Oil subsidy removal and conflict in the Niger Delta: A tinderbox for the resurgence of militancy

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Abstract
Historically it has been established that the Niger Delta region of Nigeria, has been exploited and marginalized despite being home to the nation's oil rich reserves. This has made the region in the past to be the hotbed of conflict in the country, for many years. The policy of subsidy removal exacerbated a profound challenge in the region. While proponents argue for economic efficiency and resource allocation, critics fear that the resulting price increases will exacerbate existing socio-economic grievances, potentially triggering a resurgence of militancy. This paper examined the oil-related conflicts in the Niger Delta, analyzed the potential impact of subsidy removal on the region's residents, and argues that without comprehensive mitigation strategies, this policy could potentially reignite the long-simmering tensions and fuel a new wave of militancy. The study utilized a mixed-method approach to analyze the work. The study assessed the perception the people developed towards the policy and analyzed the impact of the removal on the people in the Niger Delta and its potential for resurging conflict in the area. Primary data was gathered through surveys and Key Informant Interviews, while the secondary data was gathered from various publications, media reports, scholarly articles and government reports. The findings provide valuable insight into the intricate relationship between the removal of the oil subsidy and conflict dynamics in the Niger Delta region and proffered evidence-based solution that will mitigate conflict and bring about sustainable peace and development in the region.
Keywords: *Oil Subsidy Removal, Conflict, Niger Delta, Tinderbox, Resurgence, Militancy*

Introduction

The Niger Delta, a region rich in oil but fraught with poverty and environmental degradation, has long been a volatile space susceptible to conflict. Understanding the intricate interplay of socio-economic factors and historical grievances is crucial to mitigating future instability. Recent decisions, particularly the removal of fuel subsidies, have ignited fresh anxieties and threaten to reignite militancy in the region. For decades, the Niger Delta has been characterized by a paradox: immense oil wealth flowing from its soil benefiting the nation while its inhabitants languish in poverty, lack access to basic amenities, and suffer the consequences of environmental pollution (Watts, 2004). This perceived injustice, coupled with a history of marginalization and political disenfranchisement, has fueled resentment and provided fertile ground for the emergence of militant groups. These groups, such as the Movement for the Emancipation of the Niger Delta (MEND), have employed tactics ranging from sabotage of oil infrastructure to kidnapping of oil workers to draw attention to their plight and demand a fairer share of the nation's oil wealth (Obi, 2009).

The removal of fuel subsidies, often touted as a necessary economic reform to free up resources for development, has the potential to exacerbate these existing tensions. While proponents argue that subsidies disproportionately benefit the wealthy and create opportunities for corruption (Iwayemi, 2016), their removal invariably leads to increased fuel prices, impacting the cost of living for the poorest segments of the population. In the Niger Delta, where poverty rates are already high and livelihoods depend on activities like fishing and farming which are directly impacted by fuel costs, this increase can be devastating. As Watts (2004) argues, the state's failure to address the basic needs of the Delta's population breeds resentment and makes them susceptible to radicalization. Furthermore, the history of unfulfilled promises and perceived government neglect in the Niger Delta casts a shadow over the implementation of any compensatory measures intended to mitigate the impact of subsidy removal. Distrust in the government's ability to effectively channel resources towards the region, coupled with a lack of transparency and accountability in past initiatives, breeds skepticism about the efficacy of new programs (Frynas, 2000). This lack of trust, combined with the immediate economic hardship caused by fuel price increases, can easily be exploited by militant groups seeking to capitalize on popular discontent and re-assert their relevance. The narrative of exploitation and marginalization becomes further amplified, making the prospect of renewed armed conflict a very real possibility.

The removal of oil subsidies in Nigeria, while potentially sound from an economic perspective, carries significant risks in the context of the Niger Delta. The region's history of marginalization, environmental degradation, and the state's failure to address the basic needs of its population have created a volatile environment. Subsidy removal, with its immediate impact on the cost of living, acts as a potent catalyst, potentially reigniting long-simmering grievances and providing fertile ground for the resurgence of militancy. A comprehensive strategy that addresses the root causes of conflict in the Niger Delta, ensures transparency and accountability in resource management, and prioritizes the well-being of the affected communities is crucial to preventing this tinderbox from igniting and plunging the region back into a state of armed conflict. Unless the government proactively and

effectively tackles these underlying issues, the removal of fuel subsidies may prove to be a costly mistake, triggering another cycle of violence and instability in the Niger Delta.

An overview of conflict in the Niger Delta

The Niger Delta, located in Nigeria, is a region rich in oil and natural gas resources. However, this wealth has come at a great cost to the local communities, who have faced environmental degradation, human rights abuses, and conflict over the control and benefits of these resources. One of the main sources of conflict in the Niger Delta is the struggle over the distribution of oil revenues. The region is home to a number of ethnic groups, including the Ijaw, Ogoni, and Urhobo, who have long felt that they have not received a fair share of the wealth generated by their natural resources. This has led to demands for greater autonomy and control over oil revenues, as well as protests and violence against the Nigerian government and multinational oil companies. Another source of conflict in the Niger Delta is the environmental damage caused by oil extraction and spills. The region has been plagued by frequent oil spills, many of which are caused by aging infrastructure and poor maintenance. These spills have had devastating impacts on the local environment, including the destruction of mangroves, fisheries, and farmland. They have also had serious consequences for the health and livelihoods of local communities.

The Nigerian government and multinational oil companies have been accused of neglecting the needs and rights of local communities and exacerbating the conflict in the Niger Delta. Many communities feel that they have not been adequately compensated for the damage caused by oil extraction, and that their concerns and grievances have been ignored. This has led to a cycle of violence and repression, as the government and oil companies have used military force to suppress protests and protect their interests. There have been some efforts to address the conflict in the Niger Delta, including the establishment of the Niger Delta Development Commission (NDDC) and the implementation of the United Nations Environment Programme's (UNEP) Environmental Assessment of Ogoni land. However, these efforts have been hampered by corruption, mismanagement, and a lack of political will.

In recent years, there has been a decrease in violence and conflict in the Niger Delta, due in part to the efforts of the Nigerian government and the military to restore order and address the root causes of the conflict. However, the region remains volatile and vulnerable to instability, and the underlying issues of resource control, environmental degradation, and human rights abuses have not been fully resolved.

The implications of the removal of oil subsidy in the Niger Delta

The removal of oil subsidies in the Niger Delta region of Nigeria has been a contentious issue with significant implications. Here are some key points to consider:

1. Increased cost of living: The removal of oil subsidies has led to an increase in the price of petroleum products, which has a ripple effect on the cost of goods and services. This has resulted in a higher cost of living for people in the Niger Delta, who are already grappling with poverty and underdevelopment. (Osei-Assibey & Baffoe-Bonnie, 2017).
2. Economic hardship: The sudden increase in the price of petroleum products has put a strain on the finances of many Niger Delta residents, who rely on motorbikes and generators for transportation and power. This has led to economic hardship and reduced purchasing power. (Egbewole & Adenikinju, 2017).
3. Protest and unrest: The removal of oil subsidies has sparked protests and unrest in the Niger Delta region, with residents expressing their dissatisfaction with the government's decision. This has led to the destruction of property and disruption of economic activities, further exacerbating the economic hardship in the region. (Ikelegbe, 2013).
4. Environmental impact: The increased cost of petroleum products has led to an increase in illegal refining activities in the Niger Delta, as residents seek to produce fuel at a cheaper cost. This has resulted in environmental degradation and health hazards in the region. (Ugor, 2013).
5. Dependence on oil: The removal of oil subsidies has highlighted Nigeria's dependence on oil as a major source of revenue. This has led to calls for diversification of the economy and investment in other sectors, such as agriculture and manufacturing. (Folarin, 2016).

Oil subsidy removal as a catalyst for the resurgence of Militancy

The Niger Delta, a region perpetually teetering on the precipice of instability, has long been a crucible of socio-economic grievances and political discontent. While the underlying causes of militancy in the region are multifaceted, the removal of oil subsidies in Nigeria has often acted as a catalyst, exacerbating existing tensions and fueling a resurgence of armed conflict. This paper argues that oil subsidy removal, while intended to improve economic efficiency, will inadvertently trigger renewed militancy by worsening socio-economic conditions, intensifying feelings of marginalization, and providing convenient justification for armed groups to capitalize on public anger.

One of the primary ways subsidy removal fuels unrests is through its immediate impact on the cost of living. The sudden increase in fuel prices disproportionately affects the poor and marginalized populations in the

Niger Delta, who rely heavily on petroleum products for transportation, electricity generation, and small-scale businesses. As Ake (1996) notes, poverty exacerbates social tensions and creates fertile ground for dissent. When the meager incomes of already impoverished populations are further eroded by rising fuel costs, resentment towards the government intensifies. This resentment can be easily manipulated by militant groups, who can leverage public discontent to recruit new members and justify their actions as a fight against economic injustice. As Okonta & Douglas (2001) explain, the pervasive poverty and environmental degradation in the Niger Delta have already created a deep sense of injustice and marginalization which subsidy removal can amplify.

Furthermore, the removal of oil subsidies often intensifies feelings of marginalization and neglect in the Niger Delta. The region, despite being the source of Nigeria's vast oil wealth, remains plagued by poverty, environmental degradation, and inadequate infrastructure. Many Niger Deltans perceive the removal of subsidies as yet another example of the federal government benefiting from their resources while failing to invest in their well-being. Osaghae (1998), argues that the persistent marginalization of ethnic minorities in Nigeria significantly contributes to political instability. When the government reduces expenditure on welfare mechanisms, such as subsidized fuel, it reinforces the perception that the Niger Delta is being deliberately deprived of its rightful share of the national wealth. This fuels a sense of grievance and creates a breeding ground for militant groups to exploit the narrative of systemic oppression and injustice.

Finally, oil subsidy removal provides a convenient justification for militant groups to launch attacks on oil installations and disrupt production. These groups often frame their actions as a defense of the poor and marginalized against the perceived exploitation by the government and multinational oil companies. Watts (2008) highlights how oil companies become easy targets when the government is viewed as failing to protect the interests of local communities. By targeting oil infrastructure, militants can disrupt the flow of oil revenue, further destabilize the economy, and exert pressure on the government to address their demands, which often include the reinstatement of subsidies, increased resource control, and improved infrastructure development. The attacks themselves create instability and insecurity, perpetuating a cycle of violence and resentment. However, it is crucial to acknowledge that subsidy removal is not the sole driver of militancy. Historical grievances, ethnic tensions, environmental degradation, and political exclusion all play significant roles. Nevertheless, as evidenced by events following previous subsidy removals, this specific policy decision can act as a trigger, amplifying existing tensions and providing fertile ground for militant groups to capitalize on public anger.

However, while the economic rationale behind oil subsidy removal may be sound, its potential socio-political consequences, particularly in the volatile Niger Delta, cannot be ignored. Without addressing the underlying issues of poverty, marginalization, and environmental degradation, the removal of oil subsidies risks fueling a resurgence of militancy in the region. A more holistic approach is required, one that prioritizes investments in infrastructure, education, and environmental remediation, alongside robust dialogue with stakeholders in the Niger Delta. Only then can Nigeria hope to break the cycle of violence and create a sustainable peace in this vital region. Failure to do so risks turning the removal of oil subsidies from a potential economic benefit into fuel for a renewed wave of unrest.

Mitigating the risk: A path forward

The removal of oil subsidies in Nigeria, while potentially beneficial for the nation's economy in the long run, presents a significant risk of reigniting militancy in the Niger Delta region. For years, the perceived inequitable distribution of oil wealth and environmental degradation have fostered resentment and fueled armed groups. Eliminating subsidies, and thus potentially increasing the cost of living, exacerbates existing grievances and could serve as the spark for renewed conflict. However, a proactive and multi-pronged approach can effectively mitigate this risk and pave the way for lasting peace and stability.

Firstly, transparent and accountable management of the freed-up funds is paramount. The government must visibly demonstrate that the savings from subsidy removal are being reinvested in projects that directly benefit the Niger Delta communities. This includes infrastructure development, healthcare improvements, education initiatives, and environmental remediation projects. Crucially, these projects need to be conceived and implemented in consultation with local populations, ensuring their relevance and ownership. Independent oversight and auditing mechanisms are essential to prevent corruption and ensure that funds reach their intended beneficiaries.

Secondly, economic empowerment is crucial in providing alternatives to militancy. The government should prioritize the development of diverse economic opportunities in the region, moving beyond reliance on the oil industry. This could involve supporting small and medium-sized enterprises, promoting agriculture and fisheries, and investing in skills training programs relevant to emerging industries. Initiatives should also be implemented to attract foreign investment and create sustainable employment opportunities for youth in the region.

Thirdly, dialogue and inclusive governance are essential for building trust and addressing grievances. The government must actively engage with community leaders, civil society organizations, and former militants in open and honest dialogue. This dialogue should focus on addressing the underlying causes of conflict,

resolving disputes over land and resources, and ensuring that the voices of the marginalized are heard. A commitment to inclusive governance, where all communities have a stake in the decision-making process, is crucial for fostering a sense of ownership and belonging.

Finally, strengthening security and promoting peaceful conflict resolution mechanisms is vital. While addressing the root causes of conflict is paramount, maintaining a robust security presence is also necessary to deter potential violence. However, this should be done with respect for human rights and in close coordination with local communities. Investment in community policing initiatives and the promotion of peaceful conflict resolution mechanisms, such as mediation and arbitration, are essential for preventing escalation and building a culture of peace.

In conclusion, preventing the resurgence of militancy in the Niger Delta after the removal of oil subsidies requires a holistic and sustained commitment to addressing the region's underlying challenges. By prioritizing transparent resource management, fostering economic empowerment, promoting inclusive governance, and strengthening security through peaceful means, Nigeria can navigate the troubled waters ahead and secure a more prosperous and peaceful future for the Niger Delta. The success of this endeavor ultimately hinges on the government's ability to build trust, address grievances, and demonstrate a genuine commitment to the well-being of the region's people.

Conclusion

The removal of fuel subsidies in Nigeria presents a complex and sensitive challenge, particularly in the Niger Delta. While the policy may be justified on economic grounds, its potential to exacerbate existing socio-economic grievances and fuel a resurgence of militancy cannot be ignored. By understanding the historical context of conflict in the region, analyzing the potential impact of subsidy removal on its residents, and implementing comprehensive mitigation strategies, the Nigerian government can avert a crisis and foster lasting peace and stability in the Niger Delta. Failure to do so could transform the region into a tinderbox, with potentially devastating consequences for the nation's security and economy. The key lies in genuine commitment to addressing the root causes of conflict, promoting inclusive development, and ensuring that the benefits of oil wealth are shared equitably with the people of the Niger Delta.

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