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**Challenges for Multinational
Corporations Operating
in Conflict Zones:
a Case Study from the
Niger Delta**

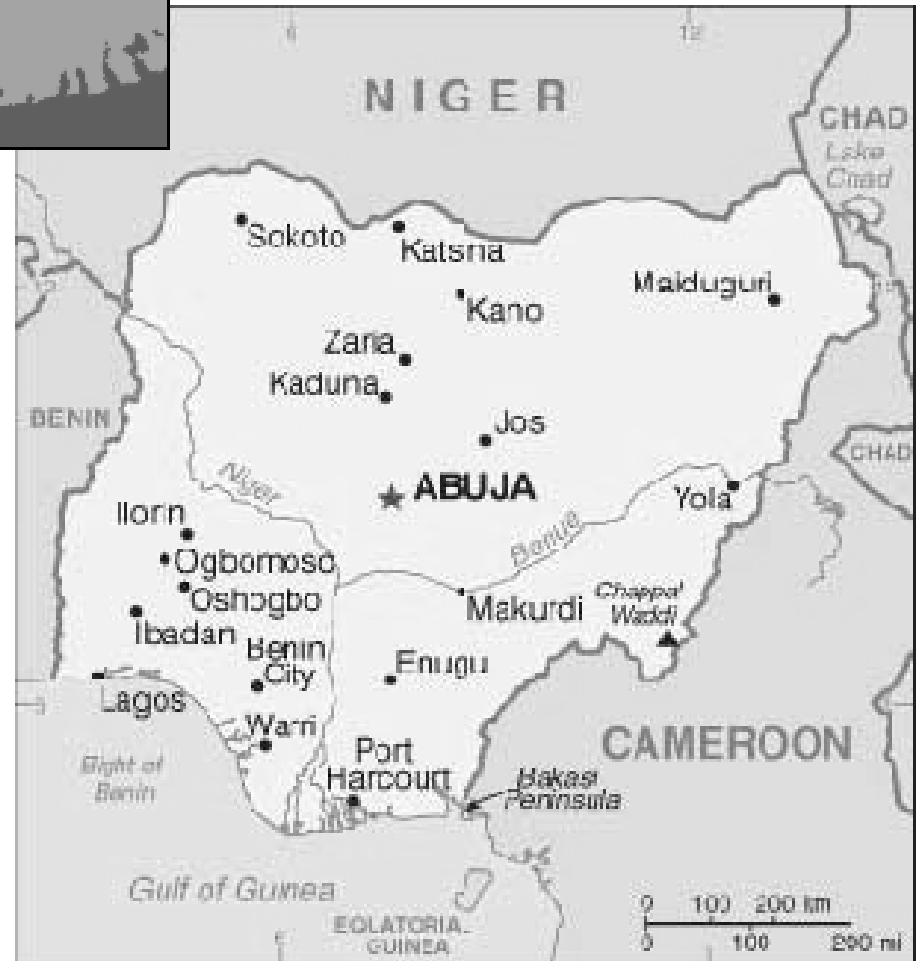
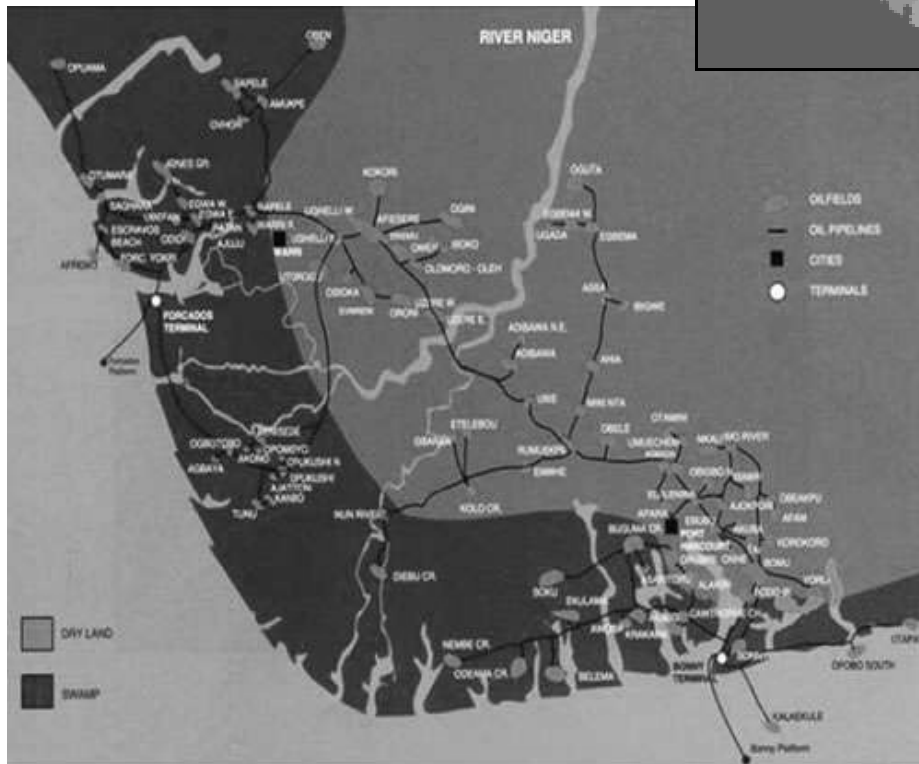
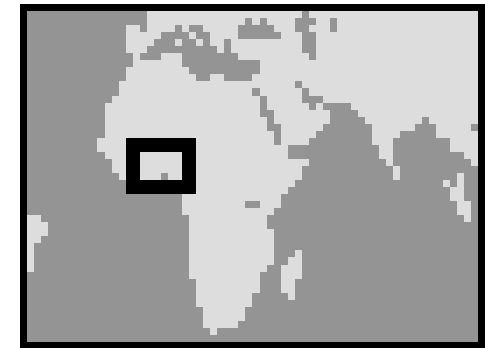


Figure 5: Oil production sites in the Niger Delta region of Nigeria
 Source: "Supply Chain Management Practice in SPDC," at
<http://www.ipssa.co.za/bola%20afoabi.ppt> (June 16, 2005)

Context: the Niger Delta Region

Some data...

- 27 million people (high demographic growth → 3% per year)
- 9 states
- 70.000 km²
- 40 ethnic groups
- 6.000 communities

- 90% of Nigeria's national gas and oil deposits

...reflect an explosive situation (locally & globally)

The Nigerian Rebel Who 'Taxes' Your Gasoline

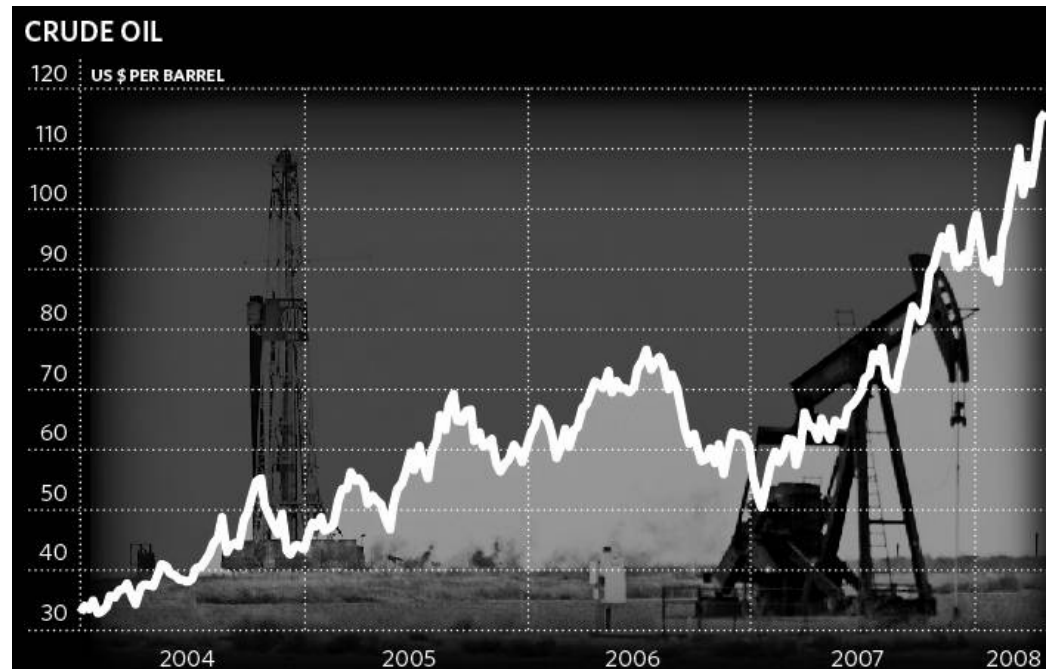
"It's hard to believe all the stories you hear about Henry Okah: That he smuggled 250,000 weapons into Nigeria, was kept incommunicado for five months in an Angolan jail cell, was murdered by secret service guards while en route back to Nigeria, and that (once again alive in his own country) he killed two poisonous snakes released into his cell by his captors. One thing you *can* believe about the social activist-insurgent, however, is that ***wherever you are in the world, Henry Okah is part of the reason you're paying more at the gas pump every time you fill up your tank.***"

(Time, 28th May 2008)

Consequences on Oil Market

Since 2006, major unrest in the impoverished Niger Delta region has cut the country's capacity to pump oil by

one-quarter, helping to drive oil prices to the record high of **\$ 145** per barrel.



A 'Mineral-Based Conflict'

- The region is the main Nigerian oil basin (90%);
- It is populated by ethnic communities that think they are not benefited, but damaged by the extraction activities;
- The area is full of infrastructures (oil platforms and pipelines) that provide the opportunity to demonstrate the dissatisfaction through sabotage actions.

A 'Mineral-Based Conflict'

- Levels of poverty and unemployment are significantly high, while levels of welfare are low with respect to the national situation;
- The marshy land makes the development difficult and costly;
- There is a «moral and social disorder» that characterizes the activities of young movements against oil companies and local authorities.
- Uncertain democratic transition

Main Actors

- Government and institutions (State, Federal)
- Local movements (Mend, IYC, Niger Delta Peoples Volunteer Force...)
- Oil multinationals (Shell, Exxon Mobil, Chevron Texaco, Total, Eni)
- International community

Political Level

- Post-colonial nation-building (nothing but geographical barriers)
- Democratization process still incomplete
→ military hegemony (66-98)
- Fragmented state → disequilibria between national/local levels
- Inability in the management of oil wealth
→ rise of inequalities (70% 1 \$ per day vs 1.487 \$ per capita GDP); local/national tensions
- Violence and militarization

Economic Level

- Contradiction: oil wealth vs resources allocation system that impoverishes local populations
- Illegal bunkering (70.000 – 300.000 barrels per day) is the financing source of warlords, politicians, armed movements (MEND?), local population



Economic Level

- Side effects of exploitation activities:
 - **multinationals' relevant power in decision-making** processes (Nigeria is the 8^o oil producer but is affected by endemic oil scarcity)
 - **environmental degradation** (gas flaring, acid rain, pipeline leaks, health problems, loss of biodiversity, water contamination)
 - **social consequences** (loss of land and resources, lack of compensation, no access to food and basic goods, few development projects, communities destabilization)
 - **policy of divide and rule** (funding of military, bribery, human rights abuses, dubious relationship with security forces)

What is MEND?

Going beyond mainstream simplistic interpretations

■ Movement

for the

■ Emancipation

of the

■ Niger

■ Delta



MEND is an IDEA

“There is no such thing as MEND. [...] there are armed youth in the creeks who say they have had enough of the oil companies’ double standards, and are determined to put to an end the exploitation of their people by Shell, Chevron and the Federal Government”

I. Okonta, *Interview with Mr X (not real name) one of the leaders of MEND, Warri, 17 August 2006*

MEND is an IDEA

General principle which describe the communitarian, civil and juvenile movements born in the Delta area, particularly among Ijaw, on the wake of a period of failed political reforms during General Babangida's administration, at the end of '80.

2 Elements

- **Ties with preexistent rebel movements** (Twelve Days Revolution in 1966, Ogoni and Kan Saro-Wiwa pacific struggle, conflict on the post '99)
- **Plural nature**, that includes under a common umbrella the majority of rebel groups and civil society of the Delta (thanks to the use of new ICT and a manifesto of political and economic statements which embodies the voice of the most part of the local population)

MEND: more than an IDEA

Something more than the sum of passed heredities of pre-existing groups.

MEND has peculiar features, at least for the fact that it has:

- name
- date of birth (15th February 2006: Okerenkoko attack)
- external communication forms which represent it as an autonomous and defined entity.

Genesis of the MEND: an articulated plot

The movement was born probably with an agreement between the leaderships of some of the Delta's most important organizations.



Mujahid Dokubo Asari's version:

- *June 2005*: agreement between the Federated Niger Delta Ijaw Communities (FNDIC - militias based in the Western Delta lead by Tom Polo), an Ijaw arms' dealer called Henry Okah (that later will become General Jomo Gbomo), and the Asari's group.
- *September 2005*: Asari was arrested and imprisoned. His command structures in the Delta area started collapsing
- *2006*: Okah left the FNDIC, accusing them to be compromised with the government, and remains the only leader of the new-born organization

Interpretative Contraposition

- MEND is colluding with dominant powers at federal and state level (one of the many groups of the Delta, born through convenience deals and designated to crumble when the respective interests start to be satisfied or to diverge)
- MEND is an authentic emancipation movement (whose goals are the improvements of the life conditions of the local population by healing the huge disequilibrium of an unjust and corrupt political and economical system)

Out of Paradigms

It is not a guerrilla or terrorist movement *tout court*. Nevertheless it adopts elements of guerrilla and terror.

- **Strategic ground:** framework of asymmetric war where a clear identifiable front is impossible to find, the enemy is hit by attacks that target firstly the symbolic power, with moderate recourse to brute force.
- **Tactic ground:** the practice of illegal bunkering = revisiting of the sabotage techniques traditionally used by the guerrilla movements → Instead of targeting the connecting lines, the goal is to weaken the oil supply (hottest strategic sector of the contemporary global economy). See also ONLF.

MEND in the War Continuum

Ikelegbe Classification:

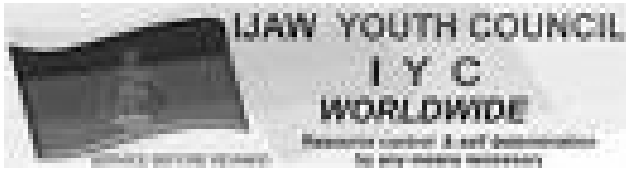
1. 1958-1962: birth of political movements dealing only with environmental problems.
2. 1966: Adaka Boro, short experience of the Popular Republic of the Niger Delta.
3. 1970s: demonstrative struggles between local communities and multinationals: International companies were accused to indiscriminately exploit natural resources despite the life conditions of the local population.
4. 1990-1996: Communities organized themselves in small, well-coordinated groups with an ethnic or regional basis to respond to the complete lack of sensitiveness of multinationals and federal state which started violent repression. Movement for the Survival of the Ogoni People.
5. 1997-2004: Ethnic, regional, communitarian and pan-ethnic groups protests. Main characteristics: increasing participation of young people, change of the focus from more accommodating requests to political autonomy and auto-determination statements, and the state, not the multinationals, as main target of mobilizations.

MEND: the 6° Phase

- Plural inheritance
- New elements



The Last Heir



Created in 1998 as a confederation of Ijaw young associations to coordinate the struggle against Abuja and the oil multinationals.



Secessionist group followed Asari Dokubo in the Niger Delta Peoples Volunteer Force (NDPVF), which started a violent action against Obasanjo's government.

Process of fragmentation of Delta factions started and the consequences prolonged for years until the birth of MEND.

Historic Continuity

- Advocacy of the self-determination struggles of the Delta ethnic minorities.
- Leadership and the recruitment network → hypotheses: MEND is a fluid structure, a sort of brand emulating the Al Qaeda pattern, joined by local militias depending on the circumstances.
- Goals:
 - the release of Mr. Diepreye Alamiyeseigha and Mr. El-hadi Dokubo Asari,
 - the local control of resources (the allocation of 50% of oil profits to producer states of the Niger Delta),
 - the withdrawal of federal troupe from the region.

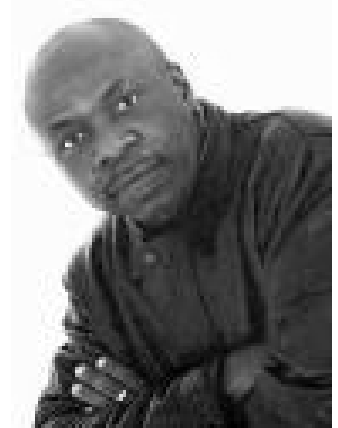
New Elements

- Strategic awareness (improved coordination, trained militia, educated leadership)
- Vanguard technological equipments
 - clustering centre of action and consensus for various ethnic groups
 - improvement of tactic actions and coordination



New Elements

- Sharp manipulator of mass-media
 - press releases with the purpose of maximizing panic within international oil market and among European/North American corporations,
 - ability to turn actions into shows → iconography between the images of classic guerrillas' warfare and the very original semiotic universe born from the EZLN's experience
 - kidnapping as a tactic strictly linked to the mediatic society → raise international attention on the Delta issue and create an evocative contraposition: the happy ending of kidnapping actions jangles with the tone of movement's press releases and with the rebels' iconographic representation
- Sociological characteristics (more enlightened and sophisticated leadership than most of the other rebel groups)



Failure or Success?



The movement is not able to reach any significant concrete goals:

- Alamiyeseigha/Asari were released but took distances from MEND
- the claimed percentage for the resources control is far from being reached
- hundreds of federal soldiers still operate in the region



Sustainers of the official position of MEND, that have often stressed the huge guerrilla's success, both in the fight against the Army and in the sabotage actions against multinationals' plants:

- Some multinationals gave signals of changing and reviewing their politics in the region (Chevron stops onshore activities, no more sustain to military operations; Michelin, Willbros and Berger quit the Delta)

Recent Developments

- May 2007 (after Elections): truce declaration
- September 24, 2007: Henry Okah (Jomo Gbomo) captured in Angola
→ End of the truce
- January 19, 2008: Militants invited film star and peace activist George Clooney to visit Nigeria's restive oil region, and ask for UN intervention in the conflict.
- May 3, 2008: attack against Shell-operated pipelines, forcing the company to halt 170,000 barrels a day of exports
- June 20, 2008, MEND naval forces attacked the Shell-operated off-shore Bonga oil platform, shutting down 10% of Nigeria's oil production in one fell swoop. (This attack demonstrated a level of prowess and sophistication never seen before by the rebels)
- June 22, 2008: truce declaration to "give dialogue and peace another chance" (CNN)
- July 10, 2008: end of the truce (after the Gordon Brown's offer to help the Nigerian government stopping the crisis)

New Security Crisis

“While clearly there is a real security crisis in the delta it can't be tackled by looking at the security alone. It requires a **comprehensive answer** and there does not seem to be a commitment to a comprehensive solution.”

(Audrey Gaughran, Amnesty International)

Recommendations

■ Oil Companies:

- Engaging in sustained and sustainable corporate social responsibility (environmental, social);
- Memoranda of understanding to provide benefits for communities formalized as contracts, enforceable by law (polluter pays);
- Internal accountability and transparency (public documents);
- Observance of human rights standards.

Recommendations

- Federal Government
 - Enhancing democratization process;
 - Free circulation of information (transparency);
 - Public inquiry on issues related to oil industry;
 - Reform and accountability of Niger Delta Development Commission;
 - State accounts of oil money.

Recommendations

- International Community
 - Prioritizing the pursuit of suspected cases of corruption and money-laundering involving government officials from oil-producing states;
 - Moratorium of all western military aid to Nigerian armed forces until HR abuses are investigated and punished;
 - Provide funding to credible NGOs.

Glances in Perspective

- Disappearance of MEND as umbrella-organization, due to its weak leadership structure and its lack of ideology (Decisive moment: capture of Henry Okah)
- Transformation of MEND in a political force and its engagement in representative institutions, either at the regional or national level (very unlikely: huge democratic deficit, relationships MEND/institutions still unclear)

Glances in Perspective

- Worsening of the conflict: MEND itself would operate a recrudescence of operations, with increase of victims and violent fights, with the objective of rising tension to obtain a high bargaining power and to put the conflict at the top of national and international agenda → demonstration of a certain degree of stability.
- Metamorphosis towards a non-violent movement: abandoning the use of force, MEND would choose to reach international civil society and the global public opinion through an evocative and charismatic message (the EZLN's path)

Thank you!

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