

*Full Length Research Paper*

# Social conflict in the South-South Nigeria: Implications for foreign investment

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This paper investigated social conflict in the South-South region of Nigeria, and the challenges it posed to foreign investment in Nigeria. Non-parametric statistical and content analyses were essentially used as measuring tools. The results showed that dissatisfaction of the people of South-South especially the youths on the level of attention given to the development of their region and the damages to their ecology by oil spillage are the major causes of the alarming rate of youth restiveness. Surprisingly, the Niger Delta region constitutes about 80% to the revenue of Nigeria. It is against this backdrop that the paper suggests an immediate review of the current revenue sharing formula. The new formula should be made to address poverty, and neglect of the South-South region. Oil companies operating in the region should pay a greater percentage of their royalty directly to the host communities in the region.

**Key words:** Conflict, restiveness, foreign investment, revenue sharing formula.

## INTRODUCTION

It is important to state that the human society, and in fact, the entire universe is simply and squarely a complex entity. To that extent, individuals and groups have their own complexities, needs, aspirations, hopes, goals, opinions, views and values which could be social, economic, religious, psychological or political (Anioke, 2002).

Consequently, restiveness is bound to occur. It therefore presupposes that since conflict is a situation that is natural to man, our social life revolves and grows in conflict and restiveness.

Contributing to the dialogue on the South-South Nigeria, Elaigwu (2008) said that despite being the goose that lays the golden eggs for the nation, the Niger Delta is widely regarded as a region wounded by youth militancy, fragmented by internal strife, bruised by incessant conflicts between local communities and oil producing multinationals, and glamorized by series of high-profile kidnapping incidents. Continuing, he said, that obviously what makes Nigeria what it is today is oil; what makes Nigeria comfortable comes from the Niger Delta; but

unfortunately, the people of the South-South are not comfortable at all. A lot of people, especially at the grassroots, are suffering in the midst of plenty, and unless they are made comfortable to some extent, this crisis will keep escalating and possibly degenerate to a full blown war that might engender the possible break-up of the country. This is because anytime the Niger Delta is mentioned, what immediately comes to mind is violence.

The EGBESU, the OPC, the MASSOB, the MOSOP, the MEND and other ethnic cleavages abound and are getting out of proportion. The invasion of the multinational oil companies by restive youths in the Niger Delta, the abduction and kidnapping of foreign nationals working in oil companies, the incessant harassment of traders in Lagos and the every-day-clash in Jos Nigeria pose a lot of questions to the very ideal of a sustainable democratic government in Nigeria that should engender economic development. The composite unemployment in Nigeria increased from 3.8% in December, 2001 to 4.2% in the first half of 2006 (Chukwuemeka, 2008). The rate is still high, and when it is realised that an average figures has been given, indications are that it could be higher in some places like Bayelsa one of the states in the Niger Delta region. Structural unemployment results in talents not being used where they are available; idle mind definitely

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is the devil's workshop

The people of the South-South region where the nation derives greater percentage of her natural resources has persistently complained that adequate attention has not been given to them as regards to development, employment, social amenities etc, despite, the environmental devastation resulting from oil, which has caused them untold hardship. The situation has degenerated to a lot of controversies and conflicts which has resulted in loss of lives, personal and public properties as well as the kidnapping of foreign oil workers.

The situation worsened between the period 1999 and 2009 which has resulted to the declaration of curfew in some of the states in the South-South. It is against this backdrop that one wonders the ideal and survival of the present nascent democratic dispensation in Nigeria. Also worrisome is the safety of the foreign nationals and their investment.

It is therefore the objective of this study to make a critical examination of social conflict in the South-South region of Nigeria and how it affects foreign investment.

## **HYPOTHESIS**

Dissatisfaction of the people of South-South region of Nigeria on the level of attention to the development of their area by the Federal Government of Nigeria and multinational corporations is one of the major causes of the alarming social disorder in the region.

## **LITERATURE REVIEW**

Social disorder in the Niger Delta is not recent, it could be traced to Isaac Adaka Boro, a Niger Delta militant and radical youth. While in the University of Nigeria Nsukka, he organised secession. The primary aim was to liberate his people from oppression and consequently form the Republic of Niger Delta. This happened in the 1960s. The Federal Government frowned at his secession bid, and subsequently, Boro was arrested and punished accordingly. Marginalisation and utter neglect of the region did not stop after that. Between 1980 and early 1990s, another radical environmental activist in the person of Ken-Saro Wiwa emerged. He organised some restive youths in the Ogoni land against the Federal Government because of marginalisation and utter neglect. In spite of the fact that the minerals that contribute 90% of Nigeria income are sourced from their region, their region is one of the most underdeveloped in Nigeria (Chukwuemeka, 2008).

During the reign of General Sani Abacha's military junta, Saro Wiwa and the members of his restive group were arrested, tortured and gruesomely murdered by hanging. From 1999 youth restiveness in the South-South took a new dimension. The new form of militancy

and restiveness include, kidnapping of foreign oil workers, kidnapping of top notchers in government and those supporting government, arson, assassination, and other forms of gruesome murder.

Restiveness according to Abudah (2004) is self generating theory of conflict process within social groups. He further stated that any restive acts of groups whether inter or intra in nature in contemporary history of Nigeria is synonymous with conflict. Intra group restiveness or conflict occurs when there is a competition for an interest (Onah, 1999).

The relative deprivation theory asserts that psychological variables and deprivation is the basic product for conflict and restiveness of any kind. The more widespread and intense deprivation is among members of a population, the greater is the magnitude of violence in one form or the other (Famham and Pilmot, 1998). Coleman (1966) argues that the unequal socio economic development of the various ethnic groups in Nigeria led to inter ethnic and intra ethnic conflict. Once there is an uneven development in all or some facets of human existence within a given society, the different groups will definitely become immersed in the competition for the goods of modernity which invariably leads to conflict situation.

Asobie (2004) says that there are approximately 300 spills per year in the Niger Delta region. And he blames the restiveness of the Niger Delta youths on the oil multinational corporations that operates in the region that is not committed to the plight of their host communities. Again, he argues that the oil multinational corporation and Federal Government of Nigeria are implicated in the collaboration of militarizing the South-South region.

In the view of Saro-Wiwa (1985), the root causes of conflicts in the South-South region are inequitable distribution of revenue, uneven development among the Niger Delta region. He goes on to say that development in the centre has been given much attention than the other levels of government and that there is evident inequality in the development approach in Nigeria. He argues that the grassroots and the people of Ogoni land in particular and the people of Niger Delta in general are like goose that lays the golden egg. He argues further that the articulation of fundamentally different development paradigms had resulted in controversies to peace in the Niger Delta conflicts. Wiwa (1985) further argues that the proximate causes of most of the conflicts in the Niger Delta can be easily identified as the dominance of leaders of specific groups to gain office and use such states and institutions to distribute economic and political benefits preferentially to their interest groups. Discrimination against subordinate groups, often portrayed as less deserving human beings accompanies this preferential treatment. The Niger Delta citizens are in such a very pitiable circumstances. It is based on the aforementioned view that Wiwa contends that "... the protection and promotion of the rights of the Niger Delta citizens as well

**Table 1.** Major oil multinationals in Nigeria.

S/N	Oil company	Year of Inc.	Oil production position (2001) (%)	Oil quota as at 2001 (bpd)
1	SPDC Ltd	1939	1 <sup>st</sup> (42)	950,000
2	EXXON/Mobil	1970	2 <sup>nd</sup> (21)	700,000
3	Chevron	1960	3 <sup>rd</sup> (19)	410,000
4	Agip Nig. Ltd	1962	4 <sup>th</sup> (7.5)	155,000
5	Pan Olean Nig. Corp.	N/A	5 <sup>th</sup> (6.6)	NA
6	ELF Pet. Nig.	1983	6 <sup>th</sup> (2.6)	NA
7	Texaco Nig. Ltd.	1961	7 <sup>th</sup> (1.3)	83,769

Source: Asobie (2004: 53).

as other disadvantaged groups are essential for a conflict free Nigeria". Pinning it down to the Ogoni people, Wiwa (1985) holds the view that his people, Ogoni citizens are people who are internally colonised in the Nigeria Federation. According to him, during the first oil boom, Ogoni land's fifty six oil wells accounted for almost 15% of Nigerian oil production. And in the past three decades an estimated, 30 billion petroleum revenue was realised from Ogoni land. Yet Oloibun where the first oil was pumped in 1958 had no single road motorable all round the season. Ogoni land argues Wiwa (1985) is wrecked by unthinkable misery and deprivation. Only few Ogoni communities have electricity, there is one medical doctor per one thousand people, child mortality rates are the highest in Nigeria Nation, unemployment is 85% of the population and a greater percentage of the population are illiterates and close to half of the Ogoni youths have left the Niger Delta region in search of work. Life expectancy is barely fifty years (Eghosa, 1996).

Omoku (2003) argues that the first issue to be addressed is how the pursuit of oil wealth underlies persistent national policy failures in Nigeria. Since 1970, the Country's political, economic, and policy elites have established an authoritarian power structure to enable them to centralise control of strategic resources including the Country's substantial oil deposits. Such a structure has not only banished the great majority of ordinary Nigerians from the policy making process, but it has also led the power elites to pursue social and economic strategies that are short sighted, self-serving, and not driven by the needs of the people. The consequences have been material scarcity, deep frustration, and youth restiveness in the Niger Delta region.

### **Multinational oil corporations (MNCs) and conflict in the South-South of Nigeria**

Exploration and production of oil in the South-South region are done by various oil multinational corporations. It all began in 1938 when the colonial government

granted Shell and Amay Petroleum the first mineral oil concession. The company immediately began geological mitigation. The Shell British Petroleum's monopoly came to an end in 1955, when Mobil exploration Nig. Ltd., a subsidiary of the American colony came on board. Mobile Oil Company joined the exploration search. Since then other multinational corporations have joined the oil business in the Niger Delta region.

Table 1 shows a list of seven major oil multinationals, their year of incorporation and oil production position as at 2001 and oil quota as at 2001. The table shows that oil sector is in the hands of foreign multinational corporations. Their operational base is in the Niger Delta region where the oil is exploited. The oil rich Niger Delta has been visited with the worst form of environmental pollution and degradation from the activities of these oil multinationals. Despite this, all multinational corporations do not live up to their billings in terms of performing their social responsibilities to the oil producing host communities, rather they collaborated with Federal Government to perpetrate the underdevelopment of the Niger Delta region.

Though in a few cases, social infrastructures like pipe borne water, electricity, motorable roads, school buildings, scholarship programmes and job opportunities among other things are provided for the oil producing communities, but such facilities did not commensurate with the impact of environmental pollution and degradation suffered by the oil producing communities, neither did it commensurate with the high profit they made from the activities in the region. The most painful of all activities of the oil multinational corporations is that they have been implicated in the act of collusion with the Federal Government in the militarization of the Niger Delta region. They invariably divert the resources they should have used in the development of the Niger Delta region to security.

In the youth restiveness in the Niger Delta region, the oil multinationals are the worse off as the militant groups destroy their industries, installations; their workers are either kidnapped or taken hostage by the militant groups;

**Table 2.** Respondent's opinion on the major causes social disorder in the South-South region of Nigeria.

<b>Question: Is social disorder in the South-South a result of utter neglect by government and oil multinationals, oppression, internal colonisation and political suffocation?</b>			
<b>Response</b>	<b>Youth</b>	<b>Adult</b>	<b>Total</b>
Yes	140	20	160
No	125	35	160
Total	265	55	320

Source: Field Survey (2009).

**Table 3.** Respondents' opinion on inordinate pursuit of wealth by some members of the South-South region.

<b>Question: Do you think that the restiveness in the Niger Delta region is not a function of marginalisation but inordinate pursuit of wealth by some overzealous members of the region?</b>			
<b>Response</b>	<b>Youth</b>	<b>Adult</b>	<b>Total</b>
Yes	50	10	60
No	215	35	250
Total	265	55	320

Source: Field Survey (2009).

**Table 4.** Respondents' opinion on increment in fund allocation.

<b>Question: Do you think that the restiveness in the Niger Delta would stop if the government increases the fund allocation to the region?</b>			
<b>Response</b>	<b>Youth</b>	<b>Adult</b>	<b>Total</b>
Yes	135	30	165
No	130	25	155
Total	265	55	320

Source: Field Survey, (2009).

pipelines and other equipment are also vandalized. Work normally stops in such circumstances leading to the loss of some 12 million barrels of crude oil worth billions of naira. In Ogoni land alone, Shell has been loosing about 8,000 barrels of crude oil per day since the Ogoni rally of January 1993 (Chukwuemeka, 2007). Even as at today, SPDC has not fully resumed exploration activity in Ogoni land. In all, the company estimates that over 60% of spills and leakages affecting its installation are caused by acts of sabotage by aggrieved oil producing communities of the Niger Delta (Chukwuemeka, 2007).

One of the major grievances of the Niger Delta people is that all laws relating to oil exploration and land ownership be abrogated. Having in mind that decrees and laws were schemed to keep the Niger Delta people in total penury and nothing short of the restructuring of the Nigerian Federal structure and abrogation of such obnoxious laws will be capable of restoring and maintaining peace in the region. All conflicts in the Niger Delta region are as a result of the injustice meted out on them by the Federal Government of Nigeria.

## **METHODOLOGY**

Questionnaire, oral interview and personal observation were used as major instrument for data collection. On the whole, 350 copies of questionnaire were distributed, but a total of 320 were returned duly filled.

The main statistical tool used for analysis is chi-square. The exercise essentially involved data that were discrete, categorical and non-parametric in nature.

### **Data presentation**

The data obtained in the study are shown in Tables 2 to 7.

### **Test of hypothesis**

H<sub>0</sub>: Dissatisfaction of the people of the Niger Delta on the level of attention to the development of the area by Federal Government and multinational companies is one of the major causes of the alarming youth restiveness in the region.

To test the hypothesis, chi-square  $X^2$  non-parametric statistical measure was adopted. From the chi-square table, table value at 5% significance level and 1 degree of freedom is 3.841 computed

**Table 5.** Respondents' opinion on unemployment and poverty.

<b>Question: Do you think that if youth unemployment and poverty is controlled, restiveness would cease in the Niger Delta region?</b>			
<b>Response</b>	<b>Youth</b>	<b>Adult</b>	<b>Total</b>
Yes	160	35	195
No	105	20	125
Total	265	55	320

Source: Field Survey (2009).

**Table 6.** Respondents' opinion on the preference between increased fund allocation and ecological devastation.

<b>Question: Ecological devastation and poor fund allocation, which one do you consider more serious?</b>			
<b>Response</b>	<b>Youth</b>	<b>Adult</b>	<b>Total</b>
Ecological devastation	140	40	180
Poor fund allocation	125	15	140
Total	265	55	320

Source: Field Survey (2009). Calculation of  $X^2$

**Table 7.** Computation of  $X^2$ .

<b>Cell</b>	<b>Fo</b>	<b>Fe</b>	<b>(fo-fe)<sup>2</sup></b>	<b>(fo-fe)<sup>2</sup>/fe</b>
1.1	140	132.5	56.25	0.424
1.2	20	27.5	-56.25	2.045
2.1	125	132.5	-56.25	0.424
2.2	35	27.5	56.25	2.045
Total				4.938

Source: Compiled from Table 2. Degree of freedom; Df = (r-1) (c-1); df = (2-1) (2-1) = 1 x 1 = 1  
5% level of significance at 1 degree of freedom = 3.841.

value of  $X^2$  4.938 is greater than the table value. Therefore  $H_1$  is accepted and  $H_0$  rejected.

## FINDINGS AND DISCUSSION

This study has made an overview of Niger Delta restiveness and social-economic development of Nigeria. The outcome of the empirical test supports the secondary data that we critically evaluated in the literature review.

The item-by-item analysis revealed that the Niger Delta people are actually oppressed, and politically marginalized. In spite of the fact that many respondents failed to agree that the restiveness is more of a function of inordinate pursuit of wealth and avarice, some of the people interviewed were of the view that restiveness is more or less a function of inordinate quest for materialism. Inadequate distribution of revenue of the federation and poor revenue base of the Niger Delta region is also established to contribute largely to the restiveness. Many respondents were of the opinion that restiveness would

cease if more fund is allocated to the region.

Youth unemployment, poverty and other related social maladies are discovered to be prevalent in the Niger Delta region, and therefore have heightened restiveness. Many of the people interviewed were of the opinion that if the youths in the region are gainfully employed, restiveness would die a natural death since, „an idle mind is a devil's workshop.

Environmental degradation and pollution of the region by oil companies make it almost impossible to breathe good air and drink clean and good water, which results in low level of life expectancy. The respondents were more critical on environmental degradation than fund. According to them, they would prefer the preservation of their ecology than devastate it and pay for it.

### Implications of this study for foreign investment

As already noted, the incidence of marginalisation, denial of social right and environmental degradation and

economic devastation activities by the Government of Nigeria had triggered off the irate youths in the Niger Delta region to involve in all sorts of restiveness in demand of their right. This act had led to hijacking, abduction, hostage and kidnapping of oil expatriates in the Niger Delta region. The situation is now degenerating into other regions in Nigeria.

From all indications, this quagmire portends a serious threat to the new democratic dispensation which is at its nadir stage. It cannot also allow any meaningful economic development to thrive in Nigeria.

Democracy will find it difficult to thrive in crises. The leaders would spend the time they would have used to formulate policies that would touch the life of the people to formulate conflict- control policies, sink fund that could be used for development to control restiveness. The situation would not also encourage international cooperation. No foreign investor would also like to invest in a vulnerable and crisis prone economy.

## RECOMMENDATION

It is therefore the position of this paper that the following should be done:

1. Revenue sharing formula should be reviewed without further delay. The new formula must be made to address poverty and neglect in the South-South.
2. Oil companies operating in the South-South region should pay a greater percentage of their royalty direct to the host communities.
3. Nefarious activities of the governing elites who highjack special funds mapped out to address the problem of the citizens should be checked. Culprits should be prosecuted, tried and jailed with hard labour.
4. The nefarious practices of those who sponsor and spur the youths into restiveness for their own selfish ambition should be checked.

Unless these recommendations are urgently implemented, Nigeria in the near future would become a war-zone; a situation which would be most catastrophic to the indigenes and foreign nationals and investors.

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