Oil Futures: Shell’s ‘Trilemma Triangle’ and the ‘Force of Community’¹

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Abstract: This paper employs the ‘Trilemma Triangle’ illustrated in Shell International’s most recent Global Scenarios publication as a point of departure for exploring the relationship between ‘threats’ to formal oil extraction, oil industry strategy, and the oil futures market. Through reflection on the (global) social construction of the pricing mechanism, the paper explores how insecurity as experienced by residents of extractive zones, in this case the Niger Delta, is associated with perceptions of ‘threat’, ‘surplus’ and ‘loss’ that shape the spot and futures markets in global oil. What Shell’s Futures Group conceptualizes as the ‘Force of Community’, which I associate in the Deltan context not only with ‘civil society’ but with both direct resistance to the formal oil industry and direct participation in the contraband oil market, plays itself off against the oil industry’s economic imaginary of ‘market efficiency’ and ‘security’.

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Figure 1. Shell’s Trilemma Triangle. Source: Shell Global Scenarios to 2025

“This is so weird; I am looking at a snapshot of the brain of an oil company.”

-James Ingram, New School University, Political Theory.

Shell’s Global Scenarios to 2025 is a glossy 220-page document subtitled The future business environment: trends, trade-offs and choices. The scenarios presented therein illustrate what its authors refer to as a ‘trilemma triangle’ involving three competing forces in the contemporary global economy: market incentives (efficiency), coercion and regulation (security), and the ‘force of community’ (social cohesion and justice). As depicted in the above diagram the trade-offs between these forces offer three alternative scenarios for the future that are laid out as ‘two-wins, one loss’ options. Of these scenarios, the one that squares most clearly with the contemporary situation is entitled ‘Low Trust Globalization’ under which the ‘force of community’ is the loss area. The ‘force of community’ is included, however, in both the best and the worst-case scenarios entitled ‘Open Doors’ and ‘Flags’ respectively.

In August of 2006 I had a somewhat harrowing experience in Ekowe, Southern Ijaw, a riverine community known for its relative ‘peacefulness’ in an otherwise volatile part of the Niger Delta. I arrived early evening by public speedboat – a trip of just over one hour from the Bayelsa State capital of Yenagoa. Prior to departing I had met with the high Chief of the clan, a prominent traditional ruler whose palace in Ekowe often provides a room to visitors. He said ‘of course it is fine to go, there is no trouble there.’
The morning after my arrival, three youths from Peremabiri – approximately ten minutes down the Nun river by speed-boat – arrived at Ekowe to ‘take away’ a former Peremabiri resident who had, purportedly, demanded that they repay her a debt. Ekowe residents refused to allow this. The Peremabiri youth then warned that they would return, which they did within an hour – this time in a group of 10-15, now armed. They shot in the air and shot at the feet of a group Ekowe youth who refused to allow them to pass into the woman’s house. In the village we heard shooting and crying, people screaming, and general pandemonium. The youths indicated they would return again, and reportedly stole two Ekowe speed-boats upon leaving. About ten Ekowe youth who had minor gunshot wounds to legs were then evacuated. Within a few hours the Peremabiri youth returned, this time a group of approximately 30, now heavily armed. They vandalized a few houses, injured a few people, and threatened to return that night. In the course of the afternoon a number of military speed-boats passed by, but none of them stopped at Ekowe. In the early evening, between 5 and 7 pm, most of the residents of Ekowe ‘packed’ downstream to the capital of the Local Government Area at Oporoma whose guest-houses filled up with hundreds of refugees from the incident. Within a day, however, the majority of Ekowe residents returned home, as the incident was resolved through the intervention of Peremabiri elders now living at Yenagoa. The return of the Ekowe residents was followed, shortly thereafter, by a visit from the Bayelsa State Governor, Goodluck Jonathan.

Ekowe had for over ten years housed numerous refugees from Peremabiri. These people had been displaced during inter-communal and inter-generational conflicts over oil associated payments, conflicts that reflect broader tensions across the Delta. The crisis in Peremabiri had resulted in the burning of much of the community and of a neighboring Government Rice farm. One result of this upheaval was that a group of youth in their late teens and early twenties took over the village level governance structure, or Community Development Council, whose young executive I had interviewed in 2003. It was some of these same young men who now invaded Ekowe.

According to several local residents, the Peremabiri youth had purchased their weapons with a payment of 8 million naira (approx. $US 64,000) received the previous month from a ‘corporate source’, and so were merely trying them out at Ekowe. Although the incident was more or less peacefully resolved, within a week Ekowe residents asked the Peremabiri refugees to leave. After ten years, they no longer felt safe harboring them.

This incident is just one of various conflicts that create volatility and insecurity for Delta residents, not because of intense violence and massive deaths, but because the police and military have either little interest in risking their lives for public order, or lack the firepower and/or knowledge of the geography of the riverine area to do so. While state security is supposed to flex its muscle to defend the foreign-operated oil installations that are the clearest manifestation of the ‘national economy’ in the region, Niger Delta based militias often overpower or circumvent

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2 The chronology and analysis of the conflict at Peremabiri has been documented in the work of Watts and Kemedi (2003). The author’s dissertation research describes how the Peremabiri refugees settled at Ekowe and subsequent events in the dispute affecting the neighboring settlement of Ekainbiri.
them. These armed groups, now constructed as part of a broader Niger Delta insurgency, seek increased access to oil revenues, local autonomy and, notably, employment in the oil industry.  

What, then, does this incident have to do with ‘oil futures’? This paper explores Shell’s Global Scenarios to 2025, in particular the trilemma described above, in light of social relations surrounding the Nigerian oil industry. The paper’s initial impetus was the puzzle I have encountered in questioning oil industry staff in the Delta about corporate risk-assessments of volatility in the region, particularly as related to ‘shut-ins’ (deferred production) or ‘bunkering’ (oil theft) - phenomena central to the so-called ‘Niger Delta crisis’. I became interested in exploring how shut-ins and the ‘bunkering trade’ are interpreted in the media and policy discourse as ‘losses’, even at moments of record profits (assertions thus based on a hypothetical situation in the global oil market). I wondered how corporate risk assessments account for these events and, in turn, the role of ‘local’ resistance and/ or social crisis in the Niger Delta in shaping the global oil market. Indeed, media representations of volatility in the Delta and elsewhere are closely associated with current and future pricing of the commodity on global markets.

A reflection on the Scenarios alongside the Delta ‘insurgency’ directs our attention to how social mediation/ control is imagined at two apparently different scales (Amin 2004): first, at the ‘global’ level as a set of possible futures for the oil industry, and second, ‘regionally’ through movements that seek to control security in a territorially fixed extractive context, in this case the Niger Delta. The existence of a global futures market and ‘spot markets’ in petrol (sites where oil is bought and sold for cash and for immediate use) reveal the porousness of the scales. Conventional economic theory indicates the inter-relationship between these levels and their connection to volatility in these markets. While various commentators suggest that the price of oil on the futures market is the key determinant in spot prices, the relationship is a circular one that also involves the market for storage (Pindyck 2001).

Implicit in the contemporary ‘insurgencies’ in the Delta is a claim on the distinction between ‘legal’ and ‘illegal’ oil that is essentially about determining who can or cannot ‘legitimately’ operate in the ‘global’ market. Nigerian bunkerized oil is sold in the Rotterdam spot market, according to rumor - a circumstance facilitated by the fact that Nigerian Bonny Light crude is of high quality and hence requires minimal refining. Indeed, the significance of the bunkering trade has gained considerable attention in recent policy discourse in the Delta. The website legaloil.com

3 A few months later, in October 2006, the Shell N’Un River Flowstation at Oporoma was taken over by youths from Southern Ijaw, in protest against non-fulfillment of a Memorandum of Understanding.

http://news.bbc.co.uk/go/pr/fr/-/-/2/hi/africa/6037455.stm

4 Shut-ins or temporary shut-downs of facilities entail work stoppages at particular oil installations; these normally arise from accidents (due to poor maintenance or sabotage) or resistance of local residents, armed or unarmed. Insecurity, concurrently, is deepened through hostage takings. At times, these shut-ins are serious enough so that a transnational operating in Nigeria must declare ‘force majeure’ (a disaster or ‘Act of God) on a contract. Oil bunkering refers to the illegal siphoning of oil, directly from pipelines or storage installations, for contraband sale

5 Pindyck, for instance, explains how “rates of production and inventory levels are interrelated and are determined via equilibrium in two interconnected markets: a cash market for spot purchases and sales of the commodity, and a market for storage” (2001).
for instance, is dedicated to documenting the trade of contraband oil from the Delta and promotes such techniques as chemical fingerprinting to prevent its distribution. That the oil market is essentially and discursively ‘global’ (Coronil 1997; Burawoy 2001) is also made explicit not only in the Global Scenarios publication, but also by the most recent community engagement initiative of the trans-nationals in the Niger Delta - the ‘Global Memorandum of Understanding (Global MOU).

Future value is, essentially, based on the present image of the future- a snapshot of perceptions of the future at any given moment in time. Nevertheless, in the early portion of my research (2002) Shell staff downplayed the significance of future modeling for assessing the significance of volatility in the Delta although, as the Scenario division makes manifest, it is highly salient to oil industry strategy. As the basis for a discussion of Shell’s ‘Trilemma Model’ of competing futures and its implications for the Delta context, I begin with an overview of certain theories (as epistemic constructs) relevant to the contemporary global oil market and the socio-economic ‘imaginary’ of corporate globalization (Jessop 2004; Cameron and Palan 2004). This continues with an overview of the so-called storage market for oil, as well as the sociology of arbitrage. Second, I discuss some literature on socio-economic reproduction in post-colonial Africa and Nigeria specifically, and its implications for the state’s ability to manage, or regulate access to, extractive revenues. I then sketch some key elements of Shell’s competing scenarios, making linkages between what they call the ‘force of community’, and the contraband oil trade (bunkering) associated with contemporary insurgent activity in the Niger Delta. The paper ends with a discussion of one corporate intervention in this trilemma: the emergent GMOU (Global Memorandum of Understanding) model deployed by the transnationals in the region, and an ongoing ‘sustainable development’ program in the Soku Gas Plant area that has informed this model.

**Oil Futures and the Sociology of Arbitrage**

Angus Cameron and Ronen Palan’s recent theorization of globalized business, *The Imagined Economies of Globalization*, employs a number of spatial metaphors to understand the role of business strategy and scenario building in shaping the new economy. According to their analysis, in global business discourse the ‘future’ of globalization is equated with the financial offshore as an idealized space that is ‘beyond the nation-state’, but is necessarily dependent upon the state as the ‘inside’ which constitutes it. They describe this reformulated state as “the private economy of the post-national state” which is to be increasingly organized on a market basis, away from the “idealized notions of spiritual community and nationhood, towards one based on purely economic principles of competitiveness” (Cameron and Palan 2004). The Shell Scenarios to 2025 offers an equivalent conceptualization in a chapter entitled “From Nation States to Market States” that considers how states can employ a broad array of tools beyond ‘command and control’ to ‘intervene in the economy and the world scene’.

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6 In an interview at the London Shell Centre in 2002, for instance, I was told by a Manager that the company does not assess how a particular social context will affect its own returns or the value of a share (i.e. risk analysis with relation to the Delta). This assertion was made even another interviewee told me that I would be unable to review their archives. ‘We do not keep historical records, we are future oriented’.
While retaining its power to coerce, notably on security-related matters, the state makes the fullest possible use of market incentives and mechanisms to transform behaviors and to implement strategies. Training programmes, for instance, are seen as more effective than unemployment compensation; voluntary armies, and even private security guards as military auxiliaries, are preferred to conscripts... "(Scenarios: 161)\(^7\).

This perspective on the state under globalization provides a backdrop for considering the relationship between instability/volatility in an extractive enclave and the ability of that state to function as a 'competition state'. The intention is to interrogate how deferred production, or 'shut-ins', may allow the extractive enclave to conform with some of the demands of the competition state.

The literature on the resource curse, familiar to this audience, illustrates how windfall profits from oil are often associated with inequitable resource distribution, import dependency, corruption and state repression (Karl 1997; Le Billon 2001; Ross 2001; Karl 2003)\(^8\). As O'Rourke and Connolly emphasize, the profitability of the oil industry in the Middle East (and sub-Saharan Africa) is highly dependent on cheap labor (O'Rourke 2003), although official oil industry documentation stresses that it is a capital, rather than labor, intensive process. Bichler and Nitzan have demonstrated that the volatility of extraction in the Middle East has been central to boosting oil prices which, under conditions of stagflation, allows for the redistribution of capital from smaller to larger firms (Nitzan and Bichler 1995; Bichler and Nitzan 2004). In the case of the Delta, the socio-economic traits associated with the 'resource curse' also form the backdrop for the social tensions that feed the contemporary Deltan insurgency.

The contemporary post-welfare 'competition state' entails the exclusion' of a public unable to compete' (Cameron and Palan 2004; Cameron 2006), an interpretation which squares with Shell’s embrace of the 'Market State, discussed below. This excluded group had at least theoretically been cushioned through the regulatory forms of the welfare and developmental state. In the Niger Delta, the youth who were compensated this way increasingly form part of what Palan and Cameron refer to as the ‘anti economy of social exclusion’. Previously inclusion could be offered through welfare supports, or in Nigeria though ‘standby’ contracts paid by transnational oil companies to unemployed youth in a particular area of operation. The standby contracts are now (at least theoretically) prohibited under new oil industry public affairs policies\(^9\). As per Palan and Cameron’s interpretation, unemployed youth in Nigeria are to assume the

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\(^7\) The echoes to various accounts of neo-liberal governmentality are notable.


\(^9\) See, for instance, Shell Nigeria’s ‘13 rules’ (SPDC 2003), discussed in Zalik 2004a. These payments were somewhere between a pay off and protection money, intended to ensure ‘non-interference’ with particular projects.
entrepreneurial role demanded under the new economy. While previously they would receive standby payments (which were also used to purchase arms employed in security), now they may be paid as security while they also stage raids, thus inserting themselves as key participants in the global oil market. This contributes to volatility in prices, in turn shaping demands for greater exploration to increase reserves and energy security. As stated in the Scenarios to 2025:

The static image of reserves has long since given way to a dynamic relationship between needs and capacities in which the key is investment - whether in exploration, in alternative technologies, or in new distribution and organizational infrastructures. Energy investments in producing countries with high export dependency are increasingly accompanied by diplomatic, military and human development assistance from importing countries, concerned about their security of supply (Scenarios: 193).

The violence that leads to deferred production in the Delta points one to policy discussions and economic theory concerning the volatility of oil prices and how such volatility is in turn constituted with speculative activity. Oil is priced in two markets; a cash spot market for immediate sale and a futures market. The existence of a futures market creates a storage market, which is “a type of production with particularly simple technology - like most production processes it takes time to change ‘goods available now’ into ‘goods available later’. Unlike other production, the transformation is over time alone; the physical nature of those goods is preserved. Because of the element of time, storage of a commodity is an (especially simple) investment” (Williams and Wright 1991: 25). According to basic interpretations of how the oil and gas market functions, at moments of volatility and uncertainty the value of a future barrel of oil will surpass its current pricing (Pindyck 2001; Pindyck 2004). This increases the attractiveness of placing oil in ‘storage which in turn contributes to increased demand and thus an increase in the price of storage. A high demand for inventories refers to the holding of oil and gas in storage to meet the futures market. As described by certain energy market specialists the higher the price of oil, the more possibilities there are for making money through speculation on these markets.

The nature of speculation has significant theoretical implications for any discussion of ‘oil futures’ and the conceptualization of industrial risk and profits. The (relatively sparse) literature in the sociology of arbitrage suggests that discussions of arbitrage (on financial or commodity markets) should be of particular interest to any ‘social science of globalization’. This is because, under global financialization, arbitrage is meant to compensate for non-economic (or ‘irrational’) factors in the market: Arbitrageurs ‘restore equality’ by raising the price or lowering the value ‘mis-valued’ assets (MacKenzie 2003: 3). Or, as described by Williams: “Profit seeking stock-

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10 On this point, see also Suzana Sawyer (2004) on the relations between indigenous communities and the multinational oil industry in Ecuador.
11 Elsewhere I have described this as the assumption of risk as a form of direct stakeholding by local residents who are otherwise excluded from industrial participation. Stake-holding thus supplants the state-citizen relation.
12 Thanks to Dan Kammen and Severin Borenstein for their patience in discussing these issues with a non-specialist.
13 As MacKenzie points out, recent Nobel prizes in economics have been won on the basis of modeling arbitrage; this is so because arbitrage serves to addresses the ‘sociological’ problem of irrationality that interferes with in neo-
holders eliminate these types of disequilibria by adjusting their stocks. If the average price for next period is too high relative to the current period’s spot price, storers buy stocks and thereby collectively raise the current spot price” (Williams and Wright 1991). The incentive to put a commodity into storage, if it is perceived to make greater profit at some point in the future (including the cost of this storage) allows economists to describe owners of storage as neither technical nor managerial but ‘entrepreneurial’ (ibid).

Williams and Wright’s analysis questions the whole discourse around ‘shortage’ that drives much of the contemporary discussion concerning low spare capacity and high prices in oil and gas markets. As they explain “although private storers are motivated by hopes of a great shortfall, they store when there is a surplus. Because collectively the market can always store whereas it cannot borrow from the future, storage is much more effective at supporting what would otherwise be very low prices than at reducing what would be otherwise very high prices” (ibid: 2).

Squaring with this analysis, earlier this year, the business press indicated that, despite threats to energy security, crude inventories were at an 8-year high (Davis, April 2006- Wall Street Journal), a problem that came home to roost in the fall of 2006. In February the US Energy Information Administration asserted that “high prices and high inventories will continue until spare capacity increases significantly across the entire supply chain, or many of the perceived uncertainties in the market are removed” with Nigeria and Iraq cited as central sources of uncertainty in supply. In mid April, the Wall Street Journal stated:

Crude oil closed above $70 a barrel for the first time, highlighting a phenomenon reshaping the petroleum world: Investment flows into oil futures are supplanting nitty-gritty supply-and-demand data as prime drivers of prices (Davis 2006).

A quick review of press coverage of the recent drop in crude prices indicates that it was assessed as the result of any combination of the following: market reaction to high inventories, decreased fears over Iran, decreased supply threats during the hurricane season, OPEC quota increase, curtailed speculative activity (perhaps due to the negative impacts of ‘imitative speculation’), or that recent discoveries - for instance in the Gulf of Mexico - have offset longer term supply worries.

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classical economic modeling. See Clark, Thrift and Tickell for a discussion of the role of the business media in shaping the perceptions which the valuation of particular financial assets Clark, G., Nigel Thrift and Adam Tickell (2004). “Performing finance: the industry, the media and its image.” Review of International Political Economy 11(2): 289-310. On this point, the Scenarios see the media as out-competing state sources in the provision of market information (163).

14 As they write: “The criterion is easy to describe. Store until the expected gain on the last unit put into store just matches the current loss from buying it - or not selling it - now.”

15 This squares with the push for the expansion of Nigeria’s Opec quota in the same period. Yet in August staff at Shell Nigeria told me ’the quota no longer holds. There is no quota”. See also BBC Africa, March 24/ 06: Nigeria fears keep oil price high. http://news.bbc.co.uk/go/pr/fr/-/2/-/hi/business/4840208.stm.
We have seen that speculative activity as profit-maximization on futures markets serves a functional role in economic theory. However, at a moment when trust in corporate governance is at profound low, which is a key premise of the Shell Scenarios to 2025, recent US policy discourse uses different language to explain its significance, describing a build-up in inventories as a form of risk-reduction by market participants. As a recent example, the politics behind the futures market was the subject of a recent US Energy Information Administration analysis (STEO Supplement 2006). The report describes activity on the storage market as not motivated by speculation, but by the need for energy security:

With low spare capacity, market participants can no longer rely on increased production from key members of OPEC to fully offset any supply disruptions and restore balance to the market without the need for significant price changes, as they did in the 1990s and the first few years of this decade.... In the present environment, with a minimal cushion of surplus upstream and downstream capacity to meet disruptions in supply and with futures markets in contango (i.e., a market in which prices for commodities delivered in future months are higher than for those delivered in months closer to the present), market participants have a strong demand for inventories, so the traditional inverse relationship between inventory and price levels does not apply (Administration 2006).

It is here that Nigerian ‘losses’ may be brought into the picture. With high demands for inventories, could deferred production serve as an alternative form of storage? This is a frequent occurrence among multinational operators in the Nigerian context. Yet despite these frequent shut-ins, they have been largely offset by new supply sources offshore. A graph of Nigerian

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16 In the August 2006 supplement to the Short Term Energy Outlook, the US EIA included a graph intended to demonstrate that changes in speculative activity ‘do not explain changes in WTI (West Texas Intermediate crude, via which US oil is priced on the NYMEX - New York Mercantile Exchange) activity’. In a phone discussion, an EIA official responsible for the report indicated that ‘it is not that speculation doesn’t cause high prices but rather that the data do not prove that they do’. When asked why the EIA performed this analysis, he stated that he was not at liberty to say, but referred to the recent crash of a hedge fund which ‘had led individuals both inside and outside the industry to ask questions about speculation’. In September Amaranth, a hedge fund with pension-funds as investors, lost $6 billion on natural gas investments. Sociological factors may be largely responsible for such crashes (Associated Press 2006). As MacKenzie demonstrates, it is the imitative nature of the hedge fund activity, and the risk averse decisions of managers and some investors, that may catalyze a general collapse due to what may have otherwise been only temporary dips. MacKenzie, D. (2003). “Long-Term Capital Management and the Sociology of Arbitrage.”

17 High prices also encourage policy-maker support for industrial exploration and an increase in capacity (exploitable reserves) to meet the threat of future scarcity — a problem that the media has associated with growing Chinese and Indian demand in the past year. In the fall of 2006 crude prices dropped implying any combination of the following: that markets are reacting to high inventories, that speculative activity has been curtailed (perhaps due to the negative impacts of ‘imitative speculation’), or that recent discoveries — for instance in the Gulf of Mexico — have offset supply worries.

production (see Figure 2) suggests that Nigeria has consistently surpassed its OPEC quota, itself a political and contingent figure. In August 2006, for instance, a Shell Nigeria staff person told me that ‘there is no OPEC quota, it is not enforced’.

The dynamics of spot and storage markets are at least in part constituted with volatility and violence in the Niger Delta, the shut-ins associated with it, and the ability of both the oil industry and the participants in the bunkering trade to play the resulting market.

**Socio-economic reproduction, ‘resource control’ and contraband markets in oil.**

As Michael Watts has stressed, contemporary struggles in the Niger Delta indicate the strong association between oil and questions of local sovereignty and territoriality (Watts 2001, 1999). The relationship between these struggles and the reality of limited access to these resources - a subject that Okonta has traced in detail with relation to the Ogoni movement (Okonta 2001; Obi 2001) direct attention away from how conflicts over extractive revenues are essentially a conflict over a generated surplus (Peluso and Watts 2001). It is this surplus that has, in the period since Nigerian ‘democratization’ in 1999, been used to purchase arms - some of which have arrived through the repatriation of Nigerian peace-keepers from elsewhere in West Africa. This has led to what Sofiri Peterside calls the democratization of violence, manifest most recently in a spate of hostage takings of foreign workers. It provides the means to assert forms of ‘localized’ indirect sovereignty (Eberlein 2006; Mbenmbe 2003; 2001), since youth militias now compete for the monopoly over the means of force and thus the ability to offer security to the oil industry (Ukeje 2001).

In my work in the Delta, I employ the Southern Ijaw region of which Ekowe forms part as an example of how the legacy of indirect rule conditions the social relations surrounding the activities of the oil industry (Mamdani 1996). The insertion of oil industry ‘host community’ policies (Knight and Alagoa 2002; Zalik 2004a) reinforces a dynamic in which ethnic identities have been cemented to political ones, which in the Delta are expressed in struggles over territory where oil installations are sited. These relations, however, are often conceptualized as a generalized form of ‘state failure’ plaguing sub-Saharan Africa. One variant associated with post-structuralism, what Bayart conceptualizes as ‘extraversion’[^19], rests on notions that have been critiqued for essentializing the African post-colonial state and equating contemporary relations of (re)production with various forms of criminality (Shenton 2003; Idahosa 2004). The notion of extraversion with relation to colonialism can be useful when it is used to interrogate the extent to which state-formation writ large is the institutionalization of organized crime - a view

[^19]: That ‘the leading actors in sub-Saharan societies have tended to compensate for their difficulties in the autonomization of their power and in intensifying the exploitation of their dependants by deliberate recourse to the strategies of extraversion, mobilizing resources derived from their (possibly unequal) relationship with the external environment. The external environment thus turned into ‘a major resource in the process of political centralization and economic accumulation’, and also in the conduct of the social struggles of218-219Bayart, J. F. (2000). "Africa in the World: A History of Extraversion." *African Affairs* **99**: 217-267.

Zalik, Oil Futures, p10
Recently, however, the post-structural version of extraversion has directed attention away from the actual mechanisms of socio-economic reproduction, regardless of the cultural hegemony of the ‘licitness’ of these mechanisms.

Although recent institutionalist literature on state bureaucracy and commodity markets in sub-Saharan Africa, as well as some policy-informed literature on the informal sector, development and reproduction addresses the gap in the literature that has resulted from this (Meagher 1997; Meagher 2006; O ruwari 2004, 1991; Ribot 1998; Boone 2003), it continues to influence the focus of much policy related research on the Delta. The emphasis on criminality within the state promotes research (and conjecture) concerning inter-community conflict and the arms trade, while neglecting the mechanics of how riverine settlements actually reproduce themselves. By constructing relations of social reproduction as ‘exclusivist’, ‘corrupt’ or ‘clientelistic’, unduly influenced by regional allegiances and cultural ties, the ability to study them is compromised: it becomes difficult to even ask about – yet alone openly account for – the ways in which people access state (‘public’) revenues. Thus, the “illicitness” of ‘bunkering’ and ‘security contracting’ means that the ways in which the generated surplus is distributed cannot be traced. It therefore remains an open question as whether cash payments from bunkering are transferred in a larger proportion to residents of the riverine area, than those that accrue to the transnational operator or the Federal Government.

Of the historically informed literature that revisits the roots of “corrupt” social relations to the colonial period, I will review one account (now ‘dated’) that may push the research agenda forward. Peter Ekeh’s interpretation of the ‘two publics’ in Nigeria, and a later discussion of the

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20 Tilly’s conceptualization is basically consonant with W eberian views on the core of the state as a monopoly on the means of violence, and Abrams with a Gramscian conceptualization of hegemony. As identified by Eberlein, however, there is a decisive difference between the African and European variants: “The rackets of the Chartered Companies didn’t invest their predatorily accumulated capital into the geographical entities under their control, but transferred it to Europe or into racially confined enclave economies (like farming). This kind of primitive accumulation signaled the continuity of a longue durée of extraversion which already began with the transatlantic slave trade” (Eberlein 2005).

21 Jane Guyer provides a number of helpful accounts of these dynamics as they apply to state revenues (1992; 1995). In relating the late colonial period to the contours of the post-colonial Nigerian oil state, she considers how the neglect of federal taxation has not only damaged the social legitimacy and accountability of the state, but has brought about a marked decrease of community and local government corporate power since independence. This she argues has been accompanied by a rise in the power of public office (including high chieftancy), private business and parastatal organizations” (1992) a problem associated with what is referred as ‘pre-bendalism’ where state/ traditional office provides an avenue for accumulation (ie. rent seeking) (Ibeanu). See sources.

22 The perhaps best-known recent discussion on the colonial legacy for contemporary governance is that of Mamdani. His broad argument in Citizen and Subject concerns how indirect rule crystallized tribal identification by bifurcating the governance structure between rural and urban areas. One reading would see the book as pushing policy-oriented scholarship toward a historical understanding of contemporary relations of ‘tribalism’ and their co-constitution with local governance and conflict. Shenton and Idahosa, taking a related - although more explicitly materialist position, argue that modernity in post-colonial Africa was compromised by a colonialism which explicitly avoided
use of the category of ‘tribalism’, provides a historical account for the phenomena described as ‘clientelism’, ‘prebendalism’ and patrimonialism in Africa. He sees them as historically embedded, in the Nigerian context, in the rise of the (city) state with the trans-Atlantic slave trade, an argument demonstrating the mutual constitution of centralized rule with violence and insecurity through the commodification of people (Ekeh 1975; Ekeh 1990). Significantly for this article, these relations shaped ‘two public realms’ in Ekeh’s view. The moral primordial public, consisting of the family and ethnic community, takes precedence over the civic public, which he views as essentially amoral. The tensions between these two publics, according to Ekeh, suggest that “it is legitimate to rob the civic public in order to strengthen the primordial public” (1975: 108). Thus, ‘rent-seeking’ to benefit the ethnic social grouping forms a partially redistributinal, although clientelistic, economy.

When applied to the Niger Delta, redistributionist elements of the contraband oil trade as a form of direct ‘resource control’ may be associated with the ‘first public’. However, with the growth of the trade in contraband oil and the commercialization of insecurity and protection, the ‘normative element’ of this public is eroded. That local authorities have often not redistributed oil-related payments, alongside the availability of small arms throughout the Delta, intensifies not only territorial conflicts over land on which oil installations are sited but also inter-generational conflicts. In turn, the now-armed youths increasingly threaten the oil industry through direct participation in the cash/ spot market in petroleum.

In this area, the most recent hero of the Delta youth is the Asari Dokubo, the leader of the Niger Delta People’s Volunteer Force. Asari, now held in federal detention, is purportedly one of the main contractors to Shell, and his operations offer subsidized fuel to Deltan residents at a fraction of the official price. Asari fuel, as it is known, is visibly transported on barges through areas that house major oil facilities, indicating the relative sovereignty of Asari’s business network versus that of the Nigerian military. This visible presence, ‘external to the state, represents an element of the ‘force of community’ conceptualized in the scenarios.

The contracting of youth as private security to the oil industry indicates that they have assumed the entrepreneurial role that should characterize the ‘competition state’, even if this manifests the sort of ‘protection racket’ that Tilly employs to equate state-making in general with organized...

Asari was the former President of the Ijaw Youth Council, a title he held through Governor Peter Odili’s trumped up IYC elections in 2002. His rise to the presidency of IYC was seen as an attempt by Odili to place supporters in leadership positions in the run-up to the 2003 elections. Following the 2003 elections, however, Asari was careful to distance himself from Odili. He has also asserted that the government, not the oil companies, were the enemies of the Niger Deltan people - and that it is a policy of the federal government to keep the Deltan minorities marginalized; as he put it “Rivers and Bayelsa are all Bantustans”. Following the 2003 elections and during an ongoing battle with the militant group led by Ateke Tom in Port Harcourt, his followers took on the name Niger Delta People’s Volunteer Force.

Asari fuel: 15 naira.

Zalik, Oil Futures, p12
crime\textsuperscript{25}. The ‘force of community’, then, - initially reflected in Ekeh’s ‘first/ primordial’ public apart from the state - becomes a contracted provider of ‘services to the state and oil company even as it seeks direct participation in secondary oil markets. It is this ‘unruly’ aspect of the force of community - represented by the likes of Asari - that the Shell Scenarios sees as gaining legitimacy in their ‘worst case’ scenario, Flags, to be discussed below.

**Scenarios to 2025**

The introduction to the Scenarios to 2025 states that they are intended to assist the Shell group of companies to “assess and review strategy”, to deepen understanding of the “context in which the group operates, to identify emerging challenges and to foster adaptability to change” (Shell 2005). The scenarios group has been imagining such ‘possible outcomes’ since the early 1990s (1992, 1995, 1998). In that decade, Shell’s publications’ explored two competing scenarios - either a ‘market-centric’ world or an ‘alternative world giving more room to social and community aspirations’. As they make explicit in the 2005 publication, the 1990s Scenarios employed the TINA concept - Margaret Thatcher’s *There is No Alternative* - to describe “increasing globalisation, the onrush of new technology and market scenarios” (Shell 2005). The Scenarios to 2025, however, focus upon the ‘dual crisis of security and trust’ associated with the Enron crisis and 9/11 - and the resulting push for state oversight. In this new set of scenarios, then, Shell ‘brings the state back in’. As indicated at the beginning of this article, three possible alternatives are now considered, shaped by three forces constituting a ‘Trilemma Triangle’: “security – or coercion and regulation; efficiency, or market incentives; and social cohesion and justice, or the force of community”. These nodes of the triangle seem to roughly correspond to competing objectives associated with the so-called ‘macro-economic trilemma’ facing states. This trilemma, as described by researchers at Berkeley’s CIDER “consists of three typically desirable, yet contradictory objectives” facing policy-makers, of which only two out three can be mutually consistent: 1. to stabilize the exchange rate; 2. to enjoy free international capital mobility, 3. to engage in a monetary policy oriented toward domestic goals” (Maurice Obstfeld 2004).

Each of the alternative scenarios reflects a compromise between two of the nodes on the triangle. Low Trust Globalization, as Shell describes it, emphasizes “security and efficiency at the expense of social cohesion” and promotes a “legalistic, prove it to me world”. Open Doors “emphasizes social cohesion with the market providing built-in solutions to crises of security and trust” and fosters ‘a pragmatic, know-me world’. And finally ‘Flags’ represents a “dogmatic world, ‘follow-me’ world… where security and community values are emphasized at the expense of efficiency”. While the document goes into considerable detail, laying out the global policy context that each

\textsuperscript{25} “But consider the definition of a racketeer as someone who creates a threat and then charges for its reduction. Governments’ provision of protection, by this standard, often qualifies as racketeering. To the extent that the threats against which a given government protects its citizens are imaginary or are consequences of its own activities, the government has organized a protection racket. Since governments themselves commonly simulate, stimulate, or even fabricate threats of external war and since the repressive and extractive activities of governments often constitute the largest current threats to the livelihoods of their own citizens, many governments operate in essentially the same ways as racketeers. There is, of course, a difference: Racketeers, by the conventional definition, operate without the sanctity of governments” (Tilly 1985: 171).
would foster and/or be embedded within, they are each summarized in a two word nutshell: the first as “carrots and sticks”; the second as “incentives and bridges”; the third as “nations and causes.” A quick reading of these descriptions makes it fairly clear that the authors would prefer the second scenario.

The key difference between the first (and perhaps most likely) option of ‘Low-trust globalization’ versus that of ‘Flags’ or ‘Open doors’ is the relative strength of the ‘state’ over ‘civil society’. The ‘force of community’, as a coercive power of greater significance than the regulatory state figures in both the best and worst case scenarios, Open Doors and Flags. Whereas the state is actually named in the summary of Low-trust globalization, in the other two scenarios it is replaced by the notion of ‘governance’. In the context of the trilemma, the force of community not only serves as a check on the market, it also serves as a ‘check’ on the state: it can either facilitate or block the ability of the ‘nation state’ to become the ‘market state’. It is the role of the ‘force of community’ in the Deltan context - as direct participation in the oil market - that echoes with the worst case scenario of Flags.

In the Niger Delta the bunkering trade overlaps with the ‘force of community’ and indeed with paramilitaries in a sort of counter-movement that seeks to at least partially re-embed the market in society - by offering subsidized fuel to residents and by creating direct access to oil revenues through ‘direct’ resource control. In recent negotiations with the Federal Government, the Federated Niger Delta Communities, one of the key umbrella groups for western Delta youth movements, actually called for the formalization of the bunkering: the granting of federal contracts for the sale and lifting of oil (FNDIC 2006). They also called for the engagement of the youth as private consultants on security matters, the provision of scholarships, and the construction of riverine fuel depots. While these demands were made to the Federal government during a May 2006 hostage crisis involving MEND (Movement for the Emancipation of the Niger Delta), the call for local ‘resource control’ - in which youth direct the bunkering - is discursively employed to promote Niger Deltan sovereignty. Asari Dokubo, for instance, is purportedly owner of a private security company to the oil industry called ‘Boro’ Security’, named for the Ijaw nationalist leader who declared a 12-day Niger Delta Republic in 1966. The various forms of local protest and resistance in the Delta, then, can be read in a number of ways: as a demand for ‘inclusion’ in the national economy either through some form of official paid employment or, more profoundly, the legalization of bunkering by federal contract; or for ‘indirect local sovereignty’ (Eberlein 2006), asserted through an effective monopoly over the means of violence in specific enclaves, in which militia groups seek to define their own terms of engagement directly with the foreign oil industry.

26 Among the telling characteristics of Open Doors is that, in fostering more rapid growth than either of the alternative scenarios, it also carries with it higher carbon emissions - a problem recognized explicitly in document. The dangers associated with higher emissions are described as ‘worrisome’ but could potentially be offset by the social consensus fostered, over a longer term, by the collective recognition of the need for efficiency/sustainable development: in which some sort of voluntary regulatory or ‘transformative’ push on the oil industry is encouraged through market mechanisms.
In between the two, and a reflection of current social relations, is a ‘partial’ local socio-territorial sovereignty (See also Eberlein 2006). This situation, characteristic of the present ‘low-trust’ scenario, involves a militia group asserting itself in both ‘formal’ and ‘informal’ areas of the oil industry through provision of security to the industry on the one hand, and prosecution of bunkering on the other. Youth gain ‘inclusion’ through this system, while riverine residents access ‘subsidized’ resources in the form of contraband oil. Yet this situation is problematic in that the use of force by militias promotes generalized social and industrial insecurity. At times it assists in driving up oil prices, and perhaps justifying ‘storage’ via deferred production – thereby promoting the interests of those (in and outside the industry) who speculate on the oil futures market. Nevertheless it interferes with the need for energy security that is key to longer-term economic development and ‘consumer confidence’. It is for this reason, in the context of a ‘longer-term’ 20-year scenario, that the oil industry must temper its own approach to the ‘free market’ by intervening directly in processes of social regulation. In the next section, some specifics of this situation are described with relationship to the emergent GMOU model and a previous pilot intervention near the Soku Gas Plant. Shell’s attempt to re-regulate volatility in the area through conflict mediation, and the areas of weakness (and strength) in this approach that influence the formulation of the GMOU model, are outlined.

From the ‘Whole Community’ to the Global Memorandum of Understanding

The most recent reshaping of corporate-community negotiations employed in the Niger Delta region sets up a governance model that would facilitate the Open Doors scenario. Piloted by Chevron but described by Shell Nigeria insiders see as ‘their idea’, it sets up an alternative governance structure involving ‘community’ representatives, state officials and oil industry staff that - in a sense - facilitates the constitution of the ‘market state’. Chevron staff, for instance, explained to me explicitly that the constitution of a ‘transparent’ governance structure aims to strengthen the capacity of communities to gain support from donors outside the industry, since their company’s own budget is insufficient to cover the development needs of the Niger Delta. The World Bank, UN bodies and other donors were directly referenced as possible sources of funding to these emergent governance structures.

The new model, called the ‘Global Memorandum of Understanding’, consists of a somewhat opaque set of committees and stages of implementation, on which representatives of various levels of government and state bureaucrats sit alongside community representatives and oil industry operations and public affairs staff. This process is facilitated via mediating NGOs, but the corporation predetermines the structure of the process. In the case of both Chevron and Shell Nigeria the GMOU is supposed to eventually encompass their entire areas of operations, replacing previous community-by-community agreements. The GMOU process employs an incentive structure similar to that used by the Shell’s previous Community Development and Sustainable Community Development models. Under this ‘milestone’ system, financing to future

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27 This is not without contestation. In Delta State in August 2006 various informants complained that to facilitate the GMOU Chevron was requesting the cancellation of previous community-level Memoranda of Understanding which had not yet been fulfilled. Shell was addressing this problem through the designation of a ‘legacy projects’ team, otherwise known as ‘abandoned projects’ as one colleague put it, to be addressed as part of the GMOU process.
stages of implementation is not provided until ‘community’ representatives demonstrate that
earlier stages have been completed. In the case of the GMOU, new oil-field wide ‘Project
Advisory Committees’ (whose members are paid a sitting allowance by the company) will
eventually receive their own operating budget. But for this to occur, members must arrive at an
intra and inter-community agreement concerning expected ‘benefits’ - infrastructure, jobs, etc -
associated with a given longer-term project. Based on this process, binding agreements are to be
established with the company; these establish a set of promised developmental benefits to
communities the completion of which will rest upon these communities’ ensuring a ‘non-
conflictual’ operating environment.

**The Soku Gas Plant**

The role of the company in predetermining the GMOU process emerged from earlier
experiences in supplanting the ‘host community policy’ described earlier. One example may be
drawn from around the Soku Gas Plant  on the border of Rivers and Bayelsa States. The plant
provides the majority of Shell Nigeria’s commitment to the Bonny Liquefied Natural Gas Plant, a
$4 billion dollar joint venture between the NNPC and three other companies. Its feed gas is
provided by Shell, Elf and Agip at ratios of 53.3%, 23.3% and 23.3 % respectively. Nigeria flares
between 2 – 2.5 billion standard cubic feet of gas a day, the highest rate in the world (Friends of
the Earth 2004). By feeding otherwise flared gas to the LNG, the project seeks to reduce the
Shell’s contribution to gas flaring (now delayed past a target end date of 2008).

The central goals of the community affairs pilot project at Soku was to ensure the
representational elements of the region as a site of ‘re-regulation’ (WAC 2003) in which, ideally,
‘profits’ and ‘principles’ could be jointly pursued. Thue the Soku pilot project was to (1)
minimize any interruptions to extraction and (2) enhance the representational value of the
company as a clean business, both of which serve to ‘maximize shareholder value’, or generate
robust profitability. In contrast to the ongoing disputes and shutdowns of regions like Southern
Ijaw presented in the opening paragraphs to this article, inter-community mediation at the ‘gas
plant’ was to offer a visible model of corporate social and environmental responsibility.

The implementation of the ‘whole community’ policy in the Soku area, was inserted into a onto a
conflict shaped by colonial trade relations, industrial mapping and naming practices, and the oil
industry ‘host community’ policies. The ‘whole community’ model sought to redefine local
interests: through the promotion of shared identification with the Gas Plant rather than with the

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28 Another was in the Cawthorne Channel area. This was apparently a great success, although in the period following
the completion of the actual construction of the gas project the region remains beset by insecurity.
29 NNPC - Nigerian National Petroleum Corporation. The recently released film ‘The Smartest Guys in the Room’
reveals that ENRON was involved in early financing to the LNG tanker project, which involved dubious deals with
various banks to periodically assume ownership of these when in the red. Enron and Merrill Lynch’s involvement with
a scheme to provide energy to Lagos through offshore oil and gas burning projects was recently confirmed through
the conviction of four Merrill Lynch and one Enron executive in a scheme that boost their earnings and make the
30 In 1997, following the Ogoni and Brent Spar debacles, Shell published a report entitled Profits versus Principles: Does
there have to be a choice?
sub-states of Rivers and Bayelsa; the privileging of youth and community administrative structures which manage oil industry revenues in place of Chiefs; and Shell’s emerging ‘human development’ approach - involving income generation and micro-credit\textsuperscript{31} - that emphasizes ‘attitudinal change’.

Ideally, the constitution of the new ‘whole community’ would serve as a protective fence around the installation, excluding from claims-making those who do not share the stakeholder status of the neighboring communities that were to now identify as ‘collective landlords’. Ekeh’s ‘primordial public’ is here reconstituted here as affiliation with the gas plant rather than with clans, sub-state or villages. This is to be achieved, partially, through the representational function of providing ‘equivalent infrastructure’ to each community. The model also assists industry in convincing communities that the provision of ‘limited benefits’ is necessary to social harmony. That is, various ‘host communities’ must agree to accept a smaller part of a presumably restricted pie.

To implement the inter-community mediation between the three main ‘host communities’ Shell contracted the German development agency GTZ who then subcontracted a leading Nigerian conflict-resolution NGO\textsuperscript{32}. The mediation, from the perspective of the local residents interviewed in 2003, sought to identify common concerns and made clear that peace would not be achieved without shared ‘ownership’ of the gas plant. As one local resident described it, ‘we agreed to the new policy for otherwise there would be no peace’. The communities set up their own ‘parallel’ government structures, which partially displaced the role of traditional authorities. They collectively agreed on ‘equal’ infrastructural and community development interventions, which remained non-functional in 2003 (and more recently in 2006).

In sub-contracting NGOs as mediating bodies between the three communities, Shell (advertently or inadvertently) distanced itself from the inter-community process. Through this partial circumvention of industry management, independent yet ‘institutionally legitimate’ spaces were opened up in which collective action, making claims upon industry, could take place across the communities. The very circumvention of centralized institutions of control involves legal and social practice that may as easily give confidence to unruly subjects as controllable ones, an argument made by Suzanna Sawyer (2004) with reference to the Ecuadorian context.

While ‘community’ empowerment was being promoted, Asari Dokubo – in his previous position as President of the Ijaw Youth Council - had installed a camp at a fishing settlement in the area. Among other things, this camp contracted security (protection) services to the Gas Plant. In late 2004, the region surrounding the gas plant was evacuated as a result of a stand-off between

\textsuperscript{31} These were largely a failure. Various NGOs involved in implementing micro-credit for the oil industry state that it is highly unlikely to work: residents have no interest in paying back money they see as essentially theirs, and the lack of infrastructure connecting the riverine Delta to urban markets mean that the majority of these funds are used for trade, rather than invested in agriculture or other developmental projects.

\textsuperscript{32} Initially Shell’s the process for the Gas Plant had involved the German aid agency GTZ who were apparently unsuccessful in carrying out this project.
Asari's militia and the Federal Government. Shortly thereafter his camp in the area was razed. About 6 months later, in February of 2005 youths from the Gas Plant Peace Committee, which had been formed during the inter-community mediation, took collective action as 'landlords'. The Nigerian Daily This Day reported on a 14-day ultimatum issued collectively by the Youth Associations of the three communities.

In the six-point petition, the groups stated that a lump sum of N15 million ($115,000 US) be paid to each of the three youth associations to prevent an impending feud between the oil company and the host communities due to the oil giant's insensitivity and neglect (Mike Oduniyi in Lagos 2005). Their complaints were related to the fact that basic infrastructure had yet to be completed in early 2005. As such they asserted their position as a 'whole community and as stakeholders.'

In the same period, the press reported that the Gas Plant experienced a temporary state of siege as a result of the Nigerian military seizing barges used for oil bunkering. This resulted in the bunkerers parading outside the gates of the Gas Plant, brandishing weapons. Only with the retreat of the Federal government was security returned to the plant. As described by a reporter: "The retreat, and not the crackdown, led to the sense of security, an irony not lost on the Soku workers. "The government isn't seizing barges" said the plant supervisor, "so we can work safely" (Oster 2005). Tolerance for bunkering, or a creeping incursion of 'direct resource control' into the security of operations, began to form part of industrial practice. This begins to blur the distinction between 'licit' and 'licit' activity and thus between 'legal' and 'illegal' oil. It would seem that, as a precursor to the GMOU model, the 'whole community' pilot proffered a bit too much autonomy to the 'force of the community'.

**Conclusion: Illicit Extraction and the ‘Force of Community’**

What are the implications of the fact that the youth who threaten the industry are paid by that very industry? Elsewhere I have argued that this means Deltan youths effectively operate outside the realm of citizenship and rights, and rather as a sort of localized shareholder (stakeholder) as subject of the market (Zalik 2004b). Following Cameron and Palan, those youths who pertain to the ‘anti-economy of social exclusion’ demand ‘social inclusion’ in the national economy (or ‘formalized’ employment) through relations in which they are the arbiters of (in)security. Access to arms in the Delta has indeed increased markedly with the return to civilian rule, the ‘democratization of violence’ referred to above. Some funding for these purchases comes from competition between local politicians, some from the oil industry. All of these payments compromise any possibility for centralized control over the means of violence, a clear erosion of state power from the Abacha period in which the Ogoni movement came to global prominence.

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33 Youth Associations from (the three host) communities of Akuku-Toru Local Government of Rivers State and Nembe Local Government of Bayelsa State have jointly issued a 14-day ultimatum to Shell Petroleum Development Company (SPDC) demanding for compensation over deprivation of work experience and empowerment opportunities due them. The petition was signed by the presidents of the three Youth Federations: Mr. Orusakwe Asemiegha; Leader South-Youth Welfare Association, T.O.F. Windah and President, Eleme-Sangama Youth Movement, Comrade Soingo Benson Duke.

34 According to the report the gunmen overpowered government troops and stole their uniforms and weapons.
Unlike the Ogoni, the contemporary Ijaw youth movements demand for national inclusion may be a more effective claim on resources not (only) because they make it under a ‘democratizing’ state. Of greater significance is that they directly participate in global oil markets through the bunkering trade, partially displacing the elites in the military and the oil industry who historically controlled this trade. The illicit bunkering trade and the ‘protection industry’ with which it is associated acts as both informal and self-employment for Niger Deltan ‘youth’; it serves as a claim for inclusion in the national economy without which violent demands for autonomy will deepen.

In terms of the ‘local’ Niger Deltan socio-economy, what we may be seeing is a reconstitution of collective norms in the form of indirect claims for sovereignty, in which bunkering/protection competes as an acceptable organizational node for popular redistribution. Even under the erosion of ‘traditional’ authority structures and the conflict between elders and youths, ‘a regional extension of the clan or family structure - following Peter Ekeh’s notion of the two publics – remains the respected public. It is this public, as the ‘force of community’ that seeks to reshape the definition of legal or illegal trade in oil.

As we have seen, many individual actors in a game of arbitrage may profit from playing the global oil market under a violent regime. However, actors in the formal industry benefit from their ‘relative’ security and legitimacy vis-à-vis the ‘shadowy’ actors in the oil trade who – presumably- are not in a position to play with financial derivatives. In this context labeling some forms of oil on the ‘global’ market as licit and others illicit becomes one marker of power, access, inclusion – legal authority which is only effectively challenged through physical force by the excluded. In this sense the global business imaginary for the future is faced with a contradiction; its pursuit of the ‘market state’ competes with insurgency/armed resistance in the Niger Delta even as the latter shapes the market volatility that is key to profits under financialization. The triumph of resistance to the market state as a licit and sovereign claim on extraction is the future expressed in the Flags scenario that promotes ‘nations and causes’ rather than Open Doors. It is in this sense that the Global Scenarios to 2025 and the GMOU process in the Delta, depict how global business either seeks to construct, or seeks to curtail, the ‘force of community’.

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35 This is perhaps represented globally in its most unappealing form by ‘populist’ resource nationalism in the Americas: Venezuela and Bolivia and struggles to prevent denationalization in Mexico.
Figure 2. Nigeria Crude Oil Supply vs. OPEC Quota. Source: oilmarketreport.org

Sources Cited


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