within Petroleum Production

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Since the mid-1980’s, the issue of security has become a significant point of contention for the petroleum industry in Nigeria. The environmental, economic, political and social deprivation the industry created within the oil-producing regions of Nigeria threatened not only the security of the communities of the Niger Delta, but the State’s and the industry’s stability as well. Mass community protests against multinationals began with the Ogharefe women’s protest in 1984 against US Pan Ocean. Increasingly since this protest, the Nigerian State and multinational oil corporations’ actions have been to secure oil production through military means in an effort to protect national and international security. However, their actions further threatened the security of the Delta communities and the future of the industry. As violence intensified, an international debate developed around the petroleum industry, which questions the security interests of the State, the corporations and the western sphere of influence over the production of oil. This paper seeks to identify the growing security concerns in the Niger Delta and provide insight as to how and why the breeches in national, international and global security continue to proliferate within the global production of oil.
Since the end of the Cold War, the field of security studies has expanded to incorporate notions of security beyond the threat of interstate warfare. Security issues now include economic, social and environmental factors. The field is also changing to include individual and collective actors as active participants in addition to state actors as it has become apparent that state foreign policy can be affected by individuals and collective groups. A significant debate exists about the placement of these ‘new’ factors within the discipline of ‘traditional’ security studies. Realists claim the involvement of these factors tarnish the true intellectual meaning behind the field. They claim defense mechanisms for economics or the environment should be handled by diplomatic international institutions or framework rather than through military means. However, it is becoming increasingly apparent that international institutions, particularly the World Bank’s involvement in extractive industries, are funding development programs that rely on military force to protect its success. In the case of Nigeria, national and international military defense is used to protect economic, social and environmental programs funded by The Bank and multinational corporations.

According to Lawrence Freedman, international security focuses around “questions of force”, which include all forms of military activity and analyze the conditions that lead up to or put an end to organized violence. Gwyn Prins explains security studies as “high politics—state politics—and military force, which secures the state”, which is seen as a form of protection. Furthering this definition of security, Prins places security in a global context three ways:

(i) into substantial and powerful existing ideas and institutions of security, the most reformable of the agents of power;

(ii) into key underpinning values, such as justice, which lack such instruments and opportunities; and
(iii) into traditions of normative discourse and practical reasoning that may give us the means to link and interlock the other two.\textsuperscript{5}

Global security moves beyond the military standpoint, and examines what is known as “threats without enemies”, such as pollution and poverty.\textsuperscript{6} These definitions of security are important to think about when discussing the expansion of national and international social movements within the Delta region. Ellen Dorsey explains that it is the “quest for protection… of certain levels of economic and social well-being” that is the “primary motivating force” for participation in protests and social movements. She furthers that “social movement participation is an attempt by the individual to redress the deficiencies in the state’s capacity to provide security and to reclaim the polity”.\textsuperscript{7} Therefore, social movements are placed into the realm of security studies.

**Security in Numbers**

The growing petro-movement has had a profound affect on oil production and State politics by contributing to the instability of the region by discouraging oil activity and halting production capabilities.\textsuperscript{8} The growth and strength of the petro-movement during the 1990’s has forced the petroleum states, multinational corporations and international supporters of petroleum to recognize the global security issues of the oil producing communities, as well as the national and international security concerns of the industry and the State.\textsuperscript{9}

According to Dorsey, the growing phenomena of an “emerging global consciousness” is best displayed through the participation in transnational social movements (TSM). Dorsey explains that a TSM’s purpose is “to broaden the realm of political participation and concurrently expand public discourse on foreign policy issues”.\textsuperscript{10} This objective is achieved through a process, which begins with a “local based strategy” that is “linked across issues and methods”
within a global arena creating a “transnational public space for the promotion of individual interests and rights”. There are four characteristics of a TSM.

1. [It] is a community of individuals linked by a solidarity of concerns and commonality of agendas. Their shared consciousness is global in nature and transcends the particularistic interest of one societal or political context.

2. [They] operate as loosely constructed webs of activism with smaller organizations linked through different organizational forms, overlapping memberships, and direct contact between participants.

3. [It’s] activity is characteristically a non-institutional means of participation; a politics of non-violence, of challenging state accountability, of resistance and delegitimation, and of creating alternative sources of information.

4. The self-conscious recognition of the global movement by the participants themselves.

TSM’s are important because they create global agendas out of local demands of social, economic and/or political justice. As the saying goes, there is strength in numbers. Global agendas incorporate a multitude of participants (both state and non-state actors) into an issue that affects the future of international relations. These participants add to the existing pressure that affects foreign policy objectives creating a “new mechanism for the exertion of political power” and enhances the urgency of the claim. TSM’s speed up the process of cause and effect.

The Niger Delta’s alignment with international organizations and transnational social movements was a strategically successful maneuver. For example, the Ogonis used local and international forums to gain support for their movement. The Ogoni Bill of Rights was presented
to the United Nations Sub-Committee of Human Rights on the Prevention of Discrimination Against and Protection of Minorities, the African Human Rights Commission, Rain Forest Action Group, Green Peace, the tenth session of the Working Group on Indigenous Populations in Geneva (1992), and the General Assembly of the Unrepresented Nations and Peoples Organization at the Hague (1993). Coverage of the Ogoni’s and other oil producing communities’ plight by international organizations such as Human Rights Watch and Project Underground expanded the platform of the communities’ grievances into a global arena. Mainstream media, such as the Economist, increased reportage on oil related issues in the Delta, which broadened the audience involved in the movement. Nigerian based organizations aligning with US based organizations to do conscious-raising talks across the US contributed to increased support for the oil producing communities’ argument against oil corporations’ practices, exclusive Nigerian state structures and the western sphere of influence that protected petroleum production over human rights. These petro movements that evolved in Nigeria since the mid-1980's were a reaction to the inequalities within state development and petroleum production.

The Start of Something Dirty

Black oil: lucrative and powerful, yet corruptive and noxious. Numerous scholars have written on the affects of oil production on state development and international relations. A “petro-state” unequivocally blends its economic and political policies to secure its position in a powerful petroleum world market. According to Fernando Cardoso and Enzo Faletto, economic power is politics. Petroleum was security for the Nigerian State and had to be protected at all costs by its beneficiaries. As economic strength in oil grew for Nigeria, political and social structures became more problematic. Historically, oil production has always maintained the
interests of the western sphere, particularly the US. The oil interests of the US dictated the increased interference of US foreign policy into the Nigerian market and political affairs. US economic interests in Nigeria altered development of the State in a way that favored a secure petroleum industry and disregarded global security concerns.

By Nigerian independence, petroleum was Nigeria’s main export. Due to its versatility, Nigerian oil was a valued commodity on the world market. High revenues led to an inevitable pairing of politics and economics and the increasing political power of oil. Many of the exclusionary rules and regulations within the oil industry were residuals from Britain’s attempts to maintain economic control during colonial rule. The political and economic structures of oil production practiced after independence remained exclusionary. According to Augustine Ikein, international oil companies were a replication of colonial interests: inhabiting Africa to profit from the extraction of raw materials while disregarding indigenous claims to ownership and participation. In addition to the multinational corporations’ attempts to control the resource, Nigerian political elite sought to control the country’s petro-wealth.

An early example of national security of oil production was during The Biafran War (1966-1970). During the Nigerian civil war, the issue of oil royalty payments increased the conflict. Since the oil fields were located in the east, the secessionists demanded payment of oil royalties. However, the Federal Military Government warned that any company who paid royalties to Biafra would have their licenses and concessions revoked, thus threatening continued production for the multinationals. These payments to the FMG aided in the demise of Biafra and depicted growing lack of security for the Niger Delta communities. Hostilities increased within oil producing areas of the Niger Delta towards the industry, the international sphere and the State.
By the end of the war, Nigeria embraced an assertive foreign policy with the US and Britain. The confidence of Nigeria’s political elite grew with price increases and production capabilities. Nigeria and US economic ties were strengthened due to the success of oil production.\textsuperscript{29} The success made the discussion of oil revenue distribution a focal point in domestic policy. Producing communities demanded a share in the economic security oil offered. However, the political elite found it necessary to harbor revenues to protect the national interest of their newly powerful position in the international sphere.\textsuperscript{30} Historic exclusionary practices against minority ethnic groups only increased the instability of the State.\textsuperscript{31}

**The Booming 1970s?**

With the reliance on oil production, Nigeria lost agricultural security.\textsuperscript{32} Prior to the oil boom, Nigeria was an international agricultural exporter of cocoa, groundnuts, palm oil, rubber, cotton and hides. Oil wealth drowned out these commodities and disenfranchised the workers who were mainly women. State development planning relied upon oil revenues for funding and caused Nigeria to rely on western economies and multinationals for income. The State became vulnerable toward western recessions.\textsuperscript{33} National economic security came into question. The State attempted to secure its control of the industry in 1969, when the military government wrote a decree\textsuperscript{34} that declared the federal government had primary ownership and control of the petroleum in Nigeria and then established the Nigerian National Oil Corporation. In 1977, the Nigerian National Petroleum Corporation (NNPC) was constructed out of the merger of the Nigerian National Oil Corporation and the Nigerian Ministry of Petroleum Resources.\textsuperscript{35}

During this time, the US increased its business interest despite its distrust of Nigeria’s nationalization movement. The US State Department put pressure on embassy personnel in Lagos to relay US concern of the shifting oil policy. In turn, the Nigerian government restricted
US personnel from contacting Nigerian oil functionaries. The Nigerian government clearly wanted control of its own market, but these political games only increased US commitment to be involved in Nigeria’s economic and political affairs. In September of 1979, Stephen Solarz, Chairman of the Subcommittee on Africa in the House of Representatives, declared Nigeria as a necessary source of oil and economic investment:

Nigeria has become the most important state in black Africa and one of the most influential nations in the Third World… with a population of 80 million people, and still untapped sources of oil, Nigeria is bound to continue as a growing partner in U.S. trade and investment into the 1980’s and beyond.

The US wanted Nigerian oil. Acknowledging the continued power of oil, the US took Nigeria seriously for fear “Nigeria might use its oil as a political tool in its relationship with the United States”. The Nixon Administration then announced the US would “intervene militarily to ensure the continuation of oil to western countries”. A public declaration that foresighted the military use of force to protect the industry. Despite these perceived threats, Nigeria used their oil leverage to accumulate substantive power and money throughout the 1970’s. In 1974, the FMG received a 55% share of Shell-BP, Mobil, Gulf, AFIP-Phillips, Texaco and Chevron. These compensation costs alone would bring over $9 billion in revenues to the FMG.

The oil boom inspired imprudent spending on Nigeria’s military, extravagant ‘development’ projects, financial aid to the rest of Africa, government salaries and personal pockets. The boom, in conjunction with historically corrupt political structures, made it extremely difficult for heads of state to turn over power to representatives chosen by the people or address revenue distribution arguments. This political instability spurred severe
disengagement between the State and society. People challenged the authoritative structures that failed to recognize their needs. In response to community complaints, the State chose to ignore, apply force or institute government policy to silence their opposing voices. The State had entered an alliance of oil best described by Cardosa’s and Faletto’s concept of the “pact of domination”. This pact consisted of Nigerian political elite, multinational oil corporations and the western sphere of influence, particularly the US, in an effort to protect the oil industry for the pact members’ economic and political interests. As a result of this alliance, the oil industry has become increasingly volatile.

The Secure Position of a State with Oil

Throughout the 1970’s there existed an illusion of security for Nigeria. Other African states looked to Nigeria for many services and security. African states saw Nigeria as a mediator, military assistance and economic strength for Africa’s increasing security problems. Nigeria joined the Organization of the Petroleum Exporting Countries in 1971 reinforcing their economic value to not only Africa, but the world market as well. Western democratic beliefs were pushed on the productive State and in October 1975, General Muhammed was active in creating the Constitution Drafting Committee to ensure a commitment to the return of civilian rule. An appeasing thought for pro-democracy US. However, Muhammed’s November 1975 decision to recognize the communist MPLA regime in Angola upset Nigeria’s western allies and introduced international political suspicion and concern for the future of oil production. The US attempted to pressure Nigeria into remaining neutral and Muhammed sent a diplomatic team to the US to assure investors that the disagreement between the two countries rested only in Angola and economic ties should be maintained despite the US’s concern. This was Nigeria’s attempt to illustrate its political security. However, the pact was threatened over these differences in
political interests and the attempted separation of politics and economics was unable to endure western pressure. When General Olusegun Obasanjo replaced assassinated Muhammed, he professed that Nigeria would “defend justice”, “human dignity” and “world peace”, by using oil politics to force Nigeria’s position in the southern African struggles for independence. Nigeria threatened to cut oil supplies to Britain unless they changed their policies towards Rhodesia. This introduced what the US feared, oil as a “weapon” into Nigeria’s foreign policy objectives and opened the door for military presence.

In 1979 civilian President Shehu Shagari was elected and won US approval of $65 million in economic aid and political presence in Nigeria. When oil revenues fell, Shagari lost US popularity. In 1982, Nigeria fell from the second most important supplier of crude oil to the seventh for the US. The US government welcomed the 1983 coup that booted Shagari out of office. His replacement, General Muhammadu Buhari, was known as the “least competent and most hated leader” by the Nigerian people and declared a “pro-western figure who could help restore stability and keep Nigeria aligned with the west” by the US government. Western political and economic support for unstable regimes added to the problems of state-society relations and contributed to the growing insecurity within oil production.

Saturated Sickness

In addition to the political and economic insecurity the oil industry offered the Niger Delta region, production also destroyed environmental and social aspects described in the global security context. The oil producing regions of the Niger Delta are predominant regions for farming, fishing, forestry, mangroves and wetlands. Nigeria has the third largest mangrove forest in the world and the largest in Africa. These forests are the homes to numerous species, including endangered species such as the Delta elephant, the white-crested monkey, the river
hippopotamus and crocodiles. The exploration and production of oil has significantly altered these habitats and people’s livelihoods. Frynas recognizes three methods of exploration:

1. Analysis of existing geological and other information. This step is a study of geological and geochemical information. It involves little or no contact with village communities.

2. Seismic surveys. This step gathers information through sound waves into the earth’s crust to measure the depth of the rock layers. In order to survey, the land/water must be cleared of all vegetation. Explosives are detonated a few metres below the ground surface. It involves close contact with the village communities.

3. Exploration drilling. This involves massive clearing of vegetation, the building of access roads and canals, large holes drilled into the ground and the use of specialized industrial equipment. It involves even closer contact with the village communities.

When production began, endangering environmental issues rose because of the way oil is produced and transported. A mixture of oil and gas float to the surface due to the lightness of gas and reservoir pressure issues. The mixture of oil, gas and water is transported via pipeline from a well head to a flow station where gas will be removed from the oil and water and be flared. The oil/water is transported to an export terminal where the water is removed and the crude oil is loaded on tankers. Spills during transportation occur and further damage the environment.

Exploration and production negatively affect producing communities because the activities cause destruction of vegetation, water drainage issues, contaminated or lack of farm
land, oil spills, gas flares, waste products, polluted water sources, blockage of land use, degradation of living organisms and health hazards. According to Innocent Aprioku and industry sources, there are three types of oil spills: equipment failure, human error and sabotage. Spills are detrimental to the land and communities because of the fires they generate and the large quantity of oil that saturates the ground contaminating and killing flora and fauna.

Gas flaring releases carbon monoxide, carbon dioxide, hydrogen sulphide, nitrogen dioxide and sulphur oxide, which damage vegetation, buildings and people. The release of these poisonous gases into the environment contributes to local and global problems such as acid rain, the greenhouse effect and global warming. Most of the flares in the Delta are horizontal and produce higher heat and chemicals. Besides the above listed hazards, flares also scare away wildlife. This has a serious affect upon a community that depends on hunting. Waste products from refineries, petrochemical plants, export terminals, storage tanks and deballasting tankers get dumped into streams and coastal waters further debilitating crops, mangroves, marine life and beaches.

Throughout the 1970s and 1980s the oil producing communities suffered environmental and health hazards, however the Nigerian government, multinational oil companies and western foreign policy leaders continued to work together to secure business as usual. While the 1970s proved to be successful revenue years, the 1980s became known as the *lost decade* for Nigeria. Although Nigeria seemed to gain wealth and political prestige in the international sphere, the 1980s proved it would remain a peripheral state that was subject to its one commodity of oil. Painstakingly, the problems of the Delta communities would intensify and break out into mass protest action against the petroleum industry in the 1980’s.
**Real Threats**

The threat of the Delta communities on the oil industry was evident by the time of the 1984 mass protest led by Ogharefe women against US Pan Ocean. These women changed the way the community would react to the oil industry. They halted production through dance, song and the threat of nakedness in an effort to restore their community’s economic, environmental and social security. After this protest, community action against the State and multinationals increased with a series of mass protests demanding economic, political and social justice. The mass halting of production threatened the State and the industry’s power significantly and resulted in State-sponsored violence against the communities. Since the mid-1980s there have been numerous attempts to violently squash any oil-producing community activity against the oil industry in an effort to protect the industry. Threats and insecurities surrounding the politics of oil continued to heighten throughout the 1980s and into the 1990s.

Andrew Rowell and Stephen Kretzmann constructed a detailed timeline of violence in Nigeria, particularly in relation to the Ogoni movement. By using examples from their timeline, as well as incorporating reported security related events from other sources, it is evident petroleum production in Nigeria is a wide scale security issue. Some examples of the threats created by the communities, the State and oil corporations are as follows:

1987 - The Iko community demonstrated against Shell. The Mobile Police Force (MPF), locally known as "kill-and-go" were sent to quash the demonstration. According to the Nigerian-based Environmental Rights Action, 40 houses were destroyed and 350 people made homeless by the MPF's attack.
10/29/90 - The Etche people demonstrated against Shell at Umuechem. J. R. Udofia, the divisional manager of SPDC's eastern division wrote to the Rivers State Commissioner of Police. In a letter entitled "Threat of Disruption of our Operations at Umuechem by Members of the Umuechem Community", the letter read "we request that you urgently provide us with security protection (preferably Mobile Police Force) at this location." Up to eighty people were killed and 495 homes destroyed.

7/92 - The Mobile Police Force were sent to quell an anti-Shell demonstration at Bonny. The Force killed a 21-year-old man, shot 30 people and beat 150 individuals. The protesters were complaining that Shell had not provided them with basic facilities - water, roads, electricity - despite being in the area for over 20 years.

1/4/93 - 300,000 Ogoni protest against Shell's activities and the environmental destruction of Ogoniland.

2/93 - SPDC and Shell International Petroleum Company met in The Hague and London to discuss the internationalization of the Ogoni issue. Company officials discussed the need for environmental improvements especially in relation to spills, flares, air and water quality. They also proposed that "SPDC and SIPC PA departments to keep each other more closely informed to ensure that movements of key players, what they say and to whom is more effectively monitored to avoid unpleasant surprises and adversely affect the reputation of the Group as a whole."
4/18/93 - Ken Saro Wiwa, leader of the Ogoni movement, was arrested at Port Harcourt International Airport and held for 16 hours without charge, but then released. He was re-arrested five days later. 78

4/29/93 - Protests disrupted oil production at Shell's Forcados base for two days. 79

4/28-30/93 - a large group of Ogoni women blocked the US pipeline contractor for Shell, Willbros, from entering and bulldozing Ogoni farmland. The protest grew to around 10,000 people and Willbros called in the Nigerian army who killed one and injured several. The contractor was forced out. Shell claimed it legally required the land and paid compensation to the community, however the chiefs that Shell made the deal with were not representatives of MOSOP and they did not consult the organization. A letter from Willbros to SPDC stated "Fortunately there was a military presence to control the situation". 80

5/2/93 - The Government passed the Treason and Treasonable Offenses Decree 1993, making the simple calls for minority autonomy a treasonable offense, punishable by death. It became known as the "Ken Saro-Wiwa Decree". 81

6/21/93 - Soldiers were moved into Port Harcourt to put down demonstrations about the arrest of Ken Saro-Wiwa and others. MOSOP reported indiscriminate beatings and arrests. 82

8/5/93 - Over 100 Ogoni were killed in the town at Kaa, on the Ogoni and Andoni border. The town was effectively destroyed, and 8,000 were made
homeless. Soldiers later testified that they were involved in the attack. MOSOP blamed the military for inciting the clash and SPDC for its complicity. 20 similar incidents were to occur over the coming months.  

10/4/93 - 5,000 people demonstrated against an Elf refinery in Obagi, which led to crackdowns by the Mobile Police Force over the coming months (MPF).  

2/12/94 - Violence erupted between police and Obagi villagers over a computer that had purportedly been stolen from Elf's premises. Police returned on 2/19/94 and looted homes and beat and shot individuals indiscriminately.  

2/21/94 - Residents of Rumuobiokani staged a peaceful protest outside Shell's facility in order to demand a meeting with a SPDC. A Shell security agent ordered the demonstrators to disperse. Some time later, armed soldiers and members of the MPF arrived. The forces fired indiscriminately, made arrests and beat demonstrators. Five people were shot. Shell admitted that the arrival of these forces in this context was "embarrassing".  

3-8/94- A series of memo’s were sent back and forth between Shell representatives, government military officials requesting more military presence in the Ogoni areas.  

11/10/95 - Ken Saro-Wiwa, and another eight Ogoni were sentenced to death.
3/28/98- the day after the U.S. President made his African Growth and Opportunity speech, Chevron was involved in political oil killings. The Chevron Company transported Nigerian soldiers, in company vehicles, to the Parabe oil platform where activists were protesting. Two protesters were shot to death, others wounded, and eleven imprisoned.89

12/98--Two warships and 10-15,000 Nigerian troops occupied Bayelsa and Delta states as the Ijaw Youth Congress (IYC) mobilized for Operation Climate Change, two weeks of nonviolent action to shut down gas flares in their homeland. Soldiers entering the Bayelsa state capital of Yenagoa announced they had come to attack the youths trying to stop the oil companies. Two thousand young people processed through Yenagoa, dressed in black, singing and dancing. Soldiers opened fire with rifles, machine guns, and tear gas, killing at least three protesters and arresting twenty-five more. After a march demanding the release of those detained was turned back by soldiers, three more protesters were shot dead. The military declared a state of emergency throughout Bayelsa State, imposed a dusk-to-dawn curfew, and banned meetings. At military roadblocks, local residents were severely beaten or detained. At night, soldiers invaded private homes, terrorizing residents with beatings and women and girls with rape.90

1/4/99-- Chevron transported about one hundred soldiers from the military base at Chevron’s Escravos facility aboard its leased speedboats and a helicopter to Opia and Ikiyan, two Ijaw communities in Delta State.
Soldiers on board opened fire indiscriminately at each village. Bright Pablogba, the traditional leader of Ikiyan, who came to the river to negotiate with the soldiers, was shot along with a seven-year-old girl and possibly dozens of others. Of the approximately 1,000 people living in the two villages, four people were found dead and sixty-two were still missing months after the attack. The same soldiers set the villages ablaze, destroyed canoes and fishing equipment, killed livestock, and destroyed churches and religious shrines.\footnote{91}

These examples are a mere fraction of the violent events that have taken place in Nigeria over the past two decades. As more people speak out against oil production and the Nigerian State, more people are subject to military threats. Be it shot, beaten, arrested, detained, exiled or killed, State action has made it clear that the security of oil production overrides the rights of its citizens.\footnote{92}

**All Those for Military Action Say Yeah**

One of the most troubling factors about the military violence in Nigeria is that it has continued to increase throughout democratic transition with the support of multinationals, the US and western funding institutions. The quickness of the multinationals to call in Nigerian soldiers, the increased involvement of the US in Nigerian oil affairs and the expansion of World Bank funding for extractive industries have been significant contributions to the problematic security issues surrounding oil production. Democratic transition was delayed repetitively by Nigeria’s authoritative leaders. During the height of the global tensions in the 1990’s that surrounded General Sani Abacha’s blatant disregard for human rights, President Clinton pushed for the “expeditious” passage of the African Growth and Opportunity Act (the “African NAFTA”)
during his State of the Union Address. The goals of this act were to reform economic growth in the countries of Africa (particularly Nigeria) and establish stronger business ties between the US and Nigeria.\textsuperscript{93} The day after Clinton’s Address, US Chevron drove Nigerian soldiers to kill unarmed protesters. International activist and lawyer, Oronto Douglas, declared “it is very clear that Chevron, just like Shell, uses the military to protect its oil activities… they drill and they kill”.\textsuperscript{94} Throughout the entire crisis, the US continued to look out for its oil interests by granting money for democratic and development programs.\textsuperscript{95} During the 12 March 1998 meeting at the Brookings Institution on American Policy on Africa, Condolezza Rice, at that time Assistant Secretary of State, announced that “the US government would not accept electoral victory by any military candidate in Nigeria’s forthcoming presidential election”.\textsuperscript{96} Yet, during President Clinton’s tour of Africa in April of 1998, he “dropped the hint that Abacha might just be acceptable to the US if elected president as a civilian”.\textsuperscript{97} These contradictory examples support the goal of the members of the pact of domination for a productive oil industry, but reinforced a politically weak state.

In 1998, mobilization efforts of the communities were achieving new levels. One of their largest obstacles, General Abacha, died in June. International mounting pressures led General Abdulsalami Abubukar to return Nigeria to democratic elections\textsuperscript{98}. President Obasanjo’s first attempts in office seemed exemplary.\textsuperscript{99} However, almost immediately after elections, conflict re-emerged and continued to de-stabilize the country. The daily news was plastered with religious disagreements resulting in massacres,\textsuperscript{100} environmental and human degradation committed by oil companies,\textsuperscript{101} and unlimited protests against oil production resulting in more state-sanctioned violence.\textsuperscript{102} Armed security continued to be focal point of Nigerian daily life. Multinational oil companies, worried of losing production revenue, increased security levels with
military personnel and private security agents who suppressed protests with violent military retaliation. The US continued to worsen the problem by increase military training in Nigeria and listing the Niger Delta as a terrorist region that must be supervised by the US against violent acts by Nigeria’s people. These declarations are an attempt to position the US government and military as protectors of Nigeria’s security and ultimately the protectors of the industry.

So what does this mean for the future of Nigeria’s industry? What are the consequences of the US using its political, economic and now military influence within the oil producing State in an attempt to achieve stability within the industry? The problem goes beyond Nigeria’s oil industry, it is indicative of the industry on a global scale. Corrupt oil practices that deprive people of their security leads to mass protests and international social movement alignments, which in turn spurs State-sanctioned violence supported by international actors as a means to protect national and international security concerns of the oil industry. It is a snow ball effect that has no end because each side threatens the security needs of the other. With each year, the problem continues to expand by the addition of new actors and security issues.

Enter World Bank

In 1985, a World Bank study analyzed the effects of petroleum on Cameroon. The authors state in their introduction that the recent experience of several oil-exporting developing countries has shown that petroleum revenues can be a mixed blessing. Despite their potential for financing investment required for economic growth, these revenues can bring about structural changes in the economy that may be undesirable.

In 1989, a World Bank study focused on petroleum trading and how to develop the traders of the “developing countries [that] have lagged behind those in the developed countries”. In 1997, a World Bank study was released that examined the growth of petroleum
demand in 1971-1993. This study showed that world oil demand increased by 18.3 million barrels per day and the demand in developing countries tripled raising their demand from 15% to 33%, yet developing countries’ levels were only one-tenth of OECD levels. This study projected that oil demand would double the 1993 figure by 2010. It warned that the rise in demand would have “significant implications for the world market, governments, industry and environment”.  

In 1998, The Bank published a study that took into account “social concerns” of the petroleum industry. The following is the abstract of this study: Corporations within developing countries often have a profound impact on the social fabric of the area within which they operate, particularly in sectors such as mining and oil and gas. Even the more socially responsible corporations have difficulty in managing their relations with and responsibilities towards local communities and other stakeholders. This publication deals with the integration of social concerns into project planning and development in the mining and oil and gas sectors. It explores the government, corporate, and NGO / community factors—referred to as critical success factors—which support the integration of social concerns. The primary focus is corporations, and a series of recommendations are presented to assist corporations to manage the social aspects of their activities. The publication also explores the linkages between social and environmental assessment of projects, identifies current practices with respect to social assessment, and makes specific recommendations on their integration. The publication is aimed at both strategic decisionmakers (within corporations, governments and NGOs), and at those with direct responsibility for managing social issues at project levels.  

The first observation about these examples is the evolution of The Bank’s papers. Back in 1985, The Bank explains that oil production is needed for economic growth, but destabilizes other aspects of the economy because of the focus on one extremely powerful commodity.
World Bank statistics verify the destabilization with examples such as, continued positive growth for food imports in oil producing states.\textsuperscript{109} The 1989 study suggests the negative economic effects of oil production can be overcome with proper trading skills. It then becomes The Bank’s position to teach these trading skills. The 1997 study explains that oil demand will continue to grow, despite alternative means of energy. Therefore, oil production must continue and government policies become the critical factor in keeping prices stable for consumption. The Bank and governments aligned together to protect the future of the industry. The 1998 example begins to address the problems of the 1970s in relation to the oil producing communities, albeit incompletely. The purpose of the 1998 study was to illustrate accountability aspects for corporations in the oil industry in order to secure the future of the industry. However this acknowledgment places The Bank as the authority on corporate accountability and security issues in the areas of oil, gas and mining. All of these reports focus on how to support the petroleum industry securely and productively through the self-declared authority of The Bank.

The World Bank increasingly involved itself in moneymaking policies that primarily benefit corporations rather than the communities in which The Bank claims to aid. According to Cray and Kretzmann, the International Finance Corporation (IFC) funds “large infrastructure projects” such as oil because it is among the most profitable.\textsuperscript{110} The Bank has also aligned with the oil corporations. Cray and Kretzmann point out that between 1992 and 2001, The Bank approved $18.5 billion in oil, gas and coal projects in 25 developing countries.\textsuperscript{111} One of the problems with these funding policies is local communities are hardly consulted with, rather it is corporate affiliates that meet with IFC representatives to discuss funding approvals.\textsuperscript{112} Along with excluding those people it is claiming to offer development to, The Bank overlooks its role in contributing to political, social and economic unrest in oil producing regions by continuing
copious amounts of funding to oil corporations.\textsuperscript{113} It is clear that the IFC is not out to help the poor directly. Cray and Kretzmann point out that Virginia based Applied Energy Services (AES) is the “largest independent power producer in the world” and the company that benefits the most from IFC.\textsuperscript{114} The Bank, contradictory to its development claims, creates larger obstacles for the people of the oil producing regions and adds significantly to the security issues surrounding petroleum.

**The Problematic Pipeline- Yet Another Example**

Oil development in Chad has also been problematic. Oil exploration began in the 1970s and was discovered at Doba Basin. Conoco, Chevron, Exxon and Shell were the major participants in the area. Civil war in the late 1970s halted activity. By 1993, Exxon, Shell and Elf were the only competitors. Development was to begin again in 1994 with Exxon and Shell hold 40\% each of the shares and Elf holding 20\%. Between 1992-1996 violence between the rebels (Armed Forces of the Federal Republic) and President Idress Déby forces occupied the region and prolonged oil development. By the end of 1997, the rebel leader was dead and the government’s focus on oil became a reality. The oil corporations felt that if they received World Bank funding for development, it would offer stability to the region and the corporations through “revenue management assistance, environmental and social oversight, and risk mitigation”.\textsuperscript{115}

Since its inception, The Bank’s funding of the Chad-Cameroon Pipeline raised controversy. Both the IFC and the International Development Association (IDA) branches of The Bank contributed $370 million to the project, which by first analysis seems low. However, it is The Bank’s presence that contributed to the security of the project for Exxon, Shell and Elf corporations and the government. Due to the problems of the Nigerian oil industry, the Chad-Cameroon project revolved around avoiding security issues.\textsuperscript{116} Despite attempts at avoiding
instability, the pipeline project caused civil unrest much like that of Nigeria with issues of environmental damage and social inequalities because The Bank aligned with corporations and governments and failed to incorporate the local communities, thus maintaining the western sphere of influence. Nigeria had introduced a petro-movement that completely changed the politics of the oil industry.

Douglas Yates and Ian Gary detailed the environmental, political, economic, and social problems generated through the construction of the pipeline. Some of the devastating effects they list are as follows:

1. pressure reduction units used for the pipeline and the digging involved in creating the pipeline damaged and polluted local villages well water sources
2. clear cutting of oil growth trees and agriculture to make space for the 1,070 kilometers of pipeline has contributed to illegal forestry,
3. compensation for land acquired was minimal
4. the terms of the agreement negotiated by ExxonMobil, the operator, holding 40% of the investments, the consortium will receive 55 % of the oil receipts, the government of Chad will receive 36 %, and the government of Cameroon will receive 9 %
5. the pipeline is buried underground, monitored by electronic surveillance, and provided with a pressure reduction unit (at Mpangou) two kilometers from the coast to prevent a major oil spill from hitting the coast…that pressure reduction unit will release such emergency spillage right in Mpangou.
6. X-ray technology was used to monitor for spilling, now they are telling the villages they have to wait 5 years to see if they will suffer from any effects of the radiation\textsuperscript{118}

The World Bank promised development programs, but they have yet to begun since the inception of pipeline construction.\textsuperscript{119} Through the examples of local newspapers and the initiatives of international non-governmental organizations, the affect of the pipeline created multiple risks to the local people in Chad and Cameroon.\textsuperscript{120} The security of the community was sacrificed for the security of the multinational oil corporations and the stability of oil production.

The seriousness of the problems expanded globally. World Bank funding for oil production is not limited to Nigeria and the Chad-Cameroon Pipeline. The World Bank has been involved in numerous oil producing regions, such as Bolivia and Brazil,\textsuperscript{121} Bosnia,\textsuperscript{122} Guatemala,\textsuperscript{123} Russia,\textsuperscript{124} and Trinidad and Tobago\textsuperscript{125} to name a few. Since the inception of the Nigerian petro-movement, the international community demands that The Bank’s funding of the environmentally damaging projects of oil, gas and mining be stopped in order to protect the future development of these producing societies.\textsuperscript{126} Environmental Media Services posted an NGO platform supported by 200 groups from 55 countries that provided ten reasons why The Bank should no longer finance oil, gas and mining projects in developing countries. The reasons they list are as follows:

1. The Poor Often Pay the Highest Price
2. Indigenous Communities are Jeopardized
3. Leads to Forest Destruction and Biodiversity Loss
4. Toxic Contamination of Communities
5. Negatively Impacts Women
6. Extractive Industries Often Tied to Human Rights Abuses
7. Ties with dictators and corrupt governments
8. Supports Corporate Welfare
9. Extractive Industries Fuel Global Climate Change
10. Increases Debt and Dependency of Poor Countries

Despite increasing reports and platforms against the activities of the World Bank, The Bank continues to support the importance of Big Oil. As oil demand rises, The Bank, multinationals and western governments feel they are the socially responsible mediators who fund and reform the industry by offering security. In the case of the Chad-Cameroon pipeline, the World Bank will supervise the pipeline for the next 25 years with the power to shut it down at any time. Despite the public outcry, it continues to function. The communities do not consider The Bank to be a socially responsible mediator because The Bank contradicts the needs of the communities.

How is The Bank able to maintain this position? The United States has roughly 17% of the voting power of the World Bank. The seven largest industrialized countries (G-7) hold a total of 45% of the vote. Voting is based upon financial contribution and gives more power to developed nations. According to Dan Plesch, the US has used the oil industry and the economic support of World Bank funding as leverage tools to achieve a higher balance of power within the international system. Historically, the US has a dependency on petroleum and increasingly it attempts to control the world market of oil for its own political and economic power. Some of this history was explained through the case of Nigeria. The roots of the World Bank’s funding of oil can be traced back to the Reagan Administration’s instructions for World Bank involvement in the oil sector in an effort to introduce institutionalized political and
economic security for the benefit of Northern companies. Clearly the World Bank is an allied partner in the pact of domination. The Bank will continue its petroleum funding, as long as its funding and voting members encourage it to do so. The violence and breeches in security for all members involved will continue until the pact of domination ceases to exist and communities’ needs are met without violence.

Conclusions

Security studies is a prominent part of understanding the problems within the relationship of the Niger Delta and the global petroleum industry. Oil production began as economic development for the State, but due to the nature of the economic and political power achieved with petroleum, the mishandling of its production by State leaders and international oil companies created significant social unrest within the producing communities. The increasing environmental, economic and political threats transformed into a military violence because of the State’s decision to squelch protests through armed force. The participating actors involved in the security surrounding oil production include the Nigerian government, multinational oil corporations and the oil producing communities, but increasingly the foreign policies of the United States and the international funding of extractive industries by the World Bank negatively intensify an already volatile situation. The attempt of this paper was to provide explanations and examples as to how and why the petroleum industry continues to be a national, international and global security issue.

For the case of Nigeria, politics have been dominated by military rule. The values and attitudes of these decision-makers have dictated the economic and political systems. A country dependent on oil revolves around oil. The national goal of achieving to be an economic, military, and political stronghold in Africa and the international system has yet to be achieved...
due to the lack of governmental accountability to the society in which it presides over. Consistently throughout the years Nigeria’s international image has been one of instability and economic mismanagement. Yet with the backing of the US, Nigeria’s foreign policies continue to focus around the achievement of power.

The international system has played a large role in helping to determine Nigerian security issues. Resource rich, Nigeria has increasingly been a hot spot for the US. The push from the US to protect the petroleum industry has created much of the turmoil and tension within Nigeria as well as with her African neighbors. If the international system was not interested in oil, Nigeria, other oil producing countries and the corporations may not have the instability and security issues they do today.

As oil politics continue to be volatile and raise security concerns, it is the role of activists and academics alike to be responsible to and aware of the complete picture of international petroleum. Nigeria is not alone in the struggle of political, economic and social justice against Big Oil. As developed nations, such as the US, continue to increase funding for military training to protect pipelines and their strategy for “global oil acquisition”, the international petro-movement reacts accordingly to help protect and respect the oil producing communities’ security needs described by those communities’ members. Responsibility lies in the continuing of research, sharing of information, protests and policies that create individual, state, corporate and international accountability. The discipline of international relations conceivably is at the forefront of analyzing these security issues and it is there is an obligation to be aware of all participating actors and their historical relationship to one another in an effort to bring understanding to an increasingly volatile issue within world politics.
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NOTES

3 Ibid 48.
6 Ibid 818-819.
11 Ibid 244.
13 Ibid 245. Dorsey uses the Peace Movement as one example of a TSM.
15 See websites for Human Rights Watch and Project Underground for a plethora of examples.
16 See list of Economist articles located in the bibliography.
17 Rowell and Kretzmann (1996) for example, Nigerian based Environmental Rights Action networked with U.S. based Project Underground for conscious raising and lobbying efforts. Movement leaders also came to the U.S. with the help of U.S. organizations to give talks at public forums, such as Universities [See Douglas (2001)]. Olufemi and Don-Pedro (1999) introduce Oronto Douglas as “a British-trained environmental lawyer and one of the leaders of the Ijaw Youths Council (IYC). He is also the Head, Bureau of Publicity of Chikoko Movement which has been forging unity among the various ethnic
nationalities in the Niger Delta, and one of the directors of Environmental Rights Action (Friends of the Earth, Nigeria)".


19 Karl (1997).


21 Frynas (2000): 9-11. Ikein (1990): 25 indicates that 170,000 barrels per day were being produced and exported by 1960.

22 Pearson (1970): 5. EIA [5 March 2002] describes Nigerian oil as “having gravities ranging from 21° API to 45° API. Nigeria's main export crude blends are Bonny Light (37° API) and Forcados (31° API). Approximately 65% of Nigerian crude oil is light (35° API or higher) and sweet (low sulfur content)”.


24 Frynas (2000) gives historical account of policies and ordinances between international oil companies and Nigeria. He explicitly reveals how oil regulation is constructed for the benefit of oil companies so revenue into the State is secured, thus discriminating against the communities in which the extraction is taken place. By listing a series of court cases, their claims, and results, Frynas declares the social, economic, and legal problems of village communities is directly related to the justification of abusive oil practices by the State and the international sphere.


26 Pearson (1970): 138-139. Igbos were the main ethnic group in the east pushing for secession, however the eastern region secession would have placed several minority ethnic groups under Igbo “control”. Also, minority groups and not the major Igbo group inhabited most of the oil producing areas. These factors created significant disagreement between people in the east. See also Ejituwu and Sorgwe (1999).


28 Ogene (1983): 86-99. Shepard (1991): 35-36 indicates the oil fields were major strategic points of the war because they provided a bulk of the country’s revenue. With the help of the arms from Britain and the USSR, the Federal Government was able to blockade and conquer most of the oil fields from Biafra. Ogene (1983): 86 notes that American oil companies originally claimed that they would pay their oil royalties to the government who controlled the respective oil assets (mainly the east). However, the U.S. State Department and U.S. Commerce Department pressured the American companies to pay royalties to the FMG in an effort to protect U.S. oil interests. Pearson (1970): 107 explains that most of oil production was shut down in July 1967 due to the war causing availability and revenues to head downwards. Osaghae (1998): 69 quotes oil revenue at US$257 million in 1966 to US$164 million in 1968.


33 Ikein (1990): 19-21 indicates a rapid decline in the agricultural sector citing GDP fell from 60% in 1960 to 21% in 1977 and less than 10% in 1978.

34 Frynas (2000): 31 indicates the Companies Act of 1968 made all companies become incorporated in Nigeria. The Petroleum Act of 1969 stated 75% of employees in upper level positions need to be Nigerian within 10 years of the grant of their oil mining lease. This act also insured that only those companies that followed the 1968 incorporation act would be granted oil licenses.

35 Ibid 2-3. Ikein indicates that in 1974 the Nigerian National Oil Corporation had 55% equity participation for the government and in 1979, the Nigerian National Petroleum Corporation had raised equity participation to 60%.


41 Ibid 129.

42 Okoji (2000): 2 explains that one part of the reason why oil became a central part of the Nigerian economy was the sudden rise of oil prices due to OPEC’s embargo on the US as a result of their participation in the Arab-Israeli conflict. He indicates that crude oil prices rose from US $2.00 per barrel in 1969 to over US $4.00 in 1973. By 1979 it was over US $21.00 per barrel and by 1982 it was US $35.00 per barrel.

43 Shepard (1991): 59. In these negotiations oil companies received the “right to distribute 86.25% of Nigeria’s total production”.

44 Osaghae (1998): 72-73. For example, expenditures for the second National Development Plan (1970-74) were estimated at N2 billion, while expenditures for the third National Development Plan (1975-80) were estimated at N43 billion.

45 Ibid 78-80. General Gowon was overthrown in 1975 and General Murtala Mohammed became head of state until February 1976 when he was assassinated in an abortive coup. General Olusegun Obasanjo replaced the late head of state.


47 See Ihonvbere and Shaw (1988, 67-117) for explanation on the multiple National development plans, the indigenisation act, and agreements with western institutions. Frynas (2000): 77-78 explains that Land rights “disappeared” in 1978 when General Olusegun Obasanjo passed the Land Use Act, whose key objective was to “allow the government and oil companies to obtain land for economic development” at any cost. The Act states that ownership of all land is vested in the state military governors and makes specific references to the oil industry’s requirements for land and overrides public interest.
See Cardosa and Faletto (1979). Here Cardosa and Faletto explain that actors will align to promote and protect an interest that is already under their domain in an effort to avoid losing their power invested within the issue. See Banerjee (1984) for further discussion on “pact of domination”.


Ibid. 81-82, 87. The Muhammed regime was devoted to policy issues around boundary issues, corruption, and the stabilization of the economy. Library of Congress [14 November 2000] states that Muhammed terminated the 1973 census which favored the north (he was a northerner), he removed top officials claimed to be corrupt (some even stood trial), and he also began to demobilized the over-enlarged army.

Akiba (1998): 104-05. In the fall of 1975, Cuba and the USSR supported MPLA with massive military assistance. The FLNA-UNITA forces were heavily armed and supported by the western states, especially the US. For the international scene, the Angolan war was escalating into a war of ideology between democracy and communism.

Akinyemi (1979): 155 and Easum [22 November 2000]. In late September 1975, South Africa (still under the Apartheid rule and Africa’s biggest enemy) decided on direct action and moved armed forces into Angola in the support of the UNITA faction. Muhammed took this action as a direct threat to the independence and security of Africa. He further perceived the U.S. had urged South Africa to invade Angola. Akiba (1998): 105 states that Muhammed had always been critical of the American humanitarian support and the South African logistical support for Biafra, and thus interpreting these acts were directly against the Nigerian State.


Akiba (1998): 156-57. However, one must be reminded that while he used oil to protect liberation struggles in southern Africa, he made policies (Land Decree Act of 1978) that denied oil-producing communities land ownership.


Ibid 221-238.

During his tenure, there were a series of problems that erupted within the country. Muslim extremists in the North were only one area of focus. More attention was placed on Lagos, where corruption, anarchy, and turbulence prevailed. CBS’s *60 Minutes* declared Lagos the “worst place on earth”. Buhari also evicted Ghanaians out of Nigeria, which caused human rights activists to accuse the Nigerian government of abuse and dehumanization. Dissenters to Buhari were thrown in jail and newspapers were discontinued if they wrote against the government.

Okoji (2000): 2, some 70,000-km of wetlands.


Aprioku (1999): 2-4. Equipment failure could be overflow at loading terminals, pressure problems due to valve failure, rupture and corrosion of pipes and worn out equipment due to age. Human error could be accidents due to lack of concentration, distraction, physical stress, drug abuse and lack of sleep, all of which are due to negligence. Sabotage relates to deliberate and malicious damage of pipelines and equipment. Aprioku indicates that sabotage is distinguishable because it is “perpetrated to obstruct the smooth evacuation of crude oil from wells to reservoirs”.

*Ibid* 5-6. For example, the 17 January 1980 Funiwa oil spill where Texaco had a well blow that started a 46-hour fire and 12 day oil spillage of between 146,000 and 200,000 barrels. Pollution affected Funiwa to the Sangana River encompassing the villages of Koloama I, Koloama II, Sangana town, Fish town and Otuo. 350 ha of mangrove were destroyed. See article for more examples of environmental and human degradation caused by oil spills.

Okoji (2000): 5-6. 1.44 billion SCF of gas is flared daily, 526.6 billion SCF annually.


*Ibid* citing Hon O. Justice Inko-Tariah, Chief J. Ahaiaikwo, B. Alamina, Chief G. Amadi, Commission of Inquiry in to the Causes and Circumstances of the Disturbances that Occurred at Umuechem in the Etche Local Government Area of Rivers State in the Federal Republic of Nigeria, 1990. The official Inquiry into Umuechem was suppressed, however it blamed the police for the massacre. This said, community frustration was evident in the official report. "These [Shell Petroleum Development Company] drilling operations have had serious adverse effects on the Umuechem people who are predominantly farmers, in that their lands had been acquired and their crops damaged with little or no compensation, and are thus left without farmlands or means of livelihood" said the Umuechem
community in their evidence to the official inquiry "Their farmlands are covered by oil spillage/blow-out and rendered unsuitable for farming". Rowell and Kretzmann also cite R. Tookey, Letter to Mrs. Farmer concerning Shell's operations in Nigeria, 1993, 11 June to point out that Shell distanced itself from the killings, stating that "the problems which gave rise to the demonstrations and the consequent police action were not really of Shell's making at all".


76 Turner 1997.


85 Ibid.


87 Ibid see 3/31, 4/18, 4/21, 5/12, 6/24 and 8/17/94 timeline entries.

88 Ibid.

89 Goodman and Scahill (1999).

90 Project Underground [1 April 2002].

91 Ibid.

92 See Environmental Rights Action website for further examples of individual arrests and community harassment.


Ibid 12.


Ibid 12.


The Economist (1999): 40. He sacked the military personnel, released political prisoners, and assured he was working on an economic program.

The Economist (2000): 52. In March 2000, christians seeking revenge for the killings in the north that previous February massacred muslims in the southeast. The conflict was over the debate of installing Islamic law in the northern region of Kaduna. Religious law made into political law supports one ethnic group while ignoring another and would enhance inequalities. Obasanjo condemned any installation of Islamic law but then said “as president he could do nothing about it”.

Project Underground (December 2000) reported “More than 50 people were killed when a fuel pipeline caught fire near the fishing village of Ebute-Oko near the city of Lagos. Huts and wooden houses were engulfed in flames, and many of the dead were reported to be “fisherfolk” burned alive in their dugout canoes. This tragedy is one in a series that have torn through Niger Delta communities this year, while human rights abuses attributed to oil operations continue despite national and international outcry”.

Project Underground (2000), on 18 April 2000, the government arrested fifty protesters from the Movement for the Survival of the Sovereign State of Biafra (MASSOB). Other protesters suffered from tear gas explosions that police threw at them. These unarmed protesters were demanding equal representation in governmental policies. Another example, “Restive Bayelsa Youths Seize Gas Flaring Station” (2000), on 21 April 2000, Ijaw youths seized the Oluasiri Gas Flaring Station in the Rivers State. The youths were demanding equal payment from the oil revenues and more sensitivity towards the land that the Nigerian Liquefied Natural Gas (NLNG) Company occupied.

Project Underground (October 2000) reported OPEC called for making “economic and social development and the eradication of poverty … the overriding global priority” during their summit. Also at that time a “new Nigerian military division was assigned to patrol the impoverished and resistant communities of the Niger Delta was launched”. See also Ekine [December 2001].

US State Department (May 2000).


Gately and Streifel (1997): ix-x.


Cray and Kretzmann (2001): 23 states that “extractive industries—oil, mining and gas—represent 11% of the IFC’s portfolio”. They also quote the IFC saying that extractive industries have “by far the highest equity return”.

Ibid 24. This is 25 times more than what is spent on renewable energy sources.

Ibid 23-24. Cray and Kretzmann illustrate this point with a Nigerian example where the IFC was about to approve a $15 million loan to Royal Dutch Shell in Nigeria. A IFC representative called one staff member of the Environmental Rights Action to consult about the loan. The staff member opposed
the loan. Four out of the five additional consultations were funded by the oil industry and the fifth consultation was with an US academic traveling in the area. The loan was approved despite the community’s resistance to it.

113 Ibid 24-25. Cray and Kretzmann quote an IFC internal paper “the notion that governments invest incremental rents/returns from extractive industries profitably and for the benefit of poor people is all too often more of an aspiration than a reality. Cross national data from 113 countries between 1971-1997 has shown that oil exports are strongly associated with governance weaknesses—some resource rich governments use royalty proceeds to keep tax rates low, cultivate patronage and increase military expenditures”.

114 Ibid 26. AES has won funding or is in the process of winning funding for at least 9 energy projects through IFC.


117 Ibid 11. Horta cites an example that in Doba in 1994 a local peasant (Dingamtolem Ajikolmian) went to a field where an airplane was landing to show his children this rare event. Upon the landing, the man was shot to death in front of his children by security forces that were protecting Exxon staff. Local villagers testified that Mr. Ajikolmian was not a rebel, but a local resident who wanted his children to see the landing. The military chief declared him a rebel and justified his killing and closed the case. See also Catholic Relief Services website, “Same Oil Story” (1998), Economist (06/10/2000) and Raeburn (2000 & 2001).

118 Yates and Gary (2002).

119 Ibid 19. Yates and Gary state that “The World Bank and the consortium have made many promises: (1) good conditions for local workers, (2) preparation of local business for competing for contracts, (3) encouragement of small-scale business along the pipeline route to supply workers, (4) protection of cultural and sacred sight, (5) microfinance for populations in the oilfield area, and so on”.


121 See “Plundering the Planet” [1 May 2002].


123 See “Plundering the Planet” [1 May 2002].


125 See “Trinidad and Tobago Protect the Environment” (1995).


127 See “NGO Platform Calling on the World Band Group to Phase Out Financing Oil, Gas and Mining Projects” (2000).


129 Global Exchange [2002].

130 Plesh (2002).

Daphne Wysham, director of Sustainable Energy and Economy network, introduced this idea on the Extractive Industries Review Strategies Listserve (which is a discussion platform for organizations monitoring the Extractive Industries Review of the World Bank) with documentation from the United States Office of the Assistant Secretary for International Affairs (1981): 25-26, see bibliography.


Foreign military assistance for training and anti-terrorism has consistently increased between 1997 and 2002, see United States Executive Office of the President (1999-2002).