

Workshop Proceedings
Social and Conflict Analysis of the Nigerian Niger Delta
April 5, 2007

A one-day framing workshop for the Niger Delta Social and Conflict Assessment was held in Washington, linked by video to Abuja, on April 5, 2007. The objective of the workshop was to discuss the key social and conflict challenges facing the Delta and to map potential solutions.

The workshop brought to the Bank a highly distinguished panel of experts on the Delta:

- **Prof Michael Watts**, Director, Center for African Studies, UCLA, Berkeley;
- **Precious Omuku**, Shell International (Former Head of Public Relations, Shell Nigeria);
- **Prof. Peter Lewis**, Director, African Studies Program, SAIS, Johns Hopkins;
- **Sola Omole**, General Manager, Public Affairs, Chevron;
- **Deirdre La Pin**, Independent Consultant, former Head of Community Development, Shell PDC, Nigeria; and
- **Aaron Padilla**, Senior Consultant, Environmental Resources Management

Members of the Nigeria Country Team, and members of the Social Development Department also participated in the workshop. A list of participants, the program and a note on the workshop are attached.

Session 1: Diagnosis

The panel of experts agreed the Niger Delta to be one of the most serious and urgent development challenges of current times. The marginalization of the Delta, and the local resentment which this has engendered, predates the development of the oil economy. However, oil has given the region national and global economic significance, also generating local expectations for better times. At the same time, oil resources have driven a political economy founded on the blatant appropriation of power and economic rents by a narrow oligarchy, rather than on economic diversity and wider prosperity. Conflict in the Niger Delta should not be seen as homogenous: there are distinct types of conflict, and it is important to understand their differing origins and manifestations.

Hafez Ghanem, Country Director for Nigeria, underscored the risk of conflict in the Niger Delta spreading to paralyze the entire country. To act effectively to reduce instability and violence, it is necessary to understand their origins and how they play out, and this was the agenda for the first part of the workshop. Ben Jua, consultant for the NDSCA, presented an analytical framework for understanding the challenges of the Delta (attached).

This framework was for the most part endorsed by the panel of experts, who in their comments offered refinements and suggested some additional factors.

1. Social and Political Exclusion: The two post-military elections (1999 & 2003) are widely agreed to have been extensively rigged in the Delta states, offering a mere parody of democracy to its citizens. Fraudulent results were sustained only by violence and its threat – either by security forces or political militias. This has stoked up anger and resentment: the political process is now held in complete distrust, and seen as corrupt and exclusionary. The failure of formal institutions, and the institutionalization of violence as the means to address grievances, has had social as well as political implications. Local customary institutions have become eroded: traditional rulers and elders have lost credibility in the eyes of youth as interlocutors with government and oil companies. Youth, in turn, have used militancy and violence to challenge government and extort from oil companies.

2. *Economic Exclusion:* The Niger Delta is an ‘iconic representation of destitution amongst the possibility of wealth.’ This assessment by the panel captures the resentment experienced by the people of the Niger Delta and their sense of exclusion from the wealth generated by their resource-rich region, which also has the highest rate of unemployment in Nigeria. Their alienation feeds and is used to justify violence.

3. *Poor Governance and Corruption:* Corruption is seen as grave and endemic in the Delta, and the root of many of its problems. While there is a perception of improvements in governance at federal level, state governance systems are widely abused, and at the local government level, corruption is egregious. Huge sums are now received at both state and local level, and there is no evidence of their being applied to productive development ends: seepage is apparently accepted as normal practice. The centralized nature of development planning compounds the problem, leaving people in the Delta with a sense of having little voice in decision-making. The situation exacerbates yet further the sense of exclusion, hopelessness and anger of the citizenry, and especially youth, who have lost faith in the existing structures of governance.

4. *Poor infrastructure and public service delivery:* The current situation with regard to access to public goods was described as akin to a human emergency. This is reflected in the Delta’s abysmal social indicators. The contrast to the wealth accrued from oil by both companies and the government adds to frustration. While oil companies have invested considerable resources in the promotion of community development, their efforts have had a very mixed record, and have sometimes exacerbated conflicts.

5. *Environmental Degradation:* Oil exploration and production have led to environmental damage in the form of land, water and air pollution, the disappearance of wetlands and depleted fishing grounds,. Despite huge profits from oil (most of which accrue to government), measures to counterbalance environmental damage are inadequate. Environmental damage is a major focus of community discontent. It is also exacerbated, through sabotage for various motives, by that discontent. Systematic knowledge of the extent of environmental degradation is lacking.

6. *Escalating violence and disorder:* The Niger Delta has seen the democratization of the means of violence as the state has lost its monopoly over the use of force. Violence has assumed many forms, and arises between communities over host community status, land and resource claims and surveillance contracts; within communities over the distribution of compensation; between communities and oil companies; and between communities and the security forces (including supernumerary police). The fault lines of conflict frequently coincide with – or are justified in terms of – ethnic differences.

7. *A vicious cycle of violence:* The militarization of conflict has intensified the proliferation of arms, hostage taking, sabotage and emergence of youth cults and warlords. The illegal bunkering (theft) of oil fuels this process through a shadow political economy.

8. *Landownership:* There is considerable juridical ambiguity about land rights. The Land Use Decree of 1978 formally vested all land in State governments. This expropriation has, however, never been accepted by communities, families and individuals who have customary claims on land. The resulting double system, combined with the weakness of judicial institutions, makes for ambiguity and long-running conflicts at many levels.

Session 2: Actions to respond to the Delta's challenges

The afternoon was structured around presentations and discussions on how the challenges outlined might be addressed by government, the private sector, civil society and development partners.

Approach

The panel of experts emphasized that the *way* in which the Delta and its challenges are envisaged and discussed is critical to the identification of appropriate solutions. A prevailing view of violence and political dysfunction, reinforced by the media, has fed mutual blame, disempowerment, indolence and despair. However, not only are there successes on which to build in order to recreate trust in the Delta's institutions, but a 'new vision' of the Delta is essential to generate the motivation for change.

Responses to the crisis will need to be carefully considered and moderated, and be realistic about what can be achieved. In particular, account must be taken of the history of the zone (the path by which it came to its present impasse), and its distinctive political economy if the mistakes of the past (notably elite capture) are to be avoided, and the necessary local champions identified and empowered.

Whatever the outcome of the ongoing derivation debate on revenue distribution, a shortage of resources going to the Delta States is not the main bottleneck on development. While institutional innovation must be seen as a priority, new programs or agencies should be designed to facilitate, rather than replace, the role of State and LGA in delivering sound development.

Three related conditions are necessary on which to found a coherent response to the crisis: (a) a broadly agreed framework for action; (b) a set of measures encompassing top-down and bottom-up approaches; and (c) a coalition of parties prepared to move these forward with energy and commitment. However, these conditions can only emerge from genuine dialogue about the Delta, which is felt hitherto to have been lacking. Even initiatives of a local nature need to be undertaken in the context of such an agreed framework and contribute to this wider goal.

The experts were unanimous in stressing the urgency of the situation: while there may be a brief respite for a few months after the election (a 'honeymoon period' in which the government will be expected to prove its commitment to addressing the crisis), after this, the situation was likely to spiral into increasing violence and ungovernability.

Actions

Improving **governance** is considered the precondition for peace and development. In particular, enhanced **economic governance at state level** could apply the enormous public resources allocated to states to the ends of equitable and sustainable development. Improved leadership, improved systems of financial management, and a more active role of enforcement agencies (Economic and Financial Crimes Commission, EFCC and Independent Corrupt Practices Commission, ICPC) all have roles to play here.

Transparency at LGA level would likewise be central to achieving local development. If the local government is seen as transparently performing its responsibilities, using resources effectively and ensuring delivery of public services, community trust in government is likely to increase. Social Accountability mechanisms such as participatory budgeting, expenditure tracking, citizen score cards, etc. could play an important role here.

Other kinds of **institutional innovation**, bringing together public and private sectors, civil society and communities are also necessary. The potential role of traditional chieftaincy institutions, which has been eroded by the last decade's social changes was debated, and there was no consensus whether traditional institutions could play a constructive part in mediating between formal structures and communities.

Oil companies have an important role to play, though the extent of their responsibilities for community development vis a vis government need to be clarified. Recent initiatives which replaced the host community model with wider, regional organizations may yield new models and lessons.

There was unanimity about the scale and urgency of the need for **infrastructure, public services**, and, most of all **employment**. Some speakers advocated 'a big push', or a Marshall Plan style initiative for the Delta. Others pointed to the failures of the past associated with large initiatives and the regional development organizations for the Delta. Recent requirements for increased local content in the oil and gas sectors could provide a catalyst for employment and skills development, although these industries will still remain capital rather than labor intensive

More focus was needed on the **environment** – at present, the extent and nature of environmental damage were poorly documented and understood.

The role of the Bank

The Bank, given its convening power, could play an important role in promoting such dialogue as a neutral party. The Bank should not to be reticent about engaging a range of stakeholders beyond government. One widely endorsed suggestion was for the Bank to approach the incoming administration soon after its confirmation and suggest that relevant stakeholders engage in a scenario building exercise on the Niger Delta, from which would flow a set of policies and actions.

It was felt that the Bank had a role to play in analytic work – particularly on understanding social factors underlying violence, and on environmental assessment.

The Bank could also take the lead in providing technical assistance on governance, anticorruption, financial management.

Next steps

The deliberations of the workshop are being used to define the scope and structure of the Niger Delta Social and Conflict Analysis, a draft report on which is scheduled to be presented to the Country Team in June/July.