Energy and security in the Gulf of Guinea: a Nigerian perspective

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This article explores the full ramifications of the evolving strategic environment in the Gulf of Guinea. It argues that the ‘new scramble’ or ‘oil rush’ in the region since its emergence as a critical energy repository and a strategic supplier to the global oil markets has elicited multiple lines of interest represented by both state and non-state actors. By delving into Nigeria’s oil-rich context, this paper explores the fierce competition for influence ushered in by these developments, the contested notion of ‘security’ and ‘sovereignty’, and the emergent patterns of contestations as the Nigerian state mediates between global and local forces in its oil complex. Finally, it brings into bold relief the complexities of the intensified struggle for access to the region’s vast energy resources — the current global economic downturn notwithstanding — and the challenge it poses to the region, and particularly to Nigeria, the dominant player in the region.

Keywords: West Africa; Gulf of Guinea; Nigeria; oil; energy security; conflicts

Introduction

Since the late 1990s, the Gulf of Guinea has emerged as a critical energy repository and a strategic supplier to the global oil market. This importance has been heightened by the resurgence of global interests in the region in the aftermath of the tragic events of 11 September 2001 in the United States, and the pressure to reduce global over-dependence on oil supplies from the volatile Middle East region by exploring alternative sources of supply. Owing to the multiple lines of interests generated by American, Asian (China and India) and European concerns, the Gulf of Guinea has become critical in global energy security calculations, both as a source of increased and steady supplies of oil and a source of profits for these concerns. As these developments unfold, they hold enormous and far-reaching implications for the region. This is largely due to the fact that the global project of securing the region is directed at ‘controlling both the territorial space and the resources within it’. It also reinforces the contradictory manner through which Africa is being integrated into the global capitalist system, whereby its interests are generally subordinated to those of the world’s largest economies.

The Gulf of Guinea is generally regarded as the coastal belt comprising West-Central-Southern African countries like: Angola, Benin, Cameroon, the Central African Republic (CAR), Chad, Cote d’Ivoire, the Democratic Republic of Congo (DRC), Equatorial Guinea, Gabon, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Nigeria, the Republic of Congo, Sao Tome and Principe, Senegal, Sierra-Leone

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and Togo. The region produces approximately 5.2 million barrels per day and is estimated to hold as much as 50.4 billion barrels of oil in proven reserves. By virtue of its vast quantities of natural gas, it is projected to account for one-fifth of global oil production by 2010 and expected to add between two to three million barrels per day to global oil supply. Recent assessments estimate that in the next decade oil states in the region will accrue $200 billion from oil proceeds, and $349 billion by 2019. More so, the Gulf of Guinea is strategic for other reasons. First, apart from Chad, all the oil exporting countries of the region are coastal states with veritable access to the sea. Second, the bulk of the region’s oil deposits are located offshore. This minimises, though does not entirely rule out, complications with indigenous communities and other restive elements, unless piracy such as that in the Gulf of Aden begins in earnest off the West African coast. Third, given its low sulphur content, the region’s crude is of the highest quality in the international energy market, and with the advent of technological innovations such as the ultra-deep water machinery and 3-D seismic expertise, the extraction of previously unreachable deposits has now commenced.

However, the Gulf of Guinea’s political economy of oil presents a mixed picture. While the states of this region have different colonial backgrounds and struck oil at different times in their existence as states, on the whole, they present one of the most visible forms of human immiseration and crisis of governance on the continent. Based on the February 2008 ‘Index of State Weakness in the Developing World’, in which the Brookings Institute evaluated the performances of 141 developing countries using 20 indicators grouped into economic, political, security and social welfare baskets; 32 African countries were among the top 50 worst performers and, surprisingly, 12 of those were oil producing African states. Closely following other African oil states in the Gulf of Guinea (Angola, Chad, the Republic of Congo, and Equatorial Guinea), the index ranked Nigeria 28th on the list of ‘critically weak’ states, falling within the bottom quantile on critical issues such as inflation, rule of law, control of corruption, conflict intensity, gross human right abuses, incidences of coups, political instability and absence of violence, child mortality, access to improved water and sanitation. This brings into bold relief the ‘paradox of plenty’ which has featured prominently in petro-states in the region, such as, Nigeria, Angola, Gabon and Congo-Brazzaville; and which appears to be awaiting new oil boom states like Equatorial Guinea, Chad and Sao Tome and Principe. They equally share some of the symptoms which have plagued the first club of oil producers, including the abject poverty of the local population, foreign control of the oil industry, apparent power elite-multinational alliances to monopolise the control and utilisation of the oil wealth, a profligacy in the use of oil revenues for self-aggrandisement, and the likelihood of ecological degradation.

The stakes in the region have risen sharply due to the intense global demand for oil (despite the financial crisis of late 2008), dwindling global excess capacity for oil extraction, volatile energy prices and a renewed concern over any major disruption. In concrete terms, energy security is about having access to oil from diverse sources. Therefore, it is not enough to secure and control only one particular supply source. The result is a complex inter-play of external and internal actors involved in the struggle for the region’s oil resources: oil multinations, national/state oil corporations, independent actors, indigenous oil companies, petro-elites, oil-producing communities and oil-related insurgent movements. Prevalent notions of this ‘new scramble’ are often depicted as one which sets up European and American interests (official and commercial) against Chinese, Indian and other Asian
interests, but the international political economy of resource extraction spanning the whole region demonstrates that the situation is more complex and multi-layered, and holds far-reaching implications for oil-rich countries in the region.

As a pivotal player in the region, Nigeria looms large and currently accounts for over 60% of the Gulf of Guinea’s oil wealth; its proven reserves are estimated at 36.2 billion barrels as of January 2009. At the same time it has been the most important destination for the estimated $50 billion of international investment in the region. But with the advent of the Movement for the Emancipation of the Niger Delta (MEND) in 2006, Nigeria’s oil industry experienced a precipitous decline. According to official sources, persistent attacks by MEND over the last three years have knocked out almost two-thirds of its installed capacity of three million barrels per day, and after MEND extended its onslaught to multinational oil majors (ExxonMobil, Royal Dutch Shell, Agip, Total and Chevron), the industry has witnessed a security crisis, including kidnappings of oil workers and large scale attacks on oil installations, requiring the deployment of soldiers to the zone. Consequently, Angola, possessing only a third of Nigeria’s reserves, has emerged as Africa’s leading oil producer. This is coupled with the global economic crisis which began in 2008 in the developed world but which has since led to a contraction in African economies, particularly, in the key sectors that drive growth (oil, minerals and agricultural exports). Apart from the uncertainty over the price and demand for oil (which accounts for 80.3% of government revenues), the internal impact of the crisis on Nigeria is manifested in decreasing government revenues and foreign reserves, national currency devaluations, and cuts in public expenditure. While externally, oil companies have reported a major loss in profits since mid-2008. Far from leading an economic renaissance in the Gulf of Guinea, Nigeria’s faltering oil complex is positioned to have detrimental consequences for the entire region.

The purpose of this paper is to flag the issues that are driving the ‘new scramble’ for accumulation and development in the Gulf of Guinea, and to analyse the growing securitisation of every facet of Nigeria’s oil complex. This is located within the context of a post-9/11 US-led energy security paradigm that places Nigeria in the context of the energy-rich Gulf of Guinea — a region viewed as critical to Western global strategic interests — and the resource-diplomacy of an emergent China and India which is driven by an escalating energy-import dependence.

The introduction has set out the challenges facing the Gulf of Guinea. Next, an exploration of the issues of ‘security’ and ‘sovereignty’ will provide a framework for the ensuing analysis of these challenges, especially in the Nigerian context. Next the paper focuses on an analysis of the ‘new scramble’ or ‘oil rush’ in the Gulf of Guinea, the actors involved, and the critical linkages between the quest for global energy supplies in the region and the implications of that quest for national security on the part of Nigeria, still the largest economy in the region. The discussion concludes with suggestions for a new framework for addressing Nigeria’s national security and sovereignty challenges, in view of the impact of global extractive forces in the region.

Framing the issues: security and sovereignty in Nigeria

Security

Nigeria’s national interests include preserving its sovereignty, independence and economic security, and strengthening the institutions and frameworks for the
realisation of these objectives. Its national security hinges on the protection of these interests, via the optimum combination of sound military defence policies and a favourable foreign relations position, and an administrative capability to support these.

The Nigeria state had its origins in a colonial state structure that was dominated by the coercive designs of the British colonial enterprise; its security policies were aimed at preserving an exclusive territory for British imperial interests. This was largely due to the fact that having conquered and subjugated the different entities that make up the Nigerian state through treaties of protection, trade or surrender, the colonial state accorded itself rights and privileges over everything in the territory and advanced its own interests. This precedent formed the basis of national interest and security in post-colonial Nigeria. With the attainment of political independence in 1960, the Nigerian state inherited the vestiges of the colonial state, and the post-colonial state which emerged remained authoritarian in nature with a highly statist security orientation. As Claude Ake observes, ‘more often than not, the post-colonial state in Nigeria presented itself as an apparatus of violence, and while its base in social forces remained extremely narrow it relied unduly on coercion for compliance, rather than authority.’

This perception of national security in Nigeria encompasses the rent-seeking activities of its oil-based economy. Nigeria’s excessive dependence on income from oil exports exposes the linkage between the rentier context of its economy and its national security. In their study of oil-rich Arab states, Hazem Beblawi and Giacomo Luciani describe a political economy based on the extraction and exploitation of a natural resource endowment without commensurate returns to that economy.20 This description aptly captures the Nigerian experience from the 1970s, when the survival of the Nigerian economy became exclusively tied to oil rents as the oil multinationals producing the oil for export became critical to the fortunes of the state and the economy. Thus, Nigeria manifests the tendencies of a rentier state, characterised by repression, authoritarianism, arbitrary policymaking, and extractive rule. In this vein, Nigeria’s state security is defined as the protection of political coalitions converged around the creation and allocation of oil proceeds. Within this context, the disruption, whether by internal or external forces, of the flow of oil rents constitutes a threat.

The notion of national security in Nigeria is thus still largely perceived in realist terms, where internal security is directed at maintaining law and order, and external security focuses on repelling external military threats. However, in a post-Cold War context characterised by increased globalisation, this state-centric paradigm has come under severe challenge. Partly, this threat emanates from the fact that globalisation creates an interpenetration of foreign and domestic issues, such that national governments increasingly operate in spaces defined by the intersection of internal and external security.21

Nigeria has conducted its security needs to reflect the skewed power relations in the country. The state and dominant class interests have clearly undermined national security in Nigeria, in the wider sense, as it appears that national security is designed to protect interests of the ruling elite (both military and civilian) and their commercial allies locally and globally. This tendency reinforces the coercive approach to government which, in responding to internal legitimacy challenges, precludes more non-coercive and social-welfare oriented approaches,22 which is in turn reflective of the state’s relations with its domestic constituencies.
This perception of internal security held sway throughout the era of the petro-military alliance (1970–1998) in Nigeria. It was largely characterised by the forceful repression of public discontent, the co-optation of local government officials in power and a system of top-down financial allocation. Since Nigeria’s return to civil rule in 1999, the governors of the core states of the Niger Delta (Bayelsa, Delta and Rivers States) and their influential political allies have strategically positioned themselves at the centre of the country’s oil complex. They have also demonstrated the ability to domesticate and co-opt popular social protest, and create security outfits independent from the state by temporarily integrating unruly local leaders and social pressure groups thriving on youth empowerment and ethnic emancipation. This paves the way for the undocumented tapping and selling of crude oil (illegal bunkering) which has been estimated to generate a yearly profit of between $1.5 and $4 billion for the perpetrators. Popularly understood in the Niger Delta as a direct form of ‘resource control’, these operations thrive in areas termed as ‘resource control arenas’ and are characterised by an undocumented material base. The forces behind these operations employ a discourse of resource control as a legitimising ideology which appeals to their domestic constituencies and gravely weakens the control of formal governmental authority at the national level. This constitutes a severe threat to national security from within, if left unchallenged.

Sovereignty

The notion of ‘state sovereignty’ in Africa is complex. On the one hand, its existence has been challenged by scholars who point to the weaknesses of institutions and the corruption of the elites that dominate and undermine the post-colonial African state, thereby reducing state politics to serve personal and narrow, rather than national, ends. On the other hand, other scholars point to the influence of international hegemons and their policies which are based on externally articulated market interventionist policies such as the structural adjustment programmes of the past, which have contributed to the worsening socio-economic conditions and thus the crisis of state legitimacy in Africa.

In spite of the perceived weaknesses of states in Africa, William Reno notes that ‘some leaders of weak states recognize that they can manipulate transnational commercial connections and outsiders willing to recognize them as mediators between local and world economies, allowing them to accumulate wealth and control associates.’ Hence, the weakness of the state does not preclude formal juridical recognition of their sovereignty by external commercial and strategic interests. This brings to fore the existence of a common commercial interest and an alliance between predatory African elites and external interests, and reiterates a situation in which African states enjoy little or no effective sovereignty. What emerges from the foregoing is that broader global developments continue to shape the nature of sovereignty and the course of post-colonial states in Africa.

The end of the Cold War had obvious repercussions for Africa’s place in the international order. This is marked by the increased processes of globalisation and its penetration into state affairs, or what William Robinson refers to as ‘a national-global duality’ with regard to an emergent ‘transnational state’. Robinson presents the transnational state as ‘a loose network composed of supranational political and economic institutions together with national state apparatuses that have been
penetrated by transnational forces. The social crisis in Africa and its preliminary outcomes cannot be understood without an appreciation of the relationship between ‘trans-territorial deployments’ and the strategic search by social actors in African societies for economic, symbolic and social capital which transcends the domains they control or dominate. This dynamic is of critical importance for Nigeria’s oil-rich context which hosts an assortment of global actors in close geographical proximity.

In a post-11 September 2001 discourse that has been shaped, until the election of Barack Obama as US President in late 2008, by the US-led war on terror, weak states in Africa have been framed as latent threats to the security of the West. Amitav Acharya’s influential 2007 thesis on ‘Sovereignty as Disorganised Hypocrisy’, points to efforts by the hegemonic state to simultaneously safeguard and limit Westphalian sovereignty to pursue its particular interests. Acharya argued that in part, the ‘real justification’ for intervention in a post-9/11 setting by the hegemonic state is not about a ‘higher’ principle, but the conventional requirements of “national security,” and an international order conducive to the protection and promotion of the national security interests of the most powerful states. This ‘reorganisation’ of global security issues has further obscured the discourse on sovereignty. Intervention has been justified not only under the guise of fighting the war on terror, but also that of preventing failed states that are deficient in their capacities to effectively govern their territories to act as an incubator for terrorism, or provide the setting from which terrorists could strike globally. Nigeria’s Niger Delta is host to the full range of actors, structures and dynamics of dominance true to a political economy characterised by the fragmentation of authority and sovereignty, one which vacillates between breakdown and reinvention. Over the last decade, this has resulted in the intensification of deployments by multinational oil firms acting at the behest of global interests with the aim of effecting significant changes in local regimes and enacting new agendas for security efforts.

The ‘new scramble’ or ‘oil rush’ in the Gulf of Guinea

Since the late 1990s, several considerations have propelled a ‘new scramble’ or ‘oil rush’ in the Gulf of Guinea. For the United States, the deepening crisis in the Middle East, tightening global oil markets, the declining oil production at home and, until this past year’s financial collapse leading to recession, expanding domestic demand have combined effectively to make energy concerns a real issue in its global security calculations. Combined with the rising demand for oil from other economies, especially in Asia, the new discoveries of oil in the Gulf of Guinea sparked off a scramble for investment prospects. These conditions have been intensified by the considerable shifts in global economic power occasioned by the emergence of China and India, with China offering attractive oil deals and aid packages to countries in the region in a bid to compete with American firms for access to oil. US, Chinese, French, British and Canadian oil multinationals are also prospecting for oil in non-oil states, like Sierra-Leone, Senegal, Guinea-Bissau, Cote d’Ivoire, Ghana, Liberia and Togo, all along the Gulf of Guinea. Lastly, the incipient globalisation of the Gulf’s resources, in which revenues accrue not locally but on the global market, exacerbate the lack of benefit to oil-rich nations in the Gulf.
American interest

An agglomeration of diplomatic, security, economic and geo-political interests underlies US policy towards Nigeria. Despite the mixed public opinion on this bilateral relationship, the United States has continued to foster military, diplomatic and economic relations with Nigeria. On the security front, the striking correlation between US energy policy and military policy is globally evident. This dynamic has been evident from the Pacific and Central Asia to the Middle East. As Andy Rowell noted in 2005, apart from declaring the Gulf of Guinea an area of ‘vital interest’, certain influential right-wing and neo-conservative think-tanks in Washington even advocated for the need to protect the region by American military might.37

The US security partnership in the Gulf of Guinea has been structured multilaterally (with Economic Community of West African States (ECOWAS)) and bilaterally, and now falls under the administration of the US Africa Command (AFRICOM), established in 2008. Based, for the time being, in Germany, AFRICOM takes over from the US–European Command (EUCOM) in that role, and perhaps marks the most consequential US strategic development in the region. AFRICOM can be seen as a response to the increasing strategic importance of Africa within the US spectrum of interests.

Nigeria’s place in the West’s global energy security calculations is framed within the context of the larger West African oil gulf stretching from Mauritania to Angola (and possibly Namibia), accounting for about 15% of US oil imports, which is expected to grow to 25% by 2020.38 The Bush administration’s National Energy Policy Report (also known as the Cheney Report of 2001) situated the Gulf in a broad and global strategic context, and predicted that West Africa would become ‘one of the fastest growing sources of oil and gas for the American market’, with Nigeria serving as the ambitious target of private investments geared towards the production of five million barrels per day in the coming decade.39 These comments were not far-fetched. The Africa Oil Policy Initiative Group in Washington, DC, maintains that the Gulf of Guinea, as part of the Atlantic oil-bearing basin, has already surpassed the Persian Gulf in oil supplies to the United States by a ratio of two-to-one. This oil is in addition to other important strategic minerals, such as uranium, chromium, cobalt, titanium, diamond, gold, bauxite, phosphate and copper found in the region.40 The Gulf of Guinea is also strategically located with direct access to US refineries without the dangers of costly and dangerous routes. In addition, the region’s ‘sweet’ crude articulates closely with US environmental considerations and the design of US refineries.

These positive statements from US officials elicited a wave of investment flows from major US oil concerns. In 2002, Chevron/Texaco projected an investment flow of $20 billion into the region’s oil over the next five years,41 while Exxon/Mobil estimated $15 billion expenditure in Angola alone and $25 billion across the region in the next decade.42 Within this context, Nigeria loomed large, serving as the cornerstone of United States Gulf of Guinea strategy under the Bush administration. The recent visit to Nigeria of US Secretary of State Hillary Clinton indicates a slight shift in tone on the part of the United States under the Obama administration, however. Her expression of support for Nigeria’s efforts to ‘increase transparency, reduce corruption, and provide support for democratic processes in preparation for the 2011 elections’, was received as thinly veiled criticisms that have been rejected by some of the political elite in Nigeria, although not by Nigerian President Umaru
A major shift in the US–Nigeria partnership on energy supplies is unlikely, however. Baring any disruption, Nigeria will remain the fifth largest oil exporter to the United States, currently producing between 1.6 and 2.4 million barrels of oil per day. Nigeria is also positioned to become a major international exporter of liquefied natural gas (LNG) in conjunction with other US oil firms, and serves as the hub for the West African Gas Pipeline Project (WAGP), valued at $500 million, which is expected to ferry gas from the restive Niger Delta in Nigeria to the Benin Republic, Togo and Ghana.

In a bid to guarantee more security owing to the billions of dollars in investments at stake in the Gulf of Guinea, multinational oil interests have actively promoted US naval engagements in the Niger Delta to protect their interests. The insurgency and criminal activities in the region were high on the agenda when former President Obasanjo met with George Bush in Washington in 2006. Subsequently, Abuja admitted that US naval vessels patrol Nigerian oil fields within a 200 mile limit to protect the region from maritime criminals for Nigeria’s benefit.

The fact that Obama did not visit Nigeria on his first trip to Africa in July 2009 when he paid his respects in Ghana was perceived by some on the continent as a slight for this most populous African nation. Was Obama underlining his disapproval of the lack of democratic reform apparent in Abuja? But as South Africa was also not on Obama’s itinerary, these major African economies might recognise that Obama seems intent on setting a new precedent for his interaction with the continent.

**The new axis of oil: China and India**

The United States has not been alone in the scramble for oil in the Gulf of Guinea. Other emerging economies around the world, notably, China and India, are also in need of the region’s oil. The rise of China and India is significant, as they are both catalysts in the ‘new scramble’ or ‘oil rush’ in the region which has been dominated by Western oil multinationals. The re-engagement of China, India and other Asian interests in Africa may be judged one of the most dramatic developments in the development of Africa as a whole since the end of the Cold War. China’s renewed diplomatic vigour is largely driven by its transformation from energy self-sufficiently to the world’s second largest importer of oil. China’s relations with Africa gained unprecedented traction in 2006 with the Forum on China–Africa Cooperation. Though not the first of its kind, the 2006 Forum served as a watershed in China–Africa relations owing to the visibility of the subject and the attention devoted to it. The emergence of China as a global economic power since the 1990s has driven a massive increase in oil consumption. From 1993, China’s demand for oil has outstripped domestic oil production, and in 2004, it became the world’s second largest consumer of crude oil after the United States with a daily consumption of 6.5 million barrels per day, a figure which could double by 2020. This demand for oil is a crucial component underpinning China’s relations with Africa.

To this extent China has sought favourable terms of supply from oil-producing African countries. Africa is already supplying about 30% of China’s domestic oil needs (Angola 14%; Sudan 7%; and Congo Brazzaville 4.4%) with evident prospects of a significant increase within the decade. Within this calculation, the Gulf of Guinea becomes crucial, and basically for similar reasons to those of the United States. First, given its lightness and low sulphur content, the Gulf’s oil is of high
quality and most appealing, although Chinese refineries have been designed to process a more ‘sour’ grade of crude oil in recent years. And, except for Nigeria and Angola, who are members of OPEC (the Organisation of Petroleum Producing Countries), Gulf of Guinea producers can deliver their oil without the production quota restraints set by OPEC (although Nigeria, at least, has blatantly disregarded these quotas at times48 and at other times been unable to meet the quota due to attacks on production points by militants49). Based on these factors, China expects to expand its annual import from the region and secure concessions from various governments in the Gulf of Guinea. Some perceive China’s re-engagement with the region as a ‘new form of imperialism’, while others contend that China’s policies in the region lend support to dictatorial regimes in complete disregard of the norms of good governance, accountability and respect for human rights. Simon Roughneen views China’s new Africa policy as ‘providing an alternative to the supposed consensus built around governance and development policies, giving China an unfair advantage in competing for the continent’s resources.’50 In response, China has reiterated the guiding principles of its foreign relations: mutual respect for sovereignty and territorial integrity, mutual non-aggression, equality, mutual benefit and peaceful co-existence.51

With specific reference to Nigeria, China’s rapid economic penetration of Nigeria is best understood in terms of its historical and growing trade, energy, aid and strategic interests in Africa.52 Its entry into the lucrative Nigeria oil sector was a consequence of visits to China by the Nigerian president in August 2001, and a complementary visit by the Chinese premier in April 2002 in which deals on Chinese investments and development aid in the railways, agriculture and oil sectors were sealed. Hence, in December 2004, China’s SINOPEC and Nigeria’s NNPC (Nigerian National Petroleum Corporation) reached an agreement to develop oil mining leases in Nigeria’s Niger Delta.53 The ‘big break’ came for China when the China National Offshore Oil Corporation (CNOOC) acquired a 45% stake in a Nigerian oil-for-gas field for US$2.27 billion and also purchased 35% of an oil exploration licence in the Niger Delta for US$60 million in April 2006.54 The CNOOC acquisition in Nigeria in 2006 was its largest in the world up to that point.55 The agreement covers a deep-water area of the oil-rich Niger Delta region of Nigeria owned by South Atlantic Petroleum. For CNOOC, Nigeria marked its first significant venture in Africa, which has now emerged as a central piece of China’s global energy quest.56

China’s aggressive drive in the oil and gas sector is not lost on India. China currently sources 30% of its oil imports from Africa, which amounts to 37 million tonnes, while India gets 16% which amounts to about 18 million tonnes from Africa.57 According to the US Energy Information Administration, India presently consumes about 2.8 million barrels per day and this is expected to rise 5.3 million barrels per day by 2025.58 India is the world’s fifth largest consumer and relies heavily on oil imports, which account for two-thirds of its consumption. With a population of over 1 billion and a surging economy (the second fastest growing economy after China), India’s need for oil continues to grow. Following the example of China, India has embarked on an aid-for-oil strategy in a bid to build partnerships with African countries in the energy sector, to close lucrative oil deals and to regain lost ground. The significance of Africa’s oil is stressed in its $12 billion foreign investment plan, a significant part of which will go to Africa.59

To this extent Nigeria features prominently in plans to meet India’s energy needs. In 2005, the aid-for-oil strategy underpinned the decision by Mittal Steel and Oil and
Natural Gas Corporation (ONGC) to invest $6 billion in establishing a refinery, power plant and railway lines across Nigeria through a joint venture company, ONGC-Mittal Energy Limited (OMEL). The deal committed OMEL to provide infrastructure funding, while the Nigerian government is to provide it with oil blocks. Along this line, OMEL will facilitate upgrading of the Petroleum Training Institute (PTI), in Effurun, Delta State of Nigeria. These investments are geared towards securing OMEL’s average sourcing of oil and gas from Nigeria’s deep-water exploration blocks, to be selected and upgraded by OMEL on the basis of Production Sharing Contracts. In October 2007, India’s Prime Minister, Manmohan Singh visited Nigeria, the first Indian prime minister to do so in 45 years. The crux of the visit centred on an array of agreements that were meant to deepen energy and economic partnerships between both countries, which include new oil exploration blocks and infrastructure deals. Nigeria is expected to be one of India’s major energy suppliers in the latter’s quest to achieve energy security and sufficiency, and both parties expressed willingness to co-operate, signing a long term agreement under which India will purchase crude oil and collaborate in other projects of mutual interest. Unlike China which is deploying a lot of resources in its engagement with Nigeria, it is clear that India is constrained by its inability to match the resources expended by China, and by some processes and considerations inherent in its democratic system of governance. In 2006, India lost out in a bid to China CNOOC mainly because the Indian government failed to give approval to ONGC’s bid for the same oil block on the grounds that it was too ‘risky’. In the face of fierce competition for resources in Africa, official Indian government officials have pointed to China’s greed for Africa’s oil, copper and minerals, while framing India’s engagement with Africa as mutually beneficial. In the long-run, India’s quest for energy in the region may not be a core component of its energy security strategy, but a bid to diversify its energy sources.

Nigeria’s profile in the Gulf of Guinea obviously looms large. The region becomes even more important as the strategic interests of the United States, Europe, and rising powers of Asia are involved. The picture is compounded by the advent of new entrants into the Nigerian ‘oil complex’, like the Korean National Oil Corporation (KNOC), Statoil of Norway, Petrobras of Brazil, and Petronas of Malaysia. These developments have not only heightened the strategic value of the Gulf of Guinea, but present completely new challenges for Nigeria in mediating between local and global interests in the Niger Delta’s energy sector. These developments also hold enormous consequences for Nigeria as the dominant player in the region.

Emergent patterns of contest: sovereignty, security and violence in Nigeria’s oil-rich context

As a vital element of the modern capitalist system, oil production and accumulation will continue to be a major source of contradiction in oil-rich regions of the world. Under the veneer of this lucrative enterprise lies an uncomfortable mix of extremes of wealth and poverty, power and disempowerment, profit and exploitation, global extraction and local resistance. According to calculations by Boyce and Ndikama, Nigeria experienced a capital flight of well over $86.5 billion between 1970 and 1996, and the financial assets held by a very small fraction of its populace in private bank accounts, real estate and shares overseas quadrupled the public external debt of the country in 1996. State revenues from the export of oil and its derivatives have been
estimated to account for $350 billion between 1965 and 2000. According to the International Monetary Fund, in 2005 alone, oil revenues accounted for 99% of export revenue, 88% of total government income, and 50% of Nigerian gross domestic product (GDP), amounting to over $50 billion. If Nigeria can gain control of the militants currently undermining its production, it plans to increase its daily production from 1.6 million barrels per day presently to as much as five million barrels per day in 2020. Even if prices were pegged at $50 per barrel, Nigeria could amass more than $750 billion in oil income within the same period.

At the heart of the crisis in the Niger Delta, however, is the struggle over oil resources. These developments have been accentuated by the centralist tendencies of Nigeria’s fiscal federalism upon which the Nigerian elite is built and reproduced. No substantial trickle down of vast government revenues has occurred and the discontent in the delta region has reached alarming proportions.

The foregoing fuels the topography of networks of power, accumulation and profit as they exist in Nigeria’s oil-rich context. Oil politics in Nigeria can be broadly articulated at four levels: the first deals with the struggle within factions of the dominant groups for control of oil; the second reflects a control of oil that resides in the control of federal power; the third involves the struggle between the elite and the people over the distribution of oil benefits; and the last captures the struggle for resource control that pitches the ethnic minorities of the oil-producing Niger Delta region against the federal government and its oil allies (the foreign oil companies).

Emphasis is placed on the last aspect which captures the existing militarisation and contestations over sovereignty, driven largely by the growing inability of, or outright purging of, state capacity to exercise its primary raison d’être: that is, maintaining effective governance and authority within its boundaries. In the context of what might be described as a ‘challenge’ or ‘contestation’ of state power, the state is responding by engaging ‘hard power’, with its deployment of large military forces, ruthless incarceration and suppression of all dissidents and brutal killings, and is less concerned with the use of ‘soft power’, or developmental initiatives that address the aspirations of the inhabitants of oil producing areas in a sustained and sustainable manner.

In a prescient 2006 International Crisis Group (ICG) report entitled: ‘Swamps of Insurgency: Nigeria’s Delta Unrest’, the group argued that a ‘potent cocktail of poverty, crime and corruption is fuelling a militant threat to Nigeria’s reliability as a major oil producer’. Underneath the threat, which has become a reality, lies a maze of alliances, treachery, greed, conspiracy and violence, which involves militia groups largely made up of youths responding to a history of neglect, motivated by social activism in opposition to the ruling party-elite politics, or by oil company pay-offs. Since the 1990s, there has been a clear escalation in the number and frequency of confrontations between oil communities on the one hand, and the state–oil alliance on the other hand. As a cumulative record, this unveils a continuous pattern of protest and repression that is becoming dangerously habitual, thereby providing the subtext for government to embark on a heavy-handed deployment of troops and military hardware, not only around oil installations, but throughout the entire region. The government tends to operate with a policy mindset that perceives every threat to law and order in the region as inextricably linked to another attempt to undermine oil production and state security. With the increased spate of violence, kidnappings, oil bunkering and armed combat, the crisis has assumed the status of a ‘low grade’ civil war and a complex twist in the Niger Delta’s struggle for self-determination.
In the late 1990’s the erstwhile suppression of the Ogoni movement between 1990 and 1995 sparked off a distinctive phase in the proliferation of ethnic minority movements, with the largest ethnic group in the region continuing the agitation for self-determination. It has been observed that the Ijaw ‘are indigenous to six states in the country and constitute political minorities in all but one of these six states’. Activist groups include the Ijaw Youth Council (IYC), the Federated Niger Delta Ijaw Communities (FNDIC) which controls the Western Niger Delta, and the Niger Delta People’s Volunteer Force (NDPVF) and the Niger Delta Vigilante, both battling for the control of the Eastern Niger Delta region. With the emergence of the Movement for the Emancipation of the Niger Delta (MEND) in February 2006, the conflict in the Niger Delta assumed insurgent proportions, and smaller networks emerged, carving up for themselves spheres of influence in the region. Tapping effectively into the 50-year old Ijaw quest for social and environmental justice in the Niger Delta, these movement have attracted international attention to the plight of the peoples of the region through the taking of hostages, particularly, foreign oil workers, demonstrating the inability of Nigerian security forces to stop the attacks and sabotage of oil installations, and through the effective use of the global news media. This has involved using the internet to send emails and images to the world’s leading news agencies and local newspapers and taking journalists to its camp in the swamps of the Niger Delta.

In a broader perspective, these developments throw fresh insights on to how the call for greater security is unfolding and inescapably leading the state towards the articulation of ‘security’ in an overtly militaristic sense. Ibeanu aptly captures the eruption of conflicts based on opposing conceptions of security, and how the Nigerian state is characteristically unable to manage its fallouts. This ‘contradiction of securities’ reflects opposing views of security by oil communities and state/petro-business. On the part of the state–oil alliance, security represents unrestricted access, exploration and production of oil; however the oil communities’ conception of security focuses on the guarantee of their livelihoods. Thus, it is the quest of each party to enforce its own conception of security that results in open conflict. Since the state is unable to ‘mediate these opposing relations and conditions of security’, it is inevitably locked in the conflict as a key protagonist against a range of other non-state actors. Owing to the shift towards greater use of military force by the state, oil communities in the region have resorted to questioning the sovereignty and legitimacy of the rule of the federal government (at the behest of the ruling elites in Nigeria). In short, the right of access to the region’s oil resources by the state–oil alliance conflicts with the quest of the local people for self-determination, regional autonomy and resource control.

In the context of globalised oil relations, the tangle of different notions of ‘security and sovereignty’ adds another layer to the contest in the Niger Delta. This can be gleaned from the sheer magnitude of multinational oil operations in Nigeria’s oil sector, which represents a much larger domestic industrial infrastructure covering over 600 oil fields (with about 250 dotted across the delta), 5,284 on- and offshore wells, 7,000 kilometres of pipelines, 10 export terminals, 275 flow stations, 10 gas plants, four refineries (Warri, Port Harcourt I and II, and Kaduna), and a massive LNG project (in Bonny and Brass). These huge investments drive the need for heightened security and increase further the role of multinational oil companies in the process. The changing strategies of the oil multinationals bring into perspective Reno’s observation, that oil firms in collaboration with internationally recognised
but weak sovereigns 'boost the power of the ruling faction against their challengers'. While persistently calling for, and supporting, the central state’s regulating role, multinational oil firms at certain periods (1998–2003) ‘chose among local strongmen, including insurgent leaders, and picked the one whose support would give them the most commercial advantage’. Covertly or overtly, multinational oil firms have played a significant role in the militarisation of the delta region and in the kinds of violent conflicts that have engulfed the region. This is not a new development, but the dynamics of militarisation in the delta are assuming local salience with the proliferation of private security outfits that service the oil multinationals, thereby stepping in to fill the gaps arising from the inability of state security agencies to provide sufficient protection to oil companies and the infrastructure they have developed.

One attempt to resolve the continued attacks on oil production sites has been an amnesty deal between the federal government and the militants in the region. This may only amount to a public relations stunt, however, as nowhere in the deal is there any mention of the people of the Niger Delta who are saddled with the bitter consequences of the insecurity in the region. Neither does the deal mention the oil multinationals, or the military and political elites who are all complicit in the crisis plaguing the region.

Since August 2007 when the NNPC was unbundled and replaced by five new companies, the country has been in search of a coherent energy policy. In 2009, the president introduced an oil bill which is designed to replace the existing 1969 Petroleum Act. The proposed Petroleum Industry Bill (PIB) is expected to create new regulatory agencies, simplify the industry’s structure, and transform NNPC into an international oil company on a model similar to those of other oil-rich countries. However, the core issue still centres on the urgent need for institution building and the re-entry of the state in policy-making as a means of protecting Nigeria’s national interests in a globalising economy. Much would depend on the capacity of local policy makers to rethink the political space for public policy in Nigeria. This can be done by articulating a new development agenda and seeking popular forms of democracy that address social inequality, injustice and development-based approaches to national security.

Conclusion

Several lessons flow from the developments in the Gulf of Guinea with obvious repercussions for the oil state of Nigeria. First, the subordination of the Gulf of Guinea’s oil resources to the demands of the global oil market has undermined sovereignty over ‘territorial spaces’ and the ‘resources’ within them. Second, the incorporation of the region and Nigeria into global security arrangements means that the impetus for development in the region will most likely be subjected to external security priorities and pressures, thereby denying the people developmental initiatives that would address their welfare. Third, military and security arrangements produced by these alliances, informed as they are by a zero-sum approach to the prevention and resolution of crisis in the restive Niger Delta region, will ignore the historical and socio-economic basis of the crisis. The Niger Delta has witnessed an accelerated emasculation of the state, and its replacement by fragmented forms of authority. Given the sheer force of the arms and ammunitions at the disposal of the insurgents, no oil infrastructure, no matter the location, can be considered secure.
This demonstrates that the insurgency has the potential to undermine the security even of other proximate Central and West Africa countries.84

The resolution of the crisis in the region must involve a return to resources control, a genuine engagement of all actors in the region, and the entrenchment of the ideals of democracy in Nigeria which will make the voices and votes of the people count.

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Notes
3. Owing to incipient oil exploration activities by US, French, British, Canadian and Chinese oil firms in hitherto non-oil producing countries in the region (Senegal, Guinea-Bissau, Sierra-Leone, Ghana, Cote d’Ivoire, Liberia and Togo), this paper uses the ‘Gulf of Guinea’ in a broad geographical sense to refer to the oil-producing region, comprising countries in West, Central and Southern Africa. This does not preclude the global energy strategic context of its usage as adopted by military strategists, political scientists, the media, global and local oil actors.
4. This is an approximation of crude oil production and proven oil reserves of oil producers in the Gulf of Guinea for 2008: Angola (daily total oil production: 2,014, proven reserves: 9,035 billion barrels) Cameroon (daily total oil production: 81.72; proven reserves: 0.200 million barrels), Chad (daily total oil production: 126.99; proven reserves: 1.5 billion barrels), Congo Brazzaville (daily total oil production: 239.94; proven reserves: 1.600 billion barrels), Equatorial Guinea (daily total oil production: 359.20; proven reserves: 1.100 billion barrels), Gabon (daily total oil production: 247.85; proven reserves: 2.000) and Nigeria (daily total oil production: 2,168.86; proven reserves: 36.220 billion barrels). Energy Information Administration, 2008.
5. Goldwyn & Morrison, 2005, p. 16.
8. Recent indications suggests that refineries in China and India are changing their crude oil diets from ‘sweet crudes’, and upgrading to process high-sulphur and less-costly sour Middle East Crudes which may likely remain the baseload in their future energy projections. However, according to Kang Wu of FACTS Global Energy, ‘China’s sweet crude imports will keep rising, but sour crude imports will rise faster because most of the country’s new refining capacity is designed to process sour crudes’. See Judy Hua, 2009.
10. For decades, the major oil producers in the region have been Angola, Congo-Brazzaville, Cameroon, Gabon and Nigeria. Equatorial Guinea has been a producer since 1995 and Chad since 2003, while Sao Tome and Principe became a producer in 2007.
18. April–June profits at Anglo-Dutch group Shell slumped 70% from a year earlier, to $2.3 billion, while Exxon’s profits for the same period declined 66% to $3.95 billion. See ‘Oil firms see big fall in profits’, 30 July 2009.
19. Ake, 2000, p. 36.
22. See, for example, Imobighe, 1987; Nweke, 1988; Olukoshi, 1992.
24. WAC Global Services, 2003, p. 46.
30. Ibid.
33. Ibid., p. 276.
35. Most ‘oil for aid and infrastructure deals’ between Nigeria and China which were reached by the last administration have turned out to be problematic. For example, in 2007, the China Petroleum Corporation (CPC) joint venture with Starcrest Energy Nigeria Limited in which the former pledged to a $100 million investment in Independent Power Projects in exchange for oil blocks failed to sail through. In 2008, the present administration suspended the $8.3 billion contract with the China Railway Construction Corp (CRCC) to modernise a north–south line across the country. The deal was signed in 2006, and according to a presidential spokesman ‘everything about the contract was wrong. There was no funding allocated for the project other than a promise by the previous administration to give the Chinese company an oil block’. See Alike, 2008; and FDI Magazine, 2008.
41. Gary et al., 2003, p. 12.
44. Figures vary due to the militant attacks that cause disruption in production. The OPEC quota for Nigeria is currently 1.67. See ‘Nigeria Staggers to Meet OPEC Quotas as Militants Step up Attacks’, Business Day, 30 June 2009.
51. Ibid.
55. Chinese oil companies also benefited from Nigeria’s sale of four oil blocks (two in the Chad Basin and two in the Niger Delta) to the China National Petroleum Corporation (CNPC) in April 2006.
56. On 10 August 2009, Addax Petroleum Corporation of Canada announced that it has received confirmation from Sinopec International Petroleum Exploration and Production Corporation of China (SIPC) on obtaining all approvals required from the Government Entities of the People’s Republic of China (PRC) to complete the acquisition of Addax...
Petroleum, through Mirror Lake Oil and Gas Company an indirectly-owned subsidiary of SIPC. For more details see Addax Petroleum Corporation website, http://www.addaxpetroleum.com/press_room/156.

60. Ibid.
64. Thakurta, 2008; Sharma, 2008.
66. Since the beginning of 2009, KNOC has been locked in a legal tussle with the Nigerian authorities over the revocation of the two oil exploration licenses awarded to it. The licenses were awarded to a consortium led by KNOC in 2005 under the Obasanjo administration in return for major infrastructure development. But the current administration of President Yar’Adua which came into of
tice in 2007, withdrew KNOC’s rights to the oil blocks on the grounds that the Korean firm failed fully adhere to the terms of the agreements.
70. Obi, 2007, p. 22.
71. Ukeje, 2008a.
73. Onuoha, 2006, p. 112.
75. Ibid., pp. 602–603.
77. Ibeanu, 2000, pp. 19–32.
78. Ibid., p. 25.
83. Abrahamsen & Williams, 2008.
84. Ukeje, 2008b.

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