

## **Cutting the head as cure for headache: Exploring the economic impact of Niger Delta militancy on host communities**

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### **Abstract**

**Background:** Militancy has continued to define discourse about Niger Delta region. Government efforts aimed at combating the problem has so far been unable to address the issue. Despite this, empirical evidence on the impact of militant activities on the economy of communities in Niger Delta is limited.

**Objective:** To examine the impact of militancy in the Niger Delta on the economy of communities in the area. The study also examined the obligation of the government to people of the Niger Delta region from the perspective of affected communities.

**Methodology:** Descriptive survey research was used to conduct the study while the sample size was made up of 384 respondents from Bayelsa, Delta, and Rivers States. The Questionnaire served as the instrument for data collection while simple percentages, as well as multiple regression were used to analyze the data for the study.

**Results:** Militancy in the Niger Delta negatively impact on economic activities in areas like: threat to engagement in economic activities; de-motivation to engagement in economic activities; job loss; decline in income; poor wages; and chasing away investors. The government of Nigeria has an obligation to provide help to them in five generic areas like: human security, environment security, economic security, human empowerment, as well as combating corruption in government interventions.

**Unique contribution:** This study has developed new measures for evaluating the impact of militant activities on the economic life of host communities from the perspectives of those affected. Additionally, the study has developed five generic areas where government attention is needed to ameliorate the sufferings of communities affected by militant activities.

**Conclusion:** Militancy in the Niger Delta has a significant negative impact on the economy of communities in the area.

**Key recommendation:** Further studies should be conducted to examine the solutions to the problem in Niger Delta by considering its impact on economic activities.

**Keywords:** economy; impact; Niger Delta; militancy; oil; obligation

### **Introduction**

Over the past 100 years of Nigeria's existence, insecurity has continued to pose a serious challenge to the country. Examples of some of the security threats that have continued to defile solutions include: Boko Haram, armed banditry, ethno-religious conflict such as the one in Southern Kaduna, herdsmen and farmers' conflict, kidnapping, communal conflict, chieftaincy conflict, land conflict, political upheaval, as well as Niger Delta militancy, among others. Gever (2018) corroborates that Nigeria has faced many security challenges in the last decades. Although these security challenges have varying degrees

of impact on different faces of the Nigerian society, the current study was limited to the militancy in Niger Delta region.

The area that is known as Niger Delta is located in Southern Nigeria. In the views of Eyinla and Ukpo (2006), Niger Delta is situated between latitudes 4<sup>0</sup> and 6<sup>0</sup> north of the Equator and 4<sup>0</sup> and 8<sup>0</sup> east of the Greenwich. Niger Delta is made up of Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Rivers, and Ondo States. Apart from Cross River, all the other states that make up Niger Delta are also recognized as oil producer states in Nigeria. Oil is Nigeria's main source of revenue; an indication that the economy of Nigeria is largely dependent on Niger Delta.

The discovery of oil in Oloibiri in 1956 has made the Niger Delta region occupy a strategic position in the economy of Nigeria. In the view of Okere (2015), the region's estimated 37.2 billion barrels of proven oil reserves and 188 trillion standard cubic feet of natural gas are the largest hydrocarbon deposits in the whole of Africa. This reality has made oil exploitation very cardinal to the economy of Nigeria because it accounts for 90% of Nigeria's export earnings, 25% of Gross Domestic Products (GDP), as well as 80% of the total revenue of Nigerian government (Agbaeze *et al.*, 2015). In the view of Onuoha (2016), he avers that the location of Niger on the Atlantic is pivotal to maritime channel for Nigeria to export crude to international markets as well as import other needed materials. This background paints a vivid picture of the centrality of the Niger Delta to the economy of Nigeria. The strategic location of Niger Delta as well as the discovery of oil in the region that should ordinarily be blessings has become a setback for the region that now suffers from militant activities.

Militancy describes violent act aimed at achieving social or political goals. Encarta (2006) cited in Inokoba and Imbua (2010) define militancy as aggressive and active acts with the aim of defending and supporting a clearly defined cause, usually political. Inokoba and Imbua describe a militant as a person who engages in fighting or a protest movement with the ultimate aim of protecting and defending a defined cause. Inokoba and Imbua posit further that some militants could be peaceful in nature while others are aggressive in their approach. For some time now, the Niger Delta militants have posed a serious security threat to the region, and by extension, the Nigerian state as a whole. Militancy in the Niger Delta assumes basically two approaches- bombing of oil installations and kidnapping of foreign nationals. Even though the militants claim that they are fighting for the emancipation of the Niger Delta Region, it is doubtful if their activities are beneficial to the host communities because there is widespread kidnapping, killing, and destruction of oil installations in the region. The militancy in the Niger Delta appears to have become an avenue to enrich privileged few. This is because, militant leaders like Asari Dokubo and Tomopolu have become billions through this means while avast majority of the residents of the area remain worriedly poor. The emergency of different militant groups like the Movement for the Emancipation of Niger Delta, the Niger Delta Avengers, and the Reformed Niger Delta Avengers are indicative of how lucrative militancy has become in the Niger Delta region. This paper, thus examines the economic impact of the Niger Delta militancy. Despite the increasing activities of militants in the Niger Delta, studies on the impact of such activities on economic activities remain relatively scarce.

### **Objective and Study Justification**

The objective of this study was to examine the impact of militancy in Niger Delta on the economy of host communities. The researcher regarded this study as important because of three reasons. First, literature on the impact of militancy on host communities of Niger Delta and their economic activities is relatively scarce. Attention is often paid to the impact of the conflict on national economy, thus ignoring the host communities who are directly affected. In the second place, recent literature is needed to understand the impact of militancy in Niger Delta on host communities' economies with a view to suggesting areas of intervention. Finally, there is the need to enrich literature on insecurity and its relationship with economies so as to expand scholarly debate in this direction.

### **Literature review and hypothesis development**

Conflict does not just take place; it happens. In most cases, there are reasons behind it. With regards to the case in Niger Delta, the perceived growing injustices led to the violence that took place between 2006 and 2009, championed by the Movement for the Emancipation of the Niger Delta [MEND] (Onuoha 2016). The then president Umar Musa Yar'Adua granted amnesty, vocational training, and monthly cash payments to nearly 30,000 militants to help in solving the unrest. This initiative was useful as it led to calmness in the region as evidenced in the increase in petroleum exports from about 700,000 barrels per day (bpd) in mid-2009 to about 2.4 million bpd in 2011. Also, many former militant leaders such as Gen. Ebikabowei "Boyloaf," Asari Dokubo, Victor Ben, Ateke Tom, and Government Ekpumopolo (alias Tompolo) were rewarded with lucrative contracts to guard pipelines (Onuoha 2016). Things fell apart in 2015 immediately after President Muhammadu Buhari took over power from Dr Good Luck Jonathan with the emergence of Niger Delta Avengers. Nwogwugwu *et al.*, (2012) attributed the causes of Niger Delta militancy to: marginalization and environmental degradation, bad governance and inconsistent policy framework, and the divide and rule policy of the oil companies. Although people have lost their lives as a result of the militant activities, the current study looked at the economic impact of the conflict.

The concept of economic impact in the context of this study describes the economic consequences of the Niger Delta militancy. It is used to describe how militant activities are affecting the economic life cycle of the Nigerian economy. Available literature (Gever *et al.*, 2019; Gever, 2018; Gever & Nwabuzor, 2018; Ottah & Gever, 2020; Okeke *et al.*, 2019) shows that conflict generally has significant negative impact on the society. Serneels and Verpoorten (2013) carried out a study to determine the link between conflict and economic performance in Rwanda. The researchers reported that households and localities that go through more intense conflict have low economic development even after six years of the conflict than their counterparts who did not experience conflict. Their conclusion was that conflicts have a significant economic impact on economic growth. Bergholt and Lujala (2012) conducted a study to examine the relationship between natural disaster, economic growth, and conflict. The researchers found that natural disasters are significantly linked to economic growth, however, natural disaster was not found to be associated with armed conflict. The implication of the study of Bergholt and Lujala is that environment factors play a significant role in determining economic prosperity. Hegre *et al.*, (2017) in their study reported that when conflict breaks out, it is very difficult for peace to completely return to the affected areas. They reported further that the situation is particularly dependent on the economy of countries. Depetris

and Rohner (2009) conducted a study and reported that conflict negatively and significantly impact on economic activities. Although the studies reviewed above shows that conflict has a negative impact on economies, these studies did not look at it from the perspective of individuals in communities that have experienced militant activities. It is essential to look at the impact of militant activities on the economy of individuals so as to develop valid indicators for measuring individual economies. Therefore, the current study hypothesized:

**H1:** Militant activities in the Niger Delta will significantly impact on economic activities of host communities.

The Nigerian government has an obligation of ensuring that the economic activities of host communities of oil facilities in Niger Delta improve. This responsibility is articulated in this study using the obligation theory. Peter W. Van Arsdale and Regina A. Nockerts suggested the obligation theory in 2008. The researcher articulated their theory in a publication which they captioned: ‘a theory of obligation’ which was published in the *Journal of Humanitarian Assistance*. The theory was articulated in the context of humanitarianism. The basic assumption of the theory is that there is a moral responsibility to assist the structurally dispossessed and functionally abused. Within the context of this theory, the abused are the Niger Delta host communities. Government has a constitutional responsibility to protect lives and property and make environments safe for business activities because that is the *raison d’être* for which government exists. In particular, section 14, subsection 2b states that ensuring that there is maximum security of lives and property as well as promoting the welfare of the citizenry are the main reasons for which government exists. In situations where the government is unable to fulfill this constitutional responsibility for which it was elected into power, it has an obligation to come up with intervention strategies that will reduce the effect of conflict related activities on the citizens. The theory defines humanitarianism as “crossing a boundary;” that is, going the extra mile to assist people who are in need and vulnerable as well. On the other hand, obligation is defined in part as “what one should do.” Within the context of this study, the basic question is what the government should do to improve the economy of Niger Delta communities. Based on this theory, the researcher hypothesized:

**H2:** Government interventions will assist in improving the economy of host communities of oil facilities in Niger Delta.

### **Methodology**

The researcher made use of descriptive survey to conduct this study. The decision to make use of descriptive survey was because it was most suitable to enable the researcher explain how militant activities in the Niger Delta affect the economies of host communities. In most cases, the choice of a researcher is normally decided after careful consideration of the objectives of a study. Therefore, descriptive survey design enabled the researcher to describe and explain the impact of militant activities on the economies of host communities. The study was conducted in three states that have experienced serious militant activities. These states are: Bayelsa, Delta, and Rivers. The sample size for the study was made up of 384 respondents. The researcher made use of the Cochran

formula to determine the sample size. A combination of quota and purposive sampling techniques were used for the study. Therefore, a quota of 128 samples was drawn from each of the three areas. Also, purposive sampling technique was used to sample respondents from each of the selected areas. The researcher made use of the questionnaire as the instrument for data collection. The instrument for data collection should typically assist a researcher to gather the required data needed to achieve the objectives of a study. The decision to make use of the questionnaire was because it has the potential to generate large amount of data. The questionnaire was developed by the researchers. The questionnaire had a total of 15 items. The questionnaire also sought both the demographic and psychographic information of the respondents. The demographic information were contained in part 'A' while the psychographic information were contained in part 'B'. The response format for the questionnaire was a combination of multiple option and four-point likert scale. Data for the study were collected within the time frame of two weeks. To determine the validity of the instrument, the researcher gave a drafted copy to three experts along with the stud objectives and hypotheses. The experts were requested to examine the instrument based on logicity of presentation, clarity, and appropriateness. The comments of the experts were utilized to draft a final version of the instrument. Additionally, the researcher made use of test re-test approach to determine the reliability of the instrument. Therefore, twenty copies of the instrument were administered to 20 respondents in Asaba, Delta State. The respondents who took part in the pilot study were not part of the final study. After two weeks, the same respondents were contacted with the same instrument. The correlation coefficient was .83, suggesting that the instrument was reliable. Usually, a reliability figure of .70 and above is considered excellent. To analyze data for the study, the researcher made use of descriptive statistics like simple percentages, mean, and standard deviation. Also, inferential statistics such as multiple regression was used. The researcher presented the result of the analysis in tables. All the analyses were carried out with the use of Statistical Package for Social Sciences (SPSS) version 22 while hypotheses were tested at 0.05 level of significance.

## **Results**

Of the 384 copies of the questionnaire that were administered to the respondents, 366 copies were filled and returned, representing 95% return rate. The sample was 67% male and 33% female. Also, the mean age of the sample was 24. Additionally, most (67%) of the respondents had tertiary education, most (74%) were Christians. The result of the hypotheses testing is presented in accordance with the hypotheses as reflected below:

**H1:** Militant activities in the Niger Delta will significantly impact on economic activities of host communities.

This hypotheses sought to determine the specific areas that militant activities in the Niger Delta has affected the economy of host communities with specific attention to the individual earnings of the area.

**Table 1: Regression analysis of the impact of militant activities in the Niger Delta on economic activities of host communities**

Devices	Constant	$\beta$ value	R square	F. value	P. value
Threat to engagement in economic activities.	4.091	.619	.515	16.002	.001
De-motivation to engagement in economic activities.		.597			.001
Job loss.		.479			.001
Decline in income.		.364			.002
Poor wages.		.321			.001
Chasing away investors.		.991			.004

The researcher computed table one to determine the impact of militant activities on the economies of host communities. In doing this, six items were found to have highlighted the impact of militant activities on the economy of Niger Delta. Moving forward, the result showed that threat to engagement in economic activities ( $\beta=.619$ ) had the highest beta value; this means that it contributed in explaining the impact of militant activities on the economy of host communities more than all the other variables. This also means that when militant activities are heightened, host communities become fearful to engage in activities that will improve their income and take them out of poverty. Therefore, the first assumption was supported and the researcher concluded with 95% confidence that militant activities in Niger Delta negatively impact on economic activities in the region. The researcher further tested how government can intervene to make life better for people of the region.

**H2:** Government interventions will assist in improving the economy of host communities of oil facilities in Niger Delta.

In this hypothesis, the researcher made use of the postulation of obligation theory to test the specific area where host communities of oil facilities in Niger Delta feel that government should fulfill its obligation through interventions to make their lives better.

**Table 2: Regression analysis aspects where government interventions are needed to assist in improving the economy of host communities of oil facilities in Niger Delta**

Devices	Constant	$\beta$ value	R square	F. value	P. value
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Human security	4.134	.417	.516	12.011	.002
Environmental security		.491			.003
Economic security		.376			.001
Human empowerment		.371			.001
Curbing corruption in government intervention programmes		.720			.002

The researcher computed table two above to determine the areas where host communities of Niger Delta feel government of Nigeria has an obligation to assist them. Five generic areas were found to be needed for government intervention. The result showed that combating corruption in government intervention programmes had the highest beta value ( $\beta = .720$ ). The implication is that members of the host communities regard corruption as one of the serious limitations to government meeting its obligation to them. The second hypothesis was supported and the researcher concluded with 95% confidence that the federal government of Nigeria has obligation to communities in Niger Delta in areas like human security, environmental security, economic security, human empowerment, and addressing corruption.

### **Discussion of findings and conclusion**

The aim of this study was to provide empirical evidence on the impact of militancy in the Niger Delta on the economy of host communities. The study was conducted from the perspective of host communities instead of using economic formulas to predict the impact of the militancy. It was found that militancy in the Niger Delta negatively impact on economic activities in areas like: threat to engagement in economic activities; demotivation to engagement in economic activities; job loss; decline in income; poor wages; and chasing away investors. The current study has extended previous studies (Bergholt & Lujala 2012; Serneels and Verpoorten, 2013; Hegre *et al.*, 2017) on the impact of conflict on economy because the study has provided deeper understanding by showing the different ways through which conflict in general, and militancy in particular, leads to a distortion in economic advancement. Additionally, the researcher examined the obligation which the government has to the people of Niger Delta. This was done from the perspective of the host communities and it was found that the respondents were of the view that the government of Nigeria has an obligation to them in five generic areas like: human security, environmental security, economic security, human empowerment, as well as combating corruption in government interventions. This study has also shown that the obligation theory of Peter and Nockerts (2008) can be applied to examine the obligation of the government to communities that are going through militant activities. The basic contribution of this study is that it has developed new measures for evaluating the impact of militant activities on the economic life of host communities from the perspective of those

affected. Additionally, the study has developed five generic areas where government intervention is needed to ameliorate the sufferings of communities affected by militant activities. In this era of increasing insecurity in different parts of the world, understanding the impact of militant activities on economy as well as how government can intervene is an important blueprint in an effort to make things better for communities who are going through security challenges. The emphasis on economy is because income level significantly determines quality of life. Studies (Huang *et al.*, 2010; Okediji *et al.*, 2017; Schofield *et al.*, 2011; Som *et al.*, 2019) also show that income is linked to health care access and utilization. This goes to show that when communities are affected or earnings are threatened, it has a chain of impact on their existence. The researcher recommends that further studies should be conducted to examine the solutions to the problem in Niger Delta and considering its impact on economic activities. Additionally, it is recommended that the federal government should pay attention to the issue of corruption regarding intervention efforts as this may be responsible for the poor performance of government efforts to make life better for people of the region.

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