



Oil Extraction in the Niger Delta

Introduction and Location

Nigeria is a country in West Africa (see **Figure 1**). Nigeria has a population of 186 million (2016 values) and a Gross Domestic Product of US\$405 billion. This GDP places Nigeria as the 27th largest economy in the world and the largest in Africa.

The contribution of oil to the Nigerian economy is significant. Estimates vary as to exactly how much oil revenue contributes to Nigeria's income, but it is widely believed that 80% of government funds come from the oil industry.

However, this vast wealth has come at great cost. For the people living in the main oil producing regions, there have been huge environmental problems, conflict, and restriction of opportunity. A number of trans-national corporations (TNCs) are involved, but Royal Dutch Shell (more commonly known as Shell) are perhaps the most widely associated with Nigeria.

The impacts of oil extraction across Nigeria are too numerous to discuss in a single Factsheet, so this document will focus on the Niger Delta region. The Niger Delta is an area of around 70,000km² (approximately 7.5% of Nigeria's land mass). The location of the Niger Delta is marked on **Figure 1**. The Niger Delta is home to approximately 31 million people comprising of at least 40 ethnic groups. The Ogoni people are native inhabitants of the Niger Delta and they are a key part of the story of oil extraction in the region. The Niger Delta is home to 90% of Nigeria's oil reserves but also, at one time, rich biodiversity including plentiful plant, fish and primate populations as well as the largest diversity of butterfly species in the world.

Figure 1 Location of Nigeria and the main oil producing areas



History of Oil Extraction in Nigeria

In 1936, the Shell group began the process of oil extraction in Nigeria, with the construction of the necessary infrastructure, but the first oil did not flow until 1958. Initially, Shell operated as a private firm, but in 1979 the Shell Petroleum Development Company of Nigeria (SPDC) came into being. This was a partnership between

the Nigerian government, Shell Oil and a number of smaller groups. Around the same time, the inhabitants of the oil producing regions started to protest against the environmental destruction caused by oil extraction and sought a fair share of the wealth generated from the land. In 1990, The Movement for the Survival of the Ogoni People (MOSOP) was formed, led by Ken Saro Wiwa (see the case study for more details). MOSOP advocated peaceful protests, but there were other groups who were more violent in their approach. Such groups and individuals often destroyed oil extraction infrastructure, held oil workers hostage and caused significant problems for companies involved.

In response to this, Shell formed the Shell Nigeria Exploration and Production Company Limited (SNEPCo) with the aim of extracting offshore oil and gas. The rationale behind this move was that oil extracted off the coast of Nigeria was more cost effective and also did not suffer the same sabotage risk as oil infrastructure on land. Production for Shell boomed for a while and in 2003, the SPDC extracted more than 1 million barrels of oil per day from Nigeria. Since 2010, oil extraction continues across Nigeria but there is less focus on the Niger Delta region.

Impacts of Oil Extraction

The impacts of oil extraction in the Niger Delta have been significant. These impacts have related to the environment and also the human population. To exemplify the impact on humans, the average life expectancy in the Niger Delta (less than 50 years) and the infant mortality rates are both lower than the Nigerian average. Before oil, the Niger Delta was an area of rich agricultural and marine productivity, with 75% of the population relying on the environment for subsistence.

As the oil extraction increased in scale, more infrastructure was required to facilitate this process. Pipelines were constructed across fertile agricultural land. This meant the ability of the local people to carry out agricultural practices was hampered by the pipes, but more concerning was that the pipelines would regularly leak oil onto once fertile land. The pipes were primitive in design and if a pipe broke then there was no way to turn off the oil flowing through the pipe close to where the pipe had broken. Thus, much oil would leak out of each broken section of pipe. It is widely reported that much of the oil extraction infrastructure did not receive proper maintenance and such corrosion of the pipes over time led to many leaks. The exact number of oil spills is impossible to state, given the inaccurate records, but in the Ogoniland (the area in the South of the Niger Delta where the Ogoni people live) there were 2976 oil spills between 1976 and 1991. Other sources have stated that around 240,000 barrels of oil are spilled in the Niger Delta each year.

From the many oil spills and leaks that have occurred, water sources are now hugely polluted. Local people rely on the water for cooking, bathing and drinking. It has been found that drinking water in the Niger Delta contains carcinogens up to 900 times above World Health Organisation levels. As a result of this water contamination,

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groundwater sources which feed the rich vegetation that the Delta is known for have also suffered. This has led to a loss of up to 10 percent of the native mangrove plantations. Such plantations are important for local communities as a source of income. Needless to say, the fish stocks in the Niger Delta have declined hugely, as a result of the oil leaks creating a toxic environment for marine life.

One of the lesser known impacts of oil extraction is the concept of gas flaring (as can be seen in **Figure 2**).

Figure 2 Gas flaring in the Niger Delta



When oil is extracted from the ground, natural gas is produced as a by-product. In most countries, this gas is collected and then used itself to generate electricity. However, in the Niger Delta the gas is commonly burnt off in a process known as gas flaring. This is the cheapest and easiest way to deal with the gas. Gas flaring is technically illegal in Nigeria and has been since 1984, but the government grant exemptions to oil companies to allow them to burn off the gas produced. Furthermore, gas flaring without prior dispensation carries such a small fine that the costs of managing the gas in a sustainable manner are greater than the fine itself. Gas flaring generates huge amounts of noise, heat and light which can cause significant problems for people living close to oil extraction facilities. Complaints of sleep deprivation, leading to systemic insomnia, are common. Furthermore, the gas flaring causes significant pollution in the form of carbon dioxide and sulphur dioxide. This can cause respiratory problems, skin rashes and eye irritations. The pollution also leads to very strong acid rain leading to serious damage to agricultural areas as well as rapidly corroding the corrugated iron roofs that many of the local people's homes are constructed of. Therefore, agricultural areas are not only damaged by oil leaks but also from acid rain.

Oil extraction in the Niger Delta has impacted every aspect of life for the people who live there. The following quotes from residents of the Niger Delta encapsulate the situation. You can read more on this section from the Amnesty International Article: *The Price of Oil: The Impact of Oil Pollution on Niger Delta Communities* (<https://www.amnesty.org/en/latest/news/2015/11/human-face-oil-pollution-Niger-Delta/>).

Case Study – Ken Saro Wiwa

When oil operations first commenced, locals were promised schooling and healthcare from oil companies as compensation for the impact on region. However, many of these facilities never materialised. Local people have not generally gained employment from jobs in the oil industry nor do they share in the profits enjoyed by many of the TNCs. This is despite many people having strong ancestral claims to the region.

Ken Saro Wiwa (1941-1995) was a Nigerian environmental activist. Saro Wiwa was born in Ogoniland, a region of the Niger Delta. He became president of the Movement for the Survival of the Ogoni People (MOSOP) a group which sought to change practices of oil extraction to reduce pollution and also to provide a source of income for local people who were being deprived of their livelihoods as a result of severe environmental damage. MOSOP protested peacefully against the activities of Shell in the Niger Delta but Shell considered the group to be an inconvenience to their activities and felt MOSOP stood in the way of further oil extraction. Shell claim that much oil was siphoned off by MOSOP and others, as part of these protests and this is covered in more detail below. In May 1994, four significant members of the Ogoni community were murdered within Ogoniland. On the day of the murder, Ken Saro Wiwa was not in Ogoniland, but despite this he along with 8 other MOSOP leaders (who became known as the Ogoni Nine) were found guilty and given the death penalty. Shell deny involvement in what happened, but it is believed that at least two significant witnesses were bribed with job offers at Shell to give false accounts.

Figure 3 Opinions of the Niger Delta locals



"Everywhere is coated with oil. Even the boreholes. The underground water is polluted. Sometimes we collect water from the boreholes and you see the surface littered with crude oil so it's not safe for us to drink. The children can no longer go to the river or stream to play like they used to do before because everywhere is coated with crude oil. The children can no longer swim, so they play here in the compound... We have no hope for our children in this community."

– Barine Ateni, a farmer in the Niger Delta.

"Our crops are no longer productive. There are no more fish in the water. We plant the crops and they grow, but the harvest is poor. We used to go fishing. We used to swim. We used to do all sorts of things in the river, because it was clean. Even our fruit trees were very productive. Before the pollution and contamination, children would go to the river and swim and play, but now no more."

– Emadee Roberts Kpai, a farmer in the Niger Delta.





"Sometimes my children ask me how can they live, how can they face the bleak future that's ahead of them. They ask me questions that I am unable to answer. They ask me a barrage of questions about their future which are difficult for me to answer. They see a bleak future. We want Shell to remedy our environment so it could be of use to us once more... In our farms, when we plant, we plant in polluted soil and the crops we harvest are also polluted so the food we eat is contaminated. The air we breathe is polluted."

– Boldesi Nuta a mother from the village of Kegbara Dere in the Niger Delta.

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The Future of the Niger Delta

One of the most effective ways that local groups in the Niger Delta could protest against environmental damage and lack of profit from oil activities was to disrupt oil extraction activities through sabotage and oil siphoning. This is where oil transport pipes were broken and the oil was pumped into containers. This oil could then be sold illegally which would not only provide a source of income for unemployed locals whose land and fishing areas had been destroyed by oil leaks, but would also disrupt the activities of companies such as Shell. However, this practice contributed to further environmental damage. Such practice also means that companies such as Shell are unwilling to accept responsibility for the damage that oil spills have caused.

Shell claim that 98% of all oil spills involving Shell infrastructure are as a result of vandalism, theft or sabotage and not problems with infrastructure maintenance. However, in September 2008, a significant pipeline operated by Shell across the Niger Delta broke as a result of a failed weld. Shell did not fix the problem until the 7th of November. Each day the pipe was broken 2000 barrels of oil flooded into the delta.

Increasingly, local people are taking Shell to court in Nigeria over damage to their land as a result of oil extraction activities. However, the process is long winded and the Nigerian judicial system is not an efficient vehicle for these protests. Furthermore, Nigerian law states that oil companies are not responsible for oil spills caused as a result of sabotage and thus any clean up action is very slow in occurring.

Conclusion

The problems facing the Niger Delta in the future are significant: in 2011, a UN report stated that oil spills in the Niger Delta would cost US\$1 billion to clean up and it would take 30 years. Large oil companies (TNCs) generally still refuse to accept responsibility for their large part in polluting the region and until that happens, it seems that the Niger Delta region will remain polluted. Local people lack the resources and expertise required to clean up such a vast swathe of environmental destruction.

Examination Question

This Factsheet, and the examples contained within it, can be used in a variety of examination answers. The subject matter directly lends itself to A level courses such as the AQA Global Systems and Global Governance topic as well as the OCR Power and Borders topic. At its heart, this Factsheet discusses the impacts that TNCs (and MNCs) can have on host countries. This Factsheet also allows an examination of how TNCs can challenge the sovereignty of nation states in a variety of ways (e.g. challenging the rule of law). It is also possible that this Factsheet can be used to help understand nations that are dominated by the export of a single commodity.

A possible examination question could be: 'TNCs bring more problems than benefits to host countries' to what extent do you agree with this statement? **(20 marks)**

Guidelines for Examination Answer

This essay requires you to consider two sides of an argument and then come to a judgement, based upon the evidence that you present. In your introduction, you should outline what is meant by the term TNC and what a host country is. You should also look to provide an outline of your argument and state what examples you will be using to support your points.

You should then consider the argument posed in the question – that TNCs do bring more problems than benefits to host countries. Here, you should consider a range of problems and explain them with reference to a case study. For this section, you could use this information in this Factsheet to support your points. For example: environmental damage, lack of benefits for local people, etc.

Following on from this, you need to consider the opposing side of the argument, that TNCs actually bring more benefits than problems to host countries. You could discuss ideas such as increased employment, up-skilling of the workforce and the development of infrastructure.

Finally, you need to write a conclusion that provides a judgement on the question set. This conclusion should follow on naturally from the main body of your essay and so the conclusion should be apparent to the reader.

References and Further Research

- <https://data.worldbank.org/indicator/SP.POP.TOTL>
- <https://www.vanguardngr.com/2016/08/jonathan-nigeria-earned-n51trillion-crude-oil/>
- <https://www.reuters.com/article/shell-nigeria-lawsuit-history/timeline-shell-in-nigeria-idUSL5N0AZC5T20130130>
- <http://www.stakeholderdemocracy.org/about-the-niger-delta/>
- <https://www.freewordcentre.com/explore/briefing-notes-oil-exploitation-in-the-niger-delta-and-legacy-of-ken-saro>
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- <https://www.theguardian.com/global-development/2017/nov/06/niger-delta-oil-spills-linked-infant-deaths>
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- <https://www.theguardian.com/environment/2011/aug/03/shell-oil-spills-niger-delta-bodo>
- <https://www.peacepalacelibrary.nl/2013/02/shell-and-ogoni-people-soil-pollution-in-the-niger-delta/>

YouTube Clips

- Oil Sabotage on The Niger Delta And Its Effects On The Community:
<https://www.youtube.com/watch?v=hPIpVCvQEAI>
- See the havoc caused by the discovery of oil in Nigeria:
<https://www.youtube.com/watch?v=zalqYjcgA2Y>
- The Case Against Shell: 'The Hanging of Ken Saro-Wiwa Showed the True Cost of Oil':
<https://www.youtube.com/watch?v=1Q-qq2R8i9E>

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