

Transnational Oil Companies, Environmental Pollution and Crisis of Underdevelopment in Nigeria's Niger Delta: A Study of Shell Petroleum Development Company of Nigeria (SPDC).

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Abstract

The article analyzes the ways in which globalized oil extraction by transnationals, and the insecurity created by oil-related activities of oil transnationals in the Niger Delta region of Nigeria, especially Shell (SPDC the first Transnational Oil Company to prospect for crude oil in the region, and has the largest oil acreages in Nigeria. Shell thus became the prime target of all aggrieved groups, the militants, local youths and the communities, etc. It is also the most criticized among the many oil industries in the region. Hence the need to investigate the role that it has played in the conflict with a view to making an informed assessment of her actions and inactions in the communities where it operates. Few regions in the world have been as unfortunate as Nigeria's oil-rich Niger Delta with abundant natural wealth stands in stark contrast to its palpable underdevelopment. The oil sector accounts for over 90 percent of Nigeria's export earnings and 80 percent of the federal government's revenue, for over 63 years (1956 when oil was discovered), the region has been mired in conflict and violence that threatens human security and the national economy. The oil communities are now basically saying, clean the environment, listen to our demands or there will be no peace in the region.

Keywords: Pollution, Oil, Transnationals, Insecurity, Niger-Delta.

Introduction

This study examines how oil-related activities in the Niger Delta Region have negatively affected the environment, the political, economic and social life of the people of the region and the consequent Niger Delta communities' violent struggle against, against Transnational Oil companies, especially Shell Petroleum Development Company (SPDC) of Nigeria, a major oil company in the region. It further explores how the successive Nigerian government's poor regulatory role has affected SPDC's activities and consequent insecurity in Nigeria's Niger Delta region.

SPDC with its far-flung network of subsidiaries plays a significant role in the production and provision of investment capital for economic activities in the country. Niger Delta region known for its huge oil deposit as oil worth billions of dollars are extracted from the region yearly, still portray the picture of poverty at its peak. This is due to the fact that explorative and extractive activities of the oil companies have polluted the sea, air, land and indeed the whole ecosystem, depriving the people of their traditional occupations of farming, hunting and fishing. The people are further threatened by

different types of diseases resulting from the explorative and extractive activities of the oil companies (Unabia, 2008). With time some people of the region started demanding for improved social welfare for the oil producing communities for their ecosystem that is being destroyed every day by Shell. But rather than listen to the issues they raised, Shell through the help of Nigerian police and military, tried to suppress them and the people resorted to violence as a way of showing disenchantment.

Burdened by debt, low commodity prices, structural adjustment, and unemployment, Nigeria like other governments throughout the less-industrialised world today view TNCs, like Shell in Nigeria as the embodiment of modernity and the prospect of wealth, full of technology, rich in capital and replete with skilled (The Economist, 2000). As a result, *The Economist* notes, these governments have been "queuing up to attract transnationals" and liberalising investment restrictions as well as privatising public sector industries.

Scholars like Dunning (1958), Madeley (1999) and Singh (2000) largely share the opinion that TNCs like any business organizations are profit oriented. Their principal aim is to earn and maximize profit from their business operations, which is targeted at the expropriation of the economic resources of the local people with the institutionalisation of coercion as an instrument of control. In the opinion of Enders and Todd, (1999), simply put, TNCs are not humanitarian organizations but exist to make maximum profit. Singh (2000) also described TNCs as "psychopathic creatures that have no soul as they will go to any length to frustrate humanitarian concerns that affect their profit maximization. This view was further expressed when Singh (2000) said: "Transnational Corporation is an [externalizing](#) machine (moving its operating costs to external organizations and people), in the same way that a shark is a killing machine" For these less-industrialised countries, Nigeria inclusive, Shell as Transnational Corporation offers not just the potential for market expansion but also avenue for Foreign Direct Investment (FDI), but with poor observance of health and environmental regulations in their host countries.

Table 1: OIL SPILL RATE AND VOLUME SPILLED 1986-2000

YEAR	NO.OF SPILLS	QUANTITY SPILLED
1986	155	12,905
1987	129	31,886
1988	208	9,172
1989	195	7,628
1990	160	14,940
1991	201	106,827
1992	367	51,131
1993	428	9,752
1994	515	30,282

1995	417	63,677
1996	236	24,806
1997	280	15,004
1998	146	18,921
1999	198	29,337
2000	219	11,542

Source: Onu G. ed (2008). *Themes and Perspectives of Social Sciences in Africa*. Enugu. Quintagon Publishers Vol.1, No.1

Table 2: OIL SPILL RATE AND VOLUME SPILLED 2003-2006

Year	No. of Spills	Quantity Spilled
2003	213	11,861
2004	236	11,921
2005	224	8,317
2006	n.a	n.a

Source: *Shell Nigeria Annual Report 2005*

For the people of the Niger Delta, environmental quality and sustainability, according to Amnesty International (2009), are fundamental to their well-being. As correctly noted by Amnesty International (AI), the people living in the Niger Delta have to drink, cook with, and wash in polluted water; they eat fish contaminated with oil and other toxins. In the court case, *SPDC v Chief Caiphaz Enoch and two others* (HRW, 1999), cited in *Nigeria Weekly Law Reports*, (part 259), it was reported that five children died as a result of drinking oil-contaminated water. A typical example is the picture below showing villagers collecting water from a polluted stream.

PICTURE 1: VILLAGERS FETCHING WATER FROM A POLLUTED STREAM



Source: Owolabi T. (2013).

The oil spills affected at least 1500 communities in the eight crude oil-producing states in Nigeria, and were mainly from the 5284 oil wells that were drilled (as at 2006) and the 7000 km of crude oil pipelines that crisscross the Niger Delta region (UNDP,2006).

Even their residential areas and schools were not spared, as shown in the pictures below.

PICTURE 2: SHOWING RESIDENTIAL HOUSES BUILT ON TOP OF POLLUTED WATER



Source: Lauren Pius, "Niger Delta" Facebook 03/07/16

Source. Nkiru Iloh-Mbazor, "This is Niger Delta", Facebook, 12th June, 2016.



Facebook, 12th June, 2016.

The health hazards in the above pictures/environment are left to one's imagination. Ibeanu (2008) and Igho (2006:20-21), summed up the situation:

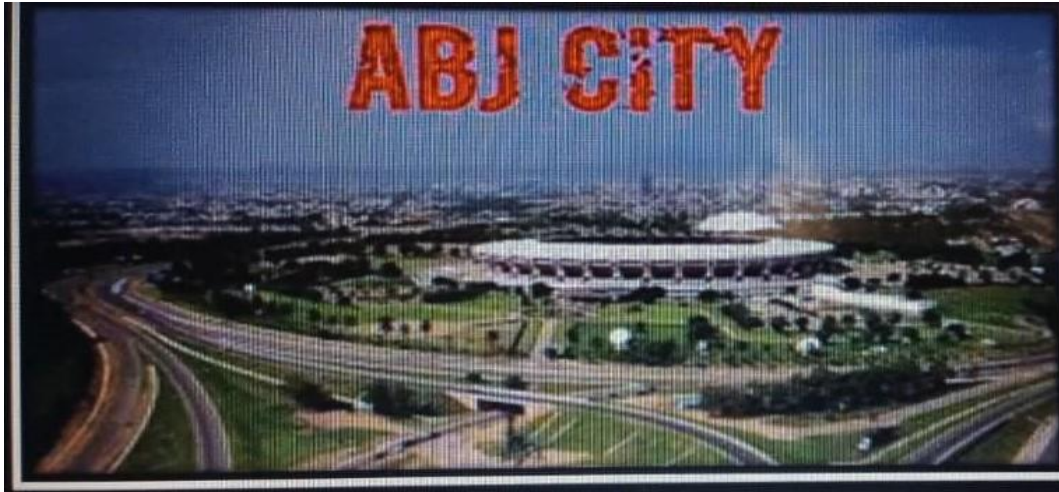
Ironically, those from whose land oil is taken are always on the negative side of its inherent paradox—they are poor, unsecured and undeveloped. They only hear of its value in stories of big cities it built, such as Abuja, its ever-soaring price in stock exchange around the world, the millions of people it will keep alive next winter in distant lands of the Northern Hemisphere and how it is transforming China into a gas guzzling Frankenstein's monster that constantly gives economic planners in Europe and America nightmare (Ibeanu, 2008:16).

This is similar to what Igho (2006) said while describing the environment of the Niger Delta oil communities:

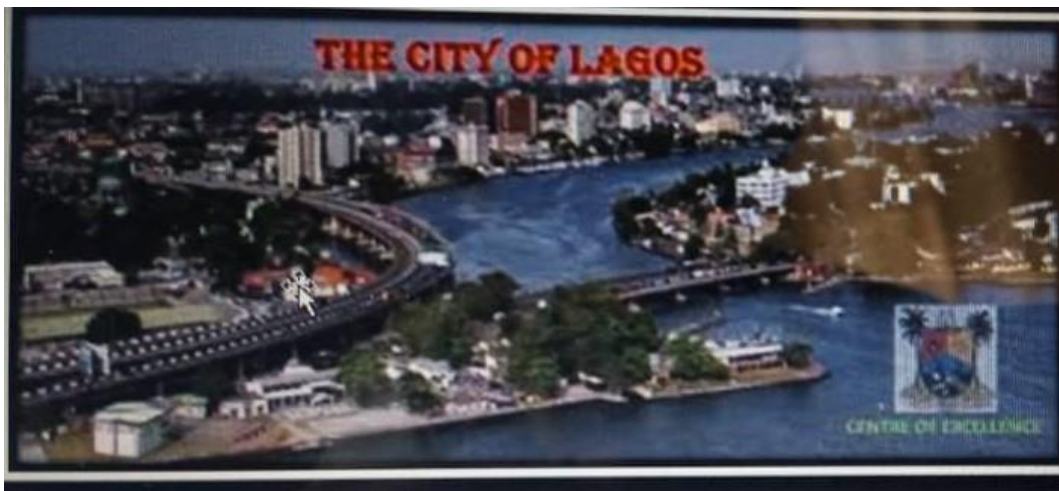
One sore point is the disparity of condition between Shell employees and its host communities. Shell industrial and residential areas IA'S and RA's boasting of state-of-the-art infrastructures, and good road, uninterrupted electricity and recreational facilities while members of the communities live in sordid squalor and putridity with no roads, water and shelter (Igho , 2006:20-21).

The pictures below vividly illustrate the glaring disparity between rural Niger Delta areas with most parts of Abuja, the national capital and the commercial city of Lagos.

PICTURE 4 A ABUJA:



PICTURE 4 (B) Lagos



Source: Lauren Pius, "Niger Delta" Facebook 03/07/16.

With the marine resources of the entire area systematically depleted, the traditional occupation of farming and fishing endangered while the entire Niger Delta region, socially, economically and politically become an environmental disaster, more or less a "dead land". Meanwhile other states of the federation had continued to enjoy the benefits of those oil-related activities without incurring any societal dislocation or environmental risks arising therein. The rest of the country seem not to even understand and or appreciate the impacts of oil spillages and environmental degradation caused by improper oil exploitation on the Niger Delta communities, hence the continuation of the agitation by the oil communities and attempts to diffuse the tension have all failed and their agitation for clean environment has continued till date.

Social Impact The social and cultural impact of the oil industry cannot be adequately tackled without perfunctory references to land issues. Oil industry activities are largely predicated on their unrestrained access to land because they derive their oil from the earth crust. The oil communities on the other hand, depend on land to grow their food, fish and hunt. Land is central to the social system of the people of the Niger Delta as well as other parts of Nigeria. In this respect, clashes between the people and oil firms are inevitable. The acquisition of land by the oil firms for pipelines rights of ways, flow lines, flow stations and gas flaring sites normally engender acrimony between oil firms and host communities. Most of the lands acquired by Shell are for long term use, such as well sites, housing offices, while some are for the short term only, such as seismic lines. As at the end of 1998, there were a total of 1,613 well sites within the company's operations out of which a total of over 906 contained producing wells (Shell, 2011) while the total land take may appear small in general terms, the effect of the land acquisition can be serious on individual land holding as well as the community in general depriving them means of subsistence.

Land issue is another sore point in the challenges of insecurity in the region. In the Niger Delta as in most parts of Nigeria when a woman gets married, her husband is required by tradition to give her a piece of land to farm. It is from this farm that she feeds her family and grows food for sale in order to buy other staples and other family needs. This tradition allowed the woman to enjoy a measure of economic independence. However, the constant land-take over for oil activities, and the resultant pollution from the industry, has left the women in the region with no means to feed or support their families. To make use of clean water for their domestic chores, the people now go some distance away from their homes to find unpolluted water, according to Dianna Wiwa (Wiwa, 1997).

Traditional medical herbs are not spared either. Lergborsi (2007) has shown that there is dearth and possible extinction of some traditional medicinal plants and herbs of the people as a result of the incursion of the oil industry. The extinction is brought about by the fact that most of these herbs and plants are found in sacred groves, shrines and forests, which have fallen under direct destruction in the course of oil exploitation and the toxicity of oil pollution. Seismic workers, in the process of cutting lines, trees, shrines and groves are tampered with. Even ancestral ponds and places of worship suffered the same fate as they are desecrated while detonating explosives for seismic data acquisition. Etikerentse (1985), noted that this is done with outright impunity as the people are hardly paid compensation.

There is the issue of *Moral Bankruptcy*. Aside from the land question, there is also the moral issue as there is alarming evidence on the drop in morality in the region, which hitherto used various taboos to check social miscreants. This involves a scandalous and promiscuous social relationship between oil company workers and young girls in the host communities. The influx of comparative rich and almost "alien" workers from the affluent oil industry has escalated prostitution in previously isolated and stable communities (Anikpo, 1996).

Prostitution is on the increase in the Niger Delta, as correctly noted by Anikpo (1996), that when many towns and villages have seen influx of male workers from other parts of Nigeria as well as large expatriate communities, in such situation, together with poverty, illiteracy and lack of any alternatives or access to a better life, many young girls of the area have gone into prostitution and are made to engage in bestiality as well, by some

expatriates. Though argument may be made that the young girls are equally guilty since it takes two to tangle, but when one examines their predicament within the environment, one would easily understand their limitations. These are materially impoverished folks, according to Uwadiae and Oviasuyi (2010), living far away from urban communities and hence ignorant of more dignifying means of livelihood after their farmland had been degraded by Oil Transnationals. The teenage girls are attracted with steady flow of cash from their transient lovers and subsequently go for easy money and ignore going to school as it is seen as time wasting. It is, therefore, explicable why the young girls are highly susceptible to the 'oil men' who can lure them with little sum of money but which unfortunately appear enormous in the eyes of the girls. This explains the prevalence of HIV and AIDS in the region which is regarded as one of the highest in the country (UNDP, 2006).

Traditional forms of authority have also been eroded as internal divisions within communities have increased, most frequently between the youths and chiefs, between youths and the community's urban and local elites, between youths and professional claims agents and the community, as well as, and finally between different youth groups. Interestingly, the youths play crucial role in the formation of these factions. Thus, in most cases, the conflict is directed against the chiefs who are seen as the focal point of authority and patronage. Previously Age Grades in the area were important institutions which helped to mobilize community energy and reinforce solidarity. The age grade also performed economic functions in the form of clearing bush paths as well as building of ponds. But with the advent of the oil industry, the pre-colonial and colonial functions of the age grades changed. Age grades are now used as forum for resisting the atrocious environmental regime of the oil firms. They galvanize themselves in presenting common front in the struggle for compensation from the oil firms.

The youths eventually became vanguard for organizing and staging protests. In the extreme, they barricade flow stations, subtly engage in the sabotage of oil installations, outright kidnapping in order to obtain ransom and finally in the formation of militant groups. Discipline which was a hall mark of age grades when it was culturally regulated has now fizzled out. Women's groups are also becoming more vocal with the emergence of women organizations, movements and groupings that engage in protests, production disruption and facility occupations.

As rightly pointed out by Ikelegbe (2005), women in the Niger Delta who are aggrieved, impoverished, marginalized have keyed in into the struggle for environmental justice, accountability and fair share from the oil industry. The result is a complex and dynamic fragmentation of communities characterized by frequent power shifts. This fragmentation makes it difficult to build relationship as well as negotiate compensations for land acquisition, damages and spills (Shell, 1995) which Oil industries later cashed into. The result is frequent disruption to peaceful community life and disruption of oil industry activities.

Before the advent of the oil industry, youths followed the dictates of the elders with respect as Aghalino (1999), found out. The elders however lost their respect when they threw caution to the wind and began to assume that the final point of authority and patronage are derived from the oil industry due to the wealth they realized from the oil

industry. This was confirmed during interaction with the locals. With time the youths discovered that the chiefs were also colluding with oil industry contractors to falsely certify jobs completion in order to share a percentage of the contract sum to the detriment of their communities. This on its own became another source of conflict, as noted by Human Right Watch ((1999) in *“Green River Project”*, Iko, Akwa Ibom state case where the natives again confirmed that such development funds are usually diverted into the pockets of oil company employees, local contractors and chiefs.

Oil industry induced migrations which involve young men and girls in search of greener pasture in the major urban areas of the Niger Delta (Legborsi 2007: 11) emerged also. Perhaps, it may be stressed that an urban-rural divide was already showing in the region by the time oil became a dominant feature of the Nigerian economy. But the oil boom years sharpened it with a consequent decline in rural population. Migration out of the oil-communities in the Niger Delta seem to be the major radical adaptable mechanism put in place by the people whose sources of livelihood are threatened by oil spills and gas flaring. They are continuously forced to move out from their living quarters as in the picture below, as a result of gas flaring.

PICTURE 5: SHOWING BURNING SHELL OIL PIPELINE AS THE VILLAGERS EVACUATE THEIR HOMES BY BOAT.



Source: www.guardian.co.uk/environment/2010/may/05/sh...

There are also migrations informed by the wish to move elsewhere because of unbearable inflationary trend instituted by oil field workers in the Niger Delta region. The presence of these oil field workers in the various flow -stations and locations in the region and their high salaries compared to what the locals earn, seem to have negatively affected prices of goods and services.

Oral evidence suggests that the prices of goods have skyrocketed beyond the reach of the common man, a situation largely blamed on the activities of the oil workers. In other words, high cost of living and the search for opportunities to re-establish trading activities as a result of the loss of their farmland to oil pollution became a compelling force for migrations.

An adjunct to the above is that majority of the household in the region are now headed by women as a result of the migration of their husbands out of their villages. The result is that the jobs of caring for the family now rest on the women (Aghalino, 1998). The influx of 'stranger' elements from other parts of the country and abroad has further diluted local cultures and safeguards. As for the environment and natural resources, this means that traditional arrangements for resource use and management have virtually broken down. Clan rulers, village elders and family heads can no longer be relied upon to enforce traditional practices, which have negative consequences for the environment (UNDP 2006:306). Poverty in the region has gone beyond the physical; it is now also psychological as there is a total erosion of dignity and self-respect (Dunning, 1990).

In addition to above examples, the spill created a new surge of displaced persons as well as environmental migrants. In the same vein, it was reported that at least 6,000 people, had been displaced in several weeks of violence between local militia and security forces, just in September 2004 alone, as well as by infighting between militia. This surge to leave the region was intensified with the Jesse fire disaster of October 18, 1998, which claimed almost a thousand lives (Oil Times, June, 2001).

Economic Impacts The irony of the societal tensions associated with SPDC's operations is that Shell seems to care more about being in good business than about the wellbeing of the communities in which it exploits oil and allied products (Duru, 1995). Oil production activities in these communities have polluted creeks and destroyed aquatic life, and where there are spillages, losses would be unquantifiable in monetary terms. There is also the problem of acid rain. It destroys houses. People living within the vicinity of oil exploration and production activities have to contend with it every day of their lives (Ray Ekpu, 2008; Dan Agbese, 1995).

The combination of the effects of oil spill and acid rain resulting from gas flaring has been soil degradation which affects crop yield and harvest as the soil has been rendered infertile. Furthermore, there is poor fish catch. This is because fish are driven away from in-shore or shallow waters into deep-sea as a result of gas flaring and the people do not have the modern fishing gadgets to go into deep-sea fishing. The overall impact of this is food shortage which has affected the ability of most families to feed themselves. Niger delta once referred to as the fish food basket of Nigeria, is now largely dependent on imported food, including fish, as the popular *icefish* is gradually replacing the traditional fish on most menu tables.

Even compensation for damages for petroleum operations, there is no definition of what constitutes fair and adequate compensation. This leaves the way open for a floodgate of disputes and litigations on this crucial matter. The rate used by the operating companies, which is a scale of rates drawn up by the Oil Producers Trade Section (the OPTS) is not a product of negotiation with the people affected by these hazardous operations or their chosen representatives. Though this rate is in line with *Deep offshore and Inland Basin*

Production Sharing Contracts (Decree No. 26, 1999), be that as it may, the rates are very low and as such do not reflect the increasing inflation rate in the country or the economic realities of the time.

It is also difficult to compel Shell and other oil companies to pay compensations for environmental pollutions as compensation is expected to be paid to the persons or community whose use of land would be affected by oil operations (even when such people are just tenants or lessees on the land) and not to the original land owner as most of Shell pipelines are close to human settlements.

PICTURE 6: SHOWING SHELL PIPELINES USED AS PATHWAYS AS THEY ARE NOW CLOSE TO HUMAN SETTLEMENTS.



Source: O'Neill, Tom. (2007)

Shell and other oil operators, relying on the provision of the Land Use Act, are willing and ready to pay compensation to only those persons or communities whose interests are directly affected, leaving the real owners without any compensation in order to avoid (according to oil operators) paying double compensation (Aghalino, 1999). Taking advantage of the lapses observed in its implementation, Shell began to withhold payment of compensation, until the issue of who is entitled to payment is resolved by litigation or until the claimants come to amicable settlement, with such amicable settlements always in favour of Shell (Aghalino, 1999). Disagreement on the measure of compensation to be paid and several incidents of sabotage in the industry emerged as the oil communities began to regard the oil operators as evading their responsibility to pay compensation and insensitive to their plight; in the face of massive destruction of their farmlands and fishing ponds.

Despite all obstacles faced by the oil communities taking SPDC to court for damages and obtaining justice, the people never gave up. In January 2015, for instance, SPDC finally agreed to pay £55 million (\$84 million) compensation to one community living in Bodo, Ogoniland after thousands of residents took Shell to court in the UK. The company had originally offered them a paltry sum of £4,000 (\$6100) for the devastation of the fishing and farming livelihoods caused by just two of the hundreds of Shell oil spills every year (*Amnesty International*, 30 April 2015).

Protecting the natural environment of the Niger Delta is closely linked to the protection of the economic wellbeing of its citizens. But Shell is not interested in protecting the economic wellbeing of the people, but to maximise her profits. Of her biggest oil fields outside the U.S., almost 14 percent (14%) of Shell's production comes from Nigeria's Niger Delta region which has also yielded about \$30 billion in oil revenues, according to Royal Dutch Shell in Nigeria financial returns (<http://www.facing-finance.org/en/database/cases/royal-dutch-shell-in-nigeria>). However, with around 31 million of the people who live in the Niger Delta region, such profit makes no meaning since they benefit very little from this money as their environment has been severely contaminated.

Above investments notwithstanding, the failure of SPDC to understand the level of environmental degradation caused by her oil-related activities in the Niger-Delta region and her inability to adequately address the security challenges of the region has been attributed to her massive investment in the region and obsession with profit motive. Until recently, oil companies like SPDC did not bother about the socio-economic consequences of her operations in the Niger Delta as issues were getting out of her control. SPDC obsession with profit is not completely out of tune as business enterprises are established to make profit, but obsession with profit motives only is a different and dangerous thing. Probably, in realization of this obsession with profit, Friedman (Friedman 2001) declared: "There is one and only one social responsibility of business –to use its resources and engage in activities designed to increase its profit so long as it stays within the rules of the game, this is to say, engages in open and free competition without deception of fraud".

While acknowledging that SPDC has made excessive profits from her oil explorations and exploitations in the Niger Delta, but decades of unchecked Niger Delta oil spills and other environmental degradations, according to *Amnesty International*, (2015) could cost her billions of Dollars in compensation and clean-up costs. Amnesty International went further to warn investors to beware, just as the SPDC was publishing its profit figures for the first quarter of 2015 financial report. The United Nations Environment Programme estimated that \$1billion is needed for the first five years of oil clean-up for Ogoniland alone, which is just one part of the Niger Delta Region where Shell operates. It projected that cleaning up oil pollution in the whole Niger Delta region could take up to 30 years operation. *This situation was further captured by Mark Dummett (Amnesty International 30 April 2015) when he said:*

Investors must beware the hidden costs that await Shell from its Niger Delta operations. For decades the multi-national oil giant has failed to stop the oil spills, or clean up the devastating pollution that has destroyed lives and livelihoods ...

Last year (2014) Shell made profits of \$15 billion, so investors may see it as a safe bet. But court actions have already forced it to pay out millions in compensation, paving the way for future actions from other Nigerian communities which have borne the brunt of the company's negligence.

The picture below is a good example of environmental damage done by Shell. But with mounting agitations and known activists' pressure at home and abroad (especially Saro-Wiwa and his eventual death), growing interest in corporate social responsibility, and the spiraling costs of conflict in production areas, the oil industry is now listening and even playing an increasing role in how oil and gas are extracted, how Niger Delta communities are faring, and ultimately, where the revenues should go.

PICTURE 7: SHOWING MANGROVE FOREST DESTROYED BY CRUDE OIL POLLUTION AND FIRE IN KALABILEMA COMMUNITY, BAYELSA, IN 2004.



Source: O'Neill, Tom. (2007)

Excessive profits by oil companies as noted by Shankleman (2007), presents an even-handed and insightful picture of the obstacles, fiscal incentives, and growing potential for the oil companies to ameliorate or even prevent conflict in the areas where they operate. Thus SPDC has also realized that there is a link between her style of oil extractions and exploitations and the incessant conflicts in the region. As a matter of enlightened self-interest, SPDC is now more and more collaborating in many ways with governments, international organizations, and NGOs to limit environmental damage, provide local jobs, increase transparency, and enhance the chances of sustaining both profits and peace, in the region.

Though given the enormity of Niger-Delta developmental needs, SPDC and other oil multinationals alone cannot cater for every perceptible developmental challenge afflicting the region. Nonetheless, they can still make credible efforts in partnering with the

government in certain developmental projects to offset the negative impacts of foreign investment, more so when they equally have economic interest in the petroleum operation.

Political Impacts The political impact of SPDC's oil operations in the Niger Delta is defined within the framework of the various agitations, oil politics, militancy and insecurity in the Niger Delta that have bedeviled the area, at the very least since the nation's independence and have made the country's insecurity challenges become a subject of discussion. Oil has been used to engender development in the Niger-Delta, unlike its impact on Abuja, the national capital and Lagos, the commercial city. Apart from her massive environmental pollution, records of poorly executed clean-ups and lack of transparency in compensation for relocation of people's homes as a result of her oil activities, Shell's other interventions in the politics of the Niger Delta have further eroded the security environment for its business operations as well as the 'civility' of the civil society. For instance, Shell's engagement and partnerships with violent and parochial elements of the civil society, have contributed to a situation whereby groups, according to Omeje (2006), compete intensively with each other to gain the company's attention and patronage. Disaffected rival groups have attacked the company's facilities in an effort to prove to Shell that it remains vulnerable and that only through partnership with them could security be guaranteed. Just like host communities who reassert themselves by launching retaliatory attacks (Omeje, 2006). This competition has taken a number of forms.

By localizing relationships, Shell's security strategy has encouraged the cementation of identity along ethnic lines. In awarding surveillance contracts to powerful host communities, the company has ignited and exacerbated conflict between the militias which it pays to guard its interests and neighbouring communities who contest ownership of the territory on which oil installations lie (Zalik, 2004). The contracts to safe guard Shell's facilities provide a massive infusion of cash directed towards project eliciting the support and services of some armed militia. The groups are, therefore, enabled to purchase more sophisticated weapons which they employ in serving Shell's interests (Zalik, 2005, 2009, Okonta, 2005, WAC Global Services, 2003). Thus, the company's CSR-informed security policies have fed into a spiraling regime of horrifying intra/inter communal/ethnic conflicts between ethnic groups such as the Ijaw and Itsekiri, Ijaw and Ilaje, Urhobo and Itsekiri. Other conflicts have also taken place between Basambri-Nembe and Ogbologbomabri-Nembe communities, or within communities such as in Ozoro, according to Ikelegbe (2005), which has not successfully resolved till date.

The result has been the conscription of civil groups as vanguards for ethnic militancy and violence which Omeje (2004) described as "the killing and displacement of thousands of local people." It is not simply ethnic tensions that have been exacerbated, according to World Affairs Council (WAC) Global Services (2003), Shell's selfish protection operations have greatly impacted disastrously on community leadership of the region. This is because, through their partnership with the company, youth militias have been empowered to assert themselves violently as the leading actors in their local politics.

In many communities, the militant youths have overturned the established system of customary rule at the village level, taking laws into their hands by attacking, exiling or even executing elders and traditional authorities whom they denounce as corrupt. They acted just like Lugard and his group, the early European invaders, did. The case of

Isongfuru in Nembe provides an apt illustration of a wider phenomenon which stretches across Bayelsa state and much of the Niger Delta. In the Isongfuru case, Nwajiaku (2003) asserts and collaborated by Omeje (2006), that thanks to its partnership with Shell, Isongfuru militia became *largely invincible* by using funds received from Shell, to arm themselves with sophisticated dangerous weapons with which they chased out political and opinion leaders who disagreed with their activities and methods.

The irony of the societal tensions associated with Shell's operations is, as in some cases, women, traditional rulers and regional groups have decried militia violence, whilst at the same time using it as a bargaining tool to depict the exasperation of the region and the need for urgent negotiation and resolution. Ikelegbe (2001) therefore asserts that there is occasionally some understanding, support and congruence between the groupings and their methods. This opinion was shared by Omeje (2006) when he said that many members of the surveillance teams "are wittingly or unwittingly drawn from the different anti-oil militia groups that intermittently launch subversive attacks against petrobusiness." In fostering this dynamic, Shell's acclaimed socially responsible policies may well have become the antithesis of its original intentions, according to *Financial Times Editorial* (2006).

This is because through its engagement and partnership with uncivil society, the company has indirectly legitimized a lifestyle founded on high stakes renter extortion and violent opposition to the Transnational Oil Companies (TNOCs). This is more evident when the vigilante boys graduated from errand boys to political activists and god-fathers through the money they made from surveillance duties and oil bunkering activities. Obviously, over 50 years of oil exploration and exploitation had occasioned environmental degradation and pollution, resulting in excruciating and brutalizing poverty, unemployment, disease, health hazards and even death among people living in this region (*TELL*, February 18, 2008). Hence Azigbo (2008:18) asserted that the major culprits in these ugly situations are the oil multinationals led by SPDC and the insensitivity of successive governments at the centre. The region therefore became a hot bed of crisis because of the problems associated with environmental pollution, and years of neglect and marginalization that has pushed the people to resist deprivations, intimidation, domination, hegemony politics and injustice.

At the root of the crisis in the Niger Delta have been the attempts by the indigenes of the region to control the oil resources located within their land. It is worthy to note that the struggle has a long history dating back to 1966 when the late Isaac Adaka Boro attempted secession within the ambit of the later year "Kaiama Declaration" of 1998 for an independent Niger Delta Republic. Isaac Adaka Boro agitated among other things for self-rule, resource control and resistance to marginalization. The then Federal Government under General Abacha quickly contained it as in other pockets of agitations and social uprisings, till the end of Nigeria civil war. The agitation however increased in tempo with the return of the country to democratic governance in 1999. It has been sustained since then with the agitation taking different forms and dimensions.

The politics of oil in the Niger Delta highlights more profound national challenges with which the Nigerian state will need to contend, most notably, the issues of environmental degradation, minority rights, resources allocation and poverty alleviation. A prime cause of later agitation was the tension between foreign oil

corporations, especially Shell and the communities who felt exploited. It was characterized by violence against Shell and Government and also violence of inter-communal nature fuelled by competition for oil wealth. This led to increased militarization of the region. In 1990 under General Babangida administration the Ogoni ethnic group in Rivers State adopted the "Ogoni bill of rights" which they presented to the Federal Government and people of Nigeria detailing their grievances, need for immediate solutions failing which, with subtle clause, their exit from Nigerian federation. This brought some of the leaders into direct confrontation with the Federal Military Government and later led to the military occupation of Niger Delta. By 1992 Movement for the Survival of the Ogoni People (MOSOP) escalated its conflicts with the oil companies. MOSOP issued ultimatum to oil companies to pay accumulated royalties, damages and compensations as well as immediate stoppage of environmental degradation (Okonta and Douglas, 2001).

They were given 30 days to pay or quit Ogoniland (Boel,1995) and government uncompromised response to this demand was militarization. Violence escalated and finally led to the trial and execution of Ogoni activists including Ken Saro Wiwa. The execution of Ogoni activists rather than quell, violence increased it instead. In December 1998 Ijaw Youth Conference crystallised into Ijaw struggle for petroleum resource control with the formation of Ijaw Youth Council. The Council called for direct action against oil companies in Bayelsa State. Their declaration led to the deployment of more troops by the Federal government of Nigeria to the region for protection of the oil companies. The militant groups went underground and killings and kidnapping became the order of the day.

The perpetrators now include undergraduates, unemployed graduates, and uneducated youths, among others. From kidnapping only the expatriates as victims in pre-amnesty period, victims now include well-meaning Niger Delta indigenes such as politicians, traditional rulers, business men and women and middle class professionals like doctors, lawyers and their relations. It basically became a mean of livelihood and survival by people indulging in it (especially in post-amnesty Niger Delta). Government must address the root cause of the phenomenon by engaging in massive job creation for the youths of the region and Nigeria. The security sector and the system of justice administration must also be addressed. A situation where criminals are rewarded with wealth while law abiding citizens are living in poverty will only encourage more crimes like kidnapping to be committed.

Attempts to use government power in recent times to curtail the corporate behaviour and growing powers of the TNCs, like Shell in Nigeria, have met with little or no success as TNCs on their part made extra efforts to influence government's policies instead. When they fail, they move on to other places. Hence Madeley (1999) for instance, concluded that when they come to a country trying to impose some environmental or societal consideration and legislation on them, they just move over to another country where the rules and regulations are not strict. Just like Coca-Kola in Zambia which closed its operations in that country due to disagreements about tax exemptions (Hawley, 2000). Through threats of market withdrawal TNC can and do have impact of government policy to their advantage.

In exploiting countries in this way (i.e., threatening to move investments elsewhere if regulations and standards impact on their “competitive” advantage), TNCs can and do obtain both free government subsidies at tax payers' expense, either directly or through the auspices of the World Trade Organization (WTO). Consequently, they deter or prevent governments from imposing strict employment conditions or environmental regulations thereby securing ever-higher profits for their shareholders. When faced with governmental threat, some of them simply withdraw from the market, thereby engendering dearth of their products/services. In such cases, governments have been forced to back down from their efforts than lose them, especially when they have competitive technological advantage.

Nomiyama and Fenton (2015), found out that Shell Nigeria (SPDC) employed this method of withdraw from the market several times in the past, when it declared *force majeure* in the Niger Delta; citing her inability to continue production as a result of insecurity to her personnel and equipment. Force majeure, by definition is an unexpected event that crucially affects somebody's ability to do something and can be used in law as an excuse for not having carried out the terms of an agreement. As a contract provision it allows a party to suspend or terminate the performance of its obligations when certain circumstances beyond their control arise, making performance inadvisable, commercially impracticable, illegal, or impossible (Encarta English Dictionaries, 2009).

As expected, in the Niger Delta's case above, Nigeria security agencies moved in immediately to guarantee Shell the requested conducive working environment. The handicaps of the leaders are however understandable as developing countries will, unfortunately, always back down from such efforts as they cannot afford the confrontation with the TNCs, unlike the most successful large and advanced countries of the United States of America, Japan, Brazil and some European nations with viable indigenous market competitors. This blackmail by TNCs adds a false but compelling air of legitimacy to the case put by the corporations like Shell, that their policies are accepted by such governments. In reality, the compelling force is government's fear of loss of votes, unions' fear of loss of membership and employees fear for their continued employment. It all amounts to a neat trick that Government of whatever party can ill afford to question, for fear of the corporation concerned moving production elsewhere. Their willingness to acquiesce in this game is understandable, not with other nations waiting and too eager to welcome any corporation willing to set up a new factory, so not to play would be self-defeating and would lay governments open to the charge of not acting in the national interest. Thus once in power, politicians of whatever party effectively have no choice but to remain confined within the policy parameters dictated by global markets and competition.

Though there are few genuine attempts by some governments to control the activities of TNCs, but in most cases, the dominant class as Okoye (2000) rightly observed, merely boosts its personal economic and social standing in the process. They use the masses as mere tools and in that process, abuse state power, politicize religion and ethnicity, so as to win and retain the support of the gullible masses. The threat of nationalization (forcing a company to sell its local assets to the government or to other local nationals) or changes in

local business laws and regulations have been used, to certain extent, by Governments to limit transnational corporations' power. These issues are becoming increasingly important due to the emergence of TNCs in developing countries; this method however, like others, has its limitations especially in the developing countries with weak economic base as they cannot effectively challenge TNCs without losing the fight. As a result of their size, TNCs like Shell in Nigeria tend to dominate both the economy and politics of third world nations. They could act with few restraints even while impacting negatively on these economies in the health and environmental issues like in Niger Delta. There is always the unwillingness or inability of national governments to control them, especially in a period of deregulated global trade and investment. The people's health or the environment are routinely exposed, with workers and communities subjected to arrays of health, safety and ecological dangers. All too often these operations erupt into disasters, such as the issues currently being experienced in the Niger Delta.

A transformation of resistance from non-violent stage to violent forms, involving well-publicized attacks by Niger Delta, ethnic militias against the Nigerian state-oil multinationals partnership. The various government programmes aimed at ameliorating their plight have mostly failed due to inability of government to enforce oil exploration regulatory laws and attendant corruption in the country. The Federal government is also thwarting efforts by Niger Deltans at resource control that would have helped to distribute equitably the oil wealth of the region to certain extent.

Conclusion and Suggestions

Putting all the above together it becomes safe to conclude that Shell as a pre-eminent oil company in the region with tacit support from the Federal government of Nigeria are complicit in generating and sustaining insecurity in the region. Perhaps it was government's recognition of its complicity and the need to change course that led to the first elaborate and seemingly genuine effort to develop a coherent, long-term strategic attempt at peace in the Niger Delta, with the 2008 Technical Committee on the Niger Delta. The report as instituted by the late President Umaru Musa Yar'Adua (Ademola, 2009), saw the dismantling of many militant groups and the surrender of their armory. The most dreaded militants surrendered their armory based on the assurance they got from the president with regards to government's genuine commitment to the amnesty deal. Amnesty offer and its implementation became the platform that the government used in order to dispel the growing misgivings in the Niger Delta on the nature of Shell-Government relationship. It also saved the region from further violence and organised criminality while ensuring Nigeria's continued position as a leading source of energy for the world.

The Niger Delta conflict and its attendant insecurity have been escalating since 1990, shifting from a dominantly peaceful agitation to violent challenges conducted by the youths. It shifted from an ethnic cum regional agitation between the 1950s and 1960s, to local conflicts conducted by communities in the 1970s and 1980s. Since the 1990s, it became an ethnic and regional conflict conducted by civil society, political society, youth and women. The focus and extent of engagement have been growing and shifting between the Nigerian State in the 1950s and 1960s, to the oil companies in the 1970s and 1980s and then

moved to the state and oil companies since the late 1980s. Not surprisingly, the conflict took the form of insurrection or insurgency; it equally has become national in its engagements, confrontations and militarization and international in its concerns (especially small arms proliferation in West African Sub-region) and effects on world energy supplies and stability.

With the Amnesty offered to over 20,000 armed fighters, an uneasy quiet has settled over the area. Yet, the fundamental conditions of extreme deprivation have remained unchanged. The developmental challenges facing the Niger Delta are still shaped by its turbulent history and are closely intertwined with recurrent patterns of instability. With little provocation, longstanding grievances could once again erupt into another cycle of violence. There is urgent need to redress the problems that engendered the wide spread state of insecurity so as to avoid a relapse as pockets of incidents of kidnapping and threat of violence by some militants still persists. This clearly suggests the need to deal decisively with the Shell and Nigerian state-driven causes of youth restiveness and insecurity in the region, with decisions as below among others: (a) Stop gas flaring as a matter of urgency. (b) Mobilize resources without delay to address communities' need for sustainable sources of clean drinking water. (c) Embark on a Niger Delta-wide environmental audit and rehabilitation programme, cleaning up the legacy of oil spills, polluted land and waterways, and rapidly replacing old pipelines to international accepted standards. (d) Federal government should also critically assess its oil regulatory policy and its implementation and finally, embark on a policy of an increased allocation of oil revenue to the Delta; urgent improvement of infrastructure and human welfare services; and new institutions for the longer term development of the regions.

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