

## Crisis and Reform in the Nigerian Oil Industry, 1999-2015

SOJI OYERANMI

Olabisi Onabanjo University, Ago Iwoye, Nigeria.

**Abstract.** Despite the wealth flowing into the country from oil revenues many of Nigeria's socio-economic factors were worse between 1999 and 2015 than they were several decades before the era. According to the World Bank, most of Nigeria's oil wealth gets siphoned off by 1% of the population. Corruption in the government is rampant, in fact since 1960 it is estimated that 300 to 400 billion dollars has been stolen by corrupt government officials. As the government officials in connivance with the Multinational Oil Corporations siphon off much the money generated from oil sales the economy suffers and the people bear untold hardship. It is as a result of the above mentioned catastrophic consequences that this paper concludes that rather than being a blessing to Nigerians, Oil has become a curse because the oil sector of the country "is killing the economy" almost the same way it is impoverishing the people. But all hope is not lost if the stakeholders could come up with serious agenda towards reforming the sector. As a modest contribution to efforts at transforming the sector, with a focus on between 1999 and 2015, this paper critically analyses issues that are generating crises and offer some pragmatic ways to reform the Nigerian oil sector to serve greater interest of the economy and the people.

**Keywords:** Oil, Nigeria, Corruption, Economy, Hardship, Stakeholders, Reform, People

### 1. Introduction

Nigerian economic history since independence in 1960 has been dominated by ebbs and flows of crisis and lackluster recovery (Luqman and Lawal, 2011). In spite of the abundant human capital, mega oil economy and the all persuasive reforms: Nigeria remains one of the most fragile countries in the

world. Several international reports confirmed this. For instances the 2005 US intelligence report predicted the possible disintegration of the country before 2020 (Oyeranmi, 2013:168). 2006 World Bank Report also branded the country as one of the world's 25 most fragile states due to: high infant and maternal rates; low life expectancy, mass extreme poverty; and ferocious intra and inter group conflicts. Global Economic competitiveness report 2006-2007 equally had it that Nigeria fell 18 places (83<sup>rd</sup> to 103<sup>rd</sup> position) pushing "deepening corruption and widening insecurity as the greatest bane." David Cameron, former British Prime Minister in 2016 described Nigeria as "fantastically corrupt" and was reported to have re-affirmed this in 2017 when he submitted that: "if the amount of money stolen from Nigeria in the last 30 years was stolen from the UK, the UK would cease to exist." While corroborating the corrosive nature of corruption in Nigeria, Chatham House in a report estimated that about \$582 billion has been stolen from Nigerian treasury by public officials since independence, 1960. Specifically, the report revealed that close to \$400 billion public money was stolen from Nigeria from 1960 to 1999, adding that between 2005 and 2014 some \$182 billion was lost through illicit financial flows from the country.

With this calamitous corruption, it is not surprising that internally people are groaning under a seemingly unending hard economic burden. Hence, their hope in the State is fast disappearing as they are equally losing sleep over the future of the beleaguered country. The ugly situation was captured vividly by Saka Luqman, and Fatima Lawal in 2011 when they submitted that:

Though blessed with large reserve of oil and gas and other precious minerals, Nigeria's resources endowment has been more of a curse than blessing to

the course of the nation's development. Like most resource dependent developing economies Nigeria economy exhibit most of the pathologies associated with the 'Dutch disease' syndrome while a rentier mentality pervades the process of national wealth management. Though numerous reforms have been embarked upon, faulty conception and poor implementation has work to diminish their intended positive impacts.

This paper takes a cursory look at the series of crises facing the oil industry such as: global economic recession, militancy, environmental issues, oil theft, corruption, pipeline vandalism, poor leadership among others ; evaluate the recent attempts at revamping the sector and suggest some ways out of the crises. The period 1999 to 2015 is chosen to provide historical background to current all pervasive developmental challenges for the citizens to show the needed understanding with the Federal Government in its efforts towards addressing the problems through the reformation of the oil industry which is the mainstay of the Nigerian economy. This is because "if men of the future are ever to break the chains of the present, they will have to understand the forces that forged them.(Moore ,1966)

## 2. An Overview of the Nigerian Oil Industry

As observed by Oyeranmi and Omotoso (2015:271), developers in the pursuit of commercially available oil struck it big in 1956. Prior to the discovery of oil, Nigeria like many other African states strongly relied on agricultural exports to other countries to supply their economy. In fact, that was what many Nigerians thought the developers were looking for at the early stages of oil exploration. But after nearly 50 years searching for oil in the state, Shell-BP discovered the oil at Oloibiri in the Niger Delta. Wishing to utilize this newfound oil opportunity, Shell-BP made sure the first oil field began production in 1958. Ever since foreign oil companies have been in charge. There are six petroleum exportation terminals in the country. Shell owns two, while Mobil, Chevron, Texaco, and Agip own one each. Shell also owns the Forcados Terminal, which is capable of storing 13 million barrels (2,100,000 m<sup>3</sup>) of crude oil in conjunction with the nearby Bonny Terminal. Mobil operates primarily out of the Qua Iboe Terminal in Akwa Ibom State, while Chevron owns the Escravos Terminal located in Delta State and has a storage capacity of 3.6 million barrels (570,000 m<sup>3</sup>). Agip operates the Brass Terminal in Brass, a town 113 km southwest of Port Harcourt and has a storage capacity of 3,558,000 barrels (565,700 m<sup>3</sup>). Texaco operates the Pennington Terminal.

Nigeria is Africa's largest oil producer and has been a member of the Organization of Petroleum Exporting Countries since 1971. The Nigerian economy is heavily dependent on the oil sector, which, accounts for over 95 percent of export earnings and about 40 percent of government revenues, according to the International Monetary Fund. According to the International Energy Agency, Nigeria produced about 2.53 million barrels per day, well below its oil production capacity of over 3 million barrels per day, in 2011 (James,2015:23). Nigeria was an important oil supplier to the United States. For the last nine years, the United States has imported between 9-11 percent of its crude oil from Nigeria; however, United States import data for the first half of 2012 show that Nigerian crude is down to a 5 percent share of total United States crude imports. According to the International Energy Agency, in 2011, approximately 33 percent of Nigeria's crude exports were sent to the United States, making Nigeria its fourth largest foreign oil supplier. Although total crude imports into the United States are falling, imports from Nigeria have declined at a steeper rate, according to the International Energy Agency. The main reasons underlying this trend are that some Gulf Coast refiners have reduced Nigerian imports in favor of domestically-produced crude, and that two refineries in the U.S. East Coast, which were significant buyers of Nigerian crude, were idled in late 2011. As a result, Nigerian crude as a share of total United States imports has fallen to 5 percent in the first half of 2012, down from 10 and 11 percent in the first half of 2011 and 2010, respectively, according to the International Energy Agency. According to the CIA World Factbook, Nigeria's main export partners are the United States, India, Brazil, Spain, France and the Netherlands. A 1997 report showed that Shell has been working in Nigeria since 1936, and currently dominates gas production in the country, as the Niger Delta, which contains most of Nigeria's gas resources, also houses most of Shell's hydrocarbon assets.

The report quoting the Ministry of Petroleum Resources further indicated that Nigeria has a total of 159 oil fields and 1481 wells in operations. The most productive region of the nation is the coastal Niger Delta Basin in the Niger Delta or "South-south" region which encompasses 78 of the 159 oil fields. Most of Nigeria's oil fields are small and scattered, and as of 1990, these small unproductive fields accounted for 62.1% of all Nigerian production. As of 2000, oil and gas exports accounted for more than 98% of export earnings and about 83% of federal government revenue, as well as generating more than 14% of its GDP. It also provides 95% of foreign

exchange earnings, and about 65% of government budgetary revenues. Nigeria is also blessed with gas. Natural gas reserves are well over 187 trillion ft<sup>3</sup> (2,800 km<sup>3</sup>), the gas reserves are three times as substantial as the crude oil reserves. The biggest natural gas initiative is the Nigerian Liquefied Natural Gas Company, which is operated jointly by several companies and the state. It began exploration and production in 1999. Chevron is also attempting to create the Escravos Gas Utilization project which will be capable of producing 160 million standard ft<sup>3</sup> of gas per day (Oyeranmi, 2011:46-57).

Beyond all the aforementioned positive impact, Oil and gas industry also had many negative effects which are often irreversible for host communities. This shall be explained one after the other.

### 3. Environmental Issues

Most of the environmental crises generated by Oil industry in Nigeria originated from the heinous operations of the Multinational Oil Corporations and had become more corrosive due to the surge in globalisation. To many, globalisation has been producing inequality and deterioration in living standards particularly in sub-Saharan Africa without the improvement in efficiency which was predicted. But according to its proponents, globalisation has aided the integration of national economies into the international economy through trade, foreign direct investment etc. But as opined by Paul Harrison (2003: 441) this did not happen without enormous costs; especially environmental cost. It has placed uncontrollable pressures on the global environment by straining its capacity to sustain itself, majorly due to the activities of the MNOCs.

Multinational Corporations (MNCs), Transnational Companies (TNCs) or International Corporations (INCs) control the largest share of Third World economies, with a huge capital base and a body of international networks (Marchand, 2002:18). These companies hold themselves accountable to no one but their shareholders, and largely dominate many areas like oil exploration and production, extracting, mining, production and merchandise sectors of their host economies. Nevertheless, they are subject to no control or regulation, and their negative impact have more devastating effects on both the lives of peoples and environment, due to their orientation towards profit making and internationalism— which is often an effective guarantee of their immunity against punishment for crimes including the destruction of their host communities' environment. The Multinational Corporations have activities in areas

like gold mining, petrol, chemicals and food industry which have potentially large impact on the environment in developing countries like Algeria, Angola, Congo, Libya, Malaysia, Indonesia and Nigeria.

The ugly environmental impact of oil industry was eloquently enunciated by the Greenpeace International in one of its reports that:

*We witnessed the slow poisoning of the waters of this country and the destruction of vegetation and agricultural land by oil spills which occur during petroleum operations. But since the inception of the oil industry in Nigeria, more than twenty-five years ago, there has been no concerned and effective effort on the part of the government, let alone the oil operators, to control environmental problems associated with the industry.*

Some of the problems include: Oil spills and water contamination which are a common occurrence; it has been estimated that between 9 million to 13 million barrels have been spilled since oil drilling started in 1958. Natural gas flaring is also posing a great danger to the people. Nigeria flares more natural gas associated with oil extraction than any other country, with estimates suggesting that of the 3.5 billion cubic feet (99,000,000 m<sup>3</sup>) of associated gas (AG) produced annually, 2.5 billion cubic feet (71,000,000 m<sup>3</sup>), or about 70% is wasted via flaring. Statistical data associated with gas flaring is notoriously unreliable, but AG wasted during flaring is estimated to cost Nigeria US \$2.5 billion on a yearly basis.

Another problem facing the people of the Niger delta is the illicit use of land by oil companies. In the community of Umuebulu, Rivers State, hardly 50 meters away from its perimeter, there is an unlimited chemical waste out belonging to shell. The company reportedly acquired this land under the pretense of building a "life camp" – Shell's lingo for an employee housing complex.<sup>19</sup>The construction of infrastructure for oil facilities is done with little or no regard for environmental consideration. To facilitate road construction, waterways are frequently diverted to the detriment of fish population. Sudden and drastic changes to the local environment by oil companies are sometimes accompanied by direct loss of human life. For example, the Egi community has reportedly lost five children in the last few years who during the rainy season drowned in "burrow pits" dug by Elf to extract sand and gravel for road construction.

The Niger Delta region could experience a loss of 40 percent of its inhabitable terrain in the next thirty

years as a result of extensive dam construction in the region. The carelessness of the oil industry has also precipitated this situation, which is best encapsulated in a report by the Greenpeace International, already quoted above.

Multinational Oil Corporations are the most culpable of fostering these negative impacts on their host communities. According to Human Rights and Environmental Activist, Oronto Douglas (2004), “the multinational companies are assassins in foreign lands”. Their mission is to maximize profit, suck and rape their host natural resources with little or no regard for the environment. Aside the relative economic prosperity that goes along with transnational trade, the cost benefit- in terms of the heavy environmental degradation, coupled with dwindling of natural resources (especially on the part of developing countries like Nigeria) is alarming! The most enduring impact of the environmental degradation is the twin evils of grave poverty and chronic underdevelopment. The people of the delta states live in extreme poverty even in the face of great material wealth found in the waters by their homes. According to a 2006 by Amnesty International 70% of the six million people in the Niger River Delta live off of less than 1\$ US per day. It is therefore not surprising that the Niger Delta people often result to violence in reaction to the brazen rape of their land and resource by both Nigerian Governments and the MNOCs.

#### 4. Militancy

Nigerians on many occasions have engaged in protests against oil-related corruption and environmental concerns, but are frequently met with harsh suppression by government forces. One example of this occurred in February 2005. There was a protest at Chevrons Escravos oil terminal in which soldiers opened fire on the protestors. One man was killed and 30 others were injured. The soldiers claim that the protestors were armed, a claim the protestors deny. Another, more extreme example happened in 1994. The Nigerian military moved into a region called Ogoniland in force. They razed 30 villages, arrested hundreds of protestors, and killed an estimated 2,000 people. One of the protestors they arrested was Ken Saro Wiwa, a Nigerian TV producer, writer and social activist. Ken wrote and spoke out about the rampant corruption in the Nigerian government and condemned Shell and British Petroleum. In 1990, he founded the Movement for the Survival of the Ogoni People (MOSOP). He was later arrested by the Nigerian Government and imprisoned for 17 months. Then in a

kangaroo trial, Ken and eight others were condemned to death and were consequently hanged in 1995 (Aghalino, 2006).

As the government officials siphon off most of the money generated from oil sales, the infrastructure suffers. Most of the villages do not have electricity or even running water. They do not have access to good schools and medical clinics. For many, even clean drinking water is difficult to come by. The deterioration of the infrastructure (due mainly to the extreme corruption within the government circles) in the Niger Delta states is so severe in both rural and urban areas. One example of this is the airport at Port Harcourt. Part of a fence was not properly maintained and an Air France flight recently hit a herd of cattle on the runway. The airport has to be closed for a very long time.

A number of reasons have been adduced for the rise of militancy in Niger Delta. For a long time, the communities of the Niger Delta have had serious grievances that have not been well addressed. Foremost, although the bulk of crude oil, the country’s main source of revenue, is derived from their lands, they belonged to the ranks of the most backward, undeveloped, and politically marginalized groups in the country. This has been attributed to the fact that they are minorities. They accused the major ethnic groups of using oil wealth to develop their areas at the expense of the areas from which oil is derived. Another is that several years of oil exploration and the hazards of spillage and gas flaring which accompany it have degraded their environments, and left their communities desolate. Not only have farming and fishing, the main occupations of the mostly riverine minorities been decimated, but their territories have continuously lacked basic infrastructure and amenities. These grievances have been directed against both the state and the oil companies, which have been accused of contributing too little in return for the huge profit they get from oil exploration and exploitation. Though, this exploitation had a long history it became exceedingly manifested during the petro-military alliance (1970-1998) when Nigerian sovereignty was conveniently shared between the military central state, its branches in the state governments and the multinational oil corporations.

Closely related to the above is the all-pervasive poverty amidst immeasurable opulence in the region. In the opinion of D. Dafinone, so much wealth is derived from the bowel of the region, yet the scourge of poverty is grim with people lacking basic human needs and the environment willfully and constantly

degraded by oil companies.<sup>32</sup> When the World Bank carried out a comprehensive study of the region in 1995, it arrived at the following conclusions:

The Niger Delta is the least developed area of Nigeria. Per capita income was less than \$280 per annum, with a high rising population. Indices of development such as education, health, sanitation, job creation, water and other physical infrastructures, were far below acceptable standards. Environmental resources were gradually being degraded, and there was an extremely poor human capacity and basic skills.

From the above analysis, the creation and spread of many ethnic militant groups in the Niger Delta and the eventual escalation of the crisis from 1999 seemed a natural outcome of several decades of absolute injustice meted out to the oil communities which has been exacerbated during the current so-called democratic experiment. To my mind there are four direct dimensions to growth of these dreadful outfits. On the first note, many marginalized peoples of the Niger Delta, especially young men, saw militancy or business of war as an alternative way of making a living in an environment where other roads to a decent and respected life are blocked or simply non-existent. Second, these groups enjoyed unbelievable fraternity and patronage from high places which were twofold: on one hand as demonstrated by Kemedi (2002), there was a very close link between the security needs of oil companies and the formation of militant youth groups in some important oil-producing areas. Indeed, some oil companies not only sought protection from these militants but also reinforced their financial base and as a consequence made them buoyant enough to purchase more fire arms. On the other hand, many of these were direct offshoots of a power game which characterized Nigerian democracy from 1999 till date. As a matter of fact, in Bayelsa, Delta, and Rivers States, the root of militancy which later engulfed the Niger Delta and Nigeria was the political patronage enjoyed by these militias who were most times rewarded by juicy oil bunkering routes by the political patrons (in connivance with the oil companies) within their states (Eberlein, 2006,44:4). The third point is that, average Deltans saw the activities of the militants as liberation struggle against the age long criminal domination and reckless economic exploitation of the areas by both the Nigerian governments and the MNOCs. Hence, they gave tacit approval and sometimes open support to their activities.

Lastly, the high handedness of the government of Obasanjo also contributed to the escalation of the

crisis and the seeming popularity of the militants. For examples, at around 2 p.m. in the afternoon of Saturday November 20, 1999, barely six months after inauguration, President Obasanjo was to fire his first salvo of what was to come in his government by approving the invasion of Odi (a small community of less than 15,000 people in Bayelsa state) by military forces. The troops demolished every single building and hundreds of unarmed civilians were killed. Press reports stated that 2,000 soldiers were deployed from the Second Amphibious Brigade. They were transported in more than twenty vehicles, including several armored personnel carriers (APCs) mounted with machine guns, three 81 mm mortars and two 105 mm howitzers were used to shell the town. By the time the soldiers left on December 1, every single building in the town except a bank, the Anglican Church and the health centre had been destroyed, with only walls left standing at best and all items of value looted (Douglas, 2004:40).

Also, just a few weeks before the crisis in Odi, the community of Choba, Rivers State, faced its own confrontation with soldiers. Choba is an Ikwerre community which is the site of the federal University of Port Harcourt. On October 28, 1999, a number of soldiers and mobile police came to Choba and dispersed demonstrators at the Willbros Nigeria Limited gates. Several people were killed, many injured and at least sixty-seven women were raped. Again, in March and April 2000, repressive force was used in Ogoniland, River State, home of the Movement for the Survival of the Ogoni People (MOSOP) of which Ken Saro-Wiwa was leader before his 1995 execution. Paramilitary Mobile Police were deployed following disturbances in objection to development projects to be funded by Shell, killed at least one civilian, razed down a number of buildings, and arrested several Ogoni activists, including Ledum Mitee, a MOSOP leader. A later example of government's heavy handed approach came on 19th February, 2005, when troops attacked the town of Odioma, in Bayelsa State. The military said it had come under fire from militants in the village. As recorded by Aghalino 2008:129), at least seventeen people were killed, including a two year old child and an elderly woman, both burnt to death.

It was in the Ijo town of Oloibiri in the minority-populated Rivers State that oil was first discovered in commercial quantities in Nigeria in the 1956. Since then, according to *Tell Magazine* of June 9 (2008: 22-29), the Niger Delta has produced more than 85% of commercial oil production in the federation. Oil revenues currently provides for 80% of government

revenues, 95% of export receipts, and 90% of foreign exchange earnings. Unfortunately, ethnic minority communities of the Niger Delta have been at the receiving end of the country's inequitable distributive politics and revenue sharing policies and have been in the forefront of the political agitation for the promotion and protection of the economic and ecological rights of the oil producing areas. More mysteriously, the discovery of oil in Nigeria, (with an annual oil revenues put at \$40 billion currently), has ushered in a miserable, undisciplined, decrepit, and corrupt form of 'petro-capitalism'. After a half century of oil production from which almost \$300 billion in oil revenues have flowed directly into the Federal exchequer (and perhaps fifty billion promptly flowed out only to 'disappear' overseas) and for the majority of Nigerians, living standards are no better now than at independence in 1960. And most pathetically, oil-producing states in the federation have benefited the least from oil-wealth and yet they bore the ecological costs of oil spillage and the highest gas flaring rates in the world. Therefore, a generation of movements of militant 'restive' youth with deep frustrations among oil producing communities seemed to be a natural sequence with the attendant consequences. Indeed, since the return of the so-called democracy on May 29, 1999, there has been mounting communal violence accounting for thousands of deaths; leveling of several communities in and around the oil producing areas and general sense of insecurity in the areas. This prompted all the major oil companies to withdraw staff, to close down operations and reduce output by over 750,000 barrels per day (almost half of national output) (*The News Magazine*, June 1, 2008, 20-27).

In response, President Obasanjo dispatched large number of troop to the oil-producing creeks leading to indiscriminate military actions. In reaction, the militants have repeatedly invaded and blockaded oil installations in the areas and threaten on many occasions to destabilize the entire country. Apart from the strikes on the offshore oil platforms, a new dangerous twist which has become a major feature of recent agitation in the Niger Delta area is the kidnapping of expatriate oil company workers and the demand for ransom. Obviously, oil is to Nigeria what blood is to Nigerians and as it is now, the country's economy depends solely on it and any attack on oil meant a direct attack on the soul of Nigerian government at all levels. This explains why the Nigerian economy naturally became the real victim of the crisis. As a direct consequence of the crisis, through the massive damage of pipelines, demolition of oil installations, direct attacks on oil staff in the Delta; the Nigerian economy was

practically brought to its knees. In fact, the losses cannot be adequately quantified for both the oil companies and the Nigerian governments. On the part of the MNOCs Shell appeared to be the worst hit. According to a source close to the company, apart from the inability to fulfill many contracts since the escalation of the crisis, the massive destruction of its facilities has forced SPDC to cut production by almost half of its normal production capacity (Amnesty International, 2005). As a result of dwindling economic fortunes, Shell also drastically down sized its work force as many workers and contractors were owed backlog of salaries. The cost of doing business also increased astronomically. For example, most of deep sea oil well operators, for fear of kidnappers, now housed their expatriate workers in Lagos. The Tell magazine in its June 1, 2008 coverage of the Niger Delta tragedy reported that, the workers were usually flown to the air strip base in Port Harcourt, from where they are flown by helicopters to the oil rigs.

The economic losses recorded by Nigeria were almost inestimable. With the forceful cut of MNOCs production, the country faced economic woes in multi-dimensional ways. For example: the Nation Newspaper of 2<sup>nd</sup> October 2010, claimed that Nigeria was said to have lost 477,000 barrels per day and about 14 billion dollars in taxes and royalty due to the violence in the region. The NNPC also submitted that the moribund state of the three refineries in Warri, Kaduna, and Port Harcourt should be seen as an extension of the Niger Delta crisis. The power sector was equally affected. According to reports, the vandalizing of Shell gas supply installations in Utorogu/Ughelli in 2007 resulted in the shutting down of the biggest thermal station in Nigeria at Egbin leading to the loss of about 800 megawatts of electricity. However, Angola's overtaking of Nigeria as the number one oil producer seemed to be the height of the economic dimension of the crisis. Official reports showed that Angola produced 50,000 barrels per day more than Nigeria and worse still, the country has not been able to meet its OPEC quota (Oyerami, 2013:167-170).

There are Seven oil producing States (Akwa Ibom, Bayelsa, Cross-River, Delta, Edo, Ondo and Rivers) but the activities of the MNOCs are more pronounced in three States-Bayelsa, Delta and Rivers because most oil wells are located there. So, they experience more oil drilling with dire consequences on the people and the environment. Hence, the States also became the most dangerous dens of the dare devil militant groups such as the Movement for the Emancipation of Niger Delta (MEND) led by Henry

Orkah; Asari Dokubo's Niger Delta Volunteer Force (NDVF); the Joint Revolutionary Council (JRC); Movement for the Survival of the Ijaw Ethnic Nationality (MOSEIN) and many more. Although, the Amnesty programmes initiated by late Yardua's government in August, 2009 yielded positive results; but the bomb blast during the 50<sup>th</sup> independence celebration on October 1<sup>st</sup> 2010 (where scores of precious lives were lost), which MEND claimed responsibility clearly demonstrated how deadly militancy could be.<sup>49</sup> Industrial output fell by 3.5%, attributable mainly to the 5.9% drop in crude oil production occasioned by the Niger Delta crisis. By year-end 2007, the crude oil production shut-in stood at 0.9 million barrels a day. Official confirmation from the Nigerian National Petroleum Company (NNPC) showed that the country lost N16.9 billion to petroleum pipeline vandalism. The downstream sector of the petroleum industry remained comatose and the country relied on imported refined petroleum products for domestic and industrial operations. Official confirmation indicated that Nigeria consumed about 14.13 billion litres of refined petroleum products or 38.7 million litres per day during 2007, with premium motor spirit accounting for 9.81 billion litres.

### **5. The Global Financial Crisis and Oil Industry in Nigeria**

As reflected in the opinions of Olu Ajakaiye and Tayo Fakiyesi, the adverse impact of the global financial crisis was (and still) more evident and direct on international prices of oil. This became obvious with the unprecedented decline of oil prices from record highs of about US\$147/barrel in July 2008 to about \$50/barrel in January 2009. The figures on the daily basket price hovered between \$38 and \$44 in the third week of February and the first week of March 2009. As mentioned by Yussuf (2015), the global economic crisis resulted in about a 71% decline in basket price of crude oil prices. Expectedly, Nigerian policymakers adjusted the benchmark price on which the 2009 budget was based. During this period, demand for crude oil in the US and Europe dropped as a result of the positive outcome of their highly intensified search for alternative and cheaper sources of energy with the serious consequence of crash in oil prices. The drop in the price of crude oil affected federal and state governments' spending due to the obvious reason that Nigeria's economy is based on only one commodity, crude oil, and negative developments on the global oil market must have similar impacts on government funding. Simply put, a persistent drop in

crude oil prices means that the government will have less to spend for capital projects in the years' ahead.

According to Austin Nweze, the fall in oil prices (between 2014 and 2015) has reduced revenue receipts, forcing the government to look for money to run the economy. He stressed further that, despite becoming the largest economy in Africa, the Nigeria economy faced major headwinds last year, from the substantial decline in international oil prices in the second half of 2014 which left the country hammered by the 50 percent fall in oil prices, with crude sales accounting for more than 70 percent of government revenue. Thus the cash shortage caused by low oil prices have practically brought Nigerian economy on her knees by forcing the country to borrow heavily through the early part of 2015, with the government struggling to pay public workers at all levels. After moments of intrigues and denials, the federal government through Okonjo-Iweala, the then Minister Finance admitted that, "We have serious challenges. Things have been tough since the beginning of the year and they are likely to remain so till the end of the year." Nothing could actually depict the gloomy state of the Nigerian economy than the inability of most states of the federation to pay salaries of their workers (ranging from three or six months and one year) and even the federal government is said to have not paid April, 2015 salary. Mounting debt profile is a natural outcome of the cash crunch. As at December 31, 2014, Nigeria's debt burden was put at N11.24 trillion. According to Okonjo-Iweala the federal government had a projected borrowing allowance for 2015 of 882 billion naira (\$4.4 billion/4 billion Euros), out of which N473 billion had already been used up to meet recurrent expenditures, including public worker salaries. It is as a result of this reckless fiscal policy of the Jonathan regime, people in most sectors of the Nigerian economy have argued that the in-coming administration of Mohammadu Buhari will actually inherit empty treasury (Yussuf, 2015).

### **6. Corruption and Oil Theft**

There is equally crisis of massive corruption and oil theft. One of the greatest threats facing the people of the Niger River Delta has actually been their own government at all levels. The Nigerian government has total control over property rights and they have the authority to seize any property for use by the oil companies. Most of the dollars that comes out of the ground in the delta goes to the government of Nigeria. As a result of the enormous amounts of sweet light crude that comes out of the delta every day Nigeria has the second largest GDP in Sub-

Saharan Africa (Amnesty International,2006). AI maintained that despite the wealth flowing into the nation from oil revenues many of Nigeria's socio-economic factors are worse between 1999 and 2015 than they were previous three decades. While corroborating this ugly submission, Akinbajo (2012), in exclusive report rated as the "Nigeria's biggest oil fraudsters" , the writer that argued: "Nigeria has never seen anything like it, this story explains how unscrupulous marketers fleeced the nation of N382 billion without supplying a drop of petrol." According to the World Bank, most of Nigeria's oil wealth gets siphoned off by 1% of the population. Corruption in the government is rampant, in fact since 1960 it is estimated that 300 to 400 billion dollars has been stolen by corrupt government officials (Akinbajo,2012). The corruption is found at the highest levels as well. For example a former inspector general of the national police was accused of stealing 52 million dollars. He was sentenced to six years in prison for a lesser charge (Akinbajo,2012) . Sadly, corruption in the oil industry got to an unprecedented height during the Jonathan Presidency. The oil subsidy imbroglio and recent \$20 Billion scam will go a long way in substantiating this claim.

Under President Jonathan, Nigeria experienced what *The Premium Times* (2012) labeled as the worst subsidy scam ever perpetrated by Nigeria's biggest oil fraudsters to the tune of about\$6.8 billion. Expectedly, the oil subsidy heaped a lot of pressure on Jonathan to prosecute those implicated, many of whom were his cronies which clearly explains why he could not really go after the culprits in order to keep his power base intact. Nevertheless, a string of investigations, audits and committees were set-up to investigate the fuel subsidy scheme. These enquiries were greeted with rampant claims and counter claims. The first major report was produced by the lower house of parliament which indicted some individuals, oil firms, the Nigerian National Petroleum Corporation (NNPC), central bank and other government agencies. According to the report: "False claims were rampant. The scheme became an avenue for all forms of patronage," the fuel subsidy was a "limitless drain on the economy". We also now know that in 2006 there were just six fuel importers. By 2011 the number had inexplicably soared to 140.The subsidy regime between 2009-2011, the period the report covers, was fraught with "endemic corruption and entrenched inefficiency". This was an effort to hide a scam in which companies were paid hundreds of million of dollars to import fuel - but they never delivered a drop. Investigators looking into the subsidy found importers were being paid for 59 million litres a day, while the country only

consumes 35 million. Mismanagement and theft by fuel marketers and government officials cost \$6.8 billion over three years -- about a quarter of Nigeria's annual budget. Nigeria spent 2.587 trillion Nigerian naira (\$16.46 billion) on the fuel subsidy in 2011, 900 pct more than the 245 billion naira in the budget. The overspend is equivalent to over half of the 2011 federal budget. The state-owned oil company NNPC is accountable to no one. It owes the government 704 billion naira for various violations of the subsidy scheme and it owes a string of fuel traders, including Trafigura, \$3.5 billion -- about the amount in the Excess Crude Account, meaning that Nigeria essentially has no savings (Business Insider, 2012: 10).

Ostensibly, as a follow up to this startling revelations, some of the accused individuals, firms were being prosecuted by Economic and Financial Crime Commission (EFCC) .For instances: the EFCC has filed 11 cases before Lagos High Court and the Federal High Court in Lagos where it is prosecuting many individuals and firms before four judges. Some of those being prosecuted by the EFCC for fuel subsidy support fund scam include Mahmud Tukur, son of the former PDP Chairman, Alhaji Bamanga Tukur, who is being prosecuted for alleged N1.8billion fuel subsidy fraud. Others are Ochonogor Alex, Abdullahi Alao, son of the late prominent businessman, Alhaji Abdullazeez Arisekola -Alao, who is being prosecuted for N1.2 billion fuel subsidy. The suspects also include Oluwaseun Ogunbambo, Mamman, son of a former PDP Chairman, Dr. Ahmadu Ali, and Christian Taylor, who are facing N4.4billion fraud. Others are Chinyere Anike Nweze, Ogundipe Olaniyan, Olarenwaju Olalusi, Opeyemi Ajuyah, Samuel Owa, Oassisi Wajutom, Rowaye Jubril, Walter Wagbatsoma, Adaocha Ugo-Ndagi, Fakuade Baba Femi and Ezekiel Ejike. EFCC is prosecuting Wagbatsoma over his alleged involvement in N414million fraud. Some of the firms being prosecuted include Stone Bridge Oil Ltd, Vibrant Ventures Ltd, Majope Investment Ltd, Axenergy Ltd, Geacan Energy Limited, Petroleum Brokers Limited. Others are Eterna Oil and Gas Plc, Brila Energy Ltd and Ontario Oil and Gas (Reuters,2012).

While Nigerians are still yet to come terms with the outcome of the oil subsidy scam,another \$20 billion scandal hit the beleaguered oil industry. The events surrounding the alleged missing \$20 billion began with a letter in September 2013 by the former Governor of the Central Bank of Nigeria (now the Emir of Kano) HRH Sanusi Lamido Sanusi to the President of the Federal Republic of Nigeria,

Goodluck Jonathan stating that from January 2012 to July 2013, NNPC had lifted \$65bn worth of crude oil on behalf of the FGN but remitted only \$15.2bn into the Federation Accounts, with \$49.8bn as outstanding to the FGN. In his letter, Sanusi alleged among other things that:

“Your Excellency, you will recall that as far back as late 2010, I had verbally expressed deep concern about what appeared to be huge shortfalls in remittances to the Federation Account in spite of the strong recovery in oil price..... The central bank found that between January 2012 and July 2013 NNPC lifted 594 million barrels of crude oil valued at \$65 billion and out of that amount NNPC only repatriated \$15 billion, representing 24 percent of the value.... “This means the NNPC is yet to account for, and repatriate to the Federation Account, an amount in excess of \$49.804 billion or 76 percent of the value of oil lifted in the same period( Mead,2014).

Despite the initial denials, the Nigerian National Petroleum Corporation (NNPC) and the Nigerian Petroleum Development Company (NPDC) were indicted by the investigative forensic audit carried out by Price WaterHouse Coopers into the allegations of unremitted funds to the Federation Accounts. In the report, the accounting firm asked both organisations to refund to the federation account a minimum of \$1.48bn.

### 7. Oil theft

A report analysing the effect of oil theft in Nigeria revealed in July 2013 that Nigeria lost out on \$10.9 billion in potential oil revenues between 2009 and 2011. Royal Dutch Shell, the largest foreign oil operator in Nigeria, reported some \$1 billion worth of oil and natural gas were stolen in 2013. In response, the Nigerian navy announced that it shut down some 260 illegal oil refineries and burned 100,000 tons of stolen oil. In the opinion of Festus Keyamo: one of the sad reality of Jonathan’s government is the brazen crude oil theft which became so legalised that there was now what is known as “Bayelsa diesel” in the market, a fall-out of the 400,000 barrels per day of crude oil valued at \$60billion stolen in Nigeria, which is the equivalent of the daily crude oil production of Equatorial Guinea. Besides, he said, another case in point is the \$20 billion missing oil funds which ought to have accrued to the Excess Crude Account (ECA). “The crude oil benchmark for 2014 budget was \$77.5, in which Nigeria made \$33 per every barrel of oil, which amounted to about \$24 billion in a year. But we recorded less than \$6 billion in the ECA. So, the question is what happened to the remainder?” he queried. Sadly, Keyamo said, over

N1 trillion was budgeted for defence in 2014 with little or no result to show for it. The Jonathan administration reportedly built a new banquet hall at the presidential villa to the tune of \$100 million just as it bought a brand new private jet to add to the presidential fleet, much bigger than those of more endowed nations as well as most airlines across Africa (Yussuf 2015).

A former senior World Banker, Oby Ezekwesili, also reckons that \$400 billion of Nigeria’s oil revenue has been stolen or misspent since the country’s independence in 1960.

### 8. Poor Leadership

Over the years, the major drive for politicians has been to acquire both political and economic power predicated on oil wealth, thereby neglecting to put in place structures for the proper management of the nation’s natural resources. General Muhammadu Buhari ( then the Presidential candidate of the All Progressive Congress but now the President of Nigeria), on September 19, 2014 blamed President Goodluck Jonathan, as well as former rulers Ibrahim Babangida and Olusegun Obasanjo, for killing the nation’s oil industry.<sup>71</sup> He said that the administration of General Ibrahim Babangida was responsible for the high level of corruption and destruction in the petroleum industry, and added that the corrupt practices in the oil sector during the eras of Babangida, Obasanjo and Jonathan are to be blamed for the pauperization the masses and the general ruin of the Nigerian economy. He stressed further that:

“...Inability of these industries to work has brought mistrust and corruption to Nigeria. Therefore, our leaders have to be sincere and lead with the fear of God and carry all along for Nigeria to be a better place.”The nation’s leaders must honour promises made to the people as Nigeria cannot move forward if things that are supposed to be put in place are not. In that regard, the money which was siphoned in the recent pension scam and the petroleum industry scam must be brought back into the government’s coffers for good leadership.

In addition, the poor leadership in the Niger Delta region is mostly responsible for most of the underdevelopment in the region. There is large scale corruption amongst the elected leaders especially governors and the leaders who have helped sponsor the militants groups kidnapping innocent people and sabotaging efforts by the federal government for any infrastructure development. The Niger Delta people themselves must equally share part of the blame as they often cheered their Indicted corrupt leaders

instead of chastising them and condemning their actions (Austin,2007).

### 9. Low refining capacity of refineries

Nigeria has four oil refineries (Port Harcourt I and II, Warri, and Kaduna) with a combined crude oil distillation capacity of 445,000 bpd. The refineries chronically operate below full capacity because of operational failures, fires, and sabotage mainly on the crude pipelines feeding the refineries. The combined refinery utilization rate was 22 per cent in 2013. As a result, the country must import petroleum, although its refinery nameplate capacity exceeds domestic demand. Nigeria imported 164,000 bpd of petroleum products in 2013(Okere,2015). For several years, the Nigerian government has planned the construction of new refineries, but the lack of financing and government policies on fuel subsidies have caused delays.

Nigerian refineries managed to record an average capacity utilization 4.19 per cent for KRPC, 19.24 per cent, for PHRC1 &PHRC II and zero per cent for WRPC respectively in December last year. According to the NNPC report released recently, 1,044 thousand barrels of dry crude oil, condensate and slop was received by the four refineries, KRPC, PHRC 1 and PHRC 11 and WRPC. "With an opening stock of 2,933 barrels, total crude oil available for processing was 3,977 barrels out of which 1,396 barrels was processed. Total national domestic refining produced 165.54 thousand mt of finished and intermediate products<sup>77</sup>. PPMC, which lifts products from the refineries evacuated 126.66 thousand mt of products", it added. It said that altogether 10.63 mt of products was used by the four refineries as fuel and loss, consumption as fuel was 5.81 per cent while loss and flare accounted for 8.59 per cent of production.

### 10. Reform

With all the above mentioned catastrophe in the so called oil producing country, one cannot blame those who have concluded that rather than being a blessing to Nigerians Oil has become a curse. In February 2013, the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) claimed that the oil sector of the country "is killing the economy." The then NACCIMA's Director General Dr John Isemede said the oil sector is affecting businesses in the country negatively by failing to add real value to them. He said the oil sector has caused substantial decline in agricultural exports, which began in the mid-1960s

and continued to date. Interestingly, several attempts have been made by governments through promulgation of legislations to reform the oil and gas industry to eliminate corruption and increase efficient productivity. It has been generally agreed that, the passage the Petroleum Industry Bill (PIB) holds the key to the much needed positive turnaround of the oil and gas industry.

The Petroleum Industry Bill, PIB, is a piece of legislation initially intended to address endemic structural, policy and managerial issues in the Nigerian oil and gas sector. Its goals were to enhance the value of the asset for the Nigerian people by: curbing corruption, plugging loopholes in policies and management and improving transparency and efficiency of the sector(Oyeranmi, Omotoso, 2015:280). It was an attempt to redress observed weaknesses and abuses by operators and stakeholders, eliminate corruption and restructure the industry to make it more responsive to social and economic needs of Nigerians and foreign investors with basic key concerns such as equity, responsibility and sustainability target.

### 11. The Projected Benefits of PIB to the People and the Economy

Many keen watchers of the Nigerian oil and gas industry are so elated that, a more refined version of the Petroleum Industry Bill (PIB) has been sent to the National Assembly for deliberation and enactment in to law. In the words of Adisa Adeleye (2013) , "to be fair, taking a cursory look at the bill, it looks like an elegant document – a Dictionary of the Petroleum Industry." In the same manner, the then Senate President, David Mark described PIB as the 'Bible' of the petroleum industry that meant well. PIB, in the opinion of its proponents, is a necessary document to explain the petroleum industry and to mark its relevance to the welfare of the people and economic development of the country. Numerous Nigerians are also optimistic that the bill would open the gate to prosperity and change the perception in many quarters that oil is not a blessing but a curse to the nation.

The PIB is projected to achieve an all-inclusive legitimate structure for the Nigerian oil and natural gas industry, which will propel varied government goals and aims, related to the petroleum sector. Some of those goals are: Enhancing the state Revenue, breaking the chain of dependency on the part of Nigeria National Petroleum Corporation [NNPC], from the federal government making it generate its own revenue, deregulation of the downstream sector and increased production of natural gas as it relates to

the Gas Master Plan of 2008. At the moment, NNPC remains “Nigeria’s dominant hydrocarbon regulatory body”. It is the national oil and gas company, which has under its auspices several responsibilities in the energy sector of the nation. One might say that NNPC is the largest bureaucratic entity in the history of the present day Nigeria.

The argument is that the PIB would craft stand-alone entities from a number of existing NNPC divisions, redistributing responsibilities for policy-making; technical matters; upstream, midstream and downstream operations; natural gas regulation; and research and development. Also, joint ventures between international oil companies and the NNPC would then be altered to form incorporated joint ventures, with the NNPC centering solely on commercial operations. The bill is supposed to include a revised taxation and royalty regime that would measurably increase the government’s revenue. Accordingly, these new agencies will be created from the existing NNPC under the PIB: “National Petroleum Directorate (NPD) to take the place of the Ministry of Petroleum Resources and would primarily focus on policy formulation. It is hoped that this new entity will provide and procure complete benefit of the industry for Nigeria. National Petroleum Inspectorate (NPI) to replace the Department of Petroleum Resources (DPR) and will become the regulator on technical issues within the industry. Petroleum Products Regulatory Authority (PPRA) focusing primarily as regulator for the downstream sector. Nigeria Petroleum Assets Management Agency (NAPAMA), which will replace and monitor and regulate the finances of the upstream sector through proven and tested benchmarks. Nigerian Midstream Regulatory Agency (NIMIRA) to regulate midstream and gas operations. National Petroleum Research Centre will be the R&D institute of the entire industry and will have world class standards”.<sup>82</sup>

While corroborating the above impending transformation agenda of the bill, Njideka Kelley opined that the PIB is crafted to transform the NNPC from a bureaucratic organization with major overhead and no tangible profits into a national oil company with profit and capital gains as its core objective. The intended new structure under the PIB will encompass all the existing subsidiaries, which will be governed by a board of directors under a non-executive chairman. The new name is likely to be called the National Petroleum Company of Nigeria. According to him, “the NNPC will therefore serve only as operator and no longer serve as both regulator and operator as NAPIMS and the Crude Oil

Marketing Department will form the new National Petroleum Assets Management Agency (NAPAMA).”

Although there may be problem in its sustainability, PIB when passed into law is expected to change the face of Nigerian economy with new policies and regulations in the oil industry. It will introduce reform, change and restructuring of a major bureaucratic organization as never seen in the history of Nigeria. The local content aspects of the reforms are supposed to improve indigenous involvement in the industry, encouraging the participation of Nigerians in both the exploration and the production side of the petroleum industry. The International Oil Companies will then have to, as part of their commitment, train Nigerians to take over specified jobs after a specified time. According to Njideka Kelley:

The PIB aims to bring sanity to the long felt inefficiency of the NNPC, create order in the Oil and gas sector of Nigeria’s economy as well as earn traceable and tangible money from the soon to be defunct (literally speaking) organization. Many are hopeful that the PIB will achieve all of its aims and live up to the view that it proposes a better regime than the one currently in place.

The provisions for environmental health, safety and compensation for hazards of oil exploration and production in the PIB appear to be the most fundamental possible benefits for the people in the oil communities. Section 406 of the bill mandates every company engaging in upstream and downstream sectors of the petroleum industry in Nigeria, to comply with all environmental health and safety laws, regulations, guidelines or directives as may be issued by the Ministry of Environment, the Minister, or the Inspectorate, as the case may be.<sup>85</sup> Section 407 of the bill contains the conduct of operations in the oil and gas industry. This part compels every company engaging in any activities requiring a licence, lease or permit in the upstream and downstream petroleum industry in Nigeria shall conduct its operations in accordance with internationally accepted principles of sustainable development which includes the necessity to ensure that the constitutional rights of present and future generations to a healthy environment is protected..Section 412 sub section s 1 and 2 also stipulate specific compensation oil corporations must pay in case of their liability and the processes involved. According to 412 (1):

The holder of a petroleum exploration licence, petroleum prospecting licence or petroleum mining

lease shall, in addition to any liability for compensation to which he may be subject under any other provision of this Act, be liable to pay fair and adequate compensation for the disturbance of surface or other any other rights to any person who owns or is in lawful occupation of the licensed or leased lands, in accordance with written guidelines as shall be issued by the Inspectorate.

## 12. Conclusion

No doubt, Nigerians have limitless expectations from the new government of President Muhammadu Buhari which will place an enormous pressure on the new administration. Yes, the task is extremely tortuous but it is not impossible. As some experts have warned, for Buhari to make headway in the herculean task of rebuilding Nigeria and sanitise the oil and gas industry, he must live up to his billing as the 'acclaimed anti-corruption General' on corruption must begin with the most polluted oil industry, particularly-the NNPC. His war experts have indeed suggested a number of ways to make the Corporation more accountable to the people and more profitable for government. Some of these include that: The government should urgently find a new vehicle for selling oil to the refineries. The current government must also look into the works of past committees and task forces with the intention of drawing from their positive recommendations. An example of this is the Kalu Idika Kalu-led, National Refineries Special Task Force, set up in 2012. The task force explored available options, but the executive has not acted on them. The executive should also order an independent review of PPMC's arrangements for delivering crude oil to the refineries.

Besides, the new administration has to contend with maintaining the level of government investment in oil and gas while meeting pressing social needs; funding required to achieve gas flare out is significant and grows with increased oil production. The government should also revive/modernise the ageing oil production facilities built in the early and mid-seventies ; build indigenous technology capability in complex deep water environments; encourage indigenous participation; enhance the pace of human capacity development (Institutional development and organisational strengthening) ;adopt zero tolerance on corruption; develop a business friendly electricity tariff; stop crude oil and petroleum product theft. Most importantly, the Buhari/Osinbajo administration should ensure the speedy passage of the Petroleum Industry Bill. But before the new administration could scale the hurdle, it should understand main

reasons against the passage of the Bill which will be summarised below.

There are many provisions in the PIB which many interests dislike. For instances: foreign oil companies and even foreign nations see it as an unwelcome intrusion into their traditional monopoly over the industry and an assault on their stranglehold over production and profits. The NNPC see it as an effort to force it to be more open and transparent, a virtual death sentence for an institution which thrives on lack of openness and accountability. Northern legislators feel it represents a declaration of economic war on their poorer region and as further enriching a zone which already takes more than it is entitled to, and impoverishing their region. South-South legislators think it makes too little provision for more and therefore non-negotiable. Government thinks the legislation is poorly understood by Nigerians, and has become unduly politicised.

In the final analysis, as demonstrated earlier, the PIB is designed to have broad developmental impacts on Nigeria by laying the foundation for diversification of the Nigerian economy (which is a fundamental basis for industrialisation); ensure environmental sustainability and job creation; contribute to reduction of both poverty and inequality in our country. As a consequence, we offer some proposals on how the Bill can be improved to ensure that it lays a foundation for sustained development. But to realise all these lofty ideals, all well meaning Nigerians must work together to ensure that the final version of the legislation that will be passed by the National Assembly ensures that all the segments of the Nigerian societies and the economy maximise the benefits from oil and gas industry.

In consonance with the analysis of the Centre for Africa's Progress and Prosperity (CAPP), it is indisputable that Nigeria is ripe for a comprehensive review of the legal and regulatory framework applicable to its oil and gas industry. However, if the PIB is to achieve its worthy objectives (which will undoubtedly benefit the Nigerian oil and gas sector) care must be taken by the legislature to ensure that the Government's legitimate interest in seeking a progressive fiscal framework that optimises revenue for the Government is balanced against the equally important objective of ensuring that the Nigerian oil and gas sector remains attractive to both existing and prospective investors. Most importantly, all the sections the PIB that have to do with interest of ordinary Nigerians ( such as 10% special fund for oil communities ,Nigerian content, environmental health and safety, compensation and corporate social responsibility of the Oil Corporations) must not be

sacrificed on the alter North/South dichotomy or for lack of time. Since Nigeria as a country still largely remains a work in progress, if the need be, related bills can also be sponsored to care of other communities where mining of other resources apart from oil is taking place current in form 10% special fund or even higher as the case may be.

All said and done, we urge both the executive arm of the Federal Government and the Federal legislature to show commitment and patriotism in harmonising the contentious issues in the PIB in order to ensure an expeditious passage of the Bill. However, they must not also sacrifice the quality of the final product on the altar of speed.

## References

- Barrington Moore (1966) Jr. *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*. Boston: Beacon Press.
- Saka Luqman and Fatima Motunrayo Lawal (2011) “The political economy of oil and the reform process in Nigeria’s fourth republic: successes and continue challenges” *Researcher World, Journal of Arts, Science & Commerce*, II.
- Soji Oyeranmi (2013) “Ethnic militancy and the travail of democracy “in Nigeria, 1999-2007, eds. Toyin Falola and Maurice Amutabi, *Africa after Fifty Years: Retrospection*, New York, Africa World Press. 168.
- <https://www.vanguardngr.com/2016/05/nigeria-is-fantastically-corrupt-uks-prime-minister-david-cameron/>  
<https://africacheck.org/spot-check/did-david-cameron-say-uk-would-cease-to-exist-if-money-looted-from-nigeria-were-stolen-there/>  
<https://www.vanguardngr.com/2015/03/20trn-stolen-from-nigerias-treasury-by-leaders-efcc/>  
<https://www.icirnigeria.org/nigerian-officials-stole-582b-since-1960-chatham-house-report/>
- Soji Oyeranmi and Tunji Omotoso (2015) ‘Oil Sector Reforms: The Petroleum Industry Bill’ eds. AA Ayoade, Adeoye A. Akinsanya and Olatunde B Ojo, *The Jonathan Presidency: The Sophomore Years*, Ibadan, John Archers Publishers Ltd. 271.
- <http://www.lubconinternational.com/history-of-the-oil-industry>, (accessed December 1, 2019).
- McLennan James (2015) Deepwater Africa reaches Turning Point. *Oil & Gas Journal*, 103, (6). 23.
- Environmental Resources Managers Ltd, Niger Delta Environmental Survey Final Report Phase I; Volume I: Environmental and Socio-Economic Characteristics (Lagos: Niger Delta Environmental Survey, September 1997)
- Soji Oyeranmi (2011) Globalization as a Source of Environmental Tragedy in sub-Saharan Africa: The Role of Multinational Oil Corporations in Nigeria” in *Global South-SEPHIS e-magazine*, 7 (3). 46-57. [www.sephismagazine.org](http://www.sephismagazine.org). (accessed December 11, 2019).
- Paul Harrison (2003) *The Third World Revolution: Population, Environment and a Sustainable World*. New York, Penguin, 2003. 441.
- Anne Marchand (2002) Multinationals Immunity and the African Environment. *African Journal of Environmental Studies*, 24, 74, December . 18-21
- J. Baird (2010) Oil’s Shame in Africa” *Newsweek* July 26.
- Jaad Mouwad (2007) Oil Companies in the Niger Delta, Growing List of Dangers”, *International Herald Tribune*, June 9.
- “Oil For Nothing: Multinational Corporations, Environmental Destruction, Death and Impunity in the Niger Delta”, *Essential Action*, 2000, [www.essentialaction.org](http://www.essentialaction.org), (accessed May 10, 2015).
- Greenpeace Internationals’, *Shell Shocked*, 11.
- Oronto Douglas, Ike Okonta, Dimieari and Michael Watts (2004) “Oil and Militancy in the Niger Delta: Terrorist Threat or Another Colombia?”, Working Paper No. 4, Institute of International Studies, University of California, Berkeley, USA and The United States Institute of Peace.
- Amnesty International, “Nigeria: Oil, Poverty and Violence”. 2006, <http://web.amnesty.org/library/index/ENGAFR440172006?open&of=ENG-NGA>, (accessed January 10, 2020).
- Elendu Reports “[More Corrupt Deals of Bayelsa Governor Uncovered](#)”, (accessed January 10 2020).
- O. Aghalino (2006) “Niger Delta Region and the Struggle for Resource Control: Implications for the Nascent Democracy,” ed. Emmanuel Ojo, *Challenges of Sustainable Democracy in Nigeria*. Ibadan: John Archers. 300-313.
- D. Dafinone, “Supreme Court Verdict on Resource Control: The Political Implication in Nigeria,” available online at [http:// www.ngguardiannews.com](http://www.ngguardiannews.com), (accessed January 10, 2020).
- Tell*, July 14, 2008:30
- V. Kemedi (2002) Oil on Troubled Waters. Berkeley: Environmental Politics Working Papers, Institute of International Studies, UC Berkeley <http://globetrotter.berkeley.edu>
- Ruben Eberlein (2006) On the Road to Perdition? Authority and Sovereignty in the Niger Delta, Nigeria. *Journal of Modern African Studies*, 44:4.
- S.O. Aghalino. (2009) The Olusegun Obasanjo Administration and the Niger Delta Question, 1999-2007 in Kamla-Raj (ed.) *Stud Tribes* 7(1): 57-66.
- D. Dafinone (2008) Roadmap to Peace in the Niger Delta. *Daily Independent*, Lagos, Tuesday, February 19.
- S.O. Aghalino (2008) Corporate Response to Environmental Deterioration in the Oil-bearing Enclave of the Niger Delta in S. O. Macaulay and S. O. Aghalino (eds.), *Perspectives in Conflict Resolution and Management in Delta State, 1999 – 2007* Enugu: Rhyce Kerex Publishers. 129-146.
- Tell Magazine*, June 9, 2008, 22-29.
- The News Magazine*, June 1, 2008, 20-27.

- Amnesty International, 2005, *Ten Years on: Injustice and Violence Haunt the Oil Delta*. London:
- Amnesty International, 3 November.
- The Nation*, 2 October 2010
- Olu Ajakaiye and Tayo Fakiyesi, *The global financial crisis shocks in the Nigerian economy: Global Financial Crisis Discussion Series Paper 8: African Economic Research Consortium (AERC), Nairobi, Kenya and Department of Economics, University of Lagos*.
- Ibrahim A. Yusuf, "Countdown To May 29: Inheriting an empty treasury", May 10, 2015, at <http://thenationonline.ng/new/countdown-to-may-29-inheriting-an-empty-treasury/>, (accessed January 11, 2020).
- P. Carter, 2007, "U.S. Department of State. Remarks on U.S. and International Cooperation in the Niger River Delta", <http://www.state.gov/p/af/rls/rm/82010.htm>, (accessed Jan 10, 2020).
- S. Junger, "Blood Oil", May 11, 2007, <http://www.vanityfair.com/politics/features/2007/02/junger200702>, accessed Jan 10, 2020.
- Amnesty International, "Nigeria: Oil, Poverty and Violence". 2006, <http://web.amnesty.org/library/index/ENGAFR440172006?open&of=ENG-NGA>, (accessed on Jan 10, 2020).
- Idris Akinbajo, "EXCLUSIVE: Nigeria's biggest oil fraudsters; the worst subsidy scam ever" <http://www.premiumtimesng.com/business/96716-exclusive-nigerias-biggest-oil-fraudsters-the-worst-subsidy-scam-ever.html>, (accessed Jan 11, 2020).
- 'Nigerians are outraged by the fuel subsidy scandal' <http://www.bbc.com/news/world-africa-18238973> 29 May 2012, (accessed Jan 11, 2020).
- <http://www.reuters.com/article/2012/05/13/us-nigeria-subsidy-graft-idUSBRE84C08N20120513>.
- <http://www.businessinsider.com/the-scope-of-corruption-in-nigerian-oil-is-truly-horrifying-2012-10#ixzz3Wuk1Iab>
- Derek Mead "Nigeria's Corrupt Oil Industry Misplaced \$20 Billion," [https://www.vice.com/en\\_us/article/qkvbbp/nigerias-corrupt-oil-industry-managed-to-misplace-20-billion](https://www.vice.com/en_us/article/qkvbbp/nigerias-corrupt-oil-industry-managed-to-misplace-20-billion) (accessed Jan 11, 2020).
- "Nigeria loses \$10.9bn to oil theft", [www.Fin24.com](http://www.Fin24.com), (accessed Jan 11, 2020).
- "IBB, Obasanjo, Jonathan 'Killed' Nigeria's Oil Industry-Buhari " Sep 19, 2014, available online at <http://thestreetjournal.org/2014/09/ibb-obasanjo-jonathan-killed-nigerias-oil-industry-buhari/jonathanvsobj1>, (accessed Jan 11, 2020).
- Egan, J., "Troubled Times in the Niger Delta," <http://news.bbc.co.uk/2/hi/programmes/crossing-continent/325300.stm>, (accessed Jan 11, 2020)
- TELL Magazine's "Details Allegations of Corruption Against Ex-Governor James Ibori", <http://www.businessdayonline.com/index.php?news=13891> (accessed Jan 11, 2020).
- Ekeinde, Austin, 2007, "Convicted governor cheered in Nigerian oil delta", available online at [www.uk.reuters.com](http://www.uk.reuters.com), August 13, (accessed Jan 11, 2020).
- Roseline Okere (2015) Challenges Before Buhari's Administration in Petroleum Industry <http://allafrica.com/stories/201504081475.html>, April 8. (accessed Jan 11, 2020).
- "Nigeria: Naccima Says Oil Sector Is Killing Economy". Available online at [AllAfrica.com](http://AllAfrica.com) February 13 2013 (accessed on Jan 11, 2020).
- Adisa Adeleye (2013) Petroleum Industry Bill (PIB): Some unresolved issues. *Vanguard Newspaper*, August 25.
- Njideka Kelley, "possible benefits of the PIB" <http://www.editorialnigeria.com/perspectives-petroleum-industry-bill-dr-njideka-kelley/>, accessed Jan 11, 2020.
- "Overview of the Nigerian Petroleum Industry Bill", [www.hoganlovells.com](http://www.hoganlovells.com), accessed Jan 10 2020.
- <http://www.vanguardngr.com/2015/04/governance-challenges-in-petroleum-task-before-buhari/>, accessed Jan 11, 2020
- Omano Edigheji, Nasir El-Rufai, Ola Busari, and Jonathon Moses (2012) *In the National Interest: A Critical Review of the Petroleum Industry Bill*.