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Whoever Controls Access to the Tap Collects Rent On It: How Nigeria's Function as a Gatekeeper State Fostered Environmental Degradation by Transnational Corporations

Mayowa Ige
Pomona College

Whoever Controls Access To The Tap Collects Rent On It:

How Nigeria's function as a gatekeeper state fostered environmental degradation by transnational corporations

Mayowa Ige

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Readers:
Dr. Char Miller
Dr. Harmony O'Rourke

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This thesis is dedicated to the Ogoni Nine and the countless other Nigerians who have perished while fighting for environmental justice in the Niger Delta. Transnational corporations and the Nigerian government thought they could bury us, but they did not know we were seeds.

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ABSTRACT

Every year, for the past 50 years, Nigeria's oil-rich Niger Delta has suffered the same magnitude of oil spill in its rivers and swamps than was spilled in the 2010 Gulf Oil Spill. The damage has devastated the way of life of the Ogoni people who live in the area. They have consistently suffered environmental injustice as a result of Shell's oil exploration, and the Nigerian government has ignored their cries for help and restitution. In fact, movements to garner support for environmental justice and fare share of oil profits and ownership from Shell and the state have been brutally shut down by the Nigerian government.

Could it be that the reason that the state is willing to allow such a grave level of environmental degradation to persist is not only because it is corrupt, but also because the Nigerian government functions as a gatekeeper state guarding its precious oil resources? Following independence, many oil-producing countries turned to spigot economies that allowed whoever controlled access to the tap to collect rent on it. Thus, as a gatekeeper state, it is not in the best interest of the Nigerian government to give up its rent-seeking behaviors with Shell to appease its citizens because it may disrupt its relationship with the outside corporations. As a result, many of the cries for environmental justice by the Ogoni people have been met with resistance from the state since their function has evolved to collect taxes on exports and imports—not to maintain the trust of its citizens.

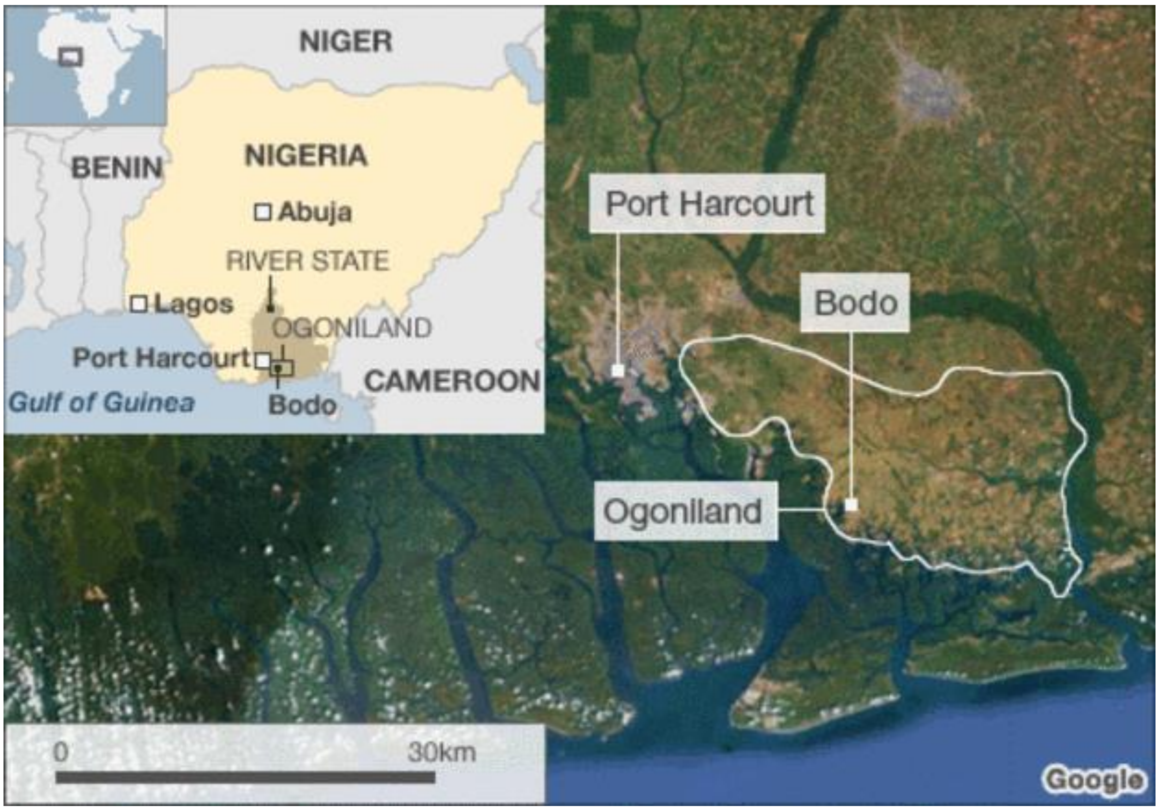
INTRODUCTION: THE OGONI NINE

The tale of the Ogoni Nine is intertwined with nationalism, ethnic minority rights, government censorship, environmental degradation caused by transnational corporations, and community uprising. It started with the discovery of crude oil in the back porches of the residents of the southeastern part of Nigeria, and it ended in the execution of nine Nigerians who were bitterly betrayed by their government for financial gains. Ultimately, it is impossible to understand the Ogoni Nine story without first grasping the meaning of a gatekeeper state and how it functions.

A gatekeeper state is an economic and political condition in which a country's government functions as a vessel that controls the exportation and importation of goods. Essentially, the government acts as an interface between the country and the outside world by "collecting and distributing resources that [it] derived from the gate itself: customs revenue and foreign aid; permits to do business in the territory; entry and exit visas; and permission to move currency in and out [of the country]."[1] In the 1960s, many newly independent and oil-producing African countries like Nigeria began operating as a gatekeeper state because of the colonial political and economic strategies that they were forced to operate under during colonialism. In the case of Nigeria, being a gatekeeper state made the country vulnerable because the struggle to control access to the gate—the only point of entry—was too high and unbearably risky. As a gatekeeper state, the Nigerian government functioned as a medium to maintain extroverted relationships with outside transnational

[1] Cooper, Frederick. Pg 157

corporations like Shell whose sole interest was in mining crude oil from the Niger Delta, the oil-rich southeastern part of Nigeria. The struggle of the Nigerian government to maintain access to the gate and maintain an amicable relationship with Shell cost the Ogoni Nine their lives. This is their story.



Picture: Map of Ogoniland[2]

Ogoniland is home to 1.5 million Ogonis across a 404-square-mile of creeks, rivers, and marshland. It is also home to the world's third-largest mangrove forest located in the southeastern part of Nigeria.[3] Local residents relied on farming and fishing to sustain themselves, but their way of life was compromised by crude oil exploration and drilling by Royal Dutch Shell in 1958. As of 2015, after more than

[2] http://news.bbcimg.co.uk/media/images/54426000/gif/_54426603_nigeria_ogoniland_464.gif
[3] Pilkington, Ed. May 26, 2009.

half a century of oil exploration and numerous oil spills as a result of extraction, the Ogoni people have found themselves on the receiving end of an environmental disaster. Decades of oil exploration has turned the once fruitful wetlands of Ogoniland into rivers seeping crude oil, villages crisscrossed by pipelines, continuous gas flaring spewing harmful particulates into the air, and water wells with benzene levels that are 900 times over the recommended level (Okwoche). Furthermore, they lacked the political power necessary to demand change in Nigeria's corrupt government. With 606 oilfields, Nigeria is the world's 10th largest oil producer. [4] Crude oil accounts for 90% of Nigeria's exports, with 40% of this crude oil going to the United States.[5] The oil industry brings in an estimated $50 billion a year, and it accounts for 75% of Nigeria's GDP revenues.[6] In a country with over 180 million people, 100 million Nigerian lives in absolute poverty and survive on less than $1 a day.[7] Every year, for the past 50 years, Nigeria's Niger Delta has suffered the same magnitude of oil spill in its rivers and swamps than was spilled in the 2010 Gulf Oil Spill.[8] In 2014 alone, Royal Dutch Shell and ENI, and Italian transnational oil corporation, admitted to 550 oil spills in the Niger Delta.[9] Overall more than 546 million gallons of crude oil has been spilled into the Niger Delta over the last fifty years.[10] Despite the tremendous wealth that their land provided the

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[4] "Nigeria." *National Governance Resource Institute*.

[5] "Nigeria Overview." *The World Bank*.

[6] "Nigeria." *National Governance Resource Institute*. National Governance Resource Institute, n.d.

[7] "Nigerians Living in Poverty Rise to Nearly 61% - BBC News." *BBC News*. BBC, 13 Feb. 2012.

[8] Vidal, John. "Nigeria's Agony Dwarfs the Gulf Oil Spill. The US and Europe Ignore It." *The Guardian*, May 29, 2010.

[9] "Amnesty International." *Nigeria: Hundreds of Oil Spills Continue to Blight Niger Delta*. Amnesty International, 19 Mar. 2015.

[10] "Background of the Case." *Earth Rights International*. Earth Rights International, 10 Apr. 2009.

Nigerian government and the world, the Ogoni people enjoyed none of the benefits from the oil revenues. In fact, they were poor because they could no longer fish or farm on polluted land, lacked electricity and running water, and they had poor health facilities.

In an effort to take decisive action to stop the environmental degradation and demand monetary compensation for their loss, the Ogoni people banded together and created an environmental justice group called the Movement for Survival of the Ogoni People (MOSOP) in 1990 with renowned poet and author, Ken Saro-Wiwa as their leader. As a grassroots-driven and non-violent organization, MOSOP took decisions made at the village level to the MOSOP steering committee, where they were used to guide MOSOP policy.[11] By 1993, at least half the total Ogoni population publicly supported the group. Soon, MOSOP became a part of the Unrepresented Nations and Peoples Organization (UNPO) in The Hague. Their goal was to give minority ethnic groups like themselves and the Ijaw people, who also reside in the polluted Niger Delta, a way to control the Delta's resources and environment, collect reparations from transnational corporations for their part in regional environmental degradation and negligence, and secure just environmental practices from multinational corporations in their operations in the developing world.

How a quest for environmental justice turned into the murder of nine innocent people requires further analysis of Nigeria's bearings as a gatekeeper state. In November 1993, General Sani Abacha of the Nigerian army began a corrupt dictatorship that would last until his mysterious death in 1998. During this time, the

[11] "THE MOSOP STORY." THE MOSOP STORY. MOSOP Canada, n.d. Web. 5 Nov. 2015.

Nigerian government operated as a gatekeeper state and collected rent from Shell's oil exploration that provided tremendous wealth to the Nigerian state. Consequently, any opposition to disrupt this valuable flow of black gold was not tolerated. In its first major display of resistance, MOSOP issued a notice to oil companies operating in Ogoniland—which at this time was overwhelmingly Shell—that they must pay back rent and royalties as well as compensation for devastated land, or exit the area on November 3, 1992.[12] Royal Dutch Shell and the Nigerian government dismissed this demand. Subsequently, on January 4, 1993, 300,000 Ogoni men, women, and children took to the streets to make their voices heard.[13] Following this massive protest, officials from Royal Dutch Shell met with representatives from the Nigerian governmental dictatorship to plan how they would handle the growing resistance and powerfulness of the MOSOP. Beforehand, Royal Dutch Shell had been funneling monetary assistance to the Nigerian army to keep Ogoni protesters at bay, and silence their anger over the oil giant's environmental degradation in the area.[14] The goal of a gatekeeper state is to maintain an amicable extroverted relationship with the transnational corporation. Thus, as the MOSOP's peaceful movement grew larger and international awareness increased, so did the Nigerian government and Royal Dutch Shell's need to keep the protestors quiet.

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[12] "THE MOSOP STORY." THE MOSOP STORY. MOSOP Canada, n.d. Web. 5 Nov. 2015.

[13] "THE MOSOP STORY." THE MOSOP STORY. MOSOP Canada, n.d. Web. 5 Nov. 2015.

[14] Pilkington, Ed. "14 Years after Ken Saro-Wiwa's Death, Family Points Finger at Shell in Court." The Guardian, May 26, 2009.

In 1993, Royal Dutch Shell expanded its oil exploration thanks to new leases granted by the Nigerian government, opposition against its growth in Ogoniland grew, and Shell contracted the Nigerian military to protect its holdings as well as inflict terror on the MOSOP protesters.[15] For example, Royal Dutch Shell requested military support to build a pipeline through Ogoni, which resulted in the bulldozing of an Ogoni woman's crops. The woman began to cry over the loss of her livelihood and was subsequently shot in the arm by the Nigerian army and she lost that arm as a result.[16] Subsequently, an Ogoni man, Uebari N-nah, was shot and killed by the Nigerian army near a Royal Dutch Shell flow station.[17] It turns out that these soldiers were stationed there at the request of Royal Dutch Shell, and they were compensated by Shell.[18] In both cases, Royal Dutch Shell requested the military's presence in the area to protect its best interest by any means necessary, to which the Nigerian government happily complied because it functions as a gatekeeper state. Furthermore, in 1994 the president of MOSOP, Ken Saro-Wiwa, was repeatedly detained without concrete charges, in an effort to keep him from protesting against Royal Dutch Shell. That same year, the military prevented Ken Saro-Wiwa and other Ogoni leaders from attending a gathering—the same gathering where four Ogoni chiefs would be murdered later that day.[19] Promptly after their murders, the Nigerian military arrested Ken Saro-Wiwa and the succeeding events is

[15] "THE MOSOP STORY." THE MOSOP STORY. MOSOP Canada, n.d. Web. 5 Nov. 2015.

[16] "Background of the Case." Earth Rights International. Earth Rights International, 10 Apr. 2009.

[17] "Factsheet: The Case Against Shell." Center for Constitutional Rights. Center for Constitutional Rights, 24 Mar. 2009.

[18] "Background of the Case." Earth Rights International. Earth Rights International, 10 Apr. 2009.

[19] "Factsheet: The Case Against Shell." Center for Constitutional Rights. Center for Constitutional Rights, 24 Mar. 2009.

a tale of a brutal injustice committed by a gatekeeper state struggling to maintain its financially-motivated relationship with an outside transnational corporation.

Ken Saro-Wiwa was arrested for the murders of the four chiefs, along with eight other Ogoni members—even though they weren't allowed to enter Ogoniland on the day of the murders. Thereafter, the Nigerian government created a three-man tribunal to try the Ogoni leaders.[20] The "Ogoni Nine" as they were soon dubbed, were "denied access to counsel, a fair trial, and the opportunity to appeal their decision."[21] On November 10, 1995, the Ogoni Nine were convicted of the murders of the four Ogoni chiefs and President Sani Abacha subsequently sentenced them to execution by hanging.[22] Upon hearing of the shocking news, the international community was in uproar at the Nigerian government's shocking sentencing. In fact, in response to the execution, Nigeria was suspended from the Commonwealth of Britain for three years, U.S. President Bill Clinton halted military sales to Nigeria, and numerous countries such as Germany, France, Britain, the U.S., Austria, Netherlands, and South Africa recalled their ambassadors from Nigeria.[23] According to the Nigerian *This Day* newspaper, Nigeria's government hanged the nine men "to demonstrate its capacity to deal with knotty security issue that the Ogoni case had

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[20] "Background of the Case." Earth Rights International. Earth Rights International, 10 Apr. 2009.

[21] "Factsheet: The Case Against Shell." Center for Constitutional Rights. Center for Constitutional Rights, 24 Mar. 2009.

[22] "THE MOSOP STORY." THE MOSOP STORY. MOSOP Canada.

[23] "Refworld | The Ogoni Crisis: A Case-Study of Military Repression in Southeastern Nigeria." Refworld. Human Rights Watch, n.d.

thrown up by upholding the death penalty passed on Saro-wiwa and others to serve as a deterrent to others."[24]

Shell denies colluding with the Nigerian government to the demise of the Ogoni people and the Ogoni Nine, but it "acknowledged that they hire[d] members of the Nigerian police to provide internal security and that they contact[ed] the authorities in the event of disturbances and sabotage."[25] As it turns out, "one month after the executions of the Ogoni Nine, Shell signed an agreement to invest $4 billion in a liquefied natural gas project in Nigeria."[26] Due to evidence of Shell's collusion with the Nigerian government, family members of the deceased Ogoni Nine and other Ogonis who suffered attacks from the Nigerian military sponsored by Shell decided to sue Royal Dutch Shell for human rights violations such as crimes against humanity, torture, inhumane treatment, and arbitrary arrest and detention in 1996. The plaintiffs in the case included surviving family members of Ken Saro-Wiwa, Karalolo Kogbara, a woman who was shot by Nigerian troops after her crops were bulldozed t make way for a Shell pipeline, and James N-nah, whose brother Uebari was shot and killed, as he walked home from market, by soldiers from a Shell security team. They used the Alien Tort Statute of 1789 to bring their case to court. According to the Center for Justice and Accountability, the "Alien Tort Statute (ATS) is a U.S. federal law first adopted in 1789 that gives the federal courts jurisdiction to

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[24] Ugah, Ndubuisi. "How Abacha Plotted Execution of Saro-Wiwa, Others." This Day Live. Leaders & Company Limited, 12 Dec. 2012.
[25] "Refworld | The Ogoni Crisis: A Case-Study of Military Repression in Southeastern Nigeria." Refworld. Human Rights Watch.
[26] "Factsheet: The Case Against Shell." Center for Constitutional Rights. Center for Constitutional Rights, 24 Mar. 2009.

hear lawsuits filed by non-U.S. citizens for torts committed in violation of international law" (cja.org). The families alleged that Royal Dutch Shell colluded with the Nigerian government to capture and hang the nine men in order to silence MOSOP's anti-oil company protests.

In 2009, Royal Dutch Shell agreed to pay $15.5 million to the families of the deceased Ogoni Nine one day before the case was set to begin trial in New York.[27] Royal Dutch Shell claims that "it was making the payment in recognition of the tragic turn of events in Ogoni land," and not admitting its guilt.[28] According to the Guardian, Royal Dutch Shell agreed to settle out of court because it was anxious about the evidence that would have been presented against it such as providing the Nigerian army with vehicles, patrol boats, and ammunition to inflict terror raids on Ogoni protesters.[29] The payout was significant because it was not only proof of Shell's involvement in the Ogoni Nine case, but it was also proof of Shell's environmental degradation in the Niger Delta. Essentially, it was cheaper for Shell to pay the families and affected peoples $15 million instead of taking the risk of going to trial and having their environmental destruction in the Niger Delta laid out for the world to see. This evidence would have cost Shell far more money because it have been the sole transnational corporation responsible for the multitude of oil spills in the Niger Delta.

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[27] Pilkington, Ed. "14 Years after Ken Saro-Wiwa's Death, Family Points Finger at Shell in Court." *The Guardian*, May 26, 2009.

[28] Pilkington, Ed. "14 Years after Ken Saro-Wiwa's Death, Family Points Finger at Shell in Court." *The Guardian*, May 26, 2009.

[29] "Wiwa Et Al v. Royal Dutch Petroleum Et Al." *Center for Constitutional Rights*. Center for Constitutional Rights, 21 Feb. 2012.

Before his death, Ken Saro-Wiwa foreshadowed the day when multinational corporations will be held liable for their environmental degradation:

"I repeat that we all stand before history. I and my colleagues are not the only ones on trial. Shell is here on trial and it is as well that it is represented by counsel said to be holding a watching brief. The Company has, indeed, ducked this particular trial, but its day will surely come and the lessons learnt here may prove useful to it for there is no doubt in my mind that the ecological war that the Company has waged in the Delta will be called to question sooner than later and the crimes of that war be duly punished. The crime of the Company's dirty wars against the Ogoni people will also be punished.

In my innocence of the false charges I face here, in my utter conviction, I call upon the Ogoni people, the peoples of the Niger delta, and the oppressed ethnic minorities of Nigeria to stand up now and fight fearlessly and peacefully for their rights. History is on their side. God is on their side. For the Holy Quran says in Sura 42, verse 41: "All those that fight when oppressed incur no guilt, but Allah shall punish the oppressor." Come the day."[30]

Ultimately, the Nigerian government was complicit in allowing Royal Dutch Shell to carry out crude oil exploration in the Niger Delta with very little environmental regulation because it is a gatekeeper state. The complicity of the Nigerian government in allowing a multinational corporation to operate negligently within its borders is surprising looking in from the outside, but expected when one dives into the political and economic structure of the Nigerian government. Why

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[30] "1995: Ken Saro-Wiwa and the Ogoni Nine." *Executed Today*. N.p., 10 Nov. 2007.

was the government willing to side with Royal Dutch Shell than to protect its citizens from environmental harm? The answers lie within the gatekeeping structure of the Nigerian government. Ultimately, the reason that the state is willing to allow such a grave level of environmental degradation to persist is not only because it is corrupt, but also because the Nigerian government functions as a gatekeeper state guarding its precious oil resources. Following independence, many oil-producing countries turned to spigot economies that allowed whoever controlled access to the crude oil tap to collect rent on it. Thus, as a gatekeeper state, the Nigerian government's sole function is to collect rents on the Niger Delta's oil exploration and maintain amicable relationships with the transnational corporations that operate within its borders. Therefore, it is not in the best interest of the Nigerian government to give up its rent-seeking behaviors with Royal Dutch Shell to appease its citizens because it will disrupt its relationship with the outside multinational corporations. As a result, the many cries for environmental justice by the Ogoni people were met with resistance from the state since their function has evolved to collect taxes on exports and imports—not to maintain the trust of its citizens.

Ultimately, gatekeeper states remain profitable when they practice extroverted relationships between the outside multinational corporations for the use of natural resources in the world market. This incentive has caused the Nigerian government to implement lax environmental regulation laws on Shell as it continues to clear a path of environmental destruction through oil spills in the Niger Delta.

Chapter I: HOW NIGERIA BECAME A GATEKEEPER STATE

"Had they been accepted completely and unconditionally and . . . permitted to achieve a social and economic status that was both psychologically meaningful and materially satisfying, the course and the pace of Nigerian nationalism would most likely have been quite different."[31]

The economic and political legacy of the institution of British colonialism led the way for Nigeria to become a gatekeeper state. After Britain handed over power to the Nigerian government on October 1st, 1960, it also left behind its bureaucracies, militaries, governing structures, and ideologies. Entrusted with the power of self-governance, the Nigerian state, like many other newly independent African countries, took it upon themselves to begin developing their countries' respective infrastructures. With memories of colonialism so close in their minds, the Nigerian government wanted to ensure that parties that were invested in the interests of the Nigerian people carried out the development of Nigeria. However, as it turns out, "the dual project was born into limitations of the old one, the colonial version of development."[32]

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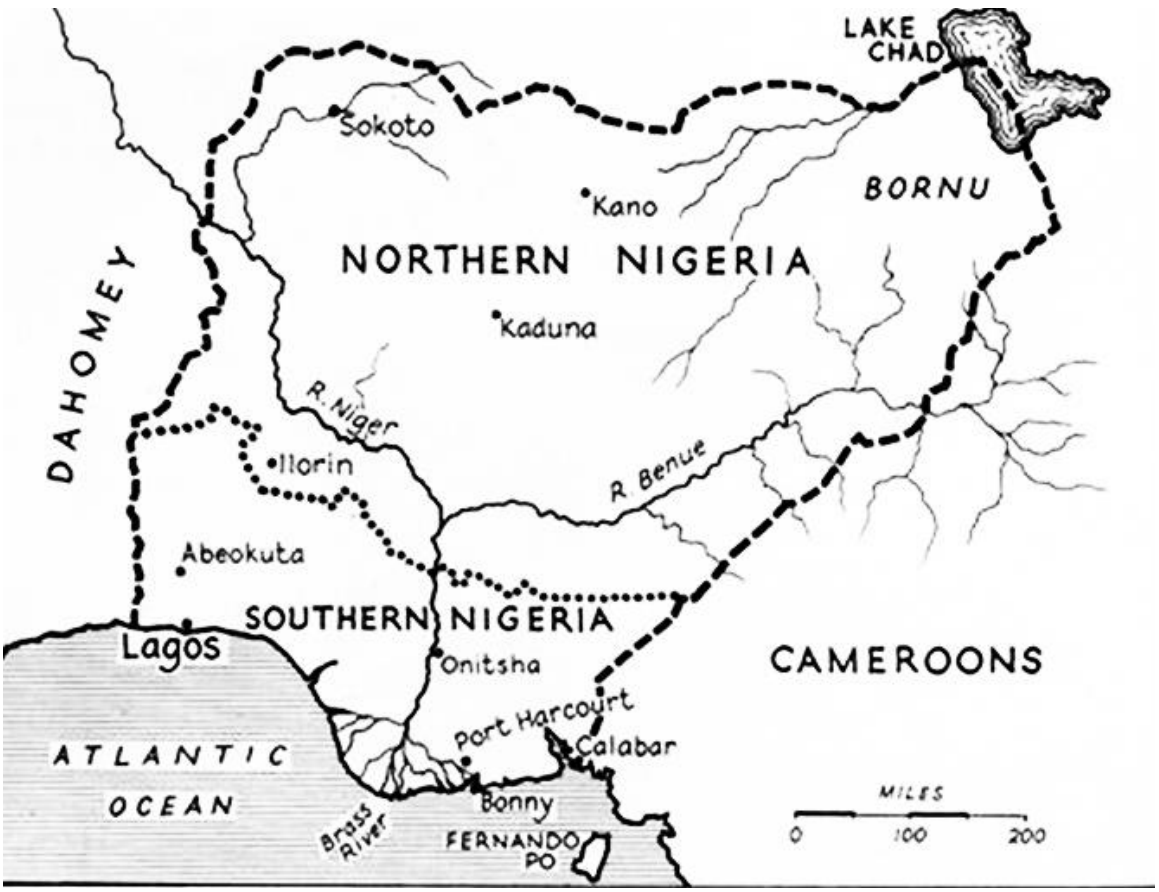
[31] Ite, Aniefiok E., et al.
[32] Cooper, Frederick. Pg 156.

How British Colonial Economical Strategies Enabled Nigeria to Become a Gatekeeper State

Nigeria, like other newly independent African states, had many problems of emerging out of its limitations as a gatekeeper state. Although the outside world and transnational corporations had recognized Nigeria's victory as a newly independent state, local Nigerians had not yet come to terms with their positions in relationship to their new government infrastructure. One may attribute this mistrust to the previous way the British economically structured Nigeria during colonialism.



Picture: Map of Nigeria during colonial times[33]

[33] https://dilemmaxdotnet.files.wordpress.com/2014/03/nigeria-1914.jpg

The British colonial agricultural and industrial policies in Nigeria impeded the country's economic advancement because colonial economic policies in most African countries were structured to improve the economies of the colonizing or metropolitan powers. The British colonial economic policies "discouraged indigenous industrialization, but promoted export crop and mineral production to feed the British factories."[34] Some of these export crops were cotton for British textile factories, rubber for tires, palm oil and kernel for soap and margarine, groundnut for manufacturing oil, hides and skins for leather products, timber for furniture as well as tin, coal, amongst others.[35] These raw products accounted for about 70% of Nigeria's total exports during colonial times.[36] By discouraging the cultivation of food crops, British colonial trade was able to flood the markets with substitute that were cheaply provided but considered more exotic than the traditionally available substitutes. Thus, the British colonial strategy in Africa was a system of quotas and tariffs that highly favored unprocessed primary commodities from the colonies.[37] Thus, Britain had an asymmetrical relationship with Nigeria during its colonial times. This dependency favors the occupying nation at the expense of the occupied territory. Colonization becomes the process of acquisition and maintenance of territory. By dividing Nigeria into three governing regions and encouraging the production of cash crops for export, colonialism structured Nigeria's economy to invest in commodities solely for exportation instead of

[34] Adeyeri, Olusegun, and Kehinde Adejuwon

[35] Mackintosh, John P.

[36] Ite, Aniefiok E., et al.

[37] Adeyeri, Olusegun, and Kehinde Adejuwon.

investing in commodities that could have been used to diversify the economy. This economic strategy of cash crop exportation is very similar to a gatekeeper state. Although there are numerous cash crops being exported, the economic strategy was to capitalize on these cash crop exports because they were financially profitable—just like Nigeria continues to capitalize on oil exports because it is financially profitable. Ultimately, this economic structure remained even after independence and contributed to turning Nigeria into a gatekeeper state.

It is important to recognize that the economic activities in colonies were subordinated to the interest of the colonizing nations that exercised no attempt at developing the economy of African countries like their own. The colonies provided monetary gains for the colonizers through cash crops. Thus, from the moment it was colonized, the Nigerian economy was structured to be export-centric. Therefore, at its independence, Nigeria needed a deliberate economic policy designed to transform its colonial economic structure towards an economy that was internally oriented, and that would invest in domestic infrastructure aimed at diversifying the economy. However, because the economic and political legacies of colonialism lingered after independence, Nigeria maintained its affairs as a gatekeeper state.

The Colossal Colonial Set Up: How British Colonial Political Strategies Helped Turn Nigeria Into A Gatekeeper State

The process of colonial rule and formal economic exploitation ended in 1960 but it left Nigeria as a relatively strong but undiversified economy. After its independence in 1960, the state quickly took up the planning of economic growth and development. But its success was overshadowed by the colonial political strategy that played a significant part during colonialism.

Nigeria is made up of over 250 ethnic groups; however, there are three dominant ethnic groups that reside in the north, southeast, and southwestern parts of Nigeria. Each group desired autonomy and self-governance after independence. Thus, the British should have created three separate countries, which would have left the Hausa and Fulani to the north, the Yorubas to the southwest, and the Igbos to the southeastern part of Nigeria. However, during colonialism, the British chose to govern Nigeria according to three regions. Some say that the "original leaders [who fought for Nigeria's independence] had always campaigned for a unitary State and that the division into Regions was part of a British plot to leave Nigeria weak and divided and thus an easy prey for neo-colonialism."[38]

In 1945, Britain introduced a new constitution for governing in Nigeria. The Richards Constitution of 1945, as it was called, was named after Sir Arthur Richards who was then the Governor of Nigeria.[39] The Richard Constitution divided Nigeria into three regions, and each region was to have its own House of Assembly which

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[38] Mackintosh, John P.
[39] Ite, Aniefiok E., et al.

would then relay its wishes to the central legislature in Lagos state to be ultimately approved by the Governor of Nigeria.[40] As the region with the largest population, the northerners were happy with this constitution, but the easterners and the westerners were not satisfied with the political structure. They feared that the regional division installed by the constitution would sabotage national unity by pitting regions and ethnic groups against one another since the Muslim Hausas live predominantly in the north, the Protestant Yorubas in the southwest, and the Catholic Igbos in the southeast of Nigeria. Echoing voices from the past, the idea of regions did not sit well with many Nigerians because it was a colonial strategy used by the British to "divide and conquer" Nigeria.

On the other hand, according to the colonial logic, there was widespread educational disparity between the north and the southern parts of Nigeria. Thus, by creating three regions under one state, each region could essentially develop its infrastructure at a pace that suits its people. Ultimately, there was a conflict of interest whereby the British colonizers were trying to implement a political structure in place for a post-independent Nigeria that so happened to be the conquering strategy that it used to colonize Nigeria. Weary of this similarity, many local Nigerians were very skeptical about adopting the constitution and this continued to manufacture into mistrust of government by the locals. Furthermore, it should also be noted that many southern leaders believed that northern leaders were in alliance with Britain against an independent Nigeria. In addition, the elite and educated westerners and easterners that supported a unilateral governing body

[40] Ite, Aniefiok E., et al.

were in positions to assume positions of power after Britain granted Nigeria its independence. Thus, there was a maze of stakeholders each looking to carve a piece of the independent pie for themselves. In time, these stakeholders formed the Nigerian government who operates as a gatekeeper state in charge of collecting rents on the oil fields in the Niger Delta.

It is clear that the British were reluctant to hand over power to Nigeria and lose its colonial state, and so it is also understandable that they would instill some sort of political sabotage that'll hinder the development of Nigeria post-independence. This came in the form of a regional governmental structure. By preventing the educated southerners from being in positions of power and granting the north a greater role in regional governing due to their large population, Britain was able to effectively use its colonial powers to politically and regionally divide Nigeria. Because each regional group was now concerned with attaining power and maintaining its power in the central government of Nigeria, there was disunity and this promoted a selfish attitude that thrived on bribes and corruption—common characteristics of a gatekeeper state.

Although British colonialism is not the root cause of Nigeria becoming a gatekeeper state, it provided the infrastructure for it to thrive on gatekeeping activities. Nonetheless, Nigerians themselves also have a part to play in transforming their nation into a gatekeeper state. Before independence, the British gave Nigerian nationalists a chance to write the nation's first constitution in 1949. The first draft of the Nigerian constitution tasked the federal government with national defense, maintaining foreign affairs, external borrowing, printing and maintaining currency, capital issues, customs and excise, exchange rate management, shipping, trunk roads, railways and post offices.[41] Meanwhile, the three regions were given residual powers that include health, education, agriculture, public works, and secondary roads. The goal of this division of power was to give control of economic development to the three regions. In order to fund its operations, the federal government of Nigeria was in charge of controlling the import and export taxes and corporation taxes, while the regional government was supposed to get its funding from income tax.[42] But the lack of local relationship with its citizens due to mistrust of the new government caused difficulty in collecting local taxes, promoting nationalism, and setting nation-wide economic priorities. Then, as oil explorations deepened and became more profitable in the decades after independence, the federal government of Nigeria shifted to allocate a certain percentage of oil profits to the state governments which then dispersed amongst the respective local governments.

[41] Cooper, Frederick. Pg 157.
[42] Mackintosh, John P.

Chapter II: HOW OIL PROFITS CAUSED A COLLAPSE IN AGRICULTURE

"'Why don't people ask their leaders where their money is?'

'They have hearts as black as coal, they are evil people - what would be the point?' said Julius Esam, 27"[43]

At the time of its independence, Nigeria was a gatekeeper state by colonial design. British colonial economic and political policies had cultured the Nigerian economy to rely primarily on the exportation of cash crops for profit. However, after independence, Nigeria could not break away from the gatekeeping structure that it had operated under for over a century of colonialism. Prior to the discovery of oil, Nigeria strongly relied on agricultural exports to other countries to supply its economy. After independence, the agricultural-based economy could not support the budding nation, and so its leaders turned to the newly discovered black gold to set Nigeria on a path to become Africa's most prosperous economy. The goal of this chapter is to explore how Nigeria's cocoa farmers suffered as a result of the oil boom of the 1970s.

The history of oil exploration in Nigeria starts in 1908. Then, World War I brought the exploration to an abrupt end. In 1937, the Anglo-Dutch consortium resumed oil exploration in the country, but World War II brought oil exploration to a stop once again. Then, in 1953, foreign engineers came looking for oil in the

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[43] "The Day Oil Was Discovered in Nigeria." *BBC*.

southeastern part of Nigeria, known as the Niger Delta. One Nigerian man, Sunday Inengite, who was 19 at the time of the exploration in 1953, recalls, "I was trying to know why they were all here, going into the forests and into the swamps."[44] He, like many Nigerians at the time, thought the developers were looking for palm oil—a popular cash crop that was exported during British colonialism. "It wasn't until we saw what they called the oil—the black stuff—that we knew they were after something different."[3]

From 1967 until 1970, Nigeria was engaged in a civil war as the southeastern part of the country tried to secede to form their union of Biafra, and oil production decreased. Commonly known as the Biafra war, Nigeria's civil war started as a result of political, economic, ethnic, cultural, and religious tensions that occurred after Nigeria gained independence from 1960 to 1963. The divisive British colonial political strategies are partly to blame for the conflict. Prior to colonialism, Nigeria operated as three different states, and after independence, the new government struggled to keep the country united and promote nationalism. Like many trials of other newly independent African countries, Nigeria was also plagued by coups and military takeovers causing ethnic tensions. The immediate causes of the war in 1966 included a military coup, a counter-coup, and persecution of Igbo living in Northern Nigeria.[45] Moreover, control over oil production in the Niger Delta played a vital role in the causes of the war, as the predominantly southeastern Igbos wanted the right to control oil production and exploration in their region. Without access to the

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[44] "The Day Oil Was Discovered in Nigeria." *BBC*.
[45] "Civil War in Nigeria - Jul 06, 1967." *HISTORY.com*.

precious oil reserves in the Niger Delta, the other two regions would loose access to the oil rents and become economically unsustainable. During the war, oil production was greatly affected, ethnic clashes were frequent, and over two million people perished.[46]

After the civil war, the 1970s witnessed an oil boom that created tremendous wealth because the years between 1967 and 1979 saw a series of energy crises due to problems in the Middle East. The most significant event started in 1973 when Arab oil producers imposed an embargo. As it turned out, "the decision to boycott America and punish the west in response to [their] support for Israel in the Yom Kippur war against Egypt led the price of crude to rise from $3 per barrel to $12 by 1974."[47] The quadruple rise in world oil prices in 1974 caused a sudden flood of wealth into Nigeria. Oil production in 1970 was over one million barrels per day (bpd), as opposed to the 20,000 bpd that was produced in 1960.[48] As a nation that just came out of a brutal three-year civil war, much of the revenue Nigeria received from the oil boom was intended for investment to diversify the economy and undo the damaged caused by the war.

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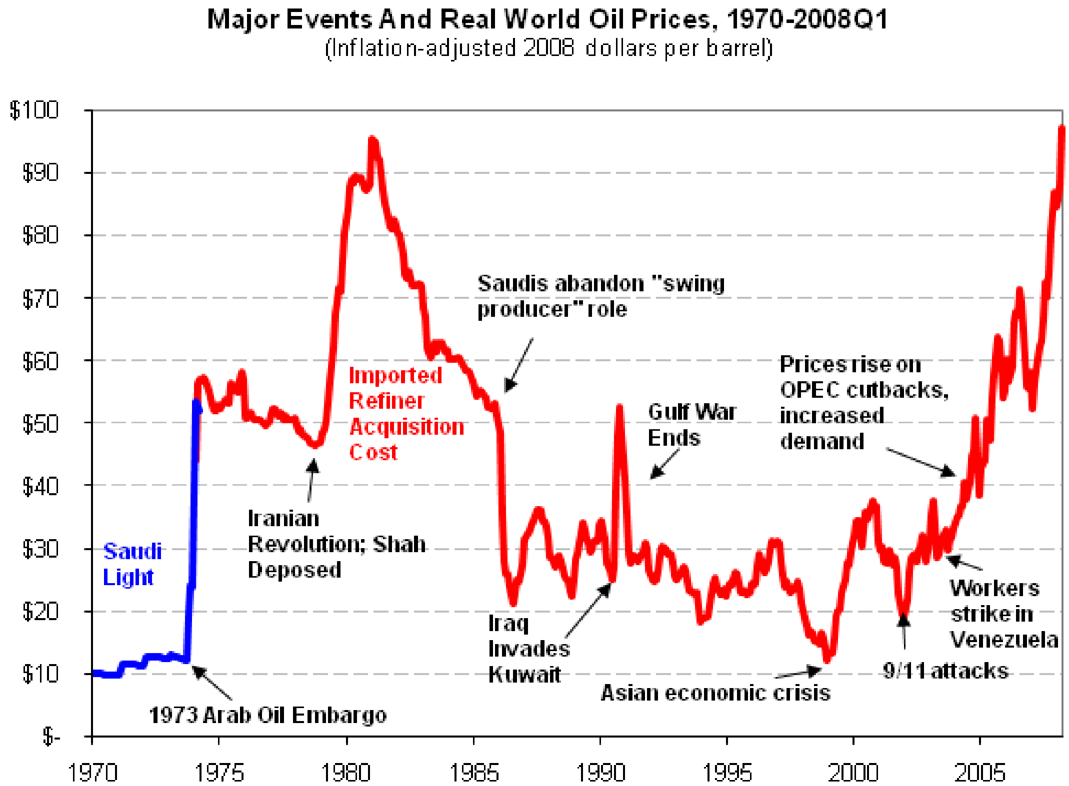
[46] "Discovery of Crude Oil in Nigeria; A Blessing or a Curse."
[47] Macalister, Terry. "Background: What Caused the 1970s Oil Price Shock?"
[48] Macalister, Terry. "Background: What Caused the 1970s Oil Price Shock?"



Picture: Major Events And Real World Oil prices, 1970- 2008[49]

Moreover, the oil boom gave great incentive to the government's program of rapid industrialization. In fact, "many manufacturing industries sprang up and the economy experienced a rapid growth of about 8 percent per year that made Nigeria, by 1980, the largest economy in Africa."[50] Furthermore, drought, disease, and the budding oil industry "lured young men from the land to seek riches in the cities of black Africa's most populous and wealthy nation" after the civil war.[51] On the economic level, the 350% increase in oil revenues between 1973 and 1974 caused the money supply to increase.[52] This affected the macro economy and spurred

[49] "Thank You EIA, for Making It Clear: Driving on Electricity Is the Safer Bet.

[50] "The Economic Development of Nigeria from 1914 to 2014."

[51] Cowell, Alan. "NIGERIA, RICH WITH OIL, IS DEPENDENT ON U.S. AND OTHER NATIONS FOR FOOD."

[52] "The Economic Development of Nigeria from 1914 to 2014."

inflation while it also underscored inequities in distribution as the political elite strengthened their ties with the big men to distribute the newfound wealth.[53] The 1970s represent the time period that Nigeria solidified its standing as a gatekeeper state through the production of crude oil because during this time, other sectors took the backseat as crude oil's percent contribution to Nigeria's GDP grew from 7.1% in 1970 to 40.6% in 2002.

Sector Contribution to GDP[54]						
Sector	1960	1970	1980	1990	2000	2002
Agriculture	64.10%	47.60%	30.80%	39.00%	35.70%	28.35%
Manufacturing	4.80%	8.20%	8.10%	8.20%	3.40%	5.50%
Crude Petroleum	0.30%	7.10%	22.00%	12.80%	47.50%	40.60%
Others	30.80%	37.10%	39.10%	40.00%	13.40%	25.55%

In 1971, Nigeria became a member of the Organization of the Petroleum Exporting Countries (OPEC), and it was already known as the world's seventh-largest petroleum producer.[55] Six years later, Nigeria established Nigerian National Petroleum Company (NNPC) in 1977— a state owned and controlled company that is a major player in both the distribution of oil land leases to transnational

[53] Cooper, Frederick. Pg 173.
[54] "The Economic Development of Nigeria from 1914 to 2014."
[55] "The Economic Development of Nigeria from 1914 to 2014."

corporation, as well as collecting the rents on crude oil exportation. The Arab Oil Embargo of the 1970s allowed Nigeria to flourish because it opened Nigeria's high-grade oil to the western countries that normally purchased petroleum from the Middle East. As massive amounts of oil revenue poured into the country, the political elite formed vertical ties with the "big man" and his supporters. The idea of a "big man" comes from the ethnic ties that have governed Nigeria's civil society for years. It represents the men who have access to vertical institutions either through business ventures, or through family ties. Being a country that is ethnically divided, Nigerians had a tendency to favor members of similar ethnic backgrounds once they attained power. For instance, "in each region, a single party, dominated by members of the majority ethnic group, obtained office and used it to provide services and patronage within its bailiwick."[56] Thus, "a person might hold an office—for example as a commissioner in charge of a region—with certain duties and powers, but his daily reality might be to distribute rewards and cultivate support, shaping vertical ties that did not quite coincide with his official role."[57] Accordingly, political elites formed ties with these big men who were members of the Nigerian government who also had access to oil profits. These big men poured oil revenues into their home cities and discouraged development that may have produced a business class autonomous from it.[58] Thus, these new ties formed by the elites and the big men, coupled with the newfound oil wealth from the oil boom of the 1970s, led to a mismanagement of oil revenues as opportunities for local development. Soon, the

[56] Cooper, Frederick. Pg 171.
[57] Cooper, Frederick. Pg 157.
[58] Cooper, Frederick. Pg 171.

influx of young men into the cities in search of jobs after the agricultural industry collapsed caused an increase in labor prices, which caused cocoa farmers to go out of business.

How Nigeria's Developmental Plans Aided in Harming Cocoa Farmers

As oil rents poured into Nigeria following independence, the new Nigerian governments undertook policies to develop the Nigerian economy. The first attempt was the First National Development Plan (1962-1968), which was designed to surpass the average rate of growth of 4% per year. The plan called for an investment of 15% of Nigeria's gross national product each year to ensure that "as much as possible of this gross fixed investment, whether undertaken by the Government of by private business, is channeled into the directly productive sectors of the economy."[59] The First Development Plan put the economy on the path of accelerated growth by prioritizing agricultural, mining, and industrial development. Also included in this developmental plan, was an educational plan for the country. According to the document, "the university population is to be raised from about 1,000 in 1950 to over 10,000 in 1970," and three additional universities were scheduled to be built to ensure one university in each region.[60] The developmental plan committed millions of dollars to improve educational infrastructure in Nigeria because "the Federation's Governments wanted to make sure that Nigeria's present rate of development was not to be retarded by lack of high-level manpower."[61] For a

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[59] Forest, Ona. "Notes On Nigeria's Development Plan 1962-1968."
[60] Forest, Ona. "Notes On Nigeria's Development Plan 1962-1968."
[61] Forest, Ona. "Notes On Nigeria's Development Plan 1962-1968."

newly independent nation, Nigeria took productive steps to ensure its domestic development. Because the Civil War from 1967 to 1970 halted domestic infrastructural growth, and the Second National Development Plan (1970-1974) and the Third National Development Plan (1975-1980) were devoted to reconstruct and rehabilitate infrastructure that was destroyed during the civil war years. This period collided with the oil boom, and thus the influx of cash allowed massive investment of resources into the rehabilitation and construction of new infrastructural facilities.

Furthermore, to encourage domestic industrialization, and shift entrepreneurship to the hands of Nigerians, the government issued an indigenization decree in 1972 that barred aliens from investing in specified enterprises and reserved participation in certain trades to Nigerians. This decree was aimed at reducing Nigeria's dependence on foreign firms. At the time, about 70 percent of commercial firms operating in Nigeria were foreign-owned. Then, in 1975 the federal government bought 60 percent of the equity in the marketing operations of the major oil companies in Nigeria, but full nationalization was rejected as a means of furthering its program of indigenization.

After the damaging civil war and the influx of wealth from the oil boom, the federal government engaged in quite a bit of uneconomic spending. In the years after the war, the federal government built schools and roads that created numerous temporary jobs.[62]The building boom "sent the cost of labor so high that cocoa farmers could no longer hire, and they themselves saw little reason to invest in developing their farms, when getting their children an education and contacts in the

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[62] Cooper, Frederick. Pg 173.

provincial or federal capital were far more likely to bring them prosperity."[63] The federal government did not anticipate the macroeconomic consequences of the input of cash into the money supply would have on the labor-intensive agricultural industry. Subsequently, despite the developmental plans to improve agricultural farming, the industry collapsed extraordinarily during 1970 to 1982 and oil became the only significant export. In fact, the agricultural and manufacturing sectors lost output and employment between 1970 and 1982, but the service sector experienced a 70 percent increase in employment.[64]By the end of that period, agriculture still represented the dominant occupation of many Nigerians, but "its share of both GDP and total exports fell substantially."[65]

Moreover, the oil boom allowed the Nigerian naira to appreciate by 50 percent, and caused the rural wage rate to triple.[66] Therefore, the availability of employment opportunities away from the farm—in urban environments, schools, and the oil industry—combined with the sharp increase in wages that farmers could not afford to pay their laborers, caused the cocoa farmers to cut their output. Essentially, after the oil boom, there was no incentive to continue cocoa farming because there were many more opportunities in the service sector, and universal primary school education became the norm. The oil boom of the 1970s negatively affected the agricultural industry more than any other industry because of its labor constraints. Oil extraction and exportation does not require massive amounts of

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[63] Cooper, Frederick. Pg 173.
[64] Oyejide, T. Ademola. *The Effects of Trade and Exchange Rate Policies on Agriculture in Nigeria*.
[65] Oyejide, T. Ademola. *The Effects of Trade and Exchange Rate Policies on Agriculture in Nigeria*.
[66] Oyejide, T. Ademola. *The Effects of Trade and Exchange Rate Policies on Agriculture in Nigeria*.

labor because machinery and foreign workers do most of the work. Whereas Nigeria's agricultural industry needed laborers to farm and cultivate the land, the cocoa farmers could not afford the high labor prices that the oil boom created. Therefore, Nigeria was veering off its developmental plan by depending more on a commodity that required very little local labor input that would have diversified its economy and created local jobs. Consequently, as the oil industry flourished in the 1970s, cocoa farmers paid the price with their livelihood, and the agricultural industry as a whole declined. As the new oil wealth flowed into the cities, growth in other economic sectors declined, and Nigeria experienced a massive migration to the cities that led to widespread poverty, especially in rural areas. By the time the oil prices fell in the 1980s, oil revenues declined sharply, and there was a collapse of basic infrastructure and social services. By 2000, Nigeria's per capita income had plunged to about one-quarter of its mid-1970s high, below the level at independence.[67] As an externally oriented economy that focus on one single export, rather than diversifying the economy, Nigeria became poorer in the 20th century than it was in the 19th century. This speaks to the vulnerability of the gatekeeper state and its inability to effectively diversify its economy.

Although Nigeria was able to enjoy an increase in the money supply during the oil boom, as oil prices fell in the 1980s, reality hit the country. For a country with the capacity to feed itself, Nigeria relies on food imports to feed its citizens not only due to the under-development of the agricultural industry, but also because of its colonial orientation towards cash crop farming instead of farming subsistence foods.

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[67] "The Economic Development of Nigeria from 1914 to 2014."

In 1981, Nigeria spent $2.4 billion a year importing food.[68] In 2015, Nigeria spent 630 billion naira or over $3 billion on food imports.[69] Food import rates are growing at a whooping 11 percent every year.[70] The importation of food products like wheat, rice, flour, fish, tomato paste, textile and sugar is wasteful because Nigeria can produce these products in abundance. The Central Bank of Nigeria Governor, Godwin Emefiele laments, "we import most of the agricultural commodities that we can produce because of the neglect of the sector in addition to rural migration to cities in search of white collar jobs."[71] It is clear that many voices agree that Nigeria can produce enough food products to feed its people; in addition, there's also consensus that Nigeria's agricultural industry is underdeveloped and broken. Therefore, Nigerian farmers cannot realize the national dream of feeding the country with their home-grown food products.

Ultimately, the reason why the agricultural industry is lacking in infrastructure and development is because Nigeria functions as a gatekeeper state and it has very little incentive to invest capital in an industry that does not promise as much financial gains as the oil exportation business. The Nigerian state's sole purpose as a gatekeeper state is to maintain access to the gate, regardless if the house that it is supposed to guard is broken. And so while the governor of the Central Bank of Nigeria agrees that Nigeria needs to diversify the mono-cultural tendencies of the Nigerian economy by developing other sectors, especially

[68] Cowell, Alan.
[69] Chima, Obinna. "Articles." *This Day Live*.
[70] Chima, Obinna. "Articles." *This Day Live*.
[71] Chima, Obinna. "Articles." *This Day Live*.

agriculture, little will come of his concerns. The state has been trying to diversify the economy since the implementation of the First National Development Plan (1962-1968), and it failed to do so by 1968, or 1975 with the Second National Development Plan (1970-1975), or by 1980 with the Third National Development Plan (1975-1980). Throughout the implementation of these three developmental plans, two things are clear: (1) The Nigerian state attempted to diversify its economy and failed. (2) The Nigerian state grew tremendously rich from collecting oil rents.

Ultimately, as Nigeria became an established gatekeeper state in the 1970s and its economy blossomed thanks to the oil boom, the inflow of young men into the cities in search of jobs caused an increase in labor prices, and cocoa farmers could not afford to pay the higher price for labor. As a result of the dependency and focus on oil exports, the agricultural industry failed because it is a labor-demanding industry that could not compete with the influx of capital that oil revenues brought to Nigeria. Although the state struggled to implement developmental plans to diversify the economy, the stone had been cast and the oil boom of the 1970s dealt a blow to the agricultural industry that it could not recover from. As a result, Nigeria has become a net importer of food products that it could very well produce within its own borders. There are many layers to being a gatekeeper state, but the one protruding layer in Nigeria's case is that the state has consistently failed to diversify the Nigerian economy. Oil became a sort of economic monomania. The money attracted the most corrupt into politics, where they could collect personal wealth from the trade. As a result, Nigeria has become a country that is completely dependent on oil revenues to function. This reality comes as no surprise because ultimately a gatekeeper state exists to control access to the gate. Whoever controls access to the tap collects rent on it. For over fifty years, the Nigerian state has been diligently collecting oil rents, and selfishly keeping all the revenues to itself.

Chapter III: GATEKEEPING LEADS TO UNDERDEVELOPMENT

"It is true that modern science and technology have widened the gap between the rich and the poor countries, but that is because the advanced countries have been in a better position to use them. Enlisted more widely in the service of the developing countries, science and technology can help them reduce the gap; in particular they provide slower cuts to the goals of development and can spare the new countries some of the slow process of trial and error that the advanced countries had to pass through. The developing countries can take advantage of the rate of technological change since the Second World War which has been faster than ever in history."[72]

Royal Dutch Shell, the primary stakeholder corporation of oil production in Nigeria, built refineries across Nigeria in 1978, 1980, and 1989 across Port Harcourt, Warri, and Kaduna.[73] As millions of dollars poured into Nigeria from oil exportation, the Nigerian government flourished financially but much of the money was never seen by the citizens due to corruption. Not only did the Nigerian government steal oil revenues, they made sure that only they and their respective home cities and relatives could profit off of the oil exploration in Nigeria.

A key element of a gatekeeper state is its continuous desire to control access to the gate, and its willingness to use political means to ensure that it has complete

[72] Valentine James. *Environmental and Economic Dilemmas of Developing Countries*
[73] "Discovery of Crude Oil in Nigeria; A Blessing or a Curse."

access to gate. The 1969 Petroleum Act gave the Nigerian state sole ownership and control of the country's oil and gas reserves.[74] Less than a decade later, President Olusegun Obasanjo enacted the Land Use Act when he was the military head of state in the 1970s. The Land Use Act of 1978 made the Nigerian government the owner of all land in Nigeria—thus the sole proprietor in leasing out land for oil exploration to multinational corporations.[75] According to the law, land was to be "held in trust and administered for the use and common benefit of all Nigerians."[76] In fact, "before 1978, oil companies had troubles negotiating with the occupants of the land to access the oil [but] after the land act was implemented occupants could wake up one morning to find oil companies already drilling on their property and there was nothing they could do about it."[77] The goal was for the government to act as the primary agent for the country's development. But in actuality, the law permitted a very select group of individuals to wield critical economic and political powers without accountability. This select group of individuals became "big men" who then formed ties with elite Nigerians to collude and decide which cities got developed and to what extent it was developed.

It is important to notice that the path the Nigerian government begins to take politically and economically during the 1970 economic oil boom as shifts it closer and closer to solidifying itself as a gatekeeper state. First, the Nigerian government grants itself sole ownership of the country's oil and gas reserves—essentially giving

74 "Nigeria." *National Governance Resource Institute*.
75 "Nigeria." *National Governance Resource Institute*.
76 "Nigeria." *National Governance Resource Institute*.
77 "Nigeria." *National Governance Resource Institute*.

itself the key to the gate. Then, it goes even further to ensure that it always has the key to the gate by enacting a law that makes it the sole owner of all land in Nigeria. Within a span of ten years, the Nigerian government realized the goldmine it was sitting atop of, and so the conversation shifted from controlling the gate to maintaining *access* to the gate. By ensuring its ownership of all land in Nigeria, the federal government essentially made sure it had the only key to unlock access to the gate forever. Therefore, by 1978, Nigeria had become an established gatekeeper state by its own doing because it used its political power to shift the Nigerian economy to align with the newfound *cash crop* of crude oil by implementing laws that allowed the government to fully control every aspect of oil exploration and exportation.

Effectively, "what is problematic about gatekeeper states is the focus of patronage systems on a single point and the undermining, in the midst of intense rivalry for that point, of alternative mechanisms for influencing decisions and demanding accountability."[78] As a gatekeeper state, Nigeria became so focused on collecting oil rents from Royal Dutch Shell that its role as a gatekeeper state began to undermine the Nigerian economy and its citizens. Even though Nigeria grew rich from oil exports in the 1970s, greedy politicians fought and struggled to gain sole control of the gate because whoever controlled access to the tap collected rent on it. Oil revenues caused Nigeria to become ingrained in its gatekeeping role because it promoted corruption. In fact, "oil revenues were used above all for the primary task

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[78] Cooper, Frederick. Pg 159.

of the political elite: patronage."[79] Oil-fed officials used their newfound oil wealth to develop their home cities instead of encouraging nation-wide development. This rent-seeking behavior established restrictions on nation-wide developmental programs, and then forced citizens to pay bribes for exceptions or it encouraged the emergence of allocating monopolies to friends and relatives.[80] Ultimately, as Nigeria became a gatekeeper state, oil revenues became a limiting factor in the development and diversifying of the Nigerian economy. There was no incentive to build or develop infrastructure that would have allowed the Nigerian economy to be self-sufficient or self-sustainable.

One primary example of Nigeria's lack of developmental efforts once it began to receive massive oil rents from Royal Dutch Shell is in the case of gas flaring and domestic refining. Because Nigeria served as a gatekeeper state, there was a lack incentive to grow and invest in infrastructure for gas mining & domestic refining. It turns out that in Nigeria, most of the oil fields discovered and that are currently in operation have enormous deposits of natural gas. A gas flare signified crude oil deposits and thus it was perceived as a sign of wealth because the locals thought that they would benefit from the oil profits. Now, a gas flare serves as a symbol of the failures of a gatekeeper state. According to the minister of petroleum in Nigeria, "the country has more gas than oil [but instead of harvesting the natural gas], we are right now flaring it as you can see it all over the oil-fields when you go there."[81] As a developing country with tremendous oil wealth, it seems logical that as the Nigerian

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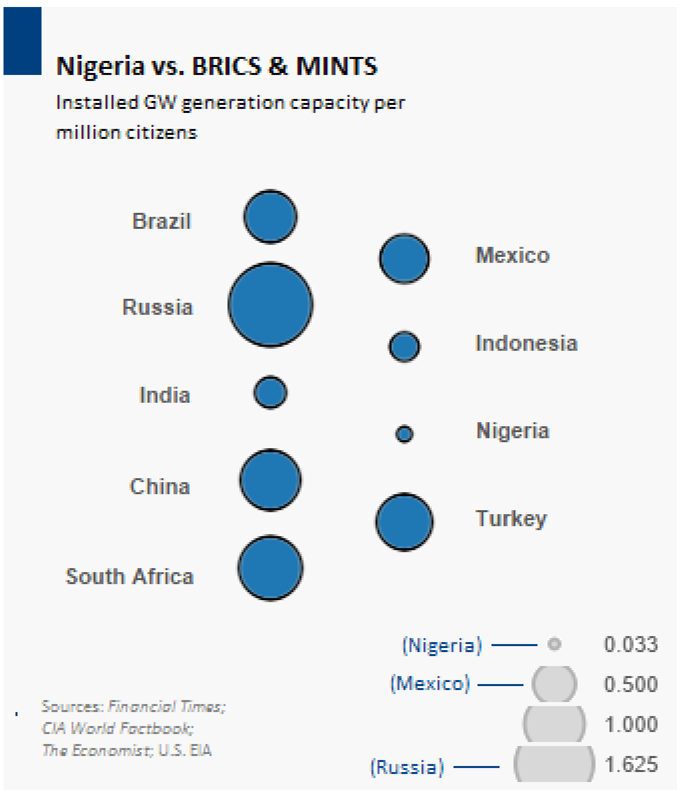
[79] Cooper, Frederick. Pg 173.
[80] Cooper, Frederick. Pg 116.
[81] Valentine James. *Environmental and Economic Dilemmas of Developing Countries.*

government collects oil rents, it should invest the wealth in infrastructure that will properly harvest the wasted natural gas. This could provide electricity to the millions of Nigerians who don't have access to electricity. With over 180 million people living in Africa's largest economy, it's shocking to know that the average Nigerian "uses 136 kilowatts-hours or KWH per year, consumes just 3 percent of the power of the average South African, 5 percent of the average Chinese citizen and, under a quarter of the average Indian."[82]



Picture: Why Nigeria Has So Little Power[83]

The need for constant power is evident by the over 50 percent of Nigerians who aren't even on the power grid, and many more who don't have access to

[82] "Why Nigeria Generates So Little Power." *The Huffington Post*.
[83] "Why Nigeria Generates So Little Power." *The Huffington Post*.

consistent electricity in Nigeria. Because the state has no incentive to effectively develop the infrastructure needed to create and maintain a natural gas industry, the Nigerian government opts to keep many Nigerians in the dark and import crude oil to supply Nigeria's domestic energy needs. By undertaking the development of a natural gas industry, the Nigerian government would have to re-negotiate leases, terms and conditions, and develop infrastructure to its already functioning crude oil exportation business. Essentially, the gatekeeper state would have to disturb the gate that controls its access to riches, and the mere thought of disrupting this flow of revenue is enough to stop the gatekeeper state at its tracks. Moreover, because "the only interest of these [transnational] companies in the Nigerian petroleum industry was crude oil," they would have been unreceptive to implement or fund projects that would support the effective utilization and harvesting of natural gas in Nigeria—unless a law was mandated. Creating an effective natural gas harvesting industry in Nigeria would have benefited Nigerians because it would have given them access to domestically sustainable energy and created domestic jobs; however, because transnational corporations that mine crude oil in Nigeria were only interested in making profits for themselves, they "could not recommend any program that would be sufficiently profitable to the parent companies."[84] As Nigeria depletes its oil reserves, gas is Nigeria's energy of the future; but because Nigeria functions as a gatekeeper state, it has no incentive to take the necessary steps to think beyond its current affairs. Thus, it is more efficient for a gatekeeper state to maintain good relationships with the outside transnational corporation that is

[84] Valentine James. *Environmental and Economic Dilemmas of Developing Countries*

paying it oil rents than to obstruct the relationship by investing in developmental programs that will ensure a better future for Nigeria. Developing Nigeria's natural gas industry would provide electricity to many of its citizens that live in the dark, but what about the provision of kerosene, diesel fuel, and gasoline?

It is estimated that the gas reserves in Nigeria have an economic life expectancy of 100 years.[85] Because Nigeria possesses such high-grade oil reserves, it seems logical that the state should be able to provide domestic fuel for its citizens. "Oil can turn a gatekeeper state into a caricature of itself."[86] In the case of Nigeria, the situation is has indeed become comedic. Nigeria is the largest oil producer in Africa, but it lacks the infrastructure necessary to refine its own high-grade crude oil to meet the fuel needs of its population of over 180 million people. The lack of infrastructure to domestically refine oil is laughable, but yet expected since Nigeria functions as a gatekeeper state. The main priorities of a gatekeeper state was "collecting and distributing resources that derived from the gate itself: customs revenue and foreign aid; permits to do business in the territory; entry and exit visas; and permission to move currency in and out [of the country]."[87] Thus, there is no clear incentive for the Nigerian state to bother investing capital in domestic refining because such programs do not directly benefit their gatekeeping agenda. Gatekeeper states experience high amounts of poverty at the local level because the gatekeepers are selfish and they refuse to allow the wealth they capture at the top to trickle down to the bottom. So while the state benefits from the two million barrels of oil

85 Valentine James. *Environmental and Economic Dilemmas of Developing Countries*
86 Cooper, Frederick. Pg 172.
87 Cooper, Frederick. Pg 157.

that Nigeria exports every day, Africa's largest oil exporter still "relies on imports for around 85 per cent of its domestic [oil] consumption because it lacks refining capacity."[88] Even though Nigeria exports 40 percent of its oil to the U.S., it must still rely on foreign countries like Great Britain and Holland to provide gasoline for its citizens.[89] Oil revenues account for almost ninety percent of Nigeria's $250 billion GDP, but yet over 100 million Nigerians out of a population of 180 million people live on less than $1 a day because whoever controls access to the tap, collects the rent.[90]

The cost of importing refined oil raises its domestic price, so the government imposed a subsidy that covers the import costs and provides gasoline, kerosene, and oil to Nigerian citizens at a discount. The Nigerian government spends 1.2 trillion naira a year or $8 billion to subsidize imported refined oil.[91] Ultimately, the oil subsidy is the only way that the average Nigerian can afford to buy these necessary products or benefit from the country's oil wealth. Thus, when the Nigerian government removed the oil subsidy in 2012 in an effort to save money, "the subsidy removal instantly doubled the price of gasoline and fuel, sending the price per gallon above the average Nigerian's daily income of $2 and sparked a week of protests across the country."[92] Therefore, as the gatekeeper state becomes engrained in maintaining access to the gate, it neglects its duties to take care of the

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[88] Randeree, Bilal. "Nigeria's Oil Woes Continue." *Al Jazeera*. Al Jazeera

[89] Randeree, Bilal. "Nigeria's Oil Woes Continue." *Al Jazeera*. Al Jazeera.

[90] "TIMELINE-Shell in Nigeria." *Reuters*, January 30, 2013

[91] http://www.ibtimes.com/nigeria-oil-poverty-ungodly-mess-214039

[92] http://www.ibtimes.com/nigeria-oil-poverty-ungodly-mess-214039

house that is behind the gates. The house, or the country of Nigeria, then begins to crumble from the outside in. As the gatekeeper, or the Nigerian state, benefits from the revenue flowing through the gate, it simultaneously starves its housemates from accessing any bit of these profits. As a result, the housemates pay the price of keeping the gate open. They pay the price with their livelihoods like the cocoa farmers did in the 1970s, they pay the price with their life like Ken Saro-Wiwa and eight others did in 1995, and they pay the price by engaging in government-denounced protests like millions of Nigerians did in 2012.

Ultimately, as Nigeria transitioned from a colony to an independent state, it solidified its standing as a gatekeeper state by continuing in its export-oriented economy first with cash crops, and now with crude oil. This stems from the residual effects of British colonial and economic policies, numerous failed attempts to diversify the economy, and a lack of incentive for the Nigerian state to engage in domestic development. As a gatekeeper state, it is easier to focus on maintaining access and control to the gate instead of developing the house that is inside the gate. The house in this case would be the country of Nigeria. There was no incentive for the state to invest in and develop a domestic natural gas refining sector that ould have provided electricity to millions of Nigerians because the transnational corporations were not interested in purchasing this good. Likewise, there was no incentive for the state to develop oil refineries for domestic consumption because it was not financially beneficial to the gatekeepers as the oil rents from transnational corporations. Therefore, Nigeria continues to import a large percentage of oil for local consumption. By only concerning itself with the exportation and importation of goods and deferring domestic development, the gatekeeper state is able to collect taxes from these goods—without having to share the profits with the citizens. Although the Nigerian state has failed its people tremendously through its actions as a gatekeeper state, nothing has been more devastating than the environmental effects that its rent-seeking behavior has brought upon the people of the Niger Delta who reside on hectares of land that has been completely blackened by oil spills.

Chapter IV: GATEKEEPING FOSTERS ENVIRONMENTAL DEGREDATION

"As a young Niger Delta boy even in the early 70s such good looking natural environment existed in the Niger Delta.

1. I remembered going to pick periwinkles in the swarms meeting blue coloured water that is reflecting the blue skies in a hot afternoon like that.

2. I remembered especially on a rainy day and especially at night going to creeks with only Calabash and bare hands coming home with good catch of fishes

3. I remembered using such clean (so to say) sea waters tasting salty to soak my garri padling my canoe while returning from Kaa or Iyanaba market

4. I remembered not bothering about tap water every morning to bath to school but jumping into this river like you do in this modern day swimming pole, wash mysely come out robe high scenting pomade and off to school

5. I remembered having my canoe capsided on the sea and I swarm to safety without any poluted water with oil to choke me

6. But I also remembered afterwards on Sobiekiri river many canoes with people on the water, someone mistakenly threw a cigaret stub on the water and it caught fire and so many people were burnt to dead including good swimmers who jumped into the river to see if they could dive past the burning oil on the water."[93]

[93] Shokara, Sarah. "Memory Before Oil: A Niger Delta Village In the 1960s

Picture: Devastation in the Niger Delta[94]

Every year, for the past 50 years, Nigeria's Niger Delta has suffered the same magnitude of oil spill in its rivers and swamps than was spilled in the 2010 Gulf Oil Spill.[95] There were more than 7,000 spills between 1970 and 2000. Environmentalists believe spills - large and small - happen at a rate of 300 every year.[96] Royal Dutch Shell reported 204 Niger Delta spills in 2014 while another oil company, ENI, which operates in a smaller area, reported a staggering 349 spills.[97] Royal Dutch Shell admitted to spilling 14,000 tones of oil in 2009.[98] There were only

94 94 Vidal, John. "Nigeria's Agony Dwarfs the Gulf Oil Spill. The US and Europe Ignore It." *The Guardian*, May 29, 2010.

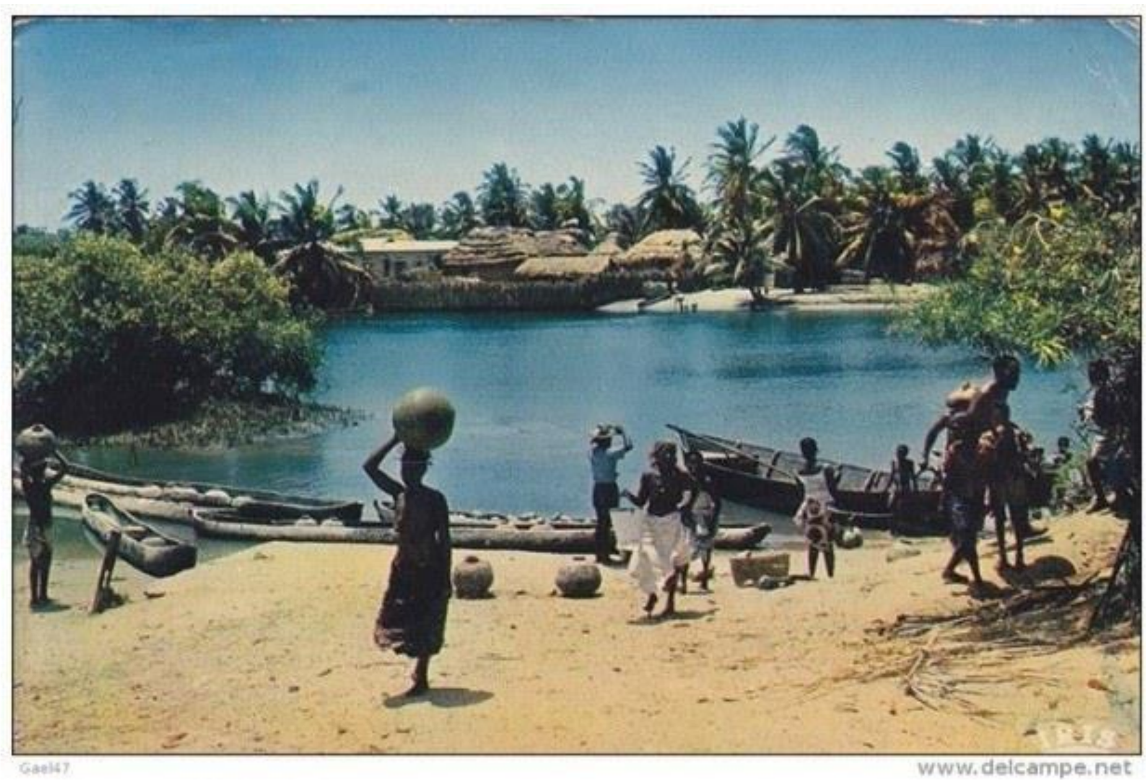
95 Vidal, John. "Nigeria's Agony Dwarfs the Gulf Oil Spill. The US and Europe Ignore It." *The Guardian*, May 29, 2010.

96 Duffield, Caroline. "Nigeria: 'World Oil Pollution Capital.'" *BBC News*.

97 "Amnesty International." *Nigeria: Hundreds of Oil Spills Continue to Blight Niger Delta*. Amnesty International, 19 Mar. 2015.

98 Vidal, John. "Nigeria's Agony Dwarfs the Gulf Oil Spill. The US and Europe Ignore It." *The Guardian*, May 29, 2010.

10 spills a year across the whole of Europe between 1971 and 2011.[99] Over the past four years suggest that as much is spilled at sea, in the swamps and on land every year as has been lost in the Gulf of Mexico so far.[100] With 606 oilfields, the Niger delta exports 40% of all its crude oil production to the United States it is the world capital of oil pollution.[101] The magnitude of environmental devastation that has occurred in the Niger Delta as a result of oil spills is unimaginable, and there does not exist one culprit that can be blamed for the severity of the damage.



Picture: A village in the Niger Delta in the 1960s before the massive expansion of oil exploration[102]

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99 "Amnesty International." *Nigeria: Hundreds of Oil Spills Continue to Blight Niger Delta*. Amnesty International, 19 Mar. 2015.

100 Vidal, John. "Nigeria's Agony Dwarfs the Gulf Oil Spill. The US and Europe Ignore It." *The Guardian*, May 29, 2010.

101 "Clean It Up: Shell's False Claims About Oil Spill Response in the Niger Delta." *Amnesty International*. Amnesty International Ltd, 2015.

102 Shokara, Sarah. "Memory Before Oil: A Niger Delta Village In the 1960s.

Picture: Pastor Christian Lekoya Kpandei standing in his oil-soaked fish farm in Bodo, Nigeria. Picture taken between 2008 and 2014. Photograph: Amnesty International[103]

Picture: Niger Delta farmer soaked in oil on his farm[104] Picture taken in 2012.

103 Vidal, John. "Shell Ignored Internal Warnings over Nigeria Oil Spills, Documents Suggest."
104 "The Niger Delta: Soaked in Oil."

Picture: Shell's burst pipelines had spilled crude oil in Niger Delta swamps and mangroves of Bodo village, the cleanup is still pending. Photograph: Pius Utomi Ekpei/AFP/Getty Images[105]

The road to the devastating environmental damage is complex but traceable. First, British colonial and economic policy structured Nigeria to become a gatekeeper state that focused solely on the exportation of profitable cash crops and the importation of British manufactured goods. After independence, the subsequent Nigerian governments tried to implement numerous national developmental plans to effectively diversify the Nigerian economy but they all failed because by the 1970s, after Nigeria had come off a damaging civil war, the oil boom caused by the Arab oil embargo generated enormous oil revenues from oil exportation. The influx of capital from the oil boom drove labor costs so high that cocoa farmers could not

105 Vidal, John. "Shell to Negotiate Compensation for 2008 Nigeria Oil Spill."

afford to higher laborers, thus putting them and much of the agricultural industry out of business. As the agricultural industry declined, Nigeria had to import food products to feed its citizens, and it also had to import refined oil for domestic consumption because its function as a gatekeeper state prohibited it from properly developing the necessary infrastructure for domestic oil refining and gas mining. As the 1980s came along, Royal Dutch Shell solidified its presence in the Niger Delta by building four refineries across the states in that area with the permission of the Nigerian government—which had enacted a law that essentially gave it ownership of all land in Nigeria in order to preserve its access to the precious oil revenues. No sooner had the oil revenues began to pour into Nigeria did the adverse environmental effects of the oil leases began to creep into the daily lives of the Niger Delta residents. First, in the 1980s, Texaco "spilt an estimated 400,000 barrels of oil and was caused by a blowout on one of their offshore stations."[106] Then, another spill caused by a tank failure at Shell's Forcados Terminal poured an estimated 580,000 barrels of oil into the precious mangroves of the Niger Delta in 2010.[107] Again in 2010, "an ExxonMoble spill which was caused by corrosion leaked nearly 100,000 barrels of oil for a week."[108] Less than a year later, in 2011 Shell spilt what it says "likely was less than 40,000 barrels" at the Bonga oilfield.[109] Of course, the amount of spilled barrels that have been reported is subject to speculation because Royal Dutch Shell significantly underestimates the total amount spilled, and the

106 "The Niger Delta: Soaked in Oil."
107 "The Niger Delta: Soaked in Oil."
108 "The Niger Delta: Soaked in Oil."
109 "The Niger Delta: Soaked in Oil."

Niger Delta residents hold another number to be true as they live in the destruction that was left behind as the earth bled black tar. Shell isn't going anywhere anytime soon because the Niger Delta is one of the most cost-effective locations for it to drill for oil. The cost of producing a barrel of oil in Africa last year was $14.43, whereas in Europe and the USA, the cost was $17.66 and $21.57.[110]

After the spills blackened the rivers and darkened the earth, the price of fish, a local staple food, were ten times higher than usual. The majority of the residents in the Niger Delta are fishermen whom rely heavily on the precious rivers and creeks that flow through the southeastern part of Nigeria for their livelihood. After the spills killed off the fish in the rivers, the fishermen were displaced and they had to search for other jobs in other industries, which proved more difficult to find. To make matters worse, Royal Dutch Shell has refused to pay the villagers monetary compensation for the oil spills. Shell maintains that the majority of the oil spills that happen in the Niger Delta is due to sabotage by locals who are looking to syphon oil from Shell's pipes and sell it on the black market. On the other hand, villagers dispute that claim and they believe that the oil spills are largely due to Shell's old and rusty pipelines that haven't been replaced or maintained for over fifty years since its initial construction. Royal Dutch Shell does not deny that it has old pipelines running across the Niger Delta, but the transnational corporation denies that the old pipelines caused the massive oil spills.

Ultimately, corrosion of old pipes and tankers account for 50% of oil spills in the Niger Delta. 21% of the oil spills is due to oil production operations, and 1% is

[110] Mustoe, Howard. "Shell 'Warned Nigeria Pipeline Could Leak before Spills.'" *BBC News*.

due to a number of things such as inability to control oil wells or failure of machines. This adds up to 72% of oil spills being directly related to Shell, and the remaining 28% of oil spills is due to sabotage where locals tap into Shell's pipelines to collect oil and sell it. Nonetheless, seven out of ten oil spills are directly Royal Dutch Shell's fault. Of the $600 billion worth of oil that has been extracted from the Niger Delta since the 1960s, little of that money has found its way back to the environment or the people in that area.[111] Shell agrees that not enough oil revenue has been distributed to the oil producing areas in the Niger Delta region, but they maintain that they "pay tax and royalties each year into the federal budget. The government then decides how to spend and distribute this money among the states."[112]

A 2014 report from Amnesty International sites that oil production has contaminated the drinking water of at least 10 communities in Ogoniland area of the Niger Delta.[113] Furthermore, it estimates that it would take up to 30 years to clean up the environmental damage that has blackened the Niger Delta's irreplaceable mangroves and creeks. Although Royal Dutch Shell ceased operations in Ogoniland in 1993 much to the delight of the Movement for the Survival of the Ogoni People (MOSOP), the Amnesty International study found that oil spills still continue to wreck havoc on the Ogoni people because Shell's pipelines still pass through their communities and Shell did not properly decommission many of its facilities.[114] The Ogoni people of the Niger Delta haven't just suffered from blackened rivers and oil-

111 "The Niger Delta: Soaked in Oil."
112 "The Ogoni Issue."
113 "Clearing Oil Pollution in Niger Delta."
114 "Clean It Up: Shell's False Claims About Oil Spill Response in the Niger Delta." *Amnesty International*.

soaked earth. Fifty years of continued oil spills has irrevocably contaminated their groundwater supply. In Ogoniland, the drinking water is contaminated with benzene, a known carcinogen, at 900 times the World Health Organization (WHO) guideline.[115] With their local way of life destroyed, their livelihood consistently poisoned with oil, and their cries for environmental justice falling on deaf ears, it is no surprise that sabotage is common. With no more fish in the rivers for the fishermen, the farmer's land blackened and useless, and locals faced with carcinogenic drinking water, it is no surprise that some locals have engaged in risky behavior in order to earn money to feed their families.

Royal Dutch Shell claims that it cleans up it oil spills promptly and properly, but the findings of Amnesty International beg to differ. In fact, "ten out of the 15 investigated sites which SPDC records show as having completed remediation, still have pollution exceeding the SPDC (and government) remediation closure values."[116] Furthermore, "at 22 out of 33 sites along Shell's pipeline, soil contamination exceeded limits set by Nigerian law."[117] It is evident that Shell is reckless in allowing faulty pipes to spew oil into these impoverished communities, and it is also clear that the Nigerian government is lenient and negligent in reprimanding Shell for its environmental damages. Could it be that the reason that the state is willing to allow such a grave level of environmental degradation to

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115 "Clean It Up: Shell's False Claims About Oil Spill Response in the Niger Delta." *Amnesty International*.

116 "Clean It Up: Shell's False Claims About Oil Spill Response in the Niger Delta." *Amnesty International*.

117 "Clean It Up: Shell's False Claims About Oil Spill Response in the Niger Delta." *Amnesty International*.

persist is not only because it is corrupt, but also because the Nigerian government functions as a gatekeeper state guarding its precious oil resources? Following the wave of African colonial independence, many oil-producing countries turned to spigot economies that allowed whoever controlled access to the tap to collect rent on it. As a gatekeeper state, it is not in the best interest of the Nigerian government to give up its rent-seeking behaviors with Shell to appease its citizens and seek environmental justice because it may disrupt its relationship with the outside transnational corporations. As a result, many of the cries for environmental justice by the Ogoni people and the peoples of the Niger Delta as a whole have been met with resistance from the state since its function has evolved to collect taxes on exports and imports—not to maintain the trust of its citizens. From the beginning, Nigeria has been economically designed to capitalize on certain commodities. During colonialism, it was cash crops, and although the subsequent governments attempted to diversify the economy, the discovery of oil in the Niger Delta sealed Nigeria's fate as a gatekeeper state. Ultimately, gatekeeper states remain profitable when they practice extroverted relationships between the outside corporations for the use of natural resources in the world market. This incentive has caused the Nigerian government to implement lax environmental regulation laws on Shell as it continues to clear a path of environmental destruction through oil spills in the Niger Delta.

In order to understand how engrained the relationship between the gatekeeper state and the outside transnational corporation is, it is important to examine the laws that govern environmental protection in Nigeria. In 1988, Nigeria established the Federal Environmental Protection Agency (FEPA), and its responsibility was to protect and develop the environment by establishing national policies for environmental protection.[118] The inception of FEPA seemed straightforward enough, until one dives into the political structure of the organization. FEPA's Council serves as its governing body and it consists of the "Secretary to Government of the Federation as Chairman, the ministers of a majority of the federal ministries, and two other members from the private sector who have distinguished themselves in environmental matters."[119] The Head of State appoints all of these members of the council. Furthermore, "the Head of State also appoints the Director-General of FEPA, who acts as the agency's chief executive officer and is the Chairman of the Technical Committee. The Technical Committee, composed of three environmental experts in addition to technical representatives from various ministries, has the responsibility of assisting and advising FEPA and the Council, and providing technical opinions on issues referred to it or delegated by the Council."[120] It is clear that FEPA and the presidency are entwined closely together. In fact, section three of the FEPA Decree gives the president the right to dismiss any member of FEPA if he is "satisfied that it is not in the interest of the Agency for the person appointed to continue in office."[121] Furthermore, section six of FEPA gives the president the right to give FEPA "directions of a general nature or relating generally to particular matters," and "it shall be the duty of the Agency to comply

[118] Eaton, Joshua P.
[119] Eaton, Joshua P.
[120] Eaton, Joshua P.
[121] Eaton, Joshua P.

with the directions."'[122] FEPA was enacted to protect and develop Nigeria's natural environment.

However, the office of the president enacted laws that gave it firm control and power in influencing the decision-making abilities of the FEPA council. In essence, each member is at the president's mercy for approval, and they must adhere to the president's political agenda lest they risk being dismissed from FEPA. The strong hold that the presidency has over FEPA is important to notice because it aligns with classic gatekeeping activities. In fact, FEPA was really only developed as a figurehead organization created by the president to project a safe environmental agenda towards Nigerians and the outside world. But in reality, FEPA was just another governmental vessel that served the rent-seeking nature of the Nigerian gatekeeper state. If FEPA was truly supposed to be a governmental organization entrusted with protecting the natural environment for the Nigerian people, then there would not be a stipulation that explicitly forced the FEPA members to adhere to what the president wants. The president is not an environmentalist, and thus, he should not have absolute power in deciding what environmental issues should be addressed in FEPA. Nonetheless, these members will comply to his wishes because it is the law, and also because the president could legally dismiss them if they gave him any reason to doubt their loyalty to him.

Moving on from the political environmental structure of Nigeria, we approach the financial stipulations that transitional corporations in an event that they discharge harmful hazardous materials in Nigeria. Here, we continue to see the

[122] Eaton, Joshua P.

gatekeeping agenda of the Nigerian state influence environmental policy. Section 20 of FEPA holds that it is illegal for corporations to dump hazardous waste in the air, land, or waters of Nigeria.[123] However, the financial penalty of breaking this law is merely 500,000 naira or $5,900, and 1,000 naira or $12 for everyday the corporations continues to illegally dump or discharge hazardous materials.[124] $12 a day for leaking thousands of gallons of crude oil into the groundwater, rivers, and land of impoverished communities is laughable, but the logic is understandable. FEPA essentially operates directly under the president of Nigeria. Nigeria gets over 80% of its GDP from oil revenues. The president of Nigeria is the primary gatekeeper of the state. His earnings and profits come directly from the oil rents that his state collects from transnational corporations like Royal Dutch Shell. Consequently, it is in his best interest, as head of state of Nigeria, to maintain good terms with Shell. One way to do this and not seem overly biased in favor of the transitional corporations is to enact weak environmental laws like the $12 a day fine for oil spills. Royal Dutch Shell is a multimillion-dollar company. Paying $5,900 for an oil spill (regardless of how much oil was spilt), or paying $12 a day for a leaking pipe means nothing to Shell. The fines mean nothing to Shell because the law was intended to work in their favor.

Furthermore, section 21 of the FEPA decree holds the polluter liable for the cleanup and reparation of the people affected.[125] However, there's another loophole that favors the transnational corporations. According to section 21, if the

123 Eaton, Joshua P.
124 Eaton, Joshua P.
125 Eaton, Joshua P.

corporation can prove that an oil spill or discharge was caused by natural disaster or by sabotage, then they are not liable for any cleanup or restoration payments.[126] This explains the varying discrepancy in the reporting of the causes of oil spills in the Niger Delta. Amnesty International reports that only 28% of the oil spills are caused by sabotage, whereas Royal Dutch Shell maintains that sabotage is responsible for a majority of the oil spills in the Niger Delta.[127] The FEPA law was enacted to excuse Shell of its environmental pollution. The law was enacted to maintain amicable relationships with the Nigerian state and outside transnational corporations like Shell who pay massive amounts in oil rents to the Nigerian government. British Petroleum was fined $18.7 billion dollars for the 2010 Gulf of Mexico oil spill.[128] Every year, for over fifty years, Nigeria's Niger Delta has experienced the same magnitude of the Gulf oil spill, but yet the Nigerian government has failed to fine Royal Dutch Shell a comparable sum. Nigerians are aware of this double standard, and a Niger Delta resident laments, "when I see the efforts that are being made in the US I feel a great sense of sadness at the double standards. What they do in the US or in Europe is very different."[129]

Ultimately, in the quest to feed its gatekeeping appetite, the Nigerian government allowed transnational corporations to pollute the Niger Delta through numerous loophole laws at the expense of the livelihood of Nigerians. Therefore, although Royal Dutch Shell and the other oil companies that extract oil from the

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[126] Eaton, Joshua P.

[127] ("Caught Red-Handed in the Niger Delta, Shell Must Stop Defending the Indefensible")

[128] Rushe, Dominic. "BP Set to Pay Largest Environmental Fine in US History for Gulf Oil Spill."

[129] Vidal, John. "Shell to Negotiate Compensation for 2008 Nigeria Oil Spill."

Niger Delta are directly responsible for the oil spills, it is important to acknowledge that the Nigerian government created the atmosphere for these transnational corporations to operate without any checks and balances. Nigeria replaced FEPA with National Environmental Standards and Regulations Enforcement Agency (NESREA) in 1999, but the NESREA has also failed to put in place any concrete environmental regulation that would discourage multinational corporations from operating carelessly in the Niger Delta, or enact any policies that would hold these corporations liable for the damage that they have already caused. Essentially, whoever controls access to the tap collects rent on it. Nigeria was a gatekeeper state by colonial design, but it took critical steps to solidify its gatekeeping activities after crude oil was discovered in the Niger Delta. Accordingly, the need to maintain access to the gate surpassed the fundamental objective of a government—to protect and serve the best interests of its citizens.

Chapter V: HOW TO CORRECT NIGERA'S GATEKEEPING ACTIVITIES

"Nobody is worried about this one. The aquatic life of our people is dying off. There used be shrimp. There are no longer any shrimp."[130]

Nearly six decades after independence, one thing is clear about the most populous nation in Africa: Nigeria is a gatekeeper state. Its goal is to protect its access to the gate by maintaining amicable relationships with outside transnational corporations. In an effort to maintain this relationship, Nigeria enacted very lenient environmental legislation in the 1980s that favored oil companies. Because of the lax environmental legislation, oil companies were incredibly careless in their search and operations for oil in the Niger Delta. This carelessness has caused Nigeria to be the world capital of oil pollution with over 546 million gallons of crude oil spilled into the Niger Delta over the last fifty years.[131] The World Bank estimates that the average life expectancy in Nigeria is fifty-two years. Soon, there will be no one from these communities that remember life before oil. Therefore, it is time for Nigerians to stand up and demand concrete changes from their government. If business as

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130 Vidal, John. "Nigeria's Agony Dwarfs the Gulf Oil Spill. The US and Europe Ignore It." *The Guardian*, May 29, 2010.
131 Nossiter, Adam.

usual continues, Nigeria's gatekeeping activities will increase the country's 61% poverty rate and decimate nationalism.

The road to easing Nigeria out of its gatekeeping role will not be easy. To put it in perspective, Saudi Arabia gets 80% of budget revenues from the petroleum sector, and it has a 12.7% poverty rate and a 10.5% unemployment rate.[132] Whereas, Nigeria receives 80% of its GDP from oil revenues, but it has 61% poverty rate and 8.2% unemployment rate.[133] It is evident that Nigeria's gatekeeping activities inhibit its ability or willingness to redistribute wealth from oil revenues hence the higher levels of poverty. The Nigerian government serves as the gatekeeper of the country and accordingly, it controls the revenues received from the importation and exportation of goods and services. Although the federal government shares the profits from oil rents amongst the 36 Nigerian state governments, the state and the government keep the wealth at the top level—essentially wiping out any hope for the wealth to trickle down to the locals.

To help Nigeria navigate out of its gatekeeping activities, it is important to address the root of a gatekeeper state: maintaining access to one single commodity. In Nigeria's case, this commodity is crude oil. There is nothing wrong with nations capitalizing on natural resources that they possess within their borders. In fact Saudi Arabia has 16% of the world's oil reserves, and while oil revenues account for 80% of its budget, it only accounts for 45% of its GDP.[134] In Nigeria, oil revenues

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132 "Saudi Arabia." *Forbes*.

133 "Nigeria Unemployment Rate | 2006-2015 | Data | Chart | Calendar | Forecast."

134 "Saudi Arabia's Dirty Little Secret: The KSA's Growing Poverty Rate."

account for 75% of its GDP.[135] It is unsustainable and characteristics of a classic gatekeeper state. Therefore, in order to break out of the mold of a gatekeeper state, the Nigerian economy needs to be diversified with the wealth it currently acquires from oil revenues. Gas mining, domestic oil refining, and the agricultural industries are in dire need of infrastructural investments, and currently, no other industry or commodity provides as much wealth to the Nigerian government like oil exportation does. Therefore, leveraging the capital that oil revenues bring to the state and investing in underdeveloped industries like gas mining, domestic oil refineres, and agriculture is feasible. It is feasible and necessary because it will not only allow Nigeria's economy to be diverse, but it will also encourage nationalism because, gas mining, domestic oil refining, and agriculture utilize domestic labor and therefore these sectors will also empower Nigerians financially.

Currently, Royal Dutch Shell drills for oil on Nigerian soil, exports the precious black gold, and leaves valuable gas to flare and pollute the Niger Delta. Nigeria loses $18.2 million daily from the loss of the flared gas. Nigeria needs oil to stop its reliance on oil.[136] If properly funded with revenue from current oil exportation, these three industries could create domestic jobs and diversify the economy. Nonetheless, one can't ignore the fact that Nigeria has tried and failed three times to implement developmental policies to diversify its economy. Unfortunately, it has not been able to break the hold of its gatekeeping activities set by colonialism to efficiently and effectively carry out national developmental plans.

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135 "Nigeria." *National Governance Resource Institute*. National Governance Resource Institute, n.d.
136 "Outlook of the Nigerian Oil and Gas Market."

The failure of these national developmental plans to diversify the economy point to a larger problem of corruption and mistrust. As a result of corruption and fraud in the oil industry, Nigerians do not have faith or trust in their government. To begin the recovery process, transitional corporations and the Nigerian government must end the secrecy and bring deals and profits into the open. $400 billion of oil revenue has been stolen or misused since 1960.[137] Rampant corruption coupled with Nigeria's limitations as a gatekeeper state encouraged theft of oil revenue "by paying bribes and doing deals in secret, they distort markets and stop citizens from knowing the value of the wealth beneath their feet, or from reaping the benefits."[138]

Presently, Nigeria is economically and politically structured as a gatekeeper state tasked with maintaining extroverted relationships with multinational corporations. This deep relationship between the outside corporation and the state guards the gate between Nigeria's natural resources and the world market. Economical and industrial diversification needs to happen in Nigeria in order to being the breakdown of its gatekeeping structure.

[137] "Oil, Gas and Mining | Corruption and Fraud | Global Witness." *Global Witness*.
[138] "Oil, Gas and Mining | Corruption and Fraud | Global Witness." *Global Witness*.

CONCLUSION

For sixty years, Nigeria was economically and politically designed as a colony that served as a gateway to its colonial power. British colonists were the gatekeepers who controlled access to the cash crops that they exported from Nigeria back into Britain, and the manufactured goods that they imported from Britain into Nigeria. After independence in 1960, Nigeria naturally fell on the backbones of the remnants of its colonial economical and political structures. Plans to diversify the economy failed, and soon oil reserves were discovered in the southeastern part of the country. The struggle to control the oil drove Nigeria into a brutal civil war. By the end of the civil war in 1970, Nigeria experienced an oil boom that dramatically increased the influx of money into the country. In order to protect the revenue, the Nigerian government enacted several laws that gave it sole ownership to all the land in Nigeria. This move ultimately sealed Nigeria's fate as a gatekeeper state.

Because whoever controls access to the tap collects rent on it, the Nigerian government and state officials have continuously profited from oil revenues. They have restricted access to the gate by refusing to share oil revenues with the locals who reside in the areas where the oil drilling is happening. These residents of the Niger Delta have been unbelievably devastated by the effect of massive oil spills that remained unclean. Every year since the discovery of oil, the residents have seen their land completely blackened by oil spills due to Royal Dutch Shell's ageing pipelines that they refuse to replace. Because the Nigerian government is a gatekeeper state, it must practice extroverted relationships with outside transitional corporations in order to keep the oil rents flowing freely into its pockets.

Consequently, the state implements lenient environmental laws that essentially permit the transitional corporations to freely and without fear of prosecution, spill and discharge numerous barrels of oil in the Niger Delta. The Nigerian government allows such a grave level of environmental degradation to persist because it is corrupt, and also because it is as a gatekeeper state. To keep the oil rents flowing, it must keep the transnational corporations operating within its borders happy.

What is happening in Nigeria is significant because it speaks to the structure that our world energy system currently operates within. Crude oil and fossil fuels are the most important commodities that exist today to effectively supply our energy demand. However, more studies show that "if we carry on growing the global economy at its current rate, and continue to rely on fossil fuels to power that growth, the planet is going to cook."[139] Climate scientists estimate that if we carry on with business as usual, the planet with get warmer by two degrees Celsius.[140] This change will be catastrophic to humankind. In fact, the negative externality of fossil fuel is extensive because it causes air, land, and sea pollution. Therefore, we must reduce our dependence on fossil fuels while searching and developing new and reliable energy to power the global economy. What's going on in Nigeria's Niger Delta is an excerpt to the larger story of the world energy crisis. Furthermore, Nigeria and the Niger Delta is significant because they serve as a beacon for one to begin understanding why the Nigerian people and the Nigerian state do not see eye-to-eye on many issues and why there exists so much mistrust against the

[139] Elliott, Larry.
[140] "Report: Global Temperature Rise Already Halfway to 'Two Degree Warming' Limit - CNN.com."

government. Nigerians and the Nigerian government cannot see eye-to-eye because the system of government in Nigeria was never designed to represent the people. The Nigerian government can write as many democratic constitutions it wants, and it can hold as many democratic elections as it desires, but Nigeria was economically and politically designed to function as a gatekeeper state. Gatekeeping states are not concerned about the people. Whoever controls access to the tap collects rent on it. Nigeria's function as a gatekeeper state has fostered massive environmental degradation in the Niger Delta that may take up to thirty years before it is completely cleaned. The world can learn from Nigeria's mistakes by seeking out diverse sources of energy, and investing in the industries that will enable these new and renewable technologies to develop.

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