

Economic Growth and Conflict Resolution through Public Policy:
Lessons from the Niger Delta of Nigeria

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Author Note

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Preliminary Considerations

In capitalist societies, the economy and the market have been the major focus of analysis with respect to development, growth, and the pursuit of prosperity and happiness. However, this idea is gradually changing especially after the adoption of the United Nations Sustainable Development Agenda by member states along with its seventeen Sustainable Development Goals (SDGS). Although most of the sustainable development goals further optimize the promise of capitalism, some of the goals are very relevant to a policy discussion on the conflict within the Niger Delta region of Nigeria.

The Niger Delta is the region where the Nigerian crude oil and gas are located. Many multinational oil companies are actively present in the Niger Delta, extracting crude oil in partnership with the Nigerian state. About 70 % of the Nigerian annual gross revenue is generated through the sale of the Niger Delta oil and gas, and these constitute up to 90 % of the country's annual total export. If the extraction and production of oil and gas are not interrupted during any fiscal year, the Nigerian economy blossoms and grows stronger because of an increase in oil export. However, when oil extraction and production are interrupted in the Niger Delta, oil export decreases, and the Nigerian economy drops. This shows how dependent the Nigerian economy is on the Niger Delta.

Since the early 1980s until this year (i.e. 2017), there has been an on-going conflict between the Niger Delta people and the federal government of Nigeria along with multinational oil companies because of so many issues associated with oil extraction. Some of the issues are environmental damage and water pollution, inequalities regarding the distribution of oil wealth, visible marginalization and exclusion of the Niger Deltans, and the harmful exploitation of the Niger Delta region. These issues are well represented by those United Nations sustainable

development goals that are not oriented toward capitalism, including but not limited to goal 3 - good health and wellbeing; goal 6 - clean water and sanitation; goal 10 – reduced inequalities; goal 12 – responsible production and consumption; goal 14 - life below water; goal 15 – life on land; and goal 16 - peace, justice and strong institutions.

In their agitation for these sustainable development goals, the Niger Delta indigenes have mobilized in different ways and at different times. Prominent among the Niger Delta activists and social movements are the Movement for the Survival of Ogoni People (MOSOP) formed in early 1990 under the leadership of the environmental activist, Ken Saro-Wiwa, who, along with eight other Ogoni people (generally known as the Ogoni Nine), was condemned to death by hanging in 1995 by the military government of General Sani Abacha. Other militant groups include the Movement for the Emancipation of the Niger Delta (MEND) formed in early 2006 by Henry Okah, and most recently, the Niger Delta Avengers (NDA) which appeared in March 2016, declaring war on oil installations and facilities within the Niger Delta region. The agitation of these Niger Delta groups resulted in overt confrontation with the law enforcement and military. These confrontations escalated to violence, leading to the destruction of oil facilities, loss of lives, and a halt in oil production which of course crippled and sent the Nigerian economy into recession in 2016.

On April 27, 2017, CNN aired a news report written by Eleni Giokos on the title: “Nigeria's economy was a 'disaster' in 2016. Will this year be different?” This report further illustrates the devastating impact that conflict in the Niger Delta has on the Nigerian economy. It is the purpose of this paper therefore to review Giokos’ CNN news report. The review is followed by an examination of the various policies that the Nigerian government has implemented over the years to resolve the Niger Delta conflict. The strengths and weaknesses of

these policies are analyzed based on some relevant public policy theories and concepts. In the end, suggestions are provided to help resolve the current conflict in the Niger Delta.

A Review of Giokos' CNN News Report: "Nigeria's economy was a 'disaster' in 2016. Will this year be different?"

Giokos' news report attributes the cause of the Nigerian economic recession in 2016 to the attacks on oil pipelines within the Niger Delta region. According to the World Economic Outlook Projections report published by the International Monetary Fund (IMF), the Nigerian economy plunged by -1.5 in 2016. This recession has devastating consequences in Nigeria: many workers were laid off; the prices of goods and services skyrocketed because of inflation; and the Nigerian currency – naira – lost its value (currently, more than 320 Naira equal 1 Dollar).

Because of lack of diversity in the Nigerian economy, whenever there is violence or attack on oil installations in the Niger Delta - which in turn freezes oil extraction and production -, the Nigerian economy is most likely to slide into recession. The question that needs to be answered is: why have the Nigerian government and citizens not been able to diversify their economy? Why have the agricultural sector, the tech industry, other manufacturing ventures, the entertainment industry, and so on, been ignored for decades? Why rely solely on oil and gas? Although these questions are not the primary focus of this paper, reflecting on and addressing them may offer helpful tools and options for the resolution of the Niger Delta conflict, and for rebuilding the Nigerian economy.

Even though the Nigerian economy plunged into recession in 2016, Giokos leaves readers with optimism for 2017. There are many reasons why investors should not be afraid. First, the Nigerian government, after realizing that military intervention can neither stop the Niger Delta Avengers nor help in mitigating the conflict, adopted dialogue and progressive policy decisions to resolve the Niger Delta conflict and restore peace in the region. Second, and

based on the peaceful resolution of the conflict through dialogue and progressive policy making, the International Monetary Fund (IMF) predicts that the Nigerian economy will experience 0.8 growth in 2017 which will bring the country out of recession. The reason for this economic growth is because oil extraction, production and export have resumed after the government initiated plans to address the demands of the Niger Delta Avengers.

Government Policies toward the Niger Delta Conflict: Past and Present

To understand the current government policies toward the Niger Delta, it is important to review the policies of the past government administrations and their roles in escalating or de-escalating the Niger Delta conflict.

First, various government administrations of Nigeria implemented a policy that favored the use of military intervention and repression to manage the Niger Delta crises. The extent to which military force was used may be different in each administration, but military force has been the first policy decision made to quell violence in the Niger Delta. Unfortunately, coercive measures have never worked in the Niger Delta for a number of reasons: unnecessary loss of lives on both sides; the landscape favors the Niger Deltans; the insurgents are highly sophisticated; too much damages are caused on oil facilities; many foreign workers are kidnapped during confrontations with the military; and most importantly, the use of military intervention in the Niger Delta prolongs the conflict which in turn cripples the Nigerian economy.

Second, to respond to the activities of the Movement for the Survival of the Ogoni People (MOSOP) in the early 1990s, the then military dictator and head of state, General Sani Abacha, established and utilized a policy of deterrence by death penalty. By condemning the Ogoni Nine to death by hanging in 1995 - including the leader of the Movement for the Survival

of the Ogoni People, Ken Saro-Wiwa, and his eight comrades - for allegedly inciting the murder of four Ogoni elders who were in support of the federal government, the military government of Sani Abacha wanted to deter the Niger Delta people from further agitations. The killing of the Ogoni Nine received both national and international condemnation, and failed to deter the Niger Delta people from their fight for social, economic and environmental justice. The execution of the Ogoni Nine led to the intensification of the Niger Delta struggles, and later, the emergence of new social and militant movements within the region.

Third, through a congressional law, a Niger Delta Development Commission (NDDC) was created at the dawn of democracy in 2000 during the government administration of President Olusegun Obasanjo. As the name of this commission suggests, the policy framework on which this initiative is based centers around the creation, implementation and sustenance of developmental projects aimed at responding to the fundamental needs of the Niger Delta people – including but not limited to clean environment and water, reduction of pollution, sanitation, jobs, political participation, good infrastructure, as well as some of the sustainable development goals: good health and wellbeing, reduction of inequalities, responsible production and consumption, respect for life below water, respect for life on land, peace, justice and functional institutions.

Fourth, to minimize the impact of the activities of the Movement for the Emancipation of the Niger Delta (MEND) on the Nigerian economy, and to respond to the demands of the Niger Deltans, the government of President Umaru Musa Yar'Adua moved away from the use of military force and created developmental and restorative justice programs for the Niger Delta. In 2008, the Ministry of Niger Delta Affairs was created to serve as a coordinating agency for developmental and restorative justice programs. Developmental programs were to respond to

actual and perceived economic injustices and exclusion, environmental damage and water pollution, issues of unemployment and poverty. For the restorative justice program, President Umaru Musa Yar'Adua, through his June 26, 2009 executive order granted amnesty to the Niger Delta insurgents. The Niger Delta fighters dropped their weapons, got rehabilitated, received technical and vocational training as well as monthly allowances from the federal government. Some of them were awarded grants to further their education as part of the amnesty package. Both the developmental program and the restorative justice program were essential in restoring peace in the Niger Delta for a long time which in turn boosted the Nigerian economy until the emergence of the Niger Delta Avengers in 2016.

Fifth, the first policy decision of the current government administration - of President Muhammadu Buhari - towards the Niger Delta was to suspend the presidential amnesty or restorative justice program put in place by previous governments, stating that the amnesty program enables and rewards criminals. Such a radical policy change is believed to be the major cause of the Niger Delta Avengers' war on oil facilities in 2016. To respond to the sophistication of the Niger Delta Avengers and the enormous damage they inflicted on oil installations, Buhari's government considered the use of military intervention believing that the Niger Delta crisis is a problem of law and order. However, as the Nigerian economy plunged into recession due to violence in the Niger Delta, Buhari's policy on the Niger Delta conflict changed from exclusive use of military force to dialogue and consultation with the Niger Delta elders and leaders. Following a noticeable shift in government policy towards the Niger Delta conflict, including a reintroduction of the amnesty program as well as an increase in the amnesty budget, and having seen the ongoing dialogue between the government and the Niger Delta leaders, the Niger Delta Avengers suspended their operations. Since early 2017, there has been relative peace

in the Niger Delta. Oil extraction and production have resumed, while the Nigerian economy is gradually recovering from recession.

Policy Efficiency

The conflict in the Niger Delta, the devastating impact it has on the Nigerian economy, its threats to peace and security, and the conflict resolution attempts by the Nigerian government could be explained and understood from the theory of efficiency. Some policy theorists like Deborah Stone believe that public policy is a paradox. Among other things, public policy is a paradox between efficiency and effectiveness. It is one thing for a public policy to be effective; it is another thing for that policy to be efficient. Policymakers and their policies are said to be *efficient* if and only if they achieve maximum results with minimum cost. Efficient policymakers and policies do not encourage wastes of time, resources, money, skills, and talent, and they totally avoid duplication. Efficient policies add maximum value to the lives of maximum number of people in the society. On the contrary, policymakers and their policies are said to be *effective* if they only fulfil a specific objective - no matter how this objective is fulfilled and for whom it is fulfilled.

With the above distinction between efficiency and effectiveness - and knowing that a policy cannot be efficient without first and foremost being effective, but a policy can be effective without being efficient -, two questions need to be answered: 1) Are those policy decisions taken by the Nigerian governments to resolve the conflict in the Niger Delta efficient or inefficient? 2) If they are inefficient, what actions should be taken to help them become more efficient and yield the most efficient results for most people in the society?

On the Inefficiency of the Nigerian Policies toward the Niger Delta

An examination of the major policy decisions taken by past and present governments of Nigeria as presented above, and their inability to provide sustainable solutions to the Niger Delta crises could lead to a conclusion that these policies are inefficient. If they were efficient, they would have yielded maximum results with minimum cost, while avoiding duplications and unnecessary waste of time, money and resources. If politicians and policymakers put ethno-political rivalry and corrupt practices aside and use their common sense, the Nigerian government can create bias-free policies that can adequately respond to the demands of the Niger Delta people and produce durable results even with limited budget and resources. Instead of crafting efficient policies, the previous governments and the current government have wasted a lot of time, money and resources, as well as engaged in the duplication of programs. President Buhari initially scaled back the amnesty program, cut the budget for its continuous implementation, and tried the use of military intervention in the Niger Delta - policy moves that distanced him from the previous administration. Hasty policy decisions such as these can only cause confusion in the region and create a vacuum for the intensification of violence.

Another factor that needs to be considered is the bureaucratic nature of the policies and programs designed to address the Niger Delta crisis, oil exploration, production and export. In addition to the Niger Delta Development Commission (NDDC) and the Federal Ministry of Niger Delta Affairs, there seems to be many other agencies created both at the federal and state levels to oversee the socio-economic and environmental development of the Niger Delta region. Although the Nigerian National Petroleum Corporation (NNPC) with its eleven subsidiary companies and the Federal Ministry of Petroleum Resources have the mandate to coordinate oil and gas exploration, production, export, regulation and many other logistical areas, they also have corporate social responsibilities within the Niger Delta as well as the power to recommend

and implement policy reforms associated with the Niger Delta oil and gas. Also, the primary actors themselves – the multinational oil and gas companies – for example Shell, ExxonMobil, Elf, Agip, Chevron, and so on, have each created community development projects aimed at improving the lives of the Niger Deltans.

With all these efforts, one may ask: why are the Niger Delta indigenes still complaining? If they are still agitating for social, economic, environmental, and political justice, then it means that government policies to address these issues as well as the community development efforts made by oil companies are not efficient and sufficient. If the amnesty program, for example, was designed to mostly benefit former militants, what about ordinary indigenes of the Niger Delta, their children, education, environment, water on which they depend for farming and fishing, roads, health, and other things that could improve their wellbeing? Government policies and the oil companies' community development projects should also be implemented at the grassroots level to benefit ordinary people in the region. These programs should be implemented in such a way that ordinary indigenes of the Niger Delta will feel empowered and included. To formulate and implement efficient policies that will address the conflict in the Niger Delta, it is imperative that policymakers first discern and identify along with the people of the Niger Delta what counts as important and the right people to work with.

On the Way Forward

In addition to identifying what counts as important and the right people to work with for efficient policy implementation, some important recommendations are provided below.

- First, policymakers should recognize that the conflict in the Niger Delta has a long history rooted in social, economic and environmental injustice.

- Second, the government and other stakeholders should understand that the consequences of the Niger Delta crisis are high and have devastating impacts on the Nigerian economy as well as on the international market.
- Third, multifaceted solutions to the conflict in the Niger Delta should be pursued with the exclusion of military intervention.
- Fourth, even when the law enforcement officers are deployed to protect oil facilities, they should abide by the ethical norm that says, “do no harm” to the civilians and indigenes of the Niger Delta.
- Fifth, the government must regain the trust and confidence from the Niger Deltans by proving to them that the government is on their side through the formulation and implementation of efficient policies.
- Sixth, an efficient way of coordinating existing and new programs should be developed. An efficient coordination of program implementation will insure that ordinary indigenes of the Niger Delta benefit from these programs, and not just a selected group of influential people.
- Seventh, the economy of Nigeria should be diversified by making and implementing efficient policies that will favor free market, while opening the door for investment in, and the expansion of, the other sectors such as agriculture, technology, manufacturing, entertainment, construction, transportation (including railroad), clean energy, and other modern innovations. A diversified economy will reduce government dependence on oil and gas, lower political motivations driven by oil money, improve the social and economic wellbeing of all Nigerians, and result in a sustained economic growth of Nigeria.