

War Economy and the Multi-million Dollars' Security Contracts for Ex-Militant Leaders in the Niger Delta Region of Nigeria

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Abstract

Although the crisis that precipitated to brutal militancy that brought the crude oil producing Nigerian state to its knees is actively over to a large extent; the state is still struggling with the lucrative and massive war economy that was built by the war lords to prosecute the crisis. The search for how to manage the war economy of the Niger Delta struggle in the post-amnesty era continues. Consequently, the purpose of this study is to find out and recommend strategies to best manage the war economy currently. Well-researched secondary materials about post-conflict war economy management in previous war-torn countries were the main sources of this study. The study acknowledged among others that, the State (Nigeria) cannot do otherwise than to incorporate the former war lords with the security contracts to the regular economy. And this act of the Nigerian state is a globally accepted strategy of managing mammoth war economies in post-conflict periods in particularly weak states.

Key words—War, Economy, Security, ex-Militant and Niger-Delta

Introduction

The news of the juicy and now very controversial multi-billion dollars security contracts given to the ex-militants leaders in the Niger Delta was widely reported by mainly two of the Nigerian leading news tabloids—ThisDay and The Nation newspapers. They got the information from the widely read and largely business news oriented American Wall Street Journal. According to one of the newspapers:

The American Wall Street Journal reported on Wednesday that Dokubo-Asari, leader of the Niger Delta People's Volunteer Force earns \$9 million (N1.420billion) annually, guarding pipelines of the Nigerian National Petroleum Corporation (NNPC), while Tompolo is paid \$22.9million (N3.614billion) for a similar contract. The NNPC, according to the report, gives \$3.8million each annually to Boyloaf and Ateke (The Nation Newspaper, 2012).

Firstly, it is exceedingly surprising that a very sensitive and security-oriented news about a real major means of sustenance as a nation like the above will be first reported by a foreign news media. Secondly, the fact that our Nigerian leading newspapers indeed copiously quoted the Wall Street Journal in their reports as the major source of their news is a huge indictment of incompetence of a sort, because the substance of the news is Nigerian and it happened in their backyard. The so-called security contracts were all signed here. Finally, how the Wall Street Journal scooped the news and first reported it needs to be investigated.

Immediately the news of the security broke out in the local media, the debate started furiously in Nigeria. The morality and otherwise of the episode top the debate. Comments about appeasing evil and evil men were strongly made against the NNPC and the FG. Unfortunately, the government defenders and spokesmen could not do much to defend or project the rationale of their principals' decision to award the security contracts to the ex-militant leaders (now called ex-agitators leaders).

The aim of this paper therefore is to succinctly and comprehensively look at what peace and conflict study's experts say about the issue. The academic cum professional views about the issue is our concern. This submission will be divided into the following parts:

- Niger Delta;
- War economy;
- Ways of managing or containing war economies;
- The elements of the Niger Delta war economy and the Nigerian state; and



- Conclusion: war economy and the security contracts given to the ex-militants leaders.

The Niger Delta

The Niger Delta of Nigeria needs no serious introduction. This is because the crisis that has bedeviled the region has made it a national and international household name. At present the Niger Delta region of Nigeria has a population of about 45 million people distributed in over 3,000 communities, the region is one of the largest wetlands in the world, it covers an area of 70,000sqm, there are ten major deltas in the world and the Niger Delta is the second largest delta in the world, the largest in Africa (Nseabasi, 2010:35; Etekpe, 2009:24; and Ogomudia Report, 2001:6). The region is home to about 140 different ethnic groups according to Asuni, (2009:5).

The region produces all the crude oil and natural gas that is sustaining the second largest behemoth economy in Africa. The region is the entity that is also sustaining the about 167 million Nigerians. Its crude oil and gas, is also a life-wire to neighbouring countries in the West African sub-region. The crisis in the region pre-dated the idea of the Nigerian state. The descriptions of the people and the region by the special Committee reports set up by the pre and post-independence governments show and confirmed the problems and the complexities of the zone. The following are what some of the major Committee reports said about the region and its people:

The Willink Commission that was established in 26th September, 1957 to look into the fears of the minorities and the develop the means of allaying them was headed by Henry Willink, with Gordon Hadow, Philip Mason and J.B Shearer as members. The report of the Commission was submitted to Rt Hon Allen Lennox-Boyd, M.P; Secretary of State for Colonies on July 1958. The moderately voluminous report described a good section and the people of the Niger Delta thus:

They are said to be a people who have lived in the area now called Nigeria than any other of the large tribes and where probably pushed down into the Delta area in times of which no record has survived. The country in which they live is divided by creeks and inlets of the sea and of the Niger into many islands which nowhere rise far above the highest tides and floods; their transport is by water and the construction of roads or railways would be prohibitively expensive. There is a country which, though no fault of men has been neglected and which is unlikely ever to be highly developed; they are distinct in their language and customs from either the Edo speakers or Yorubas. Benin claimed over-lordship of them but they show no desire to return to it (Willink Commission Report, 1958:15)

The Nigeria (constitution) Order in Council, 1954 to 1959, Proclamation of the Area of the Niger Delta by J. B. Robertson asserted that:

The area of the Niger Delta for the purpose of the Niger Delta Development Board established in accordance with that section shall be,...the Western Ijaw Division of Delta Province..., Yenagoa Province, Degema Province and Ogoni Division of Port-Harcourt Province (Nigeria Order in Council, 1954 to 1959).

According to the Popoola Report of 1999: The Niger Delta is multi ethnic with diverse cultural traits,..., the settlement pattern is characterized by scattered rural settlements occupying isolated dry sites within the swamp areas..., it is the home to Nigeria's oil industry, as a result the people and the environment bear the burden of oil exploration and production activities. It should be noted that the problem of the underdevelopment in the Niger Delta is a long standing issue, even before oil was discovered in the area (Popoola Report, 1999:6).

To the Ogomudia Report of 2001, the Niger Delta is the:

Oil producing area that is currently located in 9 states,...representing a multiplicity of ethnic groups and about more than 3000 communities. The land consist of mostly upland rain forest areas with the bulk being riverian fresh and brackish water mangrove swamps wetland, hemmed in by sandy coastal ridge barriers. The main occupation of the people are fishing and farming. Except for the oil sector, the industrial base is small or non-existent....the Niger Delta

was recognized as a region for special development initiative and attention in the Independence Constitution of 1960 (Ogomudia Report, 2001:8)

The most recent report—Ladum Mittee Technical Committee Report on the Niger Delta of 2008, gave the following details about the region:

The Niger Delta consists of 25, 900 square kilometers of mangrove forest, fresh water swamp, coastal ridges, forest and fertile dry land. Seasonal flooding and sediments of thousands of years have made the land fertile....The abundance of rain and fertility of the land has set the conditions for the Niger Delta to have one of the highest rural population densities in the world (Ladum Mittee Technical Committee Report, 2008:14)

War Economy

Unlike most academic concepts, the twin concept called: war economy, is not a controversial one in the literature of the field (peace and conflict study). High priests of the field technically agreed on the definitions and the scope of the concept. The term war economy is used to describe the economic activities that occur in wartime (Nicola, 2005:4). Naidoo's (2000:1) work, **The Role of War Economy in Understanding Contemporary Conflict**, define war economy as the term: *used to conceptualize the sustainability of an intractable conflict through the exploitation and exploitation of a country's resources by warring parties.*

In his study of economic approach to conflict studies, war economies to Kirsti (2002:14) *are conceptualized as alternative socio-administrative system of power, profit and protection.* To Pugh et al (cited in Amelia and Hussein, 2007:3) *war economy includes all economic activities carried out during war time.* Fakeete (still cited by Amelia and Hussein) defined war economy as: *a set of economic structures that arise from armed conflict and that may continue to exist even after the violence has ended.* He further added that:

a war economy has to do with making money out of a war system rather than out of peaceful situation by elites, ordinary people caught up in war, and external actors that stand to gain from a conflict have vested interests in continuing a specific conflict. As time passes, such interests will crystallize into a distinctive war economy, usually forming part of a regional pattern of informal economic activity (Amelia and Hussein, 2007:3).

Peace economy is defined as the opposite of war economy, peace economy by and large operates in a completely different environment from war economy—peaceful one. Generally war economies are *parasitic, illicit, and predatory*, and they rarely contribute to the state's overall development because they are created more often than none to only partly finance and lengthen the conflict for *war profiteers* to accumulate wealth that they could not amass in peace economies (Amelia and Hussein, 2007:3). Ballentine and Nitzschke (2000:2) claimed in their study of war economy that, the under-mentioned characteristics are always features of war economies. These characteristics are:

- They involve the destruction or circumvention of the formal economy and the growth of informal and black markets, effectively blurring the lines between the formal, informal, and criminal sectors and activities;
- Pillage, predation, extortion and deliberate violence against civilians are used by combatants to acquire control over lucrative assets, capture trade networks and Diaspora remittances, and to exploit labour;
- War economies are highly decentralised and privatised, both in the means of coercion and in the means of production and exchange;
- Combatants increasingly rely on the licit or illicit exploitation of/trade in lucrative natural resources where these assets are available; and
- Combatants, thus, thrive on cross-border trading networks, regional kin and ethnic groups, arms traffickers and mercenaries, as well as legally operating commercial entities, each of which may have a vested interest in the continuation of conflict and instability.

Wars generally are not only military episodes for killing; they are to Andreas (2004:1) also avenues for social transformation, citizens who could barely survive in peace time usually

become *nouveau riche* criminalized elite during conflict through the exploitation of the war economy.

It is the syndrome of “making good out of war” that normally help to extend the durations of wars that substantive war economies have been developed. Usually war economies as pointed out by Andreas (2004:6), Lock (2005:4) and Kirsti (2002:9) are built by state actors and organized crime syndicates with international connections and partners. The dynamic nature and the ever-importance of economics to war are summarized by Nicola (2005:4), according to him: *economic activities are not halted by conflict; rather, they influence conflict dynamics, they adapt to the condition of armed violence and they diversify.*

The above postulation is a truism in the Niger Delta region, the militants (both the previous and the present ones) exploited the *lootable* and *unlootable* resources of the region to finance their militancy, hence changing the usually legal dynamics of the economics of the region to their favour.

Ways of Managing or Containing War Economies

To Pugh et al (2004, cited by Amelia and Hussein) the strategies below are appropriate in tackling war economies when peace processes are to be organized. These strategies are:

- Regional economic development must be promoted and implemented to effectively target conflict trade;
- Economic rehabilitation and national reconciliation should be one of the first issues to be addressed; and post conflict reconstructions must take into account the factors that created the war economy and it must address and overcome the root causes of the conflict.

While to Heiko (2003:11-28), war economies can be transformed to peace economies to sustain peace processes if:

- If the natural resource of the zone are properly, promptly and comprehensively secured by international or neutral forces;
- If regional governments and international agencies swiftly and broadly sanction natural resource mined from war zones;
- The establishment of sub-regional standard for corporate conduct in extractive industries and the outright suctioning of conflict-promoting trades in a region by all parties and governments; and
- The mandates of the UN peace operations should be tailored to address the political economy of specific conflict settings.

According to Amelia and Hussein (2010:18); the NEPAD Secretariat advised that for post conflict (peace processes) reconstruction to be effective the war economy should be weakened through the:

- Provision of humanitarian assistances, which include food security, public health, shelter and the return of refugees and internally displaced persons. If these issues are not attended to during the post conflict era, the war economy will be resuscitated to provide these essentials as it was doing during the conflict period by most the local people;
- Ex-combatants should be incorporated into the licit economy through and after the disarmament, demobilization and reintegration (DDR) processes;
- Physical infrastructure such as roads, ports, airports, electricity and telecommunication must be built where they are destroyed during the conflict. All these enhance confidence and build trust; and
- Employment opportunities must be generated, international trade regulated and positive foreign development investment mechanisms sought to better the lot of the general people more than when they were in the conflict situations.

Naidoo (2003:13-14) recommendation as regard the crippling of the war economy in the DRC to push through peace processes that were organized are germane to this section also. To him war economy can be made to support post conflict settlements if:

- An all-inclusive transitional government is put in place in order to terminate the illegal exploitation of the country's resources for the enrichment of a few;
- International protection of natural resource-rich regions are part of the peace processes to prevent conflict profiteers from exploiting the resource;
- A trade embargo on sale and purchase of minerals originating from the country must be part of the process too.

To Stephen (2007:12-14) spoilers, that is, war economy actors can be managed with these strategies:

- Inducement or giving the spoilers what they want so that the peace processes can go on until when they can be tacked;
- Socialization or changing the behaviour of the spoilers to adhere to set established norms; and
- Coercion, or punishing spoilers' behaviours or reducing the capacities of the spoilers to destroy the peace processes.

Lock (2005:4) exposed that the ideological construct called "Stude Null" was used to incorporate and accommodate the dominant players of the war economy of the World War 11, when it was inevitable that the continuity in Germany of the war would be made possible by some very powerful war merchants. This practice of accommodating adequately the major actors of the war economy seems to run through most of the strategies recommended by others.

Paul Collier in his article in the American Foreign Policy Magazine of May 1st, 2003, entitled: *The Market for Civil War*, recommended the following ways to deal with war economies, one: *curb rebel financing by blocking the means*. Two: *jump-start economic growth in vulnerable regions* and three: *provide robust military presence in nations emerging from conflicts*.

The Elements of the Niger Delta War Economy and the Nigerian State

Conflict cannot strive for a long time without an economy behind it. And because international politics directly is not monetarily in favour of civil conflicts like the ones in the Niger Delta, the originators of these conflicts in the region have unknowingly and knowingly developed massive elements of war economy to prosecute these wars. For instance the London-based highly popular nonprofit organization, *Platform*, revealed that between 2007 and 2009, Shell Petroleum Development Company (SPDC) spent \$383 million on security in Nigeria (Dogbevi, 2012). This simply means that, only SPDC is pumping about \$170 million to the war economy of the region annually.

It is clear that the first and the second generations of the Niger Delta activists did not develop hugely money-making war economies directly to advance and finance their activisms, they rather relay on the good will of the people to support in kind or in cash the struggle. Ken Saro-Wiwa's campaign for N1 donation from the Ogoni people to support the struggle is a good example of this postulation (Hassan Kukah, 2011:114).

However, the present activists or militants of the region have inadvertently and methodically built a war economy that has become an albatross of the peace processes. Studies done by Ikelegbe (2005); Dimieari (2006) and Stephen (2007) identified the following as the main elements of the war economy of the region. These elements are:

- Kidnapping and hostage taking;
- Illegal bunkering;
- Illegal refining of crude oil and sales of petroleum products like petrol, and kerosene;
- Extortion;
- protection and security fees; and
- Sales of illicit drugs.

Kidnapping and hostage taking

There are different accounts on when actually kidnapping and hostage taking started as a commercial and war financing strategy in the region. To Azaiki (2009:394), it started in June 2005, at Ekeremor, Bayelsa State; according to Azaiki the first real commercial incident of

kidnapping involved Bilfinger Berger (B+B) German nationals working for Shell Petroleum Development Company (SPDC). However, to Eugene (2010:220) kidnapping for ransoms to finance the war in the region became prevalent in 1998. One of the leaders of MEND, Cythia Whyte described kidnapping and hostage taking as a *strategic militancy*, (Eugene, 2010:220). And as an element of the war economy, kidnapping and hostage taking have generated millions of Naria for the militants to prosecute their war and to perpetuate the crisis in the region. It is therefore very obvious that kidnapping and hostages taking have undermined so many peace processes in the region organized by local, national and international interlocutors, the governments and peace activists. The Punch Newspaper report of December 6th 2011 about the kidnapped local monarch vividly confirmed the current status and the actors still strongly involve in this element of the war economy of the region. The newspaper reported that:

The State Security Service on Monday paraded a 24-year-old ex-militant and other suspected kidnapers of a monarch in Bayelsa State, King Godwinigodo. The kidnapper, identified as Promise Adegbe, who allegedly pocketed a whopping N12.5m before the traditional ruler was released after spending close to a month in his custody, the security agency said, would be arraigned on Tuesday (today) in a state High Court in Yenagoa (The Punch Newspaper, 2011).

The United Nations Office of Drugs and Crime (UNODC, 2003:7-8, cited by Nseabasi, 2010) categorized kidnapping as follows:

- Kidnapping for extortion (for ransom, to influence business decision or to obtain commercial advantage);
- Kidnapping between or within criminal groups (for debt recovery or to secure advantage in a criminal market);
- Kidnapping for sexual exploitation;
- Kidnapping linked to domestic or family disputes;
- Revenge kidnapping; and
- Kidnapping for political or ideological purposes.

In the Niger Delta, kidnapping, a situation where persons are forcefully seized and transported to destination where they are held against their will, is done basically for two major reasons. The reasons are for ransoms payments and publicity, to draw local and international attentions to the plight of the crude oil producing communities. The proceeds of kidnapping and hostage taking, an ancient tactics of warfare, contributed and is still contributing in no small measure in fuelling the conflict, hence, it is regarded as one of the main elements of the war economy of the Niger Delta (Nseabasi, 2010:3-9). Available statistics show that between January and August 2006, more than 250 persons were kidnapped for mainly ransoms to buy weapons for the prosecution of the conflict in the Niger Delta in Port-Harcourt alone (Mike, 2007). Because the monies involved in kidnapping and hostage taking is shrouded in secrecy, it is actually difficult to know the exact amounts but according to Okiri (2009): *Kidnappers and hostage takers pocketed ransoms of over \$100 million (about N15 billion) between 2006 and 2008 alone.*

Illegal bunkering of crude oil

The act of illegally siphoning and transporting stolen fuel is known in Nigeria as, *illegal bunkering* (International Crisis Group, 2006:1). However, bunkering in the Niger Delta is as old as the oil industry. In the early 70s and the 80s bunkering was a big business in Nigeria (Ikelegbe 2005:221). Like Ikelegbe also asserted, illegal bunkering in the 70s and the 80s was not conflict induced and it was purely some economic criminals' means of illegally enriching themselves. Extremely large scale bunkering that has a tremendous effect on the national crude oil production output started when armed conflict was introduced to resolve the Niger Delta Question. In 2006, the **International Crisis Group** estimated that: *One day's worth of illegal oil bunkering in the Niger Delta (at 100,000 barrels and \$15/bbl) will buy quality weapons for and sustain a group for two months.* According to the 2008 Ladum Mittee Technical Report on the region, illegal oil bunkers pocketed 3 billion dollars in just seven months in 2008.

The *Niger Delta Peace and Security Secretariat* in 2005 according to Asuni (2009:4) outlined the following factors, as those that are responsible for enabling the oil bunkering business:

- The high number of unemployed youths in the Niger Delta;
- The presence of armed ethnic militias who are familiar with the dense network of rivers that connect the region and allow easy access to unprotected oil pipelines;
- The protection or patronage offered by senior government officials and politicians who often use oil theft as a funding source for political campaign;
- The ineffective and corrupt law enforcement officials and low conviction rates for those suspected oil bunkers who are prosecuted;
- The relative ease of threatening or corrupting oil industry staff to assist in bunkering;
- The presence of an established international market for stolen Niger Delta oil, which is sold to Sao Tome, Liberia, Senegal, Cote d'voire, Gambia, Morocco, Venezuelan, Lebanese, French, and Dutch partners; and
- The overall context of endemic corruption – traffickers “settle” or bribe local communities where the oil is tapped, “passage” communities through which the bunkered oil travels on its way to off-shore tankers and Navy officials along the route.

Similar to kidnapping and hostage taking, illegal bunkering was and is a major element of the war economy of the region. Industry experts estimated that as at 2004, the country was losing 70,000 to 300,000 barrels of crude oil to illegal bunkering (ThisDay newspaper, Nov, 29, 2004) In a December 2005 report (cited by the International Crisis Group, 2006:8) by the Washington based **Council on Foreign Relations**, it was calculated that: *a loss of just 70,000 barrels a day at a price of \$60 a barrel would generate over \$1.5 billion per year—ample resources to fund arms trafficking, buy political influence or both.* Asuni (2009) in her report entitled: *Blood Oil in the Niger Delta* put out that, between 2003 and 2008 Nigeria lost US\$100 billion to illegal oil bunkering. This unfortunate colossal loss of revenue to the nation was what made former President Yar'Adua to seek for help when he attended the 2008 **Group of Eight** (G8) and the United Nations Summits. The term, *blood Oil*, like, *blood diamond*, campaign was used to also catapult the huge illegal bunkering business to the limelight in the summits (Asuni, 2009:1)

The illegal bunkering business in the region is multi-dimensional and it involves both international and local syndicates and invincible partners. Leadership Newspaper of 23rd July, 2012 news reported that the confession of president Jonathan of Nigeria in a Maritime and Security Retreat in Abuja confirmed the multi-dimensional and the seriousness of the illegal crude oil bunkering in the region. According to the president:

It is extremely embarrassing that it's only in Nigeria that crude oil is stolen. It's a very bad news and I believe that Nigerians and foreigners, who are indulged in that act, need to put their heads under the pillow; because all over the world it's only in Nigeria that crude oil is stolen. We are not the only oil producing country. Why is it that it's only in Nigeria that people steal crude oil? (Leadership Newspaper 2012)

There are basically three types of illegal bunkering going on in the region that are having serious impact on the peace processes and these are according to Asuni, (2009:4); Stephen (2007:12-15) and Dimieari (2006:25) are the following:

- Small scale pilfering of condensate and petroleum products destined for the local market. The illegal improvised local refineries that are now producing for local consumption also fall into this group. This kind of bunkering is minor in terms of the cash involve but it is providing survival for majority of the local people and it is done by mostly the local communities leaders. It form a major part of the, *coping war economy*, that is also affecting peace processes because it is semi-lucrative and it is better done when there is crisis going on in the region;
- A second type of illegal bunkering comprises outright stealing of crude oil either by hacking into the pipelines directly or by tapping the wellheads. The process involves some technicalities, and therefore, this type of bunkering is semi-elitism or it is a middle class venture. The destinations of crude oil from this type of bunkering are

refineries outside the shores of Nigeria. In monetary term, this kind of bunkering generates substantial amounts for the perpetuators and their partners. Most of the militant groups are involve in this type of bunkering and it is this category of bunkering that fragmented and proliferated armed groups in the region;

- The third type of illegal bunkering involves the excess lifting of crude oil beyond the licensed amount. This type of illegal bunkering is purely elitist in conception, arrangement and delivery. Some major crude oil industry players, well known business men, top politicians, government functionaries and top brass of the security services are the drivers of this type of illegal bunkering. The fact however is that, this type of bunkering also strives in a crisis period very well and therefore, the longer the crises in the region continues the better it is for this crop of criminal bunkers.

Nigeria lost trillion of United State dollars to illegal bunkering and disrupted oil production resulting from bunkering from 2000 to 2008 according to a study done by the *Potential for Peace and Reconciliation* in the Niger Delta (Asuni, 2009:10). However, to most of the local actors who are deeply involved in the illegal bunkering business including the former and the new militants, what is officially called illegal bunkering of crude oil and its products is a legitimate business. Because they believe that the State has not kept its part of the social contact and therefore, they have no obligation to keep theirs (Ikelegbe, (2005:226). The sad point is that in the Niger Delta, what is generally referred to as illegal bunkering by the federal government of Nigeria has another meaning, Saro-Wiwa's assertion that: *the American government is buying a stolen oil from the Niger Delta*, gives credence to fact that the illegal bunkering of crude oil in the region as a strong root backed by intellectual and sentimental arguments formulated by the heroes of the struggle (Hassan-Kukah, 2011:112).

Protection and security fees

The violent in the Niger Delta has degenerated to a level that, former war lords and militants are now discreetly and officially given crude oil facilities and sometimes personnel to protect. The federal government of Nigeria, the major multinational oil firms and even the local industry players like the servicing companies are neck-deep in the business of ensuring that they are protected by warlords and former combatants. The \$383 million security fund and the \$200 million community development expenditure that SPDC is spending per annum are actually protection and security fees.

The Nation Newspaper of 25th August, 2012, revealed that:

The American Wall Street Journal reported on Wednesday that Dokubo-Asari, leader of the Niger Delta People's Volunteer Force earns \$9 million (N1.420billion) annually, guarding pipelines of the Nigerian National Petroleum Corporation (NNPC), while Tompolo is paid \$22.9million (N3.614billion) for a similar contract. The NNPC, according to the report, gives \$3.8million each annually to Boyloaf and Ateke (The Nation Newspaper, 2012).

This confirmed the massiveness of this element of the war economy; it is a fact that, protection and security fees are paid to so many other leaders and semi-leaders and groups in the region besides the ones mentioned above. Some of the protection and security fees are paid as surveillance services, supply contracts and community development and relation consultancy fees.

Besides the major crude oil industry players, politicians and big business men and women also employ the services of ex-militants and other gang leaders to provide security services. And therefore, like kidnapping and illegal bunkering, this element of the war economy is also a money spinner for the war contractors. Actually, the employment of ex-combatants and others to protect crude oil facilities and personnel is not a very new phenomenon. This element of the war economy is as old as the conflict in the region. It was not known because it was a secret business during the peak of the crises.

Illegal refining and sales of petroleum products, extortions and sales of illicit drugs

Like in Afghanistan where the Talibans run a sophisticated financial network to pay for their war operations through the illicit drug trade, kidnapping, and extortions of various kinds; the Niger Delta militants have also developed their own networks that are helping them like their Afghan counterparts. War economies are divided into three major categories with their different characteristics as indicated earlier. These categories are the combat war economy, the shadow war economy and the coping war economy. The sales of locally refined petroleum products, the extortion and protection fees that are being collected by the militants groups and other leaders in the region and the sales of illicit drugs all fall under the shadow and the coping war economies.

It is extremely difficult to put a price tag on these elements of the war economy of the conflict. However, the sheer numbers of the illegal refineries the JTF claimed it has closed down in the region for the past five years confirmed this element –illegal refining and sales of petroleum products—of the war economy is a big business and it is substantial enough to motivate major players to circumvent any peace process. This perhaps explains why Eguzozie (2011) succinctly described the business as, *multi-dollars business involving big-wigs in Nigeria and beyond*.

Secondly, in the region the disorganized security situation is a cover for all sorts of illicit drugs business. According to Asuni (2009:9) illicit drugs like cocaine, heroin and marijuana mostly from Lagos is openly sold on the streets of the cities and local communities of the region during the peak of the crisis. Most of the consumers of these illicit drugs are also, *government big boys*, and therefore the proceeds of these drugs are quite enormous to motivate the players to go against any peace arrangement.

Like most conflict zones, the Niger Delta region is also infested with different kinds of economic extortion levies, sometimes called security or protection fees. The crude oil firms are mostly the clients of the warlords that offered protections for their facilities and personnel. In most cases these protection fees are paid as legal surveillance contacts sums. Senior government officials, politicians and businessmen also make use of the security services of the ex-militants and the new militants in the region. The militants provide security services like body guards, spies and foot soldiers for interested clients in the region and these services attract handsome payments that are reasonable enough to motivate players to scuttle any mechanisms that will stop them from rendering their services.

The fact is that like Bashiru (2012); Elias (2009:6-7) and Cynthia (2010) pointed out in their studies: the militants, the crude oil firms, senior government officials, the military (particularly most of the personnel serving in the region); the ordinary people in the crude oil producing communities and the international community are all benefitting tremendously from the war economy that has developed in the region. The sheer number of war entrepreneurs that are benefitting from the war economy of the conflict is a pointer to the fact that the elongation of the conflict in the Niger Delta is a huge advantage to these actors economic wellbeing. It was this kind of situation that unnecessarily prolong the wars in Sierra Léon, Liberia, Angola, DRC, and the Balkan region; it is this reason also that is prolonging the wars in Afghanistan, and Iraq (Heiko, 2003:2-5 and Naidoo, 2003:3).

Conclusion

It is now an open secret that the Nigerian state is a weak one. Some even have classified it a failed state. The Nigerian state like most sister African nations is also a rent collector. The fact that the Nigerian opaque state is a *rentier* (or a *tax farmer*) one that is practicing the crudest form of *prebendal* democracy (Amoda, 2012) is also fuelling the crisis in the region, because it has reduced the rather blessed nation to an oil based mono-economy for the ultimate satisfaction of the elites and their co-conspirators only. Exploitation of economic advantages of state offices while pretending to uphold stipulated public duties according to Richard (2012:2) in his lecture: *Beyond Prebendalist Systems: State, Democracy and Development in Africa*, is the hallmark of prebendal-oriented states like Nigeria. And this of course, reduces the

government's capacity to provide the much needed infrastructure to diminish the conflict in the Niger Delta.

And therefore, the State (Nigeria) cannot do otherwise than to incorporate the former war lords with the security contracts to the regular economy. The fact is that, in post-conflict reconstruction, what the federal government has done is a standard practice. Immediately after the 2nd World War, the victorious allied forces incorporated the Germany war entrepreneurs who were capable of rocking the boat—the peace process. The same thing was done in Ireland, the Balkan, Angola, Liberia, Sierra Leon, etc. The western over lords of the Afghanistan and the Iraq crises are recommending and even doing same thing in these two war-torn countries.

Beside the above, the other option left for the Nigerian state is to adequately protect the resource-base of the country, which is the Niger Delta so that the creators and the numerous profiteers of the war economy so developed will not have access to the crude oil and other resources to fuel the crisis. This actually is not possible, because the state is a weak one, and the security forces are also guilty of *Sobel*. *Sobel* phenomenon of the regular military men drafted to protect the oil facilities and personnel are also clog in the wheel of the peace processes. The *Sobel* phenomenon (where regular soldiers join rebels in the night to engage in illegal economic activities) was a factor that also helped to prolong the conflicts in Angola, Sierra Leone, Burma, Liberia, and the Balkans (Keren and Heiko, 2005:25).

The peace spoiler attitude where national soldiers frequently collude and conspire with rebels/militants or ex-militants for personal gains through and within the shadow economy of a conflict is a truism in the Niger Delta also (Femi, 2012); for instance some Nigerian military officers were found guilty of selling weapons and ammunitions to the militants (Damola, Tobs and Anza, 2008). Most of them also were and are still involved in the illegal oil bunkering business in the area (Cynthia, 2012)

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