Two Oils, Same Phenomena: Historicizing Exclusion, Poverty and Contemporary Violence in the Niger Delta

(Pp. 1-15)

Asuk, O. C. - Department of History & Diplomatic Studies, Faculty of Humanities, University of Port Harcourt
E-mail: ocasuk2000@yahoo.com
Phone No. 08036700447

Abstract

From a subsistence economy, remote from the mainstreams of trade, the Niger Delta communities moved to a position in the forefront of the trans-Atlantic trade and became vital to European economic interests in the nineteenth and twentieth centuries. These communities were offered, and they seized, new opportunities for acquiring wealth, power and prominence, heralding their rise from isolation and obscurity. During the era of the slave trade they made wealth from the trade acting as middlemen between the hinterland slave producers and coast-based European traders. They also accumulated wealth from the palm oil trade following the abolition of the slave trade. However, these communities whose elites enjoyed profound prosperity, power and prominence subsequently declined in grandeur. This paper locates the roots of contemporary poverty and violence in the Niger Delta communities in the vortex of European imperialism, which suppressed the growth of a viable class of indigenous accumulators and entrepreneurs in the palm oil economy. It demonstrated that contemporary trends and phenomena only heightened when the crude oil economy penetrated and reconfigured Niger Delta communities.
Introduction
The Niger Delta is the pivotal point where all of Nigeria’s plagues of political gangsterism, corruption, violence and poverty converge. The violence of the Delta is a reaction to a long history of exploitation, the presence of transnational corporations, a style of politics where violence is often encouraged and supported by politicians, and the sheer welter of groups, gangs, and cults without a leadership (Kashi, 2008: 25-27). The Niger Delta has grown into a hugely complex enigma with abysmal underdevelopment in the midst of plenty (Naanen, 2004: 4). Okey Ibeanu (2003: 16-36) captures it as the paradox of plenty, the paradox of national security and the paradox of development, while Amnesty International (June 2009: 9) reports that the poverty of the Niger Delta, and its contrast with the wealth generated by oil, has become one of the world’s starkest and most disturbing examples of the “resource curse”.

Massive poverty exists in the Niger Delta and opens no other reasonable outlet to human agency to search for justice than resort to violence. New forms of violence and security firms, private armies, multiplying arms dealers and markets in arms are spreading in the Niger Delta unregulated. Small arms have become the weapons of mass destruction in the Niger Delta, fuelled by the prevalence of poverty. Poverty is the destruction of human well-being through the lack of access, entitlement and capacity to command basic well-being (food, clothing, shelter) or capability deprivation (Ofor, 2005: 1; Sen, 1995: 11-24).

This discourse is located in the ‘interactive resource control theory of material inequality generation’ (Tilly, 2007: 56-7), which contends (i) that material inequality results from unequal control over value-producing resources; (ii) that an inequality-generating mechanism of exploitation occurs when persons who control a resource enlist the effort of others in the production of value by means of that resource but exclude the others from the full value added by their effort. Exclusion most emphatically and directly produces poverty. The United Kingdom’s Department for International Development (UK DFID, 2005: 5) asserts that social exclusion matters because it denies some people the same rights and opportunities that are afforded to others in their society.

Primitive accumulation under capitalism took place through conquest of trade routes, colonial taxation, etc., and accumulations by way of a market system of “unequal exchange” whose exact mechanisms have changed over time but...
which have involved basically the “exchange of quasi-equivalents, behind which was hidden the exchange of a smaller for a larger quantity of labour” (Cliffe, 1976: 114). Colonialism generated new forces and social relations of production yet did not completely destroy pre-colonial social forces and modes of production but simultaneously articulated them. The colonial-state encouraged foreign merchant companies and their domestic agents to open up and expand the market economy while subjugating indigenous competitors (FGN, 1987: 37). But the advent of the post-colonial state, with a colonial praxis, witnessed the ascendance of an overarching national ideology that consolidated the impoverishment the Niger Delta communities. 

Naanen (2001) rightly argued that the resources of the Niger Delta were expropriated, first, by the British Crown by right of conquest, symbolized by imperialism and colonialism, then, passed on to the successor Nigerian-state.

**Indigenous Accumulation in the Beginning: From Subsistence Economy to Slave Trade**

The Niger Delta communities transited from farming villages to fishing villages to trading-states, (Horton, 1969; Alagoa, 1970) became central to the economic interests of Europe (Anene, 1966) and back to fishing villages (Nwabughuogu, 1982). At the second level, they transited from the slave trade to the palm oil trade to the crude oil economy. In the subsistence economy, trade developed almost inevitably between areas with different products: the salt and dried fish of the coastal and salt water delta were exchanged for the agricultural produce of the hinterland and freshwater delta (Alagoa, 1970: 323; Ejituwu, 1991: 52).

The competition between villages for fishing grounds often issued in wars with attendant atmosphere of insecurity and the Delta communities’ obvious need to augment their manpower to pursue their commercial relations with the mainland would warrant the recruitment of new members to increase the fighting force through the purchase of domestic slaves from the Igbo hinterland. Europeans only grafted the incentives of the internal long-distance trade like capital, institutions, trade routes and relations with producing communities and markets into the emergent trans-Atlantic trade (Alagoa, 1971: 272; Cookey, 1974: 18).

With profits from the trade Niger Delta middlemen began to buy slaves for sale and also for incorporation into their own households (Horton, 1969: 46). Consequently, the middleman, the link between the interior natives and the Europeans at the coast, became a significant factor in the Euro-African trade
relation and many delta communities and individuals within them grew wealthy. The “trust” system became the pivot of the Delta trade (Nwabughuogu, 1982: 365; Jones, 1989: 28-30). The Atlantic trade, which began in the last quarter of the fourteenth century, (Ryder, 1965: 215-236), launched Niger Delta’s incorporation into the capitalist world-economy with the growth of capitalist social relations in Western Europe from the sixteenth century. Albeit with two profound economic implications: firstly, it stimulated internal production; secondly, it facilitated indigenous accumulation. This was particularly so during the period of “legitimate commerce” (the palm oil economy), and less so during the slave trade era since the procurement of slaves involved little productive activities (Hopkins, 1973: 124; Naanen, 1987: 51; Zeleza, 1993: 372).

**Palm Oil Trade and Indigenous Accumulation**

The palm oil trade originally was part of the slave trade and had encouraged the rise of a relatively small group of ‘large entrepreneurs’ in the Niger Delta (Hopkins, 1973: 124; Northrup, 1978: 227; Latham, 1986: 268). The change from slaves to palm oil witnessed an increase of middlemen, attendant competition and rivalries as each trading state redefined the limits of its trading monopoly and boundaries of its new commercial empire (Jones, 1989: 66-7; Wariboko, 153). It marked the beginning of the emergence of a viable merchant class in the Niger Delta who were determined to improve their own profit prospects and expand their export trade portfolio. African traders like King Eyo of Old Calabar attempted to ship their commodities direct to Europe when he chartered an entire vessel in 1857 to ship their commodities to England (Dike, 1956: 122). But the Liverpool merchants, conscious of the imminent danger that would confront their export monopoly and profit margins, with the backing of the British consular power under the authority of Consul Hutchinson, would frustrate this attempt and forced King Eyo to sign an undertaking never to contemplate shipping oil directly to England.

From the late 1860s, primitive accumulation by Niger Delta middlemen entered a phase when a generation of highly resourceful entrepreneur-rulers began to use their power to monopolize trade in their domains for the possibility of a transformation of the relations of production and ownership of property. In the 1880s, this class of indigenous accumulators led another African initiative to break the European export monopoly and established themselves as exporters independent of the European firms.
Nana and Jaja, Nigeria’s first modern capitalists and commercial strategists, had commercial organizations stretching over considerable areas of the Niger Delta and employed several thousand people in various capacities, which no European firm, even if prepared to employ Kru labour on a vast scale, could have done the same (Gertzel, 1962: 363-5; Naanen, 1987: 53; Rotimi & Ogen, 2008: 48). In 1884, when eight British commercial firms who became apprehensive of Jaja’s enormous profit-making ability at their expense, came together, except Alexander Miller, and unilaterally fixed the price of produce, Jaja retaliated by breaking into the export trade, hitherto an exclusive preserve of the European firms, and succeeded in shipping his palm oil to Birmingham, thereby becoming the first Nigerian direct exporter of palm oil and pioneered Nigeria’s indigenous produce export trade (Gertzel, 1962: 361-6; Pedler, 1974: 76; Rotimi & Ogen, 2008: 51-2).

In 1883, Jaja made a contract with a Birmingham hardware firm to buy his manillas (trade currency) direct from them at the then high prices of palm oil, for the following three years, and obtained a higher price for his produce while paying less for his manilas (Gertzel, 1962: 365). Consequently, Jaja took produce away from them and left them with stocks of trade goods unsold.

However, the commercial ambition of this generation of African accumulators coincided with the scramble and partition of Africa, the classic response to the crisis of the capitalist world-economy in the last quarter of the nineteenth century. Internal accumulation conflicted with the basic social aims of European imperialism. Immanuel Wallerstein (1974: 66-131) argued that the metropolitan bourgeoisie saw the strong states of the periphery as competitors and feared that the local bourgeoisie might use the state structures to check the scale of metropolitan accumulation. If the international division of labour existent in the palm oil economy that offered Niger Delta communities profound indigenous accumulation was allowed to expand, these communities would have consolidated the evolving capitalist class structure since they were clearly in the process of modernizing independently of European rule (Crowder, 1968: 119).

**European Mercantile Imperialism and the Crisis of Indigenous Accumulation**

In the late 1880s, British naval power was used to enforce the will of the European traders on African coastal rulers and middlemen in the Niger Delta. This phenomenon ‘bred in the womb of monopoly capitalism’ (Zeleza, 1993:...
led to the brutal deportation and crushing of the emerging indigenous capitalist class in the Niger Delta. Gertzel (1962: 365) observed that by removing Jaja and Nana, the British administration was removing the only Delta Africans who had the resources to attempt an African export trade. However, Jaja and Nana only represented the emergent commercial entrepreneurs and capitalist class in the Niger Delta.

The beginning of British Consular rule with the appointment of John Beecroft in 1849 entrenched European traders’ authority in the Niger Delta and guaranteed the conditions conducive for foreign capital suppression of a viable class of indigenous capitalists (Naanen, 1987: 54). Niger Delta’s indigenous accumulation crisis became aggravated with the amalgamation of all British firms operating on the Niger into the United African Company in 1879 by George Taubman Goldie, the standard bearer of British imperialism vis-a-vis foreign capital in Nigeria and the monopolist of the trade of the Niger (Flint, 1960: 30-33).

In 1886, the UAC became known as the Royal Niger Company with the award of a British royal charter. While produce prices were depressed, prices of the company’s staple imports were increased. The RNC’s monopoly capitalism and economic strangulation through the complete commercial blockade of Brassmen caused so much impoverishment so that part of the population went into smuggling while others resorted to fishing to make up for the lost revenue from trade. Consequently, whole communities and towns which had prospered from trade were impoverished by the RNC’s mercantocracy (Flint, 1960: 198; Nwabughuogu, 1982: 370-2; Naanen, 1987: 54-55; Wariboko, 2007: 33). The RNC’s tool of customs duties on the Niger Delta merchants from whom trade has been snatched was completely devastating. Yet the Foreign Office considered it as the only source of revenue for the expenses of the administration. Any infringement on customs duties in the company’s frontiers would attract seizure and confiscation of the canoe and its contents (Wariboko, 2007: 23).

**The Era of British Colonial Capitalism**

Colonial subordination from 1900 succeeded in perfecting mechanisms of surplus extraction without altering the material basis of production. British state support for the exploitation of the Niger Delta by metropolitan merchant capital in the era of colonial imperialism led to the impoverishment of the accumulating indigenous petty-bourgeoisie. The penetration of the hinterland by both British government and commercial enterprises meant the
progressive decay of the coast towns which had seen centuries of great prosperity (Anene, 1966: 325).

The founding of Port Harcourt in 1912 as the main terminal port on the Delta and the construction of the Eastern Railway line from Port Harcourt to Enugu between 1913 and 1916 meant that the ocean gateway of Eastern Nigerian foreign trade had literally moved 40 miles inland. From 1917, there increased entry of foreign merchandise with attendant profound evacuation of raw materials from the Eastern Nigerian market through Port Harcourt rendered the older Delta ports of Bonny, Brass, New Calabar, Okrika, Opobo, etc, commercially impotent and caused massive poverty (Nwabughogu, 1982: 370-1; Ofonagoro, 1979: 213; Anyanwu, 1979: 21-23).

The expatriate firms established trading depots along the lines in the stations, and new branch factories outside, thereby liquidating what had hitherto remained a preserve of the middlemen. Trading centres were established along the lines from whence produce is railed to Port Harcourt for shipment. These expatriate firms also established small buying stations where produce is purchased direct from the producer and transported by motor lorry to the trading centres on the railway. Since their spheres of trade were swallowed up by the expatriate firms, the Niger Delta middlemen were being eliminated from any effective role both in the import and export trades simultaneously.

In 1917, when the Port Harcourt harbour was opened to international trade, all commercial establishments in Bonny were closed down: the African Oil Merchants was closed down; the African Traders Company was removed; the beach belonging to the African Association was abandoned; the Marine Department was transferred from Bonny to Port Harcourt; the mail steamers no longer called at Bonny as the Customs Department was removed; and, the Cable Station was transferred to Port Harcourt. The worst affected, because the most isolated from the channels of trade in the new era, was the erstwhile port of Brass. In 1920, the total trade of Brass amounted to £20 in imports and £9,787 in exports (Anyanwu, 1979: 21-23).

The official closure of the Brass port by the Government of Southern Nigeria to foreign shipping in 1921 led to the absence of business there between 1921 and 1930 warranting many Brassmen and other Ijo men to move with their canoes to neighbouring countries like Cameroon, Equatorial Guinea and Gabon, among others (Ebikoro, 2006). The undercutting of the middlemen by the firms which gave them trust made it difficult for many middlemen to
meet their obligations to the firms. Inexperience with a highly unstable export market made the middlemen believe that the high prices of good years would continue in the future. Therefore, lured by these optimistic expectations, they borrowed heavily to expand their merchandise portfolios and to get into debt when prices came down (Myint, 1980: 58). During this time, Opobo Division alone had no less than 100 debt cases. The ‘trust’ was not only an instrument of monopoly, but also a mechanism of dependence.

British colonial currency policy (between 1900 and 1948) was also guilty of laying the foundation for contemporary poverty in the Niger Delta. Under colonialism, the continuing circulation of the traditional manilla currency was not conducive to the transfer of surplus from the colonial periphery to the metropolitan core. Therefore, a national currency, which could be linked to the sterling, was needed to promote trade and taxation. No localized currency would be retained and the sterling exchange was introduced (Myint, 1980: 61; Naanen, 1993: 25-46). Given the substantial degree of wealth accumulated by the Niger Delta middlemen in manilla, switching over to the sterling without compensation for the existing stocks of manilla imposed significant losses on its holders. More so, profound quantities of it were diverted to ritual, prestige and ceremonial purposes by the accumulators rather than into investment outlets, even as there were no banks to facilitate savings and investments.

The Post-Colonial Mode of Production in the Crude Oil Economy
The Colonial Mineral Ordinance enacted by Lord Frederick Lugard shortly after the amalgamation in 1914 gave the monopoly of oil mineral exploration to Britain and vested the ownership rights in the crown. In 1937, the Colonial Mineral Ordinance gave Shell D’Arcy exclusive exploration and prospecting rights in Nigeria. In 1938, the Colonial Office granted an Oil Exploration License covering the whole country to Britain, while the Petroleum Profits Tax Ordinance of 1959 gave a 50-50 profit sharing arrangement between Nigeria and the oil multinational corporations leaving out the oil producing communities of the Niger Delta.

By the mid-1960s, the collapse of world prices for cash crops allowed for the significant growth of petroleum exports from the Niger Delta. In 1969, Decree No. 51 vested in the Federal Government the entire ownership and control of all petroleum while the Federal Commissioner of Mines and Power (now Minister of Petroleum) possessed the sole power to grant Oil Exploration, Oil Prospecting and Oil Mining Leases to oil prospectors while
Offshore Revenue Decree No. 9 empowered the Federal Government to receive all offshore oil revenue from wells located in the coastal waters thereby cutting off the communities from any access to oil (Soremekun and Obi, 1993: 219-220; Obi, 2001: 25-6).

In March 1978, the Federal Military Government promulgated the Land Use Decree (later Land Use Act) placing all lands in the trust of the state government. In 1993, General Babangida, promulgated Decree No. 52 (Titles, Vesting, etc.) appropriating all lands within 100 metres of the 1967 shoreline of Nigeria. Communities’ access to oil revenue allocation was blocked and ownership of oil-rich land was denied while the beneficiaries became the Nigerian-state and the Multinational Oil Corporations (MNOCs). Having lost the ownership rights of their land and without entitlements to any royalties, the communities could only demand inappropriate compensations from spillages or surface rents from the oil MNOCs.

Crude oil production in the Niger Delta resulted in environmental degradation, destroyed rural livelihoods, aggravated poverty and reduced citizens to subjects (Ibeanu and Luckam, 2006: 36; Okonta, 2008: 153, Amnesty International, June 2009: 7). The failure of the Nigerian-state to respond meaningfully to the oil communities’ demands for full citizenship rights prepared the ground for the emergence of community grassroots (ethnic-based) social movements wherein the youth constitute the crack troops to secure some form of political, cultural, and economic autonomy. Such groups include: the Ijaw Youth Movement (IYC), Ikwerre Youth Movement, National Youth Council of Ogoni People, Niger Delta People’s Volunteer Force (NDPVF), Niger Delta Volunteer Force (NDVF), Movement for the Emancipation of the Niger Delta (MEND), etc. Quintessential political entrepreneurs like Isaac Adaka Boro, Kenule Saro-Wiwa, Alhaji Asari Dokubo, etc, would deploy a complex mix of communal, class, and civic sentiments to mobilize the masses against the fraudulent Nigerian-state. Ogoni exemplified the double-layered contradictions being spawned by the further integration of the Niger Delta into the global capitalist system as a source of cheap oil (Obi, 2001:29).

Rapid transformations at the global and domestic environment levels would influence the bursting forth of the hitherto suppressed grievances of Niger Delta communities against deprivation, exclusion, marginalization, alienation, impoverishment and environmental degradation (Saro-Wiwa (1992: 7). Attendant state repression caused the migration of hundreds of
Ogonis to several countries to constitute either a diaspora community or refugees (Baah, 2006).

The transition to democracy in 1999 and the subsequent militarization of politics corrupted these movements leading to the emergence of militia enclaves, private armies and cult groups in the Niger Delta and attendant complex dialectics that would challenge the raison d’etre of the communities and the Nigerian-state. To extract legitimate or illegitimate shares of oil money, the youth would take over and occupy oil production facilities and take oil workers hostage (kidnapping for ransom). Oil bunkering (theft of crude oil), ab initio, like smuggling in the palm oil economy, a survival strategy, has become a major source of funds and a lucrative business, patronized and protected by highly placed citizens in the society. The stolen oil is sold in dollars (sometimes exchanged for arms and drugs) to foreign buyers whose vessels are always on the high seas (Pugh, et al, 2004: 1-15; Naanen, 2004: 4-9).

The United States’ symposium in January 2002 on “African Oil and U. S. National Security”, organized by the Institute for Advanced Strategic and Political Studies (IASPS), recommended that the Gulf of Guinea be declared by Congress as an area of vital interest for the establishment of a regional sub-command in the area. Reminiscent of the nineteenth-century gun-boat diplomacy, in May 2004, the U. S. marines moved into the Gulf of Guinea (Naanen, 2004: 4-9). Yet, the incidence of bunkering and kidnapping is continuing unabated.

Perhaps, it persists because hope is being extinguished by crass corruption in the Niger Delta, an incubator of corruption, a political weapon constantly polished to keep the masses in perpetual vulnerability. Presently, there are pronounced signals that politicians in the region are luring the boys and militant leaders out of the amnesty programme since the boys see a road out of a dysfunctional social landscape that offers rewards far in excess of what mainstream society can offer (NEXT editorial, 26 November 2009). Due to endemic corruption in the Niger Delta, the Oil Mineral Producing Areas Development Commission (OMPADEC) of the 1990s and the Niger Delta Development Commission (NDDC) could not deliver as development interventionists.
Conclusion
The evolution of contemporary pervasive poverty, violence, and criminality in the Niger Delta is tied to the elimination of its communities from the process of capital accumulation as middlemen in the palm oil economy. While expanded indigenous accumulation and the possible capitalist transformation of class structure was hindered by European imperialism, formal colonial subordination, more forcefully, checked capitalist development and fostered conditions conducive to foreign capital suppression of the growth of a competing and viable class of indigenous accumulators. Post-colonial Nigerian-state and the crude oil economy penetrated and reconfigured the Niger Delta communities by its despotic power, subverted socio-political development and deepened poverty, criminality and violence, occasioning the return of Western state actors to the Gulf of Guinea to secure their energy source.

Mercantile and colonial capitalism caused the first wave of migrations from the Delta communities to other countries, while the dialectics of the crude oil economy caused the second. Kidnapping and bunkering can be rationalized as survival strategies (shadow economies) in a war economy operated by the Nigerian-state particularly in the Niger Delta. The agitations for resource control and self-determination later corrupted by the crude oil economy originated in the palm oil economy, while the trajectories of their evolution characterized by deviation from sound ideologies to an unparalleled criminalization were the result of PDP’s attempt to annihilate the opposition and capture political power at all cost.

References


Personal Communication with Chief Ebikoro in Douala, Cameroon on 10/4/2006.

Personal Communication with Mr. Lekiah Baah in Douala, Cameroon on 10/4/2006.


