

Increasing Economic Opportunity for Residents in the Niger Delta:

A Problem-Driven Political Economy Analysis

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ABSTRACT

The abundance of oil in Nigeria makes the Nigerian energy sector highly attractive to foreign investors. Most of the country's oil production takes place in the Niger Delta, yet paradoxically, the Niger Delta is the poorest and most underdeveloped region in the country. More than 95 percent of the country's export earnings are derived from petroleum oil, which has resulted in socioeconomic benefits for much of the country, except for the Niger Delta. The residents of the Niger Delta primarily depend on the environment for economic income. However, both the production of oil resources and resource-based conflicts have caused severe environmental harm to the Niger Delta region. These environmental effects have disrupted the residents' economic activities, causing unemployment, food insecurity, and severe deprivations among the local people. Oil companies located in the region have been accused of not hiring local workers, instead relying on non-local Nigerians. This political economy analysis aims to research the underlying causes of occupational displacement among residents in the Niger Delta, as well as the implications of high unemployment for development in the region. Furthermore, the study seeks to understand how economic opportunity can be increased for the residents in the Niger Delta and recommends increasing efforts by both government

and private sector actors to promote the understanding and use of information and communication technologies, incorporating community-driven development approaches by private companies in Nigeria, and tackling corruption in all levels of the Nigerian government.

INTRODUCTION

Nigeria, a multi-ethnic and culturally diverse federation, is arguably West Africa's most economically and politically important country, with nearly half of the region's overall population and one of the largest youth populations in the world.¹ Yet, the depth and scale of development challenges in Nigeria are significant. Out of Nigeria's approximately 184 million inhabitants, about 120 million people live below the poverty line. The country accounts for both 16 percent of the world's out-of-school children and 10 percent of all mothers who die in childbirth.² Even though 95 percent of the country's oil-based export earnings have resulted in socioeconomic benefits for much of the country, the Niger Delta region has largely been left behind.³

The Niger Delta is located in Southeastern Nigeria, where most of the country's oil production takes place.⁴ Paradoxically, this region is also the poorest and most underdeveloped in the country.⁵ Overall, Nigeria has a nationwide human development index score of 05.27, a score lower than that of countries with similar oil resources.^{6,7} The residents in the Niger Delta are mostly dependent on the environment, primarily fishing, for their livelihood.⁸ However, the production of oil resources and the resulting competition have caused severe environmental harm to the region. In particular, these environmental effects have disrupted the residents' economic activities and have caused unemployment, food insecurity, and severe deprivations among the locals.⁹

Furthermore, unemployment itself is especially high among the youth population in the region. The youth unemployment rate increased from 21 percent in 2009 to 24 percent in 2016.¹⁰ Three local professors: Ebegbulem, Ekpe, and Adejumo point out that oil companies in the region do not hire locals, relying instead on out-of-region Nigerians.¹¹ The current degree of unemployment in the Niger Delta has led to criminal activities including oil infrastructure theft and sabotage, kidnapping workers, blackmailing multinational oil companies, and even creating a black market for oil.¹² Although the root causes of the Niger Delta crisis have been subject to debate, scholars agree that one major cause of the increase in crime is the increasing regional unemployment rate.^{13,14}

The political economy analysis in this paper aims to research the underlying causes of occupational displacement among residents in the Niger Delta and the implications of high unemployment for regional development

from the perspective of economic opportunity. The study poses the following question: How do we increase economic opportunity for the residents in the Niger Delta? To answer this overarching question, this analysis will consider structural factors influencing key actors regarding economic opportunity and the role of formal and informal institutions, as well as stakeholder interests and incentives concerned with increasing economic opportunity for residents in the Niger Delta. Finally, this study will conclude with recommendations for both the Nigerian government and the Nigerian oil companies on how to improve the economic opportunity of local populations.

METHODOLOGY

The content of this review is based on existing information on unemployment and underdevelopment in the Niger Delta, collected through a systematic review of secondary sources such as journal articles, global publications, and data from international organizations. This study aims to explore sustainable economic opportunities for the residents in the Niger Delta, where the oil production has led to a degrading environment, a decline in productivity, and occupational displacement. This sustainability of economic opportunity has two aspects: social and environmental. Environmental sustainability is concerned with counteracting degradation, the over-exploitation of non-renewable resources, and pollution. Social sustainability, however, refers to maintaining livelihoods while protecting the capacities on which livelihoods depend.¹⁵ Although recognizing that environmental sustainability is highly linked with social sustainability for the residents in the Niger Delta, this paper will concentrate on social sustainability.

The study area is limited to the Niger Delta in Nigeria, consisting of nine federating states and home to about 20 percent of Nigeria's population. According to the National Bureau of Statistics' 2013 data, over 30 million people live in the Niger Delta and youths under 30 years old constitute about 62 percent of the region's population.^{16 17} However, this analysis is not restricted to any subset of the population.

STRUCTURAL FACTORS

1) HISTORICAL FACTORS

Nigeria's historical context must first be considered in order to properly analyze the underdevelopment of the Niger Delta. Prior to the colonial governance, the political structures in the Niger Delta were centered on communalism. Relations between communities were peaceful overall, though regional tensions did exist due to territorial disputes. British colonial rule weakened these

traditional institutions and the colonial government dominated traditional ruling systems.¹⁸ The British determination to exploit natural resources in present-day Nigeria resulted in the unification of 250 ethnic nationalities under one central government in 1914.¹⁹ The government became a tool for wealth accumulation, used by authoritarian actors occupying government positions to take public assets for personal use. Decolonization did not remove dependency on the British, and instead led to the creation of a political elite loyal to British interests.²⁰ Hence, the economy of Nigeria continued to be dominated by foreign interests. In 1957, oil was discovered in the Niger Delta, in an area today referred to as Bayelsa state, and the production of oil started the following year.²¹ Since the 1970s, the political and socio-economic state has been related to oil production. Petroleum oil generates more than 40 percent of GDP and accounts for more than 80 percent of government revenue. However, the Niger Delta has not seen any socio-economic improvements as a result of the wealth generated from the oil production.²² To this day, the region is environmentally degraded, underdeveloped, and the people living in the Niger Delta are among the poorest in the country.²³

2) *POLITICS, BUSINESS AND CORRUPTION*

The discovery of oil in Nigeria led to the abandonment of agriculture, which had been the backbone of the country's economy and employed over 60 percent of Nigeria's population.²⁴ The wealth of oil in the country has assisted in supporting a political system characterized by exclusiveness and driven by patronage, resulting in weakened accountability of the country's elites towards its citizens.²⁵ Nigeria's independence in 1960 allowed the state to pursue its own interests. In practice, this meant an opportunity for local actors to ensure strategic positions on oil rents in order to accumulate wealth by either seizing public funds or working together with foreign companies operating in the country.²⁶ Instead of using the available resources for nation building, however, the country's post-independence leaders routinely misused state resources for corrupt private benefits.²⁷ It is, therefore, not surprising that today, Nigeria is one of the most corrupt nations in the world. In fact, according to the 2016 corruption perceptions index by Transparency International, Nigeria was ranked 136 of 176 countries. The lower-ranked countries in the index, such as Nigeria, lack trustworthy functioning institutions and anti-corruption laws are ignored. Citizens of low-ranked countries routinely engage in bribery and extortion in order to obtain basic services.²⁸

In Nigeria, contradictory laws fail to address the severe problem of corruption and have allowed corrupt officials to escape punishment. Although corruption is punishable by a minimum of 15 years of imprisonment, according

to Nigeria's Economic and Financial Crimes Commission (Establishment) Act (EFFC), the country's criminal codes S99 and 104 ascribe only three years of imprisonment for the same crime. The criminal codes S99 and 104 are most often relied upon to adjudicate cases of corruption.²⁹ Despite the apparent confusion, the government has had some success in enforcing the harsher EFFC Act of 2003.³⁰ Even so, as a consequence of the contradictory corruption laws, Nigerians have come to expect corruption, embrace it, and participate in it to preserve their own self-interest.

Today, a handful of multinational oil companies handle the majority of Nigeria's narrow industrial base, including Royal Dutch Shell, Chevron Corporation, ELF and Agip Group. The government awards service contracts to multinational companies rather than to indigenous oil firms because indigenous oil firms lack the necessary skills, technical expertise, production capacity, and manpower to compete with the multinational oil companies.³¹ In addition, the country is facing the issue of capital flight, where large sums of capital are being transferred abroad by foreign companies as payments for services performed in Nigeria. Although it has been estimated that about \$15 billion is invested in the oil industry annually, very little of this money is used to develop other industries in the country, as most of this capital is paid to foreign firms.³² Although oil production has improved the living standards among many non-local Nigerians, it has been at the expense of locals in the Niger Delta.³³

3) ECONOMIC ACTIVITY IN THE NIGER DELTA

While the Niger Delta encompasses multiple ecological zones and holds approximately 60 percent of Africa's largest mangrove forests,³⁴ the oil industry has caused sharp declines in the agricultural, manufacturing and textile sectors.³⁵

The people living in the Niger Delta are mostly dependent on the environment for survival. In the coastal areas, fishing and trading are the predominant occupations, whereas in adjacent inland areas, most people make a living growing food and cash crops.³⁶ The main crops grown include cocoa, rubber, rice, sweet potato, maize, yam, cassava, and different types of vegetables.³⁷ In addition, resources for artisanal fisheries account for 70-90 percent of the annual income generated by the inhabitants in the region, including boat builders, fish marketers, outboard engine mechanics, and fishers and fish processors. For rural people living in the region, primary sources of income, although small scale, include baking, tailoring, masonry, and carpentry.³⁸

The extraction of oil has negatively impacted local residents. Ebiede states that the production process of oil has negative effects on animal species and plants that the local population depends upon for their livelihood.³⁹ In some cases, this environmental degradation has forced agriculture-dependent

residents to relocate for fertile land or employment opportunities. This reduces agricultural activity and income and causes a shortage of labor in the region.⁴⁰ Considering that in 1950, the agricultural sector accounted for 72 percent of total national GDP, whereas mining and crude oil only accounted for 1.1 percent,⁴¹ the recent effects of oil production on local livelihoods becomes more comprehensive. Relatedly, Crosdel and Okeoghene conclude that oil spills have had particularly negative effects, with certain areas impacted 20 years ago still unsuitable for farming.⁴²

In his study, Clement discussed the vulnerability of fisheries in the coastal areas of the Niger Delta. Specifically, he showed that fishermen in the area are vulnerable to displacement due to water pollution, and that most households lack the capacity to increase fish caught per unit due to poor fishing equipment and the inability to travel to water sources. The study recommended that the government, in collaboration with industrial companies, should increase their involvement in the local fishing industry and increase investment in the local economy to encourage growth of other occupations.⁴³ Yet, increased competition from large industrial companies may pose an additional threat to the livelihoods of residents involved in fishing activities. Moreover, growth of other occupations is dependent on the capacity of the government to provide relevant skills training as well as the ability of the residents to learn new skills the government has not, however, directed sufficient resources to support skills training among the residents in the Niger Delta.⁴⁴

In addition to the challenges faced due to occupational displacement in fishing and farming as a result of oil production, the Niger Delta residents also lack access to basic infrastructure and amenities, such as roads, schools, electricity, water, and hospitals.⁴⁵ Local people in the region have experienced only marginal improvements of their standard of living despite the substantial wealth generated by the oil industry.⁴⁶ Thus, it is evident that the country has failed in transforming its 'petrodollars' into social and economic development for the residents in the Niger Delta.

4) POWER DYNAMICS IN THE NIGER DELTA

Ethnic Relations

The distribution of the oil wealth in the nine states of the Niger Delta has caused intra- and inter-ethnic conflicts among the residents of about 40 different ethnic communities.⁴⁷ Studies show that the underlying cause of the current conflict in the Niger Delta is the discrimination against ethnic populations in terms of unfair allocation of benefits from the oil industry in an area where people are deprived of basic services.⁴⁸ The national government, certain multinational oil companies, and local political leaders are accused of driving the conflict between various ethnic groups. Despite numerous state

interventions, the Nigerian state has provided benefits to major ethnic groups, viewing minorities in the Niger Delta as less deserving, thereby exacerbating the disparities.⁴⁹

In a qualitative study examining the unequal distribution of oil benefits amongst ethnic groups in the Niger Delta through interviews with local residents, Olakunle Folami found that the resulting ethnic tensions have harmed social integration and the local economy, have affected family relations, and led to a deep division among the three major ethnic groups: the Ijaw, the Urhobo and the Itsekiri.⁵⁰ The locations of the oil infrastructures were found to determine benefits in the local communities, including jobs, contracts, social facilities, and compensation.⁵¹ The tensions between ethnic groups in the region have led to a lack of inter-group cooperation. For example, the lack of collaboration of the Urhobo, the Itsekiri, and the Ijaw leaders affected the passage of the Petroleum Industry Bill (PIB), as one of the participants in the study pointed out. Moreover, participants in the study highlighted the failures of multinational oil companies to pay compensations for oil spillage to residents because of regional ethnic tensions.⁵²

Gender Relations

The region's gender relations are crucial to consider in researching opportunities for economic activity. Women in the region are primarily responsible for managing the sustenance of the household. In doing so, they are largely dependent on the environment by engaging in activities such as growing food crops or fishing, dependent upon location.⁵³ Thus, the oil industry's negative impact on the environment in the Niger Delta causes particular stress on women. Access to farms or fishing areas has consistently been a struggle for women, as lands are generally owned and controlled by men. Moreover, oil companies are less likely to hire women compared to men, making women specifically vulnerable in areas where oil production takes place.⁵⁴ While youths and men have been more active in the oil conflict in the Niger Delta, women have also remained involved through methods such as peaceful street protests, public gatherings, lobbying, and interest grouping.⁵⁵

CAPACITY OF FORMAL AND INFORMAL INSTITUTIONS

1) NATIONAL GOVERNMENT

Nigeria has a three-tier system of government: federal, state, and local government areas (LGA). Yet, a significantly large proportion of power is concentrated in the central national authority, leaving minimal power to other levels of government within their jurisdiction. The central government controls locally produced resources and redistributes the wealth among different levels

of government.⁵⁶ Despite having the largest economy on the continent and producing about 20 percent of Africa's total GDP, the country is incapable of providing sufficient public services to its citizens.⁵⁷ According to the World Bank, over 50 percent of the population lives in poverty.⁵⁸ Oil and gas revenues account for about three quarters of the federation account, of which the federal government is entitled to almost 53 percent. The balance on the account is provided to the states. The federal government of Nigeria transfers a much greater proportion of national resources to its 36 states than any other country in the world. The state allocation, also referred to as the derivation principle, is meant to complement state revenue such as taxes on property or personal income.

Nevertheless, in over three-quarters of the states, income from federal redistribution accounts for more than 80 percent of total state revenue.⁵⁹ In his 2011 study, Eze points out that political elites in state positions have managed to capture most of this wealth.⁶⁰ This led to the creation of the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992. This was because oil-producing states were frustrated with the relatively small proportion of oil revenue spent on development in the region. The purpose of the commission was to implement development projects funded by a proportion of income generated from oil production. However, local people were excluded from representation in the commission, and the commission failed to consult the local population prior to agreeing upon projects to implement. In addition, OMPADEC's activities were characterized by corruption, which not only reduced effectiveness but also amplified frustration and anger against the commission among the local residents of the Niger Delta.⁶¹

The 1999 Constitution of the Federal Republic of Nigeria was intended as an interim document; thus, it was deliberately vague regarding the demarcation between federal, state, and LGA responsibilities.⁶² However, the establishment of a new constitution has not been initiated. Although the 1999 Constitution increased the responsibilities of the states to provide infrastructure and social services to its citizens, confusion regarding the division of responsibilities between the tiers still persists today.⁶³ In their 2017 study, Tobor and Odubo highlight that the increased responsibilities of the states resulted from an amendment to the 1999 Constitution, in which 13 percent of oil revenue from onshore production was to be allocated directly to the nine oil producing states in the Niger Delta. Moreover, the authors point out that dissatisfaction among residents in the area over these allocations is the cause of the current conflicts in the Niger Delta. In response, militant groups formed that demanded at least 50 percent of the onshore revenues. In 2005, Nigeria began to see an increase in criminal activities such as kidnapping, oil thefts, and vandalism of oil producing facilities.⁶⁴

In 2009, the Nigerian state introduced the amnesty program aimed at

resolving the issues that led to the conflicts in the Niger Delta. The initiative involved training for militants including education and skills acquisition contingent upon the militants surrendering their weapons.⁶⁵ According to Ogege, the amnesty initiative was simply a strategic plan to create a peaceful environment that enabled a beneficial business climate for the multinational oil companies in the region, without interruption from the local residents.⁶⁶ There is wide agreement regarding the ineffectiveness of the amnesty program among researchers.^{67,68,69} The program has been unsuccessful in terms of improving the lives of the people in the region. Poor standards of living, health, infrastructure, and education still characterize the lives of many local residents. As with the 1992 OMPADEC, the amnesty program failed to consult local residents who suffered from occupational displacement as a result of environmental degradation.⁷⁰ Furthermore, the aspects of the program aimed at reintegrating former militants failed to consider rivalry between various ethnic groups over oil deposits.⁷¹ Omojinite highlights that granting amnesty is not a sustainable solution unless the root causes to the problem are addressed, such as creating sustainable jobs for the unemployed youths.⁷² Ebegbulem, Ekpe, and Adejumo highlight that poverty is a multidimensional and complex issue with more than one cause, thus it cannot be tackled by a single approach.⁷³ As has been shown, these causes were never rectified, and thus the conflict has worsened in recent years.

2) STATES AND LOCAL GOVERNMENT AREAS IN THE NIGER DELTA

In each of the nine states located in the Niger Delta, a governor and a legislative assembly are elected. In addition, the country consists of 774 local government areas (LGAs) divided among the states. According to the 1999 Constitution of Nigeria, the LGAs are to be governed by elected councils (part II, point 7).⁷⁴ However, Adams points out that in practice, state officials, rather than the people, select councils to rule the LGAs.⁷⁵ State institutions in the Niger Delta are weak, not accountable to their citizens, and have failed to provide services that could improve the lives of millions of Nigerians living in the region.⁷⁶ The budget of the five largest oil-producing states in the Niger Delta corresponds to the same amount as the national budget of Ghana.⁷⁷ State governments receive large funds from the federal government, and are therefore not dependent on citizens for revenue and too often leave residents in the states with minimal leverage. On the state level as well, clear definitions of government responsibilities are lacking.⁷⁸

In recent decades, the political and social influence of local traditional leaders, such as kings and chiefs, has declined significantly in the Niger Delta. This is in part due to modernization and globalization, but also because of collaboration between traditional leaders and oil companies for these leaders'

own advantage. Mähler highlights that with the return to democracy in 1999, politicians in the Niger Delta began to hire unemployed young men and provided them with firearms for protection against political opponents. These weapons were never repossessed. Consequently, there remains a significant number of young armed men in the Niger Delta.⁷⁹

STAKEHOLDER INTERESTS AND INCENTIVES

1) GOVERNMENT INTERESTS AND INCENTIVES

The wealth generated from the oil produced in the Niger Delta is mainly shared between the multinational oil companies and the Nigerian government, where large portions end up in private accounts of government officials through corruption and money laundering.⁸⁰ Hence, in conflicts between multinational oil companies and the local communities, stakeholders frequently favor the multinational oil companies.^{81,82,83} Baba and Aeysinghe describe the situation in the Niger Delta as a conspiracy between the major stakeholders including the federal government, the community leaders, and the international oil companies. The positions of these stakeholders, regarding ensuring that living conditions are sufficient in the Niger Delta, are not clear to the people living in the region. Rather, these stakeholders seem more interested in profiting privately from the wealth generated by the oil production than focusing on improving living conditions and addressing issues caused by the oil exploration.⁸⁴

The federal government of Nigeria has attempted to mitigate the issues in the Niger Delta by implementing three major strategies. The first strategy relates to the derivation principle, in which allocation of revenue from local production is reallocated to the states. The government has increased the derivation principle from 1.5 percent, to 3 percent, to 13 percent, which is the proportion currently being allocated.⁸⁵ Before oil production started taking place, and agriculture was the backbone of the Nigerian economy, the derivation principle was 50 percent. To defend the decrease in state allocation, the government argues that oil is a coincidence of geographical location. The second strategy was the creation of development commissions to address the needs of people in underdeveloped regions, such as the Niger Delta. The result of these commissions, however, has been minimal improvements in the lives of the poor.⁸⁶ Finally, the third approach included military operations to deal with the uprisings and criminal acts by residents in Niger Delta communities. Nevertheless, many of these interventions ended with sexual violence against girls and women and are believed to have radicalized youths in the region.⁸⁷

2) INTERNATIONAL OIL COMPANIES' INTERESTS AND INCENTIVES

Although major issues such as poor governance, conflicts, corruption, and political instability have occurred and still occur in the Niger Delta, the region has long been an attractive area to operate in for multinational oil companies.⁸⁸ The compensations paid out by oil companies operating in the Niger Delta have been found to be much lower than international standards accept, and cases have been revealed where oil companies operating in the Niger Delta have intentionally avoided paying out compensations to local residents.^{89 90} In addition, infrastructure investments, such as roads, are only built where it directly benefits the operations of the oil companies.⁹¹ Crosdel and Okeoghene emphasize that the oil companies operating in the Niger Delta account for the worst environmental exploitations in the world.⁹² In fact, the estimated oil spillage into the Niger Delta ecosystem amounts to 9-13 million barrels within the last 50 years, though oil companies blame most of this oil spillage on sabotage by residents.⁹³

The interaction between the oil companies and the local communities exposes the power dynamics that exist between the global community and impoverished local communities. According to the oil companies, local residents are part of the problem, viewing the conflict in the Niger Delta as a result of the local communities' aggressive and criminal behavior towards their operations.⁹⁴ Ebiede points out that oil bunkering and oil theft are major issues, though this resistance, he claims, demonstrates the local residents' basic instincts for survival.⁹⁵

Since the late 1990s, the multinational oil companies have increased their Corporate Social Responsibility (CSR) efforts in the region. Additionally, oil companies such as Shell have contributed over \$44 million to the Niger Delta Development Commission, as well as paid taxes and royalties to the Nigerian government.⁹⁶ Yet, issues such as corruption and the extremely high level of youth unemployment impact the ability of CSR projects to be successful.⁹⁷ Nwanko highlights the multinational oil companies' failure to implement concrete CSR projects as a cause of the hostility in the host communities in the Niger Delta.⁹⁸

3) LOCAL RESIDENTS' INTERESTS AND INCENTIVES

Frustrations over relative poverty, deprivations, and youth unemployment among the local residents in the Niger Delta are increasing on a daily basis, along with growing demands for independence and separation from the country.⁹⁹ Many decades of corruption and neglect of local communities by the Nigerian government and the international oil companies have resulted in perceptions of grievance and exclusion among Niger Delta residents. Occupational displacement from traditional livelihood activities, such as fishing and farming, as a result of oil exploitation has led to many unemployed youths

attempting to improve the situation through armed struggle.¹⁰⁰ Oyefusi found that unemployment, as a result of environmental degradation, seems to increase the willingness among youths in the Niger Delta to participate in militarized struggle. In contrast, education and higher earnings were found to reduce the likelihood of participating in oil-related violence and crime.¹⁰¹ In accordance with Ugwu, Kimenyi highlights that the current trend among youths in the Niger Delta who are not involved in militarized struggle is to migrate to urban areas in order to find non-agricultural employment opportunities.¹⁰²

Before today's legal framework, oil companies paid rent and compensations directly to owners of the land being used for oil production. Recently, however, this has changed. Income from oil-related activities, such as land rent, is now being transferred directly to the federal state or even to the local states, instead of being paid directly to landowners. Thus, communities in the Niger Delta continue to rarely see benefits from the oil production.¹⁰³ The events occurring in the Niger Delta demonstrate that the residents are not only frustrated, but that they have no hope in the federal government as a governing authority willing to invest in improving its citizen's lives.¹⁰⁴

CONCLUSIONS AND RECOMMENDATIONS

As discussed, unemployment remains a significant issue in the region, particularly facing youths who make up the largest segment of the Nigerian population.¹⁰⁵ The federal and local governments of Nigeria, the international oil companies, and the local communities are all major stakeholders in the conflicts occurring in the region. Underlying causes of unemployment in the Niger Delta include marginalization, poverty, corruption, and environmental degradation, which have led to a lack of trust in authorities, armed struggles, and rural-urban migration.

To increase economic opportunity for the residents in the Niger Delta, changing the status quo is inevitable. The discovery of oil in Nigeria has been devastating to the local communities politically, environmentally, and economically. In the long term, the Nigerian government should focus on moving from fossil-driven production to the production of renewable energy in order to reduce its dependency on oil. In the short term, the government should seek to improve the business climate by providing sufficient infrastructure, such as roads and electricity. Studies on the role of information and communication technologies (ICT) on the socio-economic lives of rural populations in the Niger Delta region clearly show that ICT, such as mobile phones, have improved quality of life, brought benefits to rural communities and small businesses, and fostered entrepreneurship in the Niger Delta.¹⁰⁶ Hence, investing in ICT can play an important role in addressing the massive unemployment in the region.

Support for ICT in the Niger Delta should be initiated at the national level

to increase economic opportunity for residents in the Niger Delta and to ensure that sufficient resources are provided to state governments for implementation purposes. The federal government should direct resources towards attracting the private sector to invest in extending the power grid and ICT reach in the region. The state governments should facilitate cooperation between the private sector and civil society to promote community ICT learning. Furthermore, the federal government, together with the state governments in the Niger Delta, should direct efforts to creating an environment that enables the residents to engage in entrepreneurial activities, with a focus on the marginal populations.

On its website, Shell Nigeria states that it is undertaking several social investments in health, education, and access to energy for the residents in the Niger Delta region.¹⁰⁷ Although CSR initiatives might seem beneficial in terms of adding value to impoverished communities, these investments are often not positively perceived by the residents in the local communities, who view CSR initiatives simply as a profit maximization strategy.¹⁰⁸ Research has found that the expectations of residents in the Niger Delta for CSR and community development are greater than what is currently provided by international oil companies. Residents in the Niger Delta emphasized that they want development projects that increase the prospects of a sustainable future, whereas the companies operating in the Niger Delta have implemented development initiatives to demonstrate social responsibility.¹⁰⁹ Multinational oil companies should work with development professionals in order to effectively implement programs in which local residents are actively involved during the planning and implementation stages. It is important for multinational oil companies to address these issues. If they do not, residents in the Niger Delta will keep advocating for change through violent methods, creating a hostile environment for multinational oil companies. Specific investment ideas and CSR projects should come from the local communities, rather than from the top-down.

Finally, it is important to recognize that poverty is more than being economically deprived. Simply implementing approaches to reduce unemployment in the region is insufficient to end poverty. The government needs to intensify efforts towards tackling corruption through immediate prosecution of corrupt government officials, according to the law. Not only are these efforts expected to attract additional foreign funds and grants, but would also foster entrepreneurship and small business creation, which may create economic opportunity for residents in the Niger Delta.¹¹⁰ In addition to this, long-term efforts to tackle corrupt behavior should be directed towards influencing high school and university students that may not yet be swayed by the current system. Through international support starting at the grassroots level, governance reform might be achievable by providing necessary resources to the local communities for them to argue for increased community representation and improved governance practices at higher levels. Participation,

accountability, and transparency at all levels are key if the recommended actions are to be successful.

This political economy analysis explored the underlying causes of occupational displacement among residents in the Niger Delta, the implications of high unemployment for development in the region, and how economic opportunity can be increased for the residents in the Niger Delta. The main recommendations provided in this paper include increasing efforts by both the national government, state governments, and companies to promote the understanding and use of ICT among residents in the Niger Delta. Furthermore, private companies in the region need to incorporate community-driven and bottom-up development approaches into their current and future CSR initiatives to move away from an antagonistic relationship between local residents and companies and toward a symbiotic relationship. Finally, serious efforts towards tackling corruption at all levels are necessary to successfully achieve any undertakings with the aim of increasing economic opportunity for residents in the Niger Delta.

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