



Character of the Nigerian State in Oil Business

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Abstract

This paper looks at the character of the Nigerian state in oil business. Oil has become a more dependable and reliable source of income to the Nigeria economy over the last six decades. The Niger Delta region is the belly that bears the oil. Any effort to disrupt oil activities in the Niger Delta region by anybody or group of people under whatever name or guise attracts full and coordinated resistance from the Nigerian state by the use of state power especially through militarization. The research methodology for this is qualitative. The research design is and historical and descriptive and the source of data collection is secondary. The paper is of the view that the Nigerian state is in alliance with the Multinational Oil Companies operating in the oil industry than the communities where the oil resources are located. The finding of the paper is that non-state actors who have worked with the major oil companies are used by the Nigerian state to consolidate its hold in oil business and unleash terror against the oil producing communities through juice appointments.

Keywords: Nigerian State, Oil Business, Character, Oil Politics

INTRODUCTION

The character of the Nigerian state in oil business has been of a great concern due to the level of violence in the struggle and agitations to oil resources in Nigeria from colonial and post-colonial eras. This is more so considering the prominent role of oil in the economic and political development of the country. Allen (2014) explains that the claims and agitation over oil



resources can be traced to the period in our national life when oil became the major source of income for national development in Nigeria. Oil has therefore become a commodity for economic and political survival in Nigeria. This, to a great extent has rather made the Nigerian state violent on issues of oil and environmental conflicts with oil producing communities in the Niger Delta. The economic and political interests of Nigerian state in oil have inversely and adversely affected its supposed development disposition. The Nigerian state has maintained this posture. This has about weakness, failure or decay in the Nigerian state due to partly, the external forces in search of oil.

These external forces are the Transnational Oil Companies (TNOCs) operating in Nigeria. They collaborate with the local class of the “trouble makers and criminals” also known as *lumpen* bourgeoisie who are their partners in crime. They see and use violence, coercion and terror as necessary instruments guaranteed by the Nigerian state to perpetrate their evil acts in oil business. Panter-Frick (n.d.) as cited in Allen (2014) captures it this way: the best way to understand the how oil shapes violence in the Nigerian state is to look at the relationship that exists between the interests of the Nigerian state and that of the oil companies operating in Nigeria. It has been an alliance between political, business and military echelon of the society who have taken the dominant forces in the conflicts that arisen in oil business.

The much talked illegal oil bunkering or oil theft in the Niger Delta is no more the business of the so called militants. The illegal activity has cut across all the strata of the society. No one is left behind. Adishi, and Hunga (2017), laments:

Let no one be deceived for the rich, powerful and connected are Nigeria’s oil Mafiosi (member of Mafia). Oil theft is a big criminal ring with sophisticated organization and international network. Where will poor people get the millions to buy or rent vessels, bribe customs and get military cover for their operations? Oil theft is not for the poor, it is an extensive racket involving military, security apparatchiks (an official in a large political organization), politicians, dubious industrial moguls and oil companies (53).



THEORETICAL FRAMEWORK

The elitist theory of power was propounded by the two pioneer social scientists-Vilfredo Pareto (1848-1923) and Gaetano Mosca (1858-1941). This theory best fits for the paper. The later work of Wright Mills 'The Power Elite' in 1956 calls attention to the interwoven interests of the leaders of the military, corporate, and political elements of society and suggests that the ordinary citizen is a relatively powerless subject of manipulation by those entities.

Power elite model is, in many respects is similar to the work of Karl Marx. But it differs from the Marxian concepts of dominant or ruling class and class struggle which are central to the Marxian ideas of fundamental changes in social structure. The elitist theorists are highly critical of the Marxian theory of social classes on two vital points.

Firstly, they say that the Marxian conception of ruling classes is erroneous and demonstrates the continual circulation of elites which would prevent the formation of a stable or a close ruling class in modern industrial societies. Secondly, they disagreed with the Marxian prediction of future classless and egalitarian society. They viewed these ideas as impossible since, in every society, there will always be hierarchical division and the upper stratum of this division which is, and must be in minority, will actually rule.

Undoubtedly, the Nigerian state adopted an elitist society structure through the use of non-state actors to perpetuate itself in Nigeria's oil business. The discovering and exploration of oil to Ibaba (2010) has heightened the avoidable elusive hopes of development brought about by elite struggle for resource space. The Nigerian state and the non-state actors in the oil sector operate within a state that is primarily charged with promoting activities, policies and legislation to protect and sustain the investments and markets of the multinational oil companies (Kenneth, 2006). The Nigerian state has always used a select group of people whom it claims to have special quality, high intellect, wealth, special skills, or experience and deserve influence or authority greater than that of the majority of members of the society.



This explains the fact that there is a close connection between the state and oil in Nigeria, which in the opinion of (Hamilton, 2011, p. 12):

State is supposed to be playing the role of moderating the crisis between various classes in society, but over time, it has served as an instrument by which the most powerful, economically dominant class becomes politically dominant and thus acquires new means of holding down and exploiting the oppressed class. The Nigerian state, during numerous communal crises in various parts of the country, has helped oil companies exploit and hold down the peoples of the various oil bearing communities in spite of the fact some of the oil companies have been accused of not abiding by environmental standards, not providing compensation in accordance with the law for damages resulting from oil exploration.

In support of this argument, Allen (2014) says that the State is not neutral, even as it is often perceived to be an instrument of domination by dominant groups in the country. Omonobi (2004) reveals that the military and other security agencies have been massively used by the Nigerian state against the youth militias in their fight for resource control in the Niger Delta. There has been massive military presence in the region to protect the oil companies' facilities and personnel. This is also used to crackdown the restive youths in the region who have accused of illegal oil bunkering, destruction of oil facilities and kidnapping of oil personnel. Unfortunately, (Ikelegbe, 2005), reveals that "rather, it is the very top and rich elites who can muster the materials and the connections with the military and the government to sustain the business" of illegal bunkering.

Paul (2005, 45) calls them 'power elite' and adds that

They can effectively dictate the main goals (if not always the practical means and details) for all really important government policy making (as well as dominate the activities of the major mass media and educational/cultural organizations in society) by virtue of their control over the economic resources of the major business and financial organizations in



the country. Their power is seen as based most fundamentally on their personal economic resources and especially on their positions within the top management.

Evidence to this fact by Allen (2014), shows that former President Olusegun Obasanjo appointed Funsho Kupolokun who worked briefly for Shell Petroleum Development Company (SPDC), the Group Managing Director of NNPC in 1999. Also the former president after Obasanjo, President Goodluck Jonathan appointed Mrs Dezani-Madueke who was a senior executive in SPDC as the former Minister for Petroleum Resources. In line with observation, Lewis (2010) argues that “this self-seeking elite class, sacrifices national interest and needed development”.

Under the current administration of Mohammed Buhari, the junior Minister for Petroleum Resources Prof. Ukachukwu was a former executive of SPDC. Frynas (2001) as cited in Kenneth (2006) gives a more damaging and undeniable evidence to the fact that the Nigerian state is on the side of the oil companies to the neglect of the communities where the oil is found. This, Frynas calls alliance theory and states that the it is a deliberate effort by the Nigerian state that a former Ernest Shonekan, was appointed as the head of the Interim National Government (ING) of Nigeria by General Ibrahim Babaginda on 26th August 1993 after he (Shonekan) served as a director in Shell.

On the list is also Edmund Daukoru who was also a former SPDC staff before he was appointed Group Managing Director of the NNPC in 1992. Daukoru retired from SPDC after his appointment. Others have also held government positions; Rufus Ada George and O. C. J. Okocha, the former Governor and Attorney General of Rivers State respectively. The two had at one time or the other worked for Shell. This, to Allen (2014), could not have been a mere coincidence. It is rather a deliberate effort by the Nigerian state.

EMPIRICAL REVIEW

The Military in Nigeria Oil Politics

The Nigerian state and oil companies are in alliance. Government in collaboration with the oil companies signs the issues concerning oil extraction without involving the communities where the oil is found. This different from what is obtainable in developed countries where agreements are between the people and oil companies. The concern here is that Nigerian government as a matter of regard to the communities involve them in signing oil related agreements, at least as tripartite agreement if not bilateral agreement with oil companies. When there are conflicting interests between the oil companies and the host communities the government is never on the side of the communities. It rather apply force and terror against the people by sending soldiers to protect the oil companies (Kenneth 2005). Iyayi (2008) also argues the fact the Nigerian state is more responsible to the oil companies in the Niger Delta than to the people of the region. This, according to him is traceable to colonialism. To him:

The root and character of the modern Nigerian state were planted in the colonial state, which related to the indigenous people as natives, subjects and a conquered people to be civilised. Civilising the natives meant of course, exploring them and treating them with disdain, disgust and distrust, in short, as inferiors. Resource exploitation activities were conducted on the bases that the resources belonged to the colonial power and that, in any case left with or to the natives, they would not be able to use such resource for productive purposes. The Managers of the modern Nigerian state not only inherited and internalised these attitudes; over time, they deepened and expanded them. These characteristics of the Nigerian state have been reproduced in a set of assumptions that it deploys in relating with the Niger Delta. (Iyayi a cited in Allen 2014, Pp. 47-48)

Allen (2014, p. 48) advances that the character of the Nigerian state in relation to extraction of crude oil is based on three assumptions including:

1. the crude oil is national reserve that belongs to the Nigerian state rather than the Nigerian people in general or oil-owning communities in particular;
2. agitations for resources control or change in the derivation formula are either politically motivated, lack merit or orchestrated by trouble makers and criminals;



3. as well as the one that promotes the use force or military solutions with the demands of the Niger Delta communities.

The military expeditions in the affected communities according to Odoemene (2012) “ended with sexual violence against women and young girls, raising the mind boggling question on ‘why do soldiers rape?’” (p. 229). The negative impact of the military option is further radicalization of the already restive and agitated Niger Delta youths (Nwankwo, 2015). No wonder, this explains the continued presence of heavy and fortified Nigerian Armed Forces in the name of Operation Polo Shield (formerly known as Joint Task Force) in the Niger Delta region, which Daniel (2011, p. 4), describes as “the state’s strategy of militarising the oil-producing communities as it accumulates by terror.” But the Nigerian state claims the JTF is to help curtail the level of violence in the region. Unfortunately, the military have also joined in the ranks and files of what Allen (2014), calls ‘trouble makers and criminals’ in uniform.

This is what Moruku (2005, p. 896) calls “state violence, which comprises punitive and excessive use of force against protestation made to the Nigerian internal colonial government”. An illustrative list of invasions of Ijaw villages and fishing settlements by the Nigerian military includes the following: The invasion of villages and massacre of their people in Gbaramatu Kingdom in 2009; the Odi massacre in 1998; the Kaiama invasion in 1998; the invasions of Opia, Ekiyan, Egbema, Gbarantoru, Ogodobiri in 2003; the invasion and incineration of Agge (in August, 2008) in retaliation for the militants’ attack on the JTF in Bomadi on 26 July, 2008 (see also Amaize, 2009). Add to the list is the raid on Ayakoromor Community on December 1, 2010 in search of recidivist militant, John Togo, of the Niger Delta Liberation Force, NDLF, (Amaize, 2010 as cited in Moruku, 2005).

During Abacha and Obasanjo regimes, between 1993 and 2007 the use of military option was highly pronounced in resolving conflicts in the Niger Delta with the following examples: Ogoni in 1989, Umuechen in 1991, Ilaje in 1998, Odi in 1999 and Odioma 2005 (Etekpe, 2007 as cited in Odisu, 2015). Power collaboration between SPDC and the state had led to numerous human



rights violations, including summary execution, beatings, arrests, unfair trials and detention(Wale, 2001).

The Character of Nigerian State

Understandably, the character of the Nigerian state in the late 1980s and in the 1990s, especially during the period the conflict started becoming violent did not help the situation. It was such that the state was revolving between a strong state because of its military leadership and a weak one, because of its inability to fulfilling its social obligations to the people. This issue of non-performance by the government especially in bringing material and human developments to the oil communities, gave room for protests and the struggle that resulted later, because the people of the communities saw their plight as a deliberate policy by the Nigerian state to exterminate them because they belong to the minority ethnic group (Owasa, 1999 as cited in Ndubuisi, 2009). This position brings another dimension to the violent conflict in the Niger Delta, meaning that conflict means more than just the quest against environmental degradation (Ndubuisi, 2009).

Hamilton (2011) writing on the position of the Nigerian state on oil business states:

The state over the years has in several ways escalated communal crisis in society. As the biggest dispenser of national wealth and the organ responsible for providing social amenities for the people, the Nigerian state is supposedly aware of the people's needs. But, as a government, it would not make these needs available to the people. The people have learned to make their demands known the way they know best, by ransoming the oil companies who are involved in the exploration of what they call their oil (p. 13).

‘Whose land?’ This is the one question that underpins much of the conflicts associated with the exploitation of ‘strategic’ natural resources such as petroleum, diamond, gold, timber and coltan in Sub-Saharan Africa. It is an issue on which the state (and extractive business corporations) and grassroots groups often substantially differ. It is also the one issue that defines what communities and landowning groups receive by way of compensation for land expropriated for extractive industrial activities. The differing stances between the state and stakeholder



communities as to who has a legitimate claim to land and the minerals under have become quite complicated. While the state believes it 'owns' the 'strategic' natural resources and, so, must determine how best the exploitation of such resources can bolster national development objectives, indigenous communities often attach more than economic definitions to land (Mitee, 2002).

The struggle by rulers, counter elites and merchants for access to natural resources for accumulation and political consideration through patrimonialism brings about emergent challenges ranging from the excluded and ensuing conflicts and violence. This point is underscored by the claimants to the resources and can be regarded as contests over power and wealth (Ikelegbe, 2005). Several conflicts in resource rich states are characterized by violent scramble to control natural resources (Reno, 1993 as cited in Ikelegbe, 2005).

Mair (2003) explains that most conflicts have a fairly high political content and are rather actually triggered by multifarious factors such as the patron based, predatory and personal rule, corrupt control of national resources and the undermining of state institutions. Further, economic decline, economic desperation, social deprivation, state failure, state repression and state collapse and the nature of management of conflict are also indicated in several conflicts. Allen (2006, p. 48-49) summaries the whole situation thus, "To frame the present conflict in term of struggle to control oil as of right on the part of Nigerian state is understandable, given the colonial character of the state."

CONCLUSION AND RECOMMENDATION

Oil as a source of power and wealth is central to Nigerian state. Oil therefore, has an overbearing influence by defining the object of power and by its dialectical materialism as a source of wealth, poverty, unity, intense competition, and conflict (Obi, 2005). In its usual characteristic approach to the use of violence, the Nigerian state Onuoha (2016, p. 7) observes the "the desire to restore stability in the Niger Delta to ensure steady revenue inflow to government coffers has compelled President Buhari to charge the military to crush renewed militancy in the region". The military



by the order of the Nigerian state always dispatch reinforcements to the region, but has registered very little success in terms of stopping explosive attacks on oil and gas facilities. The Nigerian state has also failed to address environmental problems in the Niger Delta, the huge income it makes from oil notwithstanding. The state in alliance with the oil companies deploys violence against oil bearing communities (Odisu, 2015).

The government alongside with the oil companies should as a matter of necessity and urgency, reach to the host communities and sign workable policies on development other than the usual interventionist posture of the government. The political, religious and traditional leaders and elites from the oil producing communities must always carry the mass of the people along in taking any decision concerning them. These leaders and elites have more access to the government and the oil companies. They should therefore share with the host communities equably any benefit that comes from both the government and the oil companies, either in employment opportunities, development programmes, material and monetary benefits.

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