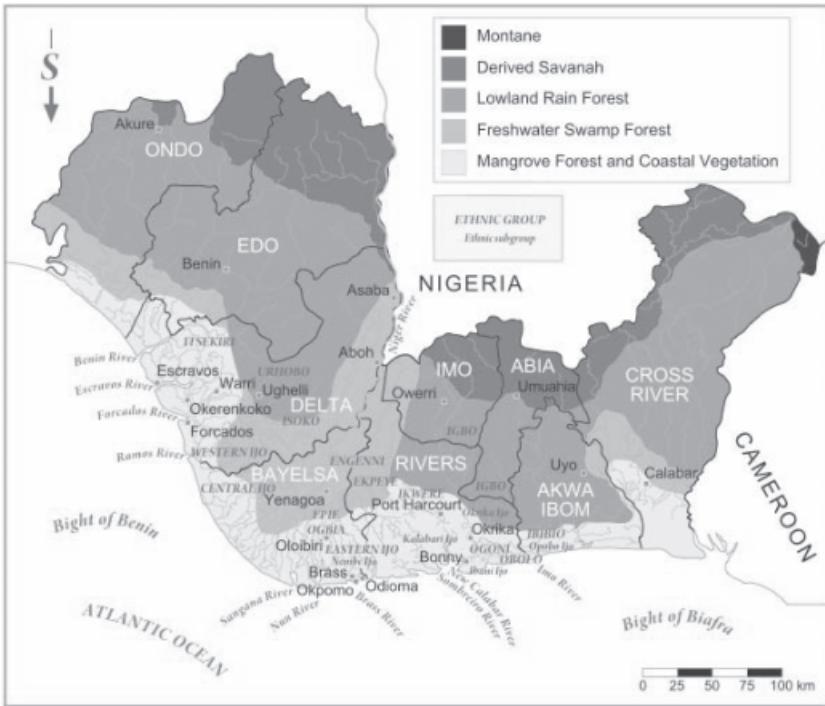


Figure 1

Major and often spectacular attacks on both on- and offshore facilities are endemic and can be perpetrated at will. Unlike during the 1980s or 1990s, militants are now willing and able to directly confront federal and state security forces. The 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 the Nigerian security forces, to quote the new Vice-President Goodluck Jonathan, “cannot cope with the situation.”<sup>25</sup> According to a World Bank report, more than 600 people have been killed in the course of these conflicts, often engagements between militias and the joint military task forces, since 2000. Pipeline breaks due to vandalism and sabotage have almost doubled between 1999 and 2004 (from 497 to 895). Product losses due to pipeline ruptures have grown steadily from 179,000 to 396,000 metric tons over the same period (a figure roughly equal to four super-tankers).<sup>26</sup> The direct assaults on oil installations and infrastructure cost the Nigerian government \$6.8 billion in revenue loss between 1999 and 2004. In the last three years, that figure has increased dramatically.

Currently, the conflicts cost Nigeria \$60 million per day, roughly \$4.4 billion per annum in damages and lost revenue.<sup>27</sup> In May 2007, Nigeria drew upon \$2.7 billion from its “domestic excess crude,” a windfall profits account, to plug revenue 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 thirteen 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, Bergen Risk Solutions, witnessed the largest monthly tally of attacks since the appearance of a shadowy but militarily well-armed insurgent group called the Movement for the Emancipation of the Niger Delta (MEND) eighteen months ago.<sup>28</sup>

Many of the oil-producing communities across the delta are torn apart by all manner of internal (for example, Nembe or Finima) or inter-community (Ogoni-Andoni) conflicts or both (Soku-Kula-Oluasiri).<sup>29</sup> There has certainly been no period since the first oil boom—palm oil in the early 19th century—in which the delta has been in such turmoil, other than the civil war. The conflicts have an organic connection to oil but their genealogies are complex. In some cases, communities fight over land and territorial disputes over oil-bearing lands (Odiamia); in some cases, they are secessionist disputes, often of great historical depth, driven by the prospect of access to oil rents and company cash payments (Okrika) compounded by party politics; in other instances, youth groups struggle among themselves or with elders over access to companies (Nembe); and sometimes they are sectional and communal, as ethnic communities in multi-ethnic settings, rural and urban, struggle over the establishment of electoral wards or local government councils to ensure that they too can feed at the oil trough (Warri). The social forces are at once ethnic, generational, gender, class (chiefs, politicians), corporate, and, of course, state (military and security). Conflicted communities across the oil fields embody complex configurations of such forces. The social field of violence in which the delta is now embroiled is a multi-headed hydra.

According to the 2007 UNDP report, there are currently 120–150 “high risk and active violent conflicts” in the three key oil-producing states. At the heart of these contested communities is the “restive youth problem,”<sup>30</sup> as it is known in local parlance, a tectonic shift in intergenerational politics in the region that has occurred over the last

two to three decades, driven by the consequences of structural adjustment and state authoritarianism, and given a huge boost of adrenaline by the return to civilian rule in 1999. Youth, as a social category of great historical and cultural depth, provides an idiom in a “gerontocratic” and authoritarian setting in which power, secrecy, and sometimes violence can be harnessed as a sort of counter-movement, built on the ruins of failed oil development.<sup>31</sup> Youth organizations have multiplied and metastasized. They often refigure cultural traditional institutions like the *egbesu*, *agaba*, or mutual support club.<sup>32</sup> Since the 1980s they have directly attempted to capture organs of community power (for example, Community Development Committees), but also to directly challenge gerontocratic rule. Not least, they have adopted an increasingly militant stance, acting as the erstwhile liberators—vanguard movements, in effect—for the oppressed of the region. As Gore and Pratten properly express it, youth represent “shadow structures.” They are:

covert and secret forms of organization...salient to the practices of everyday life. As a basis for access to resources and the distribution of power, these modes of collective youth action are generated at the intersecting and interfacing of top-down modes of governance and bottom-up responses to disorder...expressed as counter-movements against marginalization and coercion.<sup>33</sup>

The social field of youth violence is as complex as it is variegated, a diversity captured in the breadth of the local lexicon itself (militias, “area boys,” vigilantes, gangs, cults, secret societies).<sup>34</sup> One of the challenges of any analysis of youth militancy in the delta is precisely to understand the shifting alliances and networks that link sometimes shadowy and subterranean groups of rather different provenance and politics.<sup>35</sup> But the well of youth rage (there is no other way to put it) is deep and has shown itself capable of hewing a very rough-and-tumble political (dis)order. A large survey of Niger Delta oil communities by Oyefusi in 2007 discovered that 5% of the population felt satisfied with the status quo while an astonishing 36.23% revealed a “willingness or propensity to take up arms against the state.”<sup>36</sup> More generally, survey data shows clearly that many of the youth grievances—poverty, lack of employment, minimal educational opportunities—are felt widely across the region, beyond a generation who would identify as militants.<sup>37</sup> A far greater proportion of deltans perceive economic neglect

("marginalization," in local parlance) than other regions in the federation and more than 50% of all respondents identify governance as the fundamental problem working against their opportunity to benefit from oil.<sup>38</sup>

It is really an extraordinary train wreck and it represents not just the conversion of the delta into what Ikelegbe calls "a region of insurrection,"<sup>39</sup> but a radical shift from the days of Saro-Wiwa's nonviolent struggle of the late 1980s and early 1990s to outright insurgency.<sup>40</sup> In some respects, the current crisis confirms Ken Saro-Wiwa's prescient and bleak prediction in 1990 about the "coming war" in the delta: "the people must be allowed to join in the lucrative sale of oil," he said, to avoid "the cataclysm that is building up."<sup>41</sup> Small arms and light weapons are now endemic in the delta and the "pace of acquisition and the lethality of weapons is increasing."<sup>42</sup> Chief Philip Asiodu's confident claim two decades ago that the oil-producing communities "cannot threaten the stability of the country nor affect its continued economic development"<sup>43</sup> now seems naïve or delusional. The Oputa Commission (the Human Rights Violations Investigation Commission), sitting in Port Harcourt in February 2001, focused much of its attention on the Niger Delta and concluded, in the words of its Chairman, Chukwudifu Oputa, that the situation was political dynamite.<sup>44</sup> With the emergence of the Movement for the Emancipation of the Niger Delta (MEND) in late 2005, the dynamite had exploded. MEND's spokesperson referred to a "malignant growth" spreading violently and fast becoming "Nigeria's Vietnam."<sup>45</sup> The mix of violence, corruption, and theft has reached a tipping point. Managing Director of Chevron, Jay Prior, cryptically observed that, "I have run companies that have had less production than is being bunkered in this country."<sup>46</sup> How has it come to this? Does it all amount to, as Collier and others suggest, little more than a vast criminal syndicate overlaid with a patina of social justice rhetoric?

### **III. Oil Nation: Nigeria's "Perfect Storm"**

The rise of Nigeria as a strategic player in the world of oil geopolitics has been dramatic. It has occurred in the wake of a bloody civil war that ended in 1970, in which several million people were killed. In the late 1950s, petroleum products were trivial, amounting to less than 2% of total exports. Between 1960 and 1973, oil output exploded from just over 5 million barrels to over 600 million barrels. Government oil revenues, in turn, accelerated from N66 million in 1970 to more than

N10 billion in 1980. Over the last two years, oil and gas revenues have averaged roughly \$50 billion and nominal GDP is in excess of \$100 billion.<sup>47</sup> A multi-billion dollar oil sector with a set of expectations driven by the aura of “Black Gold” has proven to be little more than a nightmare.<sup>48</sup> An El Dorado, Nigeria is not. To inventory the “achievements” of Nigerian oil development is a salutary exercise: 85% of oil revenues accrue to 1% of the population. Perhaps \$100 billion of the \$400 billion in revenues has simply gone missing since 1970<sup>49</sup> (the anti-corruption chief, Nuhu Ribadu, claimed that in 2003, 70% of the country’s oil wealth was stolen or wasted; by 2005, it was “only” 40%). Almost \$130 billion in capital flight occurred between 1970 and 1996.<sup>50</sup> Over the period 1965–2004, the per capita income fell from \$250 to \$212; income distribution deteriorated markedly over the same period. Between 1970 and 2000, the number of Nigerians subsisting on less than one dollar a day grew from 36% to more than 70%, from 19 million to a staggering 90 million. According to the International Monetary Fund, oil “did not seem to add to the standard of living” and “could have contributed to a decline in the standard of living.”<sup>51</sup> Over the last decade, GDP per capita and life expectancy have both fallen, according to World Bank estimates.<sup>52</sup> Nigeria has become a model failure, a reference point for other resource-dependent states. After the discovery of oil in Mongolia, a leader pronounced, “we do not want to become another Nigeria.”<sup>53</sup>

What is on offer in the name of petro-development is the terrifying and catastrophic failure of secular nationalist development.<sup>54</sup> It is sometimes hard to grasp the full consequences and depth of such a claim. From the vantage point of the Niger Delta—but no less from the vast slum worlds of Kano or Lagos—development and oil wealth is a cruel joke. The costs of oil are experienced, not only in class terms, but equally importantly, geographically. The paradoxes, contradictions, and traumatic costs of oil are nowhere greater than on the oil fields of the Niger Delta where it has wrought only poverty, state violence, and a dying ecosystem.<sup>55</sup> The recent UNDP report on human development in the delta was unflinching in its assessment: the “appalling development situation”<sup>56</sup> reflects the uncontestable and shameful fact that after a half century of oil development “the vast resources from an international industry have barely touched pervasive local poverty.”<sup>57</sup> In 2003, the government launched a joint military task force called Operation Restore Hope, named ludicrously after the ruinous U.S. operations in Somalia, to secure the delta. Yet government’s presence, Ike Okonta notes, “is only felt in the form of the machine gun and jackboots.”<sup>58</sup>



By conservative estimates, there have been over 7,000 oil spills since 1970. Gas flaring, while down by 40% from its historic high (80%), still produces 70 million metric tons of carbon emissions (“a substantial proportion of worldwide greenhouse gas”<sup>59</sup>), amounting to a loss of \$2.5 billion annually in associated gas.<sup>60</sup> According to the World Wildlife Fund report released in 2006, the delta is one of the most polluted places on the face of the earth. A much-publicized Commission of Nobel Laureates on Peace, Equity and Development in the Niger Delta Region concluded that the “wealth earmarked for the region” was “largely stolen by politicians.” The frustration and violence, they concluded, was “rising...and getting worse.”<sup>61</sup> It is all too easy to be apocalyptic in tone—and to endorse a certain sort of catastrophism that afflicts so much writing about the continent—but if truth be told, Executive Chairman of the Economic and Financial Crime Commission (EFCC) Nuhu Ribadu was surely right when he observed that the Niger Delta situation was “not being taken seriously” and might “end up like...Somalia.”<sup>62</sup> Or perhaps Colombia?

The heart of the Nigerian development failure is the politics of unearned income.<sup>63</sup> Its central dynamic is the fiscal sociology of access to and distribution of oil rents.<sup>64</sup> The Nigerian petro-state—a particular form of state-formation driven by particular forms of rent—is comprised of several key institutional elements: (1) a statutory monopoly over mineral exploitation (there are almost 50 acts and laws that constitute control over and regulate state control of petroleum and gas), (2) a national (state) oil company (the Nigerian National Petroleum Company, NNPC) that operates through joint ventures with oil majors, which are granted territorial concessions (blocs) as Oil Prospecting Licenses or Oil Mining Leases, (3) the security apparatuses of the state (often working in a complementary fashion with the private security forces of the companies) which ensure that costly (and vulnerable) investments are secured, and (4) a political mechanism by which oil revenues are distributed. In sharp contrast to the broad-based tax state, the petro-state contains all manner of “pathologies” derived from oil.<sup>65</sup> Examples include autonomy from citizens, external intervention, vulnerability to subversion, non-transparency, ineffective bureaucracy, “coupism,” and so on.<sup>66</sup> Within this nexus, the national oil company stands as the blackest of black holes, or a dark star of theft, corruption, and fictional accounts typically under the direct control of the President. State oil, said one commentator, “is like a party with the lights out and the music on full blast.”

The failure of the petro-state resides in the oil revenue distribution question—whether in a federal system like Nigeria or in an autocratic monarchy like Saudi Arabia—and is an indispensable part of understanding the combustible politics of the oil complex. Rentier-capitalism in Nigeria turns on four key distribution mechanisms.<sup>67</sup> These are 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 Special Grants account includes monies designated directly for the Niger Delta, for example through notoriously corrupt designated entities like the Oil and Mineral Producing Areas Development Commission, founded in 1993 and abandoned in the late 1990s; the Niger Delta Development Commission,<sup>68</sup> founded in 2000; and the new (2006) Consolidated Council on Socio-Economic Development of the Coastal States of Nigeria. The quantum of oil revenues around which these distributive mechanisms operate is, in turn, a product of the Memorandum of Understanding associated with joint venture activities in which companies and the NNPC have equity. Since the 1970s, state equity has been on the order of 55–60%. While the proportion of each barrel as government “take” is directly related to oil price, the government portion per barrel (equity, taxes, rents, and royalties) is never less than 70%. Under current conditions it may be 90% or more.<sup>69</sup>

Over time, the relative weight of central versus direct state (regional) control has shifted as a function the often-violent political struggles among ethnic majorities that shaped the post-civil war development of the federation (1967–1970). Since 1960, there has been a general process of *radical fiscal centralism*, a process that simultaneously refers to the extent to which the federal center controls revenues (through what became in 1979 the federation account) and the degree to which it retains revenues for federal use (increasingly under military rule through “special accounts” outside of the federation account). There was in effect a double movement in operation over the last forty years: on the one side, the multiplication of states, all of which are largely dependent upon central (oil) revenues; and on the other, a series of statutory monopolies over mineral (including oil and gas) resources and land (put in place between 1967 and 1978 and continued to date through the 1999 constitution, or Decree No. 24, which was itself the

retention of the 1979 constitution, adopted in the last hours of military rule prior to Obasanjo's tenure<sup>70</sup>). The "evil twin" of the control over resources was a state-centered revenue allocation process that by definition vastly enhanced the power of the state.<sup>71</sup> One expression of this centralism is the extent to which the oil and gas sector has been run, especially since the Babbangida period, as a personal fiefdom of the Presidency. (President Obasanjo directly controlled the oil and gas portfolio throughout his two terms.) A second is the fact that a series of revenue allocation commissions have changed the metric of allocation such that the principle of derived income (states can command a proportion of the revenue from resources within their territory) has diminished while the oil revenue flowing to the federal account by other distributional criteria has expanded dramatically.

The history of revenue allocation is far too complex to rehearse here. Suffice it to say that the creation of new states in 1967, in the context of a secessionist war and enormous ethno-regional enmity, raised a panoply of political challenges.<sup>72</sup> Among them were questions of how monies from the central bourse (then named the Distributable Pool Account, or DPA) were to be shared. How would the new states share the assets of the regions from which they were created? How would the fiscal demands of new administrative machineries be met?<sup>73</sup> From the end of the Second World War, revenue allocation had been handled in an ad hoc fashion through fiscal commissions that gave a priority to derivation as a principle of allocation for mining rents, coupled with shared regional revenues from the DPA. But between 1967 and 1979, the DPA was enlarged because mining and other rents directed to it were increased and, conversely, the derivation principle was de-emphasized. Over the period 1946–1979, the federal appropriation declined from roughly 82% of all government revenues in 1950 to roughly 60% during the 1960s, then subsequently grew to 81% by 1979. In 1969, a set of principles was introduced for a simple system of revenue sharing among the states (including criteria such as population and equality of states). In 1979, the Federation Account was created into which virtually all revenues collected by government were to be paid. A strict formula was established in 1982 (subsequently amended in 1984 and 1992) for sharing revenues among the three tiers (so-called vertical allocation): federal government (typically between 50% and 48%), states (varying between 30%–24%), and local governments (20%–15%). This system was endorsed in principle in 1999 at the return to civilian rule even though several important changes had

occurred in the political economy of revenue allocation during the military period.<sup>74</sup> First, the federal government had in practice proportionally increased its revenues through a number of special accounts (the National Economic Recovery Fund, the National Priority Projects Account, the Joint Ventures Cash Calls Payment Account, and so on); the derivation principle had shrunk to roughly 1% by the mid-1980s (from 50% in 1960); and the lower tiers of government had become almost wholly dependent upon centrally allocated revenues (rather than raising revenues themselves from state or local taxes). The share of the states' revenue averaged 22% between 1971 and 1978, and worsened cyclically thereafter (averaging 10% by the late 1990s). The combined share of state and LGA revenues fell by almost 60% between 1986 and 1996. In contrast, the federal government's share grew from 67% to 86% over the same period.

Overall, the relationship between state and LGA multiplication and centrally controlled oil wealth is quite clear. More and more political entities depend upon the limited and changeable oil revenues; the poorer the state or LGA, the greater the degree of dependence for revenues upon the federation account. Oil revenues constituted the vast proportion of all government revenues collected until the mid-1990s. This dependency had a spatial expression in that oil-producing states experienced a net decline in the share of what previously had been deemed as their (i.e., derived) resources. As a consequence of the reconfiguration of revenues principles and distributional criteria, the oil-producing states (composed largely of so-called ethnic or "oil minorities") have lost and the non-oil-producing ethnic majorities have gained—by fair means or foul. By 1980, the non-oil-producing states accounted for over 75% of total federal allocations; between 1980 and 1990, the proportion of federal allocations to Rivers state, for example, fell from 10% to less than 3%.<sup>75</sup> The changed topography of revenue allocation has its irregularities, however, and despite the clear overall historical trend since 2000, there has been the beginning of an important countermovement in the sense that the oil-producing states have expanded their control (in theory and practice) over national oil income through the derivation principle.<sup>76</sup> In the past eight years, for instance, the delta states have received \$30 billion in oil income; the 2006 budgets for Rivers and Bayelsa states were respectively N168 and N125 billion.<sup>77</sup> The history, nevertheless, of postcolonial Nigeria is the history of the reconfiguration of, and the Olympian struggles over, revenue allocation.

The complex politics of fiscal centralization—and decentralization—provides the ground upon which rest three important aspects of what one might call the “new” Nigerian political economy. The first is the *decentralization of corruption* associated with the vast increase in revenue flows in the delta in conjunction with the increase of derivation to 13% in 1999. In 2004, the four largest oil states received over two billion dollars capable of being pillaged; nowhere is this more so than in the wholly non-functional (and unaccountable) systems of local government which have grown in absolute terms quite dramatically.<sup>78</sup>

Second is the *democratization of the means of violence*. In other words, the state monopoly on violent means of destruction has been undercut by the widespread deployment of arms locally by militia and other militants.<sup>79</sup>

And third is the rise (in part associated with changing revenue allocation) of *enormous power and wealth at the level of the state governors*. They have become not only counterweights to the federal center but machine politicians, the regional “Godfathers,” in their own right.

This trio of forces frame what is called the “resource control debate” in the delta, a political movement with a deep history dating back at least to the issues raised by the Willinck Commission on the “fears” of the ethnic minorities in the delta during the 1950s.<sup>80</sup> Propelled since the 1980s by youth and other ethnic movements—and subsequently captured by the southern political classes from the oil-producing states as a means of providing political pressure on the revenue allocation process<sup>81</sup>—the minority fears of the 1950s became minority grievances in the 1980s and minority militancy by the 1990s.<sup>82</sup> Since 1999, Obasanjo has endeavored to maintain a balancing act, weighing a growing Niger Delta clamor for resource control backed by an insurgency against the array of political forces rooted in the hegemony of powerful northern and southern political interests. For example, the federal center has increased derivation to 13%, though it drew a line in the sand in its refusal to meet the delta delegation’s demands of 25% derivation or more during the 2005 National Political Reform Conference.<sup>83</sup> Obasanjo has steadfastly refused to apologize for, or even acknowledge, the unwarranted violence and human rights violations by federal forces in the slaughter at Odi or Odioma,<sup>84</sup> or acknowledge the casualties inflicted by the joint military task force in and around Warri. Yet he capitulated to Niger Delta demands over granting offshore littoral oil fields as amenable to derivation (largely in an effort to purchase support for his failed attempt at a third Presidential term). In sum, a hegemonic deployment of force (militarization) and consent (purchasing

compromise through oil revenues) has pockmarked the state's struggle to contain the resource control movement. I will take the Gramscian argument one stage further. From the vantage point of the subaltern classes for whom resource control has been the avatar of mobilization, the struggle (the balance of force and consent) has gradually shifted from a "war of position" (a discursive struggle to legitimate the call for resource control) to a "war of movement" (insurgency).

It is indisputable that the oil boom since the late 1990s and the surge of windfall oil profits as prices rose to \$70 per barrel have inserted a vast influx of monies into the delta via state and local government structures. It is perfectly clear, however, that the actual disbursement of monies and the flow of oil revenues from Abuja to the oil-producing states are marked by massive malfeasance and diversion. In 2006, Rivers and Delta states, for example, received in excess of one billion dollars in federal revenues; in the first six months of 2006, the 23 local governments in Rivers state received more than \$115 million in federal allocations (including derivation). There is a sense, then, in which the delta is awash in oil monies, notwithstanding the fact that nobody believes that the full complement of statutory allocations are received in their entirety by the oil-producing states<sup>85</sup> (and here is a sharp contrast with, say, the mid-1980s, when derivation had plummeted to 1% on the back of the oil price collapse). When the Movement for the Survival of the Ogoni People was founded in 1990, a plausible case could be made that the oil-producing states and the local councils were starved of oil revenues (the "politics of minority suffocation" was how the Association of Minority Oil States put it in 1992). Fifteen years later, this is a much harder case to make (writing in 2007, Human Rights Watch referred to a "vast increase in financial resources" since 1999<sup>86</sup>).

Overlaid upon the Nigerian petro-state and its fiscal sociology is, in turn, a volatile mix of forces that give shape to the oil complex.<sup>87</sup> First, the geo-strategic interest in oil means that military (foreign and local, private and state) and other security forces are part of the local oil complex. Second, local and global civil society enters into the oil complex either through transnational advocacy groups concerned with human rights and the transparency of the entire oil sector, or through local social movements and NGOs fighting over the consequences of the oil industry and the accountability of the petro-state. Third, the transnational oil business—the majors, independents, indigenous operators, national oil companies, and the vast service industry—is 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, paramilitaries, separatist movements, and so on) into the operations of the oil complex (the conditions in Colombia are a representative case). Fifth, multilateral development agencies (the IMF and the IBRD) and financial corporations like the export credit agencies appear as key “brokers” in the construction and expansion of the energy sectors in oil-producing states (and latterly, the multilaterals are pressured to become the enforcers of transparency among governments and oil companies). Not least, there is the relationship between oil and the shady world of drugs, illicit wealth (oil theft, for example), mercenaries, and the black market economy. The oil complex is a vast enclave of corporate, state, and military power<sup>88</sup> of unimaginable robustness and reach, at once shadowy, intimidating, secret, corrupt, and violent, and now draped in the cloak of security, terror, and war.

It would be wrongheaded to see in the Caspian, in Colombia, or in the Gulf of Guinea identical oil complexes at work. They differ obviously in their historical, cultural, and political specificities. Yet they do all operate as enclaves of economic and political calculation, in essence a form of “governmentality” or rule, characterized by enormous turbulence and wealth creation. In short, the oil complex looks very much like an embattled zone of the most primitive accumulation.<sup>89</sup> Empirically, the current operations of the oil complex have been radically shaped by the forces of post-9/11 politics, the failure of postwar U.S. oil policy, and the tightness of global oil markets.<sup>90</sup> In the face of support by neoconservative promoters and opportunistic Washington lobbyists, strategists at the Pentagon have invented a new security threat to increase funding for European Command’s footprint in Africa.<sup>91</sup> 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.<sup>92</sup> In practice, all four of the military services (including an Africa Clearinghouse on security information, supported by a Pentagon think tank, the Africa Center for Strategic Studies, housed at the National Defense University) are now implicated in the new scramble for the continent. Against a backdrop of spiraling militancy across the delta, U.S. interests have met up with European strategic concerns with the establishment of the “Gulf of Guinea Energy Security Strategy.” By December 2005, the American ambassador and the Managing Direc-

tor of the Nigerian National Petroleum Corporation agreed “to establish four special committees to coordinate action against trafficking in small arms in the Niger Delta, bolster maritime and coastal security in the region, promote community development and poverty reduction, and combat money laundering and other financial crimes.”<sup>93</sup> U.S. military activity increased from almost none in 2004 to “104 ship days” in 2006.<sup>94</sup> The establishment of a new African command (AFRICOM) in February 2007, and the appointment of its first head, William (Kip) Ward, is the final capstone in the militarization of American energy security policy in Africa.

Energy security, it turns out, is a terrifying hybrid, a perplexing “doubleness,” containing the old and the new—primitive accumulation and American militarism coupled to the war on terror.<sup>95</sup> Into this vortex of forces descends a set of other global and imperial forces: on the one side, the presence of aggressive Chinese (and other Asian) oil companies and, on the other, the new imperial intentions of the South African energy companies. Put into the mix the resurgence of Islamism in Nigeria (and indeed across the Sahelian belt) and the political clout of urban evangelical Christianity across the southern oil-producing conurbations, and one has the makings of a “perfect storm” of instability, violence, and conflict.<sup>96</sup>

#### IV. The Niger Delta: An Ungovernable Space

It is a measure of a certain sort of notoriety when Nigerian politics reaches the pages of *Vanity Fair*, penned no less by a prize-winning journalist and writer who, to the best of my knowledge, knows nothing of Africa or, in this case, the Niger Delta.<sup>97</sup> Sebastian Unger’s account of Ijaw militants operating in the oil-rich creeks of the Niger Delta is little more than tabloid journalism, but the realities to which it speaks have been an extraordinary combination of the theatrical and the incendiary, worthy perhaps of any tabloid’s scrutiny. On 15 September 2005, Diepreye Alamieyeseigha, the Governor of Bayelsa State, which is a major oil-producing state in the heart of the Ijaw homeland, was arrested by British security agencies at a London airport (a trip purportedly made to undertake cosmetic surgery) on three counts of money laundering (to the tune of 1.8 million pounds). The Governor’s arrest—designed to send a signal to unruly Governors everywhere in the run up to the 2007 elections and Obasanjo’s ultimately fruitless effort to run for a third term—clearly involved close collaboration between the Obasanjo



and Blair governments. Released on \$1.25 million bail in early October, Alamieyeseigha dramatically escaped from house detention in central London (disguised as an old woman) and appeared rather magically in the capital of Bayelsa, Yenagoa, on November 20 to adoring crowds after, as far as we can tell, an extraordinary escape via Paris, Yaoundé, and finally by small boat along the creeks by the Cameroon-Nigeria border.<sup>98</sup> On 9 December, amidst considerable political confusion, he was seized by police in Government House after the state House of Assembly had voted 17–24 to impeach him. All of this occurred under the tight security presence of the Joint Task Force and the State Security Services (SSS).<sup>99</sup>

Shortly after the London arrest, on 21 September 2005, against a backdrop of deepening militancy and oil-supply disruption and undemocratic maneuvers by President Obasanjo to quite literally purchase the support of the senate for his third term ambitions, Alhaji Asari-Dokubo, the charismatic and savvy leader of the Niger Delta People's Volunteer Force (NDPVF)—an insurgent militia force fighting, by its own account, for resource control and self-determination in the eastern delta—was arrested by Federal forces on treason charges. Asari, a forty-year-old son of a Calabar judge, former Ijaw Youth Congress (IYC) President, and sometime political operative for the Governor of Rivers State, was arrested by police in the Rivers State's Governor's house in a sting operation and was taken to Abuja in spite of the fact that ostensibly a peace settlement between some of the Niger Delta militants and the government had been brokered in October 2004 by Obasanjo himself.<sup>100</sup> Asari has been held in Abuja in SSS custody and appeared in February 2007 to stand trial amidst claims that his previous unruly behavior in court justified the decision to hold the proceeding with Dokubo *in absentia*. In something of a circus atmosphere, Asari referred to the judge as an "idiot" and the eighty security agents in the courtroom were unclear as to whether and how the accused was to be removed from the courtroom.<sup>101</sup>

Finally, in what proved to be a trifecta of political crises for the Ijaw community, the Central Bank reported to the Economic and Financial Crimes Commission on 6 October 2005 that the head of Allstate Trust Bank and Ijaw capitalist, Chief Ebimiti Banigo, was guilty of corruption. He was subsequently arrested and the bank was consequently closed, amidst the loss of substantial personal savings by many depositors in Rivers state. All of these events—in effect the arrest and detention of three major Ijaw notables—were inevitably read as a political

attack by Obasanjo's government on a region (the Niger Delta) and people (the Ijaw) that had been at loggerheads with the federal center, a hostility marked both by the collapse of the national CONFAB in 2005 on the allocation of oil revenues (in which the delta representatives led by Oronto Douglas walked out) and the militarization of the delta under the auspices of two special military task forces (Operation Restore Hope and Operation Flush Out) instructed to adopt a "shoot to kill" policy as the oil fields descended into chaos.

Out of this vortex of events—one part soap opera, one part machine politics—there emerged in late 2005, in a most dramatic fashion, a hitherto unknown group of masked insurgents, the Movement for the Emancipation of the Niger Delta (MEND), claiming to be a "union of all relevant militant groups,"<sup>102</sup> and whose public face is a shifting and sometimes contentious cadre of leaders (and aliases), including Major-General Godswill Tamuno, Tom Pollo, Oyinye Alaibe, Cynthia White, and the eloquent spokesperson, Gbomo Jomo. After its massive attack on the Opobo pipeline in Delta State in December 2005,<sup>103</sup> MEND began calling for the international community to evacuate from the Niger Delta by 12 February or "face violent attacks." In a fantastically audacious series of forays, MEND struck an oil vessel belonging to TIDEX Nigeria on 11 January 2006, fifteen kilometers offshore. Four workers were kidnapped (and reportedly released for a N120 million ransom), shutting in over 100,000 bpd. On 15 January, thirteen members of the Joint Task Force were killed during an attack on the Shell Benisede flow station, and in late January an AGIP platform and its riverfront Port Harcourt offices were attacked and eight policemen were killed. On 18 January, an email promised "our operations will shift from the creeks to the cities" and beginning 1 February 2006, there would be "more aggressive tactics aimed at oil company workers."<sup>104</sup> Following an earlier ultimatum and a promise to reduce Nigeria export capacity by 30%, on 15 February, MEND declared a "state of emergency" and the launch of Operation Black February to demonstrate "its rugged guerilla wit and dogged intelligence in hunting down every foreign foot."<sup>105</sup> Then, in the wake of a purported peace accord held in Yenagoa on 11 February, the joint task force embarked upon a vicious aerial bombardment of Ijaw villages in Okerenkoko territory (the heartland of the Gbaramantu clan), ostensibly to bomb oil bunkering barges. In retaliation, on 18 February, MEND launched the most audacious and coordinated of its attacks. Forty rebels overpowered guards and military on Willbros barge 318 (nine foreign hostages were taken) and sub-

sequently destroyed the offshore Forcados crude loading platform, the Ekeremore-Yeye manifold, and the NNPC Escravos-Lagos gas pipeline in Chanomi Creek. In a single day, approximately 20% of output was compromised.

The political agenda of MEND was not clear in the weeks of late December 2005 except that it self identified as a “guerilla movement” whose “decisions like its fighters are fluid.” In fact, in a press release by email—this is the modality of their politically savvy, Subcommandante-Marcos-like exhortations and pronouncements—Jomo claimed that MEND was “apolitical” in structures and fighters “were not communists...or revolutionaries. [They] are just very bitter men.”<sup>106</sup> There was, in fact, a clear political platform—in spite of a welter of email denials calling an Oporoza-based Ijaw militant group, the Federated Niger Delta Ijaw Communities (FNDIC), a “tribal assembly;” claiming to have “co-opted” the NDPVF; rejecting any connection with oil bunkering; and asserting it is not “an Ijaw militia group.”<sup>107</sup> In a signed statement by field commander Tamuno Godswill in early February, MEND’s demands were clearly outlined:

- Immediate and unconditional release of Alhaji Asari-Dokubo
- Immediate and unconditional release of Governor Alamieyeseigha
- Immediate and unconditional release of youth leader Joshua Macaiva
- Immediate and unconditional demilitarization of the Niger delta
- Immediate payment of \$1.5 billion compensation from Shell approved by the Nigerian National Assembly covering four decades of environmental degradation.<sup>108</sup>

In an interview with Karl Maier on 21 February 2006, Jomo made it clear that MEND had “no intention of breaking up Nigeria” but also had no intention of dealing directly with the government, which “knows nothing about rights or justice.” Resource control meant that the states would “directly manage” oil. Other communiqués reiterated that these demands were not pecuniary and “we shall receive no money from any quarters.”<sup>109</sup>

Into 2006, MEND’s claim that it was capable of delivering a “crippling blow” to the oil industry was increasingly borne out. More than fifteen Nigerian soldiers were killed between May and August 2006, and there were at least three kidnappings per month in the first half of 2006. (Typically, the hostages are all released following the pay-

ment of substantial ransoms by the government, although it is unclear whether these payments are being made to MEND).<sup>110</sup> The escalation of attacks (44 in 2006, 19 in the first three months of 2007), including electronically detonated car bombings, brazen attacks on government and military buildings, massive disruption of oil installations deploying sophisticated military equipment, and the audacious kidnapping of workers of virtually every nationality (including Chinese and South Koreans), sometimes from platforms 40–60 km offshore, have confirmed the worst fears of the oil industry. In the deteriorating environment, many oil companies have withdrawn personnel and cut back production. By mid-2006, there was 500,000–600,000 barrels per day deferment, meeting MEND's earlier goal of a 30% shut-in. Julius Berger, the largest construction company in the country, announced its withdrawal from the Niger Delta and many other companies began to withdraw personnel as oil workers were increasingly reticent to be posted there (many of whom were holed up in Lagos hotels). President Obasanjo bolstered the Joint Military Task Force in the Delta, but the seeming ease with which MEND can operate ("we navigate the creeks in pitch blackness," crowed Jomo) and overcome local security forces suggests that the MEND "freedom fighters" control the creeks uncontested.

The violence has continued and, indeed, deepened. In April 2006, two car bombs—one at the Bori Military Camp in Port Harcourt, the other in the midst of 200 oil tankers in Ekpan Delta State adjacent to the Warri refinery<sup>111</sup>—were deployed as "warning blasts," threatening more to come. According to the Centre for Strategic and International Studies, 123 expatriate hostages have been taken since January 2006 (until early March 2007) and there have been 42 attacks on oil installations.<sup>112</sup> 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 a "Black November" as an "all out attack on oil operating companies."<sup>113</sup> A month earlier, MEND launched a brazen attack by 50 fighters on the Central Police Station and State Criminal Investigation Department in Port Harcourt, keeping the full combined force of the police and army at bay for six hours, and successfully withdrawing to the creeks after freeing one of their "commanders," Saboma George, a former NDV militant who broke with Ateke. As of the fall of 2008, the residence of the new Vice-President-elect (the Governor of Bayelsa State) has been bombed, Chevron has temporarily shut down operations, there was a

massive pipeline explosion at Bomu, and a total of 900,000 barrels of oil per day are currently shut in (30% of official production). It is quite unclear, when located on this larger canvas, what Petroleum Minister Edmund Daukoru could possibly have meant when he announced to OPEC in February 2007 in Greece that, “the worst is over” and that, “it is a very, very temporary thing.”<sup>114</sup>

The rise of MEND—and its complex and shifting relationship 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 oil fields, especially since the late 1990s. The periodization of this deepening conflict is, however, far from clear.<sup>115</sup> During the 1970s, communities aired their grievances to oil companies and occasionally to government, typically in an uncoordinated way. In fact, Ken Saro-Wiwa and the Ogoni (before he founded MOSOP) laid out these issues clearly as early as 1968, during the civil war! 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 Chicoco Movement in the 1990s. Women’s groups were some of the foundational protestors, elevating the struggle in the mid-1980s and 1990s (such as the 1984 Ogharefe and Ekpan uprisings, and those by Ogoni and other groups in 1994 and 1995). They were especially prominent in the July 2002 protests, led by Itsekeri women near Ugborodo (Escravos) and by Ijaw women from the Gbaramantu and Egbema clans in the Dibi and Olero Creeks.<sup>116</sup> 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 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, sixty-four Shell staff were held hostage in Isokoland in 1998, a pan-Eket group (Afigh Iwaad Ekid) closed Mobil operations 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.<sup>117</sup> By 2002–03, there were a number of explicitly militant movements, usually referred to

as militias. These include the Egbesu Boys of Africa, Federated Niger Delta Ijaw Communities (FNDIC), MOSIEND, and Niger Delta Volunteer Force.<sup>118</sup> Some were military spin-offs from non-militant groups, such as the IYC. Some operated 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.<sup>119</sup>

The appearance of MEND marked a new phase 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 suggests, not an organization but “an idea” is difficult to assess.<sup>120</sup> Certainly the MEND militias operate with ease in and around Warri. The leadership appears, as Okonta says, articulate and politically savvy. But MEND emerged, and is inseparable from, a number of local and regional issues, the most important of which are the long-standing antagonisms between the oil companies, especially Chevron in the Gbaramantu and Egbema clan territories, and the 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. At the same time, strife was detonated, so to speak, by what Ijaw see as a deepening assault on their aspirations, or 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 assault 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 AK-47 to restore his rights.”<sup>121</sup>

Whether or not it is an umbrella organization, a franchise, or an “un-united hydra,”<sup>122</sup> MEND emerges on the back of a long process of mobilizing from below and of widening the social base. It has welcomed 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. It has made a shift from nonviolent protest and demonstrations to occupations, sabotage, vandalism, and 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 drug trade. To see oil theft or hostage-taking 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 this mix of forces—always open to different definitions and meanings—always operates as part of a complex whole. In this sense, the oil insurgency in the Niger Delta is not terribly different from any insurgency in the history of militant political struggles anywhere.

By any estimation, the costs of this oil insurgency are vast. A report prepared for the Nigerian National Petroleum Company, published in 2003 and entitled *Back from the Brink* (before the latest insurgency took off), painted a very gloomy “risk audit” for the Delta.<sup>123</sup> NNPC estimated that between 1998 and 2003, there were 400 “vandalizations” on company facilities each year (and 581 between January and September 2004); oil losses amounted to over \$1 billion annually. Already by 2003, oil supply had been compromised by 750,000 bpd as a result of attacks on oil installations across the region. In April 2004, another wave of violence erupted around oil installations (at the end of April, Shell lost production of up to 370,000 barrels per day, largely in the western delta), this time amidst the presence of armed insurgencies. Two so-called ethnic militias, led by Ateke Tom (Niger Delta Vigilante [NDV]) and Alhaji Asari Dokubo (NDPVF), each driven and partly funded by oil monies and actively deployed (and paid) by high-ranking politicians as political thugs during elections in the Port Harcourt-Okrika-Kalabari axis, have transformed the political landscape of the delta. Within the first six months of 2006, there were nineteen attacks on foreign oil operations and more than \$2.187 billion lost in oil revenues; the Department of Petroleum Resources claims this figure represents 32% of the revenue the country generated that year. The Nigerian government claims that between 1999 and 2005, oil losses amounted to \$6.8 billion, but in November 2006, the managing director of Shell Nigeria reported that the loss of revenues due to “unrest and violence” was \$61 million per day (a shut-in of about 800,000 barrels per day), amounting to a staggering \$9 billion since January 2006. By the end of 2006, Minister for Petroleum Resources Edmund Daukoru claimed that the cost of

the insurgency was N7.5 billion per day,<sup>124</sup> amounting to a total loss of \$16 billion since 2005.<sup>125</sup>

The elections of April 2007 (even more fraudulent than the widely condemned elections of 2003) and the emergence of an Ijaw politician, Goodluck Jonathan, Governor of Bayelsa State, as the Vice President-elect, has done little to dampen the ire of the militants. Since 1 May 2007 (as of June 2007), forty-two foreign workers have been kidnapped and four pipelines have been blown up.<sup>126</sup> In spite of the one month post-election truce called by MEND in early June, attacks and ransoms have continued almost unabated (there were seven between June 1 and June 23, 2007). As of August 2008, the violence is undiminished.

Ken Saro-Wiwa, 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 Kalashnikov, 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 in the dramatic appearance of MEND. Within 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, the *International Herald Tribune* 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.'<sup>127</sup>

By November 2007, oil revenues were down by 40%, and 900,000 bpd shut-in. Shell alone, the largest operator, accounting for 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.

The Niger Delta's long festering crisis is nourished by a gigantic reservoir of anger and dissent. The reality on the ground is a dizzying and bewildering array of militant groups, militias, and cults: the



Niger Delta Militant Force Squad, the Niger Delta Strike Force, the Grand Alliance, Niger Delta Coastal Guerillas, South-South Liberation Movement, Movement for the Sovereign State of the Niger Delta, the Meinbutus, the November 1895 Movement, ELIMOTU, the Arogbo Freedom Fighters, Iduwini Volunteer Force, the Niger Delta People's Salvation Front, the Coalition for Militant Action, 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 more than 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?

### **V. Niger Delta Rebellion: Oil Insurgency or Organized Crime?**

There have been a raft of new books on African oil in the last year.<sup>128</sup> Written for the most part by journalists (and in one case by two military men), the books are replete with colorful stories of the devastating intersection of frontier capitalism and the worst of African kleptocracies, neatly captured by such titles as "instant emirates," "the Chinese are coming," and "wielding the oil weapon," describing "some of the most dangerous and dysfunctional nations on the planet." None of this work would have been possible without twenty years of critical academic research and excellent investigative work by the likes of Human Rights Watch, Amnesty International, Global Witness, and Oxfam. Whatever one thinks of the "resource curse" literature<sup>129</sup> (and I think it comes close to a sort of commodity determinism), this body of work exposes the pathologies of petro-states, the complex complicities between Big Oil and African "oilgarchies," and the disastrous consequences—environmental, political, and economic—of rentier political economies driven by the logic of politicized distribution of oil revenues rather than systematic accumulation, or disciplined develop-

ment, or the construction of transparent and accountable institutions of governance. Over the decade, the resource curse, which for the most part examined the political economy of oil dependency, has been taken up by economists, some concerned with the relations between resource dependency and poor economic performance (for example, Jeffrey Sachs) and more recently with the politics of oil, not so much at the level of corruption or fiscal mismanagement but rather sub-national conflicts and the relations between oil, civil war, and rebellion. By far and away the most ambitious and sophisticated research program emerged from the World Bank and the leadership of Paul Collier, former member of International Socialist and the World Bank, now at Oxford. His 2007 book, *The Bottom Billion*, turns resource dependency into a field theory of poverty. Oil dependency, in this analysis, turns on the relation between petroleum (not so much natural gas) and the means by which rebellions and insurgencies are economically sustained and financed—and, by extension, the devastating costs for development of long and protracted conflicts.<sup>130</sup>

This complex and variegated body of research<sup>131</sup> might be dubbed the “predation or rebellion as organized crime” theory of oil dependency. Collier’s clever theory focuses on the important question of financing violent politics. It argues that oil provides a ground on which rebels can finance rebellions (through looting the oil resources), which are self-interested, criminal movements against the state. Collier’s “economics of war” argument (“rebellion is large scale predation of productive activities”) draws upon a related and now large body of work that explores the character of oil as a source of predation by focusing on its point (as opposed to diffuse) character, its location (in relation to state power), and the ease with which it can be looted. Different political outcomes can then be deduced from specific resource attributes:<sup>132</sup> *warlordism* (distant/diffuse), *rebellion* (proximate/diffuse), *coups* (proximate/point), and *secession* (distant/point). Oil is captured in the latter two cases (it is a point resource that varies in relation to centers of power). Angola, Chechnya, Colombia, and Yemen are paradigmatic cases.

In a similar vein, Michael Ross explores the dynamics of oil politics along two parallel axes: lootability (understood to be “easily appropriated [resource] by individuals or small groups of unskilled workers”<sup>133</sup>) and “obstructability” (the ease with which its movement or its productive networks can be interrupted or blocked). Oil (on-shore and offshore) is not lootable; it is, however, readily obstructable (pipelines

can be detonated, flow stations occupied) on shore, but not offshore.<sup>134</sup> He holds open the possibility that oil (as an unlootable resource) may yield different types of outcomes (separatist in Cabinda, and non-separatist in Sudan), but believes that unlootability yields general associations. In other words, unlootability is likely to yield separatism (control of the territory, not the wealth), benefits to government rather than the poor, the reduced duration of conflicts, and enhanced army discipline.

Much could be said about Collier's work in particular: its deep cynicism ("rebellion...is like organized crime"); its belief that motivations in a conflict are unimportant (what matters is whether the organization can sustain itself financially); its assumption that history can be reduced to rates of economic growth or the existence of prior civil conflict; its troubling problems associated with the nature of the data, evidence, and sampling; and its claim that insurgent predation is "worse" than state extortion (or exaction).<sup>135</sup> I shall focus on its foundational claims and their capacity to provide a compelling account of the genesis of an oil insurgency across the Niger Delta. Their basic premises are that greed is opposed to grievance, that peaceful protest stands in opposition to rebellion, that government opposes rebellion, and that rebellion equals organized crime. From these assumptions, Collier concluded in 2003 that the Niger Delta resembles an "American gangland" involving a ferocious struggle over drugs. By 2007, he suggested it was a vast "protection racket" run by young, unemployed, and poorly educated criminals for whom life is cheap.<sup>136</sup> At the same time, as Zinn has noted, Nigeria seems to represent a striking exception to Collier's predictions.<sup>137</sup> His model saw civil war as unlikely between 1965 and 1969 (when the Biafran war erupted), while on the other hand, the possibility for civil war was high between 1985 and 1999 (when there was no such conflict).<sup>138</sup> How, then, does the predation-lootability thesis hold up?

The first criticism is that the very idea of an impermeable membrane separating or opposing two discrete entities—government and rebels—breaks down immediately. Corporate actors are not present in any serious conceptual way and the so-called militias, for example, got their start by financial and weapons support from politicians in the oil-producing states. The NDPVF was, as Oronto Douglas says, "the creation of the Nigerian State."<sup>139</sup> It is widely understood that former Federal Minister of Transportation Abiye Sekibo supported the Okrika Vigilante (established in 1998) and its successor organization, the NDV, led by Ateke.<sup>140</sup> The decentralization of corruption, the rise

of powerful gubernatorial machine politicians, and the enhanced state-level influxes of petrodollars since 2000 all signal how porous is the state/rebel divide. The NDV and the NDPVF members were deployed as political thugs to deliver votes and intimidate voters in the notoriously corrupt and violent 2003 elections (although there were, of course, militias and militant groups that pre-date 2003 and, indeed, 1999). Furthermore, a number of the arms used by the militias have been acquired from the Nigerian military (directly in relationship to electoral political thuggery and indirectly from a notoriously corrupt and undisciplined army). Last but not least, the low-level oil theft that is controlled by the rebels as a way of financing their struggle is organized directly with the complicity of the security apparatuses, the Niger Delta special military task forces, and the coast guard.<sup>141</sup> The Nigerian state, in its various institutional expressions, and the rebels are both oppositional *and* organically self-sustaining. The head of the Economic and Financial Crimes Commission, Nuhu Ribadu, articulated the issue with great precision: the state is “not even corruption. It is organized crime.”<sup>142</sup> Ribadu’s views might confirm the criminal aspects of the insurgency but this criminality is at odds with Collier’s suggestion that predation operates outside of state criminality. If there is organized crime, it seems to operate across the entire panoply of institutions and organizations involved in the oil business.

In the same way, Collier’s (and Ross’s) claim that oil cannot be looted stands in sharp contrast to the existence of a vast oil theft industry. This is not the place to detail the dynamics of its structure (from low-level bunkering territories policed by differing sorts of political actors up to the syndicates, global in scope, that orchestrate a vast criminal industry), but an estimated 10% of U.S. imports are stolen.<sup>143</sup> The point is that oil *is* looted, and very effectively. At its peak in 2004–05, some 350,000 barrels per day were stolen, perhaps inserting \$4–5 billion per year into the financial system. While the criminal proceeds are unevenly distributed along the commodity-chain (the low-level operatives gain little in relation to the barge owners, shippers, military, and so on), the fact is that both rebels and the political-security classes benefit from it.<sup>144</sup> There is no question that the oil bunkering trade embraces all manner of agents motivated by all manner of desires (greed, grievance, employment, excitement), but there is in principle no reason why organized crime (or extortion and sabotage, as the obstructability thesis claims) and grievance cannot co-exist perfectly well. Theft by definition is a crime, but not all crime can be read simply as self-interested

greed: “we are using our resources to fund this struggle,” as Asari puts it. Indeed, this is the hybrid nature of insurgent politics. Equally, even if the scale has waxed and waned, oil theft has a long history in the delta, dating back to the 1970s, even if it was only recognized as a serious problem in the late 1990s. In this sense, there has been no linear shift, as Collier suggests, from grievance to greed.<sup>145</sup>

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

A most striking aspect of these views of oil politics and civil conflict is that the agency of the oil companies—whether the national oil companies or the supermajors with whom they operate or the oil service/construction companies—has no analytical presence whatsoever in the models of rebellion or civil war. At most they appear as the unfortunate corporate entities that are preyed upon by rebels via extortion, sabotage, and kidnapping. Corporate practice and agency are conspicuously absent in any account of politics. This is astonishing because the companies *themselves* have acknowledged that they are a central part of the political dynamics of community conflict, most obviously in the internal reports by Shell and Chevron widely leaked in 2003 and 2004.<sup>146</sup> This is not to suggest that corporations have deliberately instigated or encouraged rebellion. Rather, what passes as community development in the delta, and a company’s related interactions with what are called “host communities,” are a central part of conflict dynamics.<sup>147</sup> 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 add up to perhaps \$200 million per annum, possibly 10% of the operating budget; some companies spend

up to 15–17% on such activities.<sup>148</sup> They represent a massive infusion of cash designed to purchase consent or compliance.

In practice, however, they are central to the dynamics of rebellion and community violence. On the one hand, companies are constitutionally obliged to pay rents to the local communities in which they have operations. They have typically cut deals with local chiefs (many of whom operate 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 responsibility on the ground often appears as a raft of unfinished community projects, all of which have contributed to festering resentments among the youth. Environmental Impact Assessments are rarely made public and the record on spills and compensation is deplorable.

Last but not least, the policy of “cash payments”—used to pay for protection services from local unemployed youth, to buy off local opposition, and to feed a vast network of illicit payments—have had the effect of generating enormously violent conflicts among youth groups. Some of these payments are made to militias who have “security companies” of their own.<sup>149</sup> Young men who are given standby payments or hired as protection services inevitably engage in struggles among themselves to capture or preserve the rents from competitors (other youth groups). Or they threaten or depose corrupt local chiefs (that is to say, they upend the system of gerontocratic rule at the village level) in order to gain access to the company rents and payments that flow from oil operations in their territories. Corporate practice and the struggle over oil rents to chiefs have contributed directly to the longstanding inheritance and dynastic politics in kingdoms such as Nembe, Bonny, Opobo, and Okrika, and more generally to what can only be described as a crisis of chiefly rule across the oil fields. The fact that so many chieftainships are ferociously contested and that, in some cases, chiefs are thrown from office or publicly flogged by militant and angry youth—surely unthinkable three decades ago—is a measure not simply of the governance crisis of customary rule, but of the endemic nature of the local conflicts and struggles that are key ingredients in the rise of the larger militias, such as the NDV or FNDIC.

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

a coup d'état (beginning in 1966), secession (the Biafran War), rebellion (MEND), and warlordism (the militias). What do these multiple outcomes suggest about the validity of the theory regarding predation, location, and resource characteristics?

Second, the importance of commodity attributes, lootability most obviously, seems undercut by the extent to which the purportedly unlootable (oil as opposed to, say, diamonds) and the unobstructable (offshore platforms and rigs) are clearly looted and obstructed.

Third, how does the predation thesis deal with an insurgency that has been at least fifty years in the making? What must be explained is the co-evolution of ethno-national and intergenerational shifts in political power detonated by a recurrent history of state violence. It confounds the simplistic generalizations that governments and rebels and greed and grievance are easily separable. In practice, they are indissoluble.

Finally, organized crime, which is, as Collier asserts, central to the economics of insurrection, has an organizational structure and reach that far exceeds the circumference of the rebels themselves and must include, at the very least, state and corporate operatives. Embedded within this claim is the larger issue of the nature and consequences of corporate power for the predation thesis.

## **VI. Oil Rebels and the Bottom Billion**

The insurgency across the Niger Delta, involving a welter of differing groups and interests, is inextricably wrapped up with the intersection of generational politics, a corrupt and violent petro-state, irresponsible and short-sighted oil company practices, and the existence of a vast oil bunkering network. As Kalyvas suggests, viewed from the micro-level these sorts of insurgencies resemble “welters of complex struggles” in which the notion that the rebels are criminals who operate against law-abiding states fails to capture the true dynamics at work.<sup>150</sup> Group interests are often “localistic and region-specific,”<sup>151</sup> yet, as I have tried to argue, their specificity emerges from the structured totality of the national and regional oil complex. It all makes for an enormously unstable and volatile mix of economic, political, and social forces, now located on a larger and more intimidating canvas of global oil instability and the Global War on Terror.

To return to Collier's book and its claims about civil war and resource traps, my purpose has not been to provide a full assessment

of the “resource curse.” Collier’s approach has been “Large N” (cross-national) in orientation, rather than case study oriented, as my own is here. At the very least, one can say that this body of research has shown often contradictory results regarding the relations between resources, growth, and conflict.<sup>152</sup> It appears that only oil (among the energy and non-energy resources) appears to offer a robust association with the onset and duration of conflicts. This raises the question of the specific qualities of oil (and gas?) that do not seem to hold for other resources. But is the oil case quite as clear cut?<sup>153</sup> Differing measures of the resource itself—oil output versus oil reserves, or oil revenues as a share of GDP, or oil rents—disclose rather different and contradictory patterns and associations. Hence, De Soysa and Neumayer, by using a particular measure of oil rents, find that the oil-conflict relationship using the conventional measure of civil war (1,000 battle deaths) is not met.<sup>154</sup> The relationship seems to hold only for “low intensity” (25 battle deaths) conflicts. Collier makes use of Oyefusi’s important survey of Niger Delta communities<sup>155</sup> to bolster his case but there are all manner of inconsistencies here, too. Some of this turns on the data itself: the oil variable consists only of the number of wells within a community territory and nothing of their status (producing or non-producing) or the quality and quantity of oil from local oil fields and wells. More fundamentally, Oyefusi’s data seems to indicate (*contra* Collier’s account of rebel recruitment and mobilization) that education, ethnicity, and assets increase the likelihood of personal grievance as a basis for rebel participation. Unemployment seems to be of no consequence as regards grievance level or rebel participation. All of this makes for, as Michael Ross has admitted,<sup>156</sup> a much more complex field of causality. Resource wealth and political violence may co-vary, but it may be that the obsession with resources mistakes a symptom, a state failure, for a cause.<sup>157</sup>

My concern here has been to explore some of the claims predicated on the analytical categories deployed in the name of the resources curse: the sharp distinctions between states and rebels; the distinction between greed and grievance; the purported significance of point versus non-point resources; and the lootability or nonlootability of resources as a prerequisite for financing rebellion. I have chosen not to question the existence of grievances as such, but to see under what circumstances these grievances are incorporated into a rebellion. Such conditions I interpret as an oil complex with its own characteristics (enclave, corporate, militarized) and dynamics (oil theft, state-rebel



collaboration). Here the Nigerian case, as singular as it is, highlights issues that are passed over in Collier and related work.

Key to understanding the disorder and violence within which opportunity structures are constituted are issues including the enclave character of the economy, in which extremes of poverty and wealth (and the environmental costs) are juxtaposed in close proximity; the strategic significance of the resources in which corporate, foreign, governmental, and military powers form a center of economic and political calculation; and the fact of state capacity and, hence, the pre-existing (pre-oil) political dynamics into which oil is inserted (rather than “poor governance”). Not least, what is absolutely missing from these analyses is the role and function of the transnational oil companies themselves. In the literature, they only exist to the extent that they are predated upon and/or are the source for extorting rents. The Nigerian case shows otherwise. In this sense, the suspicion surrounding Big Oil—as true in the U.S. as it is in Nigeria—assumes an important role in the extent to which local grievances have “legs.” Corporate power (yes, constrained by the powers of nationalist states) and their policies of cash payments, community development, and unaccountable transactions with government and local communities alike, must be central to any serious account of insurgency.

The picture that emerges from the Niger Delta is one in which the oil insurgency—itself a complex amalgam of Clapham’s liberation, separatist, reform, and warlord insurgencies<sup>158</sup>—is part of an economy of violence. It resembles forms of social and class struggle (some criminalized, some not) within a historically and politically specific form of primitive accumulation (or accumulation by dispossession as David Harvey describes it<sup>159</sup>). Rather than poverty, economic stagnation, and a lot of oil (Collier’s foundation stones), our starting point might be a historical sense of class and socio-political exclusion, corporate and other capital flows, and military neo-liberalism. To pose oil politics in this way is doubtless unfashionable. It represents a language that Collier by his own admission, on the first page of his book, ascribed to in 1968 and then abandoned as he moved to his perch at Harvard, the World Bank, and now Oxford. For all of its cleverness (and in my view, its extraordinary cynicism), I am not sure that *The Bottom Billion* might not have benefited from a dose of the revolutionary ardor that Paul Collier apparently subscribed to in the days when one could claim to be of the Left without sounding silly or having to offer an apology. In any case, Nigeria’s oil insurgency points to the multidimensional character

of opportunity structures for mobilization from below. In this regard, Nigeria's case resembles that of Colombia, brilliantly documented by Jenny Pearce, in which she concludes that while oil played a huge role in the escalation of armed conflict through "opportunities for predation," it was "policy failure, collusion of civil actors and terror and fear in the absence of the rule of law that created the opportunity structure" for civil war and rebellion.<sup>160</sup> These opportunities emerge from, and are the products of, what Christopher Cramer calls the "double helix of violent conflict,"<sup>161</sup> one strand of which reflects the primitive accumulation of the developing world while the other is the dynamics and interests of the advanced capitalist states. This essay, elucidating the oil complex and within it the petro-state, is my attempt to lay out something of the structure of the political-economic DNA as it operates through a particular economy of violence in the Niger Delta. ●

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## Notes

1. I wish to thank the faculty and students of Macalester College for a stimulating discussion of this essay, and especially Christine Chung ('09) and Professor William Moseley for their marvelous interventions.
2. The other two traps are landlocked states with bad neighbors and bad governance in a small country.
3. Collier 2007, p. 20.
4. *Ibid.*, p. 21.
5. For a review of this literature, see Rosser 2006; Brunnschweiler and Bulte 2008; and Basedau 2005.
6. Collier 2007, p. 42.
7. *Ibid.*, p. 45.
8. *Ibid.*, p. 46.
9. *Ibid.*, pp. 30–31.
10. Watts 2007.
11. Fernando Coronil 1997, p. 47.
12. Ryszard Kapuscinski, *Shah of Shahs* (1992).
13. Hannah Arendt 1958.
14. Ryszard Kapuscinski 1992, p. 34.
15. Michael Ross 1999.
16. Ross 2003.
17. Foucault 1991.
18. The term is taken from Nikolas Rose (1999).
19. Lubeck, Watts, and Lipschitz 2007.
20. Yan 2007.

21. Sino-Nigerian trade is currently about \$3 billion. During a state visit in April 2006, Chinese President Jintao announced a \$2 billion loan in return for exploration rights offshore and in Lake Chad.
22. See [www.ihenergy.com](http://www.ihenergy.com).
23. WIR 2005, p. 43.
24. See Obi 2004.
25. *Daily Trust* (27 February 2007).
26. See STATOIL 2006, p. 25.
27. See website [www.strategypage.com/qnd/nigeria/20070630.aspx](http://www.strategypage.com/qnd/nigeria/20070630.aspx).
28. Bergen Risk Solutions 2007.
29. According to the National Commission on Refugees, 800,000 Nigerians were displaced between 2000 and 2004 by communal violence, perhaps 200,000 in the Niger Delta alone.
30. Youth is a “complex, fluid and permeable category which is historically and socially situated” (Gore and Pratten 2003, p. 215). It is shaped, of course, in the Niger Delta by the political economy of oil and the cultural economy of chieftainship and customary rule, themselves shaped by long waves of accumulation extending from slavery through palm oil to the discovery of petroleum and natural gas.
31. Watts 2005.
32. *Egbesu* refers to a local diety, within the forty or so Ijaw clans, that is associated with warfare. But it has, as one might expect (and here a parallel with *jihad* is instructive), a complex set of shifting meanings, including a sense of personal or interior truth or purity. *Agabas* are urban dance societies (see Pratten 2006).
33. Gore and Pratten 2003, p. 240.
34. Ukeje et al. 2004.
35. Compare Pratten 2006 with Watts 2005 and Peterside 2007.
36. Oyefusi 2007, p. 16.
37. In Ikelegbe’s (2006, p. 97) sample of youth (including militants and opinion leaders), ethnic neglect and political marginalization (including state repression) were the overwhelmingly dominant reasons given for the rise of youth militias.
38. UNDP 2006; and STATOIL 2006.
39. Ikelegbe 2001.
40. By *insurgency* I mean “a technology of military conflict characterized by small, lightly armed bands practising guerilla warfare from rural base areas” (following Fearon and Latin 2003, p. 79). Clapham (1998) identifies four forms: liberation (anti-colonial of post-colonial minority), separatist, reform, and warlord.
41. International Crisis Group (ICG) 2006, p. 16.
42. Ginifer and Ismail 2005, p. 21; and NDPEHRD 2004. For what it is worth, the Centre for Strategic and international Studies in Washington, D.C., in a briefing in April 2007, refers to a five-fold increase in Kalashnikovs in the past 30 months and the profusion of RPGs, night-vision equipment, and anti-aircraft missiles. The five best-armed militias have 10,000 combatants and 25,000 weapons. The weapons vary from AK-47s to M-

- 16s, purportedly smuggled from Equatorial Guinea, Gabon, and Cameroon, but also acquired from Nigerian soldiers (Wellington 2007; Best and Kemedi 2005; Kemedi 2003).
43. Cited in Ukeje 2001, p. 15.
44. *The Guardian* (3 February 2001).
45. ICG 2006a, p. 29.
46. Cited in Peel 2005, p. 11.
47. *Nigeria Oil and Gas* 2007.
48. There is substantial ambiguity and confusion over oil revenue numbers, a problem that has been only partly remedied by the reports of the Nigerian Extractive Industries Initiative (NEITI). The Memorandum of Understanding between the government and the majors has not been made public but it has been suggested that the government portion increases substantially during periods of windfall profits. (The government take is apparently 95% when spot prices reach \$70 per barrel, STATOIL 2006, p. 9).
49. The Africa Development Bank estimates \$600 billion in total oil revenues since 1960.
50. Eberlein 2005.
51. Martin and Subramanian 2003, p. 4.
52. If the 2006 oil revenues were distributed directly, on a per capita basis, it would amount to almost double per capita income (2005 GDP per capital was \$560.00).
53. *Guardian Weekly* (12–18 January 2007): 17.
54. ICG 2006; UNDP 2006; and Mbembe 2000.
55. Don Pedro 2005, 2006; Douglas and Okonta 2000.
56. UNDP 2006, p. 2.
57. *Ibid.*, p. 1.
58. Ike Okonta 2005, p. 206.
59. World Bank/UNDP 2004.
60. *This Day* (6 June 2007), online at <http://allafrica.com/stories/200706060047.html>.
61. *Vanguard* (2 December 2006): 1.
62. *This Day* (11 March 2007), online at <http://allafrica.com/stories/200703110090.html>.
63. Moore 2005.
64. The entity currently charged with that mandate is the Revenue Mobilisation, Allocation and Fiscal Commission (RMAFC), established in 1988.
65. Moore 2005.
66. The logical and causal connection between rentier income from oil and the shopping list of pathologies is, however, far from clear. Why should a central oil income necessarily produce ineffective bureaucracy or why should an absence of direct taxation produce political apathy (when in Nigeria one might argue the reverse)?
67. Suberu 2001; Ikein and Briggs-Anigboh 2002.
68. Between 2001 and 2003, NDDC spent \$474.5 million; almost 60% on transportation, drainage, and buildings.
69. Omeje 2005.
70. See ERA 2000.

71. The key legislation, now much reviled across the delta, includes Decree 13 (1970), which centralized revenue allocation; Decree 9 (1971), which abrogated state's rights over minerals; the 1969 Petroleum Act; and the 1978 Land Use Decree.
72. Akinleye 1996; Suberu 1991.
73. NES 1999.
74. Reno 2002.
75. Ikporokpu 2004, p. 333.
76. The Ogomudia (2000) and Mantu Commissions (2006) suggested increases in derivation (the proportion of revenues allocated to the states from which it is derived). Both reports have been shelved but the increase in derivation to 3% in 1992 and to 13% in 1999 from virtually nothing in the mid-1980s has meant that between 2000 and 2004, revenues to the four largest oil-producing states have increased one-hundred-fold.
77. *Daily Independent* (30 December 2005); *Port Harcourt Telegraph* (2–8 January 2006).
78. HRW 2006. In Bayelsa State, 26 “new” LGAs were established (in addition to those constitutionally mandated in the establishment of the new state in 1996) that have never been formally recognized. In January 2007, for example, the LGAs, constituting fewer than two million people, received a statutory allocation of N651 million. The transparency and accountability associated with the allocation of revenue to these entities is almost zero; what a local Nigerian academic called “sheer madness” (cited in HRW 2007, p. 24).
79. Peterside 2004, 2007.
80. The resource control issue was in fact central to the first revenue allocation commission (Phillipson-Adebo Commission), set up in 1946, although the Hicks-Phillipson Commission of 1951 was the first to spell out the distributional criteria (see Dibua 2004).
81. For the first time, the governors of the six so-called South-South axis (a group of powerful southern states) formed a pressure group around the question of “true fiscal federalism.” A conference of political elites, held in Effurum, Delta State, in February 2001, summarized their position (“dispossession, exploitation and impoverishment of the people of the Niger Delta”), namely, “a minimum allocation percentage...(of derivation) of 50%.” (Dibua 2004, p. 161).
82. Osaghae 1986.
83. The CONFAB proposed a figure of 17%. President Obasanjo was compelled to overturn a Supreme Court decision in 2002, which proposed an on shore-offshore dichotomy such that littoral states could not command derivation over oil revenues from fields located on the continental shelf. A suit was brought by 22 states challenging the constitutionality of this ruling, but in December 2005, the Supreme Court unanimously dismissed the claim (*The Guardian*, 4 January 2006).
84. See ERA 2002; Courson 2006.
85. Human Rights Watch 2006.
86. Human Rights Watch 2007, p. 25.
87. Watts 2005.
88. The history of state violence and the deployment of the military and security forces to secure oil assets and crush internal political dissent is laid out in all of its gory horror in the Oputa Panel Report, a report that has not been released to the public by the govern-

ment but was unofficially released in January 2005 by the Nigerian Democratic Movement. Online at <http://www.nigerianmuse.com/nigeriawatch/oputa/>.

89. Harvey 2005.

90. Barnes 2005.

91. Lubeck, Watts, and Lipschitz 2007; Klare and Vollman 2006.

92. Online at <http://www.jhuapl.edu/POW/rethinking/video.cfm#whelan>.

93. *This Day* (9 December 2005).

94. Skorka 2007, p. 9.

95. Harvey 2003, 2005; RETORT 2005; Barnes 2005.

96. Davis 2004.

97. Unger 2007.

98. *Le Monde Diplomatique* (April 2006).

99. *Independent Monitor* (5–7 December 2005).

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

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

102. *Daily Champion* (2 February 2006).

103. Four speedboats with 100 militants arrived at 1:00 a.m. on December 20, 2005, at the Agbaokwam community and demanded evacuation. The explosions occurred at Agbaokwam Asarama and spread to about 20 other communities, all in Andoni Local Council. To curb the fire, SPDC shut down production from Diebu Creek and Nun River fields as well as all land area facilities except Rumuekpe. Some 170,000 barrels per day net oil were "deferred."

104. *Nigerian Tribune* (18 January 2006).

105. *Daily Independent* (15 February 2006).

106. Bergen Risk Solutions 2007.

107. See Sahara Reporters 2007.

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

109. *Vanguard* (4 February 2006).

110. The companies and government have typically denied the payment of ransoms to militants but there have been reports in the press, by activists and others, of payments

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

111. *Daily Sun* (9 May 2006).

112. CSIS 2007.

113. *The Observer* (5 November 2006).

114. United Press International (28 January 2007), online at <http://www.upi.com/Energy/analysis/NigeriaChopefulforoilfuture>.

115. See Ikelegbe 2006 and 2005.

116. Ukeje 2004; Okon 2007.

117. Ukeje 2001; Ikelegbe 2006.

118. 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 founding moment of Niger Delta militancy (Ikelegbe 2006). In fact, Isaac Boro’s Niger Delta Volunteer Force (and his sixty or so comrades) was their forerunner three decades earlier (1966). 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.

119. Peterside 2007. A major study on the relationships between gangs, cults, and militias is about to appear. The Center for Advanced Social Science in Port Harcourt.

120. Okonta 2006.

121. *Ibid.*, p. 20.

122. Jomo cited. See International Crisis Group 2006, p. 7.

123. Nigerian National Petroleum Company, “Back from the Brink” (2003).

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

125. *Africa Confidential* 2007.

126. See <http://www.alertnet.org/thenews/newsdesk/L20301606.htm> (20 May 2007).

127. *International Herald Tribune* (22 April 2007).

128. Ghazvinian 2007; Shaxson 2007; Margonelli 2007; and Forest and Souza 2006.

129. See Ross 1999.

130. Collier et al. 2003. Parenthetically, this approach is related to Michael Ross’s (1999) claim about another aspect of the oil politics, namely, that it hinders democracy through

rents (no taxation=no representation), militarization (oil-funded securitization), and service employment (as a way of purchasing ideological consent).

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

132. Le Billon 2005.

133. Michael Ross 2003, p. 47.

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

135. Collier and Hoeffler 2000; Collier 2005, 2006.

136. This is a position apparently shared by Nigerian scholars such as Ikelegbe, for whom there is an “illegal, criminal, informal economy... . engaged in the resistance of the political economy of oil.” Ikelegbe 2006, p. 49.

137. Zinn 2005.

138. Collier and Hoeffler 2000.

139. Oronto Douglas (*Niger Delta*, 27 July 2004).

140. See Best and Kemedi 2005, pp. 21–22.

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

142. Nuhu Ribadu, *The Economist* (28 April 2007): 56.

143. See Davis 2007; and Davis and Kemedi 2004.

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

145. Collier 2007, p. 31.

146. See WACS 2003.

147. ICG 2006, 2006c; Watts 2005; Omeje 2006c; Ibeanu 2002; Kemedi 2003; and Zalik 2005. See the excellent collections of case studies associated with the Economies of Violence project published as Working Papers of the Institute of International Studies, University of California, Berkeley, (<http://globetrotter.berkeley.edu/NigerDelta/>).

148. These figures were provided to me by an oil consultant with many years of experience in the Niger delta (London, 19 April 2007).

149. See Omeje 2006b, 2006c. The deputy leader of NDPVF claims to have been paid \$7,000 per month by Shell to his company, Dukoaye Servies, for security. Shell also admits that two FINDC security companies (Shad-Ro Services and IPPS) are on its list of approved contractors (see ICG 2006, pp. 10–11). In May 2006, Nigeria also granted a first right of refusal on a small oil block to a “militant faction” (ICG 2006a, p. 24).

150. Kalyvas 2001, p. 113. I shall explore these dynamics in a forthcoming article. By far the best and fullest account of MEND to date is Courson 2006. The study by Peterside (2007) on gangs and militias is the standard for the region as a whole.



151. Ibid., p. 112.
152. See Lujala, Rod, and Thieme 2007.
153. A usual response to the oil-conflict claim is to invoke Norway as a counter-case. Collier simply says that Norway was already a democracy when oil came on stream (p. 51). But one needs to say that democratic Norway emerged from a natural resource base (albeit not oil). And why in any case is this historical argument not relevant for the cases Collier studies; to wit, oil was inserted into an *already* weak, patronage bound, and fragmented state structure in Nigeria.
154. De Soysa and Neumayer 2007.
155. Oyefusi 2008.
156. Michael Ross 2004.
157. See Bates 2008.
158. Clapham 1998.
159. David Harvey 2003.
160. Jenny Pearce 2005, p. 162.
161. Christopher Cramer 2006.

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