Economic Liberalisation Policies and Inter-Ethnic Conflicts in Delta State, Nigeria

Idowu Johnson, Ph.D.
Department of Political Science
University of Ibadan
Nigeria

Abstract
This paper examines economic liberalisation policies (privatisation, currency devaluation, removal of state subsidies on education, health and petroleum products, and public sector rationalisation) with a view to explaining their influences on inter-ethnic conflicts in Delta State of Nigeria. Economic liberalisation policies are contradictory to the sustenance of social cohesion in Delta State. State economic policies that undermined the marginalised groups had been externally imposed. The intensification of inter-ethnic conflicts in Delta State was attributed to the decay in state institutions and economic crisis of late 1980s and 1990s. Ethnic mobilisation rose as the capacity and strength of institutions of the state eroded and was no longer able to provide citizens with either physical or economic security. Government spending on social services such as education, health and housing in Warri metropolis in the last twenty years decreased, provoking competition and struggle for resources as well as inter-ethnic violence among the Ijaw, Itsekiri and Urhobo. Marginalised groups with realised expectations became particularly hostile to elements of economic liberalisation within the state system which they perceived to be responsible for the erosion of state welfare programme. Alienation from the state encouraged participation in ethnic movements. Economic liberalisation policies have aggravated inter-ethnic conflicts in Delta State because they reduced the welfare role of the state and intensified competition for scarce resources under economic crisis. However, a reformation of the Nigerian state in the direction of social welfarism will reduce the phenomenal growth of inter-ethnic conflicts in Delta State of Nigeria.

Keywords: Liberalisation, Economic crisis, Ethnic conflicts, Delta State, Social welfarism

Introduction
Ethnicity has been a source of social discontents all over the world. In the context of Africa, it has been observed that the integration of different groups through colonialism into a peripheral capitalist formation brought new and competitive notions of development. Events such as those in Rwanda, Somalia, Ethiopia, Burundi, Sudan and Democratic Republic of Congo illustrate the polarisation between ethnic groups; resulting in conflicts as they compete for scarce resources. Although, pre-colonial Africa was diverse in language and history, and each society identified with a ‘homeland’, a specific territory defined not in the linguistic sense of a modern state boundary, but in the equally forceful sense of a ‘common land’ occupied since the beginning of the ‘people’ themselves. In spite of this diversity, however, there were several common features regarding social, political and economic organisation, as well as inter-personal and inter-communal interactions. Quite obviously, the condition for ethnic division in Africa was created historically through colonial and post-colonial government policies. To be sure, ethnicity became a prominent political issue, especially during the nationalists’ struggle in the colonial era. It follows then that colonialism left in its wake the division of Africa along ethnic lines, against the spirit of communalism that pervaded traditional African societies. Perhaps, Nigeria epitomises the colonial legacy of ethnic division. Identity politics and the conflicts associated with it have become a phenomenon in the country. The British encouraged ethnic cleavages in Nigeria through their colonial policy of divide and rule. As Isumonah and Gaskia rightly observed:

The British colonial administrative policy, indirect rule, which was based on the existing indigenous constitution or political organisation was conducive to the development of ethnic consciousness. It can be argued that Nigeria emerged out of the experience of colonial rule as a satellite or dependent neo-colonial economy, with a low level social and political integration and, therefore, the absence of inter-ethnic trust, national society and leadership, and uneven development between the constituent territorial units. To be sure, the country inherited institutions and conditions which potentially made for the perpetuation and intensification of economic, social, political and geographical inequalities and receptive disposition towards the use of force or violence as a means of securing one’s group interests. Indeed, British colonialism planted the seed of ethnicity. This later led to the formation of political parties along ethnic lines as individuals and political elites seeking elective posts anchored their programmes on the sympathy and support of their ethnic groups. Therefore, to mobilize support, the political elites helped in fostering ethnic divisions among the populace, thereby reducing national issues to ethnic questions. However, the unresolved ethnic questions in Nigeria’s body politic aggravated ethnic tensions and the various ethnic groups frequently accuse one another of marginalisation. This has greatly resulted in series of ethnic conflicts in the Nigerian state. While it is true that ethnic conflict is a by-product of internal factors among which are, from inter-group politics, elite politics, resource control, religious diversity and so on, it is evident also that in recent times, attention has shifted to a critical analysis of ethnic conflicts as a result of economic liberalisation policies, which are characterised by contemporary processes of globalisation. In other words, while traditional preoccupations with nationalism, national identity and state behaviour remain relevant to present discourses on crises of governance and resurgence of ethnicity, they are insufficient to explain fully the contemporary phenomenon.

Generally, liberalisation and the accompanying requirement of macro-economic stabilisation subject people to rapid and sometimes devastating changes in fortune. At the same time, liberalisation has negated the prospect of economic prosperity and social progress, especially for the disadvantaged groups, including the minorities, who took solace in militancy as a counterforce against the state’s coercive apparatus. Beginning from the end of the Cold War, a considerable number of scholars have proposed a pessimistic view of the future; that globalisation would bring about more and more conflicts which will tend to be ethnic in nature. However, this prediction has become a reality through the combination of Structural Adjustment Programmes (SAP) and the pressure of globalisation with its adverse effects. The most gruesome ethnic conflicts are found in poorer societies where economic frustration reinforces political rage. It seems apparent, therefore that, just as economic globalisation can contribute to a country’s prosperity, it is also capable of increasing the level of ethnic and political violence. This is because the association of the concept of liberalism with equal rights is a ruse because equality can never be attained in a capitalist world economy. For Nigeria, economic crises did not manifest itself until early 1980s, with the occurrence of devastating fall in the price of oil in the international market. This steep fall in the price of oil had a debilitating effect on the foreign exchange receipt and the level of domestic production in the country. With the implementation of SAP came high level of unemployment and capital flight due to payment of questionable external debt. Consequently, SAP heightened the level of poverty, disease and misery to an unprecedented scale.

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Thus, the economic crisis undermined the capacity of the Nigerian state to provide welfare services to the populace, and the legitimacy of the state was therefore called into question as various groups began to device strategies and mechanisms for coping with the deteriorating economic environment and the accompanying social cost. As Egwu aptly put it, what appears increasingly as ethno-religious conflicts and violence in the contestation over citizenship rights is largely a fall out of the collapse of the development list state and the way in which forces of the market are increasingly taking the state away from the people. In illustrating the foregoing argument, this paper used Delta State as a case study. The State represents a microcosm of Nigerian State.

**Conceptual Discourse**

To put this paper in proper perspective, the key terms, ‘ethnic identity’, ‘ethnic conflicts’, and ‘economic liberalisation policies’, need to be clarified.

**Ethnic Identity**

The concept of ethnic identity has not submitted itself to a unified definition. It has been subjected to different interpretations and analyses. In the contention of Jean Phinney, ‘there are widely discrepant definitions and measures of ethnic identity which makes generalisations and comparisons across studies difficult and ambiguous’. These difficulties have, therefore, given rise to a multitude of interpretations. Horowitz situated the concept within the purview of ethnicity. He conceptualised ethnicity as based on a ‘myth of collective ancestry, which usually carries its traits to be innate. Some notion of ascription, however, diluted, and affinity deriving from it, are inseparable from the concept of ethnicity’. For Horowitz, therefore, ethnicity is an umbrella concept that ‘easily embraces groups differentiated by colour, language, and religion; it covers “tribes”, “races”, “nationalities”, and “castes”’. It is important to note that where ethnic is connected with a particular race, nation or tribe and their customs and traditions, ethnicity refers to the condition of belonging to that ethnic group. According to Anthony Smith, an ethnic group is, ‘a named human population with myths of common ancestry, shared historical memories, one or more elements of a common culture, a link with a homeland and a sense of solidarity’.

This definition conforms to the one provided by Osaghae when he wrote that an ethnic group is a ‘distinct group which possesses, amongst others, language, culture, myth of common origin and territory which differentiates it from other groups’. This implies that it is more appropriate to talk of ethnicity only when people within a multi-ethnic community start to ‘stress their identity and exclusiveness’. In a more refined way, Fearon defines a ‘prototypical’ ethnic group as one that has as many as possible of the following features: (1) Membership is reckoned primarily by descent (2) Members are conscious of group membership (3) Members share distinguishing cultural features (4) These cultural features are valued by a majority of members (5) The group has or remembers a homeland (6) The group has a shared history as a group that is ‘not wholly manufactured but has some basis in fact’. On the other hand, Kanchan Chandra proposes a definition of the term ethnic identity which captures the conventional classification to a greater degree than other definitions. For Cahndra, ‘ethnic identities are a subset of identity categories in which eligibility for membership is determined by attributes associated with, or believed to be associated with, simply as descent-based attributes’. By attributes that ‘determine’ eligibility for membership, Chandra meant either those that qualify an individual for membership in a category or those that signal such membership. By descent-based attributes, he meant attributes associated with or believed to be associated with descent.

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13 Ibid p. 53
By attributes ‘associated with descent’, he meant attributes that are acquired genetically (e.g. skin colour, gender, hair type, eye colour, height, and physical features) or through cultural and historical inheritance (e.g. the names, languages, places of birth and origin of one’s parents and ancestors), or acquired in the course of one’s lifetime as markers of such an inheritance (e.g. last name, or tribal markings). By attributes ‘believed to be associated with descent’, he meant attributes around which a credible myth of association with descent has been woven, whether or not such an association exists in fact19. This paper proposes a definition of ethnic identity offered by Okwudiba Nnoli. For Nnoli, ethnic group ‘refers to the largest inclusive group which is characterized by communal boundaries’20. This communal boundary may be language, culture and/or way of life. At the same time, there is a common consciousness of being one in relation to others.

**Ethnic Conflict**

The operational definition of ethnic conflicts varies. An ethnic conflict is a conflict between ethnic groups often as a result of ethnic nationalism. This implies that ethnic conflict has come to mean cleavages between groups based on differentiations in ethnic identities. For Zeric Smith, ethnic conflict is defined ‘as a range of events from articulation of discontent, protest, mobilisation, confrontation, sporadic or sustained violence, and civil war or insurrection, in which ethnicity plays a significant role’21. Basically, ethnic conflict as a concept is related to economic development. Thus a history of unequal development in a country in which regional inequalities coincide with ethnicity can establish the precipitating factors for ethnic conflict. In this context, Otite emphasised that ethnic conflicts are generated from conditions of contested claims over access to or control of scarce resources22. Based on this, Nnoli defines ethnic conflicts ‘as the contradictions arising from differences in interests, ideas, ideologies, orientations, perceptions and tendencies’23. Furthermore, ethnic conflict may occur over access to ‘material goods as well as over intangible goods such as power, respect or social status’24. To the extent that, the nature of these conflicts stems from an irreconcilable posture with regard to what is of symbolic value to the ethnic group concerned. Similarly ethnic conflict, according to Anamaria Dutceac, is generally understood as designating a violent confrontation between groups of people that share the same state but not the same identity25. For Michael Teitelbaum and Jay Winter, ethnic conflict is largely conceptualised as a matter of cynical politicians ‘mobilising fear and greed for personal advantage’26. This definition was shared by John Richardson and Shinjinee Sen who viewed an ethnic conflict as ‘a struggle between rival organisations seeking to maintain or gain control of state power’27. Therefore, this definition states that a dominant ethnic group gains office and then uses state institutions to distribute economic and political benefits preferentially to their ethnic brethren28. Although the term ethnic conflict has been conceptualised in different ways, this study is focusing on its meaning that emphasised cleavages between groups based on differentiations in ethnic identities within the context of scarce resources.

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28 Ibid.
Economic Liberalisation

Economic liberalisation can be understood within the context of globalisation. However, there are multiple ways in which globalisation has been defined. Thus, the term globalisation covers a wide range of distinct political, economic, and cultural trends. Following Scholte’s definition, ‘globalisation is a phenomenon of increasing economic interdependence, of technological advances that diminish space and time, of cultural homogenisation, and of emerging global social and political identities’\(^{29}\). Corroborating this definition, Waters saw globalisation ‘as a weakening of the constraints of space and time on economic, political, and cultural arrangements’\(^{30}\). This definition emphasised the transcending of national boundaries and acceptance of single world society, culture and territory. While globalisation has various facets (political, cultural and economic) the economic facet of globalisation is the most noted. In this context, Prakash and Hart define globalisation as a set of processes leading to the integration of economic activity which involves goods and services market across geographical boundaries, and the increased salience of cross-border value chains in international economic flows\(^{31}\). Economic globalisation, according to Martin Khor, ‘is the breaking down of national economic barriers; the international spread of trade, financial and production activities, and the growing power of transnational corporations and international financial institutions’\(^{32}\).

However, Joseph Stiglitz conceived economic liberalisation as comprising the three pillars of the ‘Washington Consensus’, that is, ‘fiscal austerity’, ‘privatisation’ and ‘market liberalisation’\(^{33}\). Thus, liberalisation policies are designed to encourage more investments from the Multinational Corporations. Indeed, the privatisation of the state apparatus through Multinational Corporations and international financial institutions advances the logic of liberalisation. This is why Eskor Toyo regarded globalisation as ‘an imperialist policy and a successor of SAP’\(^{34}\).

Hence, it is the view in this study that economic liberalisation policies express the domination by multinational corporations of poorer nations’ economies through international financial institutions-inspired programmes such as SAP, privatisation, deregulation and unsubsidised economic practice, which are seriously weakening these states’ performance and ability to discharge their responsibilities towards their populace. Thus, economic liberalisation is nothing but an instrument of hegemonic control by the West of market forces globally.

Theoretical Framework

The theoretical basis of this study is informed by two theories. These are the Rational Choice Theory and the Marxist Structural Theory of conflict.

Rational Choice Theory

The basic principles of rational choice theory are derived from the neo-classical economics of Adam Smith and David Ricardo. However, William Riker’s work\(^ {35}\) is probably the most important scholarly work in the emergence of rational choice in Political Science. Riker takes the theories of economics and mathematics based game theory and expressly applies them to political decision making, presenting an alternative to political science’s long standing focus on concepts such as power and authority. Riker sees rationality in terms of individuals who seek to win, rather than lose, in the context of various types of two-person games. “Politically rational man is the man who rather wins than lose regardless of the particular stakes”\(^{36}\). The theory postulates that a social phenomenon is a concern for the unintended consequences of human action.

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\(^{36}\) Ibid, p. 22.
In relation to this study, the assumption of rationality as observed by John Mbaku is that, individuals engaging in ethnic conflict do so after determining this to be the least cost alternative to mobilise and maximise their values.\textsuperscript{37} Rational Choice Theory is, in essence, ‘what you get if you seek to model political behaviour on the simplifying assumption that political actors are instrumental, self-serving utility-maximisers’\textsuperscript{38}. Indeed, Rational Choice Theory conceives society in the form of exploitation, in the sense that those whose exploitation arises from the unequal distribution of property can join social movements designed to redistribute property more equally\textsuperscript{39}. The very concept of rationality that Rational Choice Theory celebrates is said to be historically and culturally specific to capitalist societies\textsuperscript{40}.

**Marxist Structural Theory of Conflict**

Implicit in the Marxian perspective is that conflict is determined primarily by the prevalent social relations of production which itself can be explained by their material forces of production. The totality of these relation of production constitute the economic structure of the society, the real foundation on which arises a legal and political consciousness. Marx and Engels stressed the material conception underlying conflicts, especially the class struggle based on property relations\textsuperscript{41}. This theory views man as the maker of conflict and always at the centre of conflict because of the structural factors that transcend social stratification (either primordial, ideological differentiation or social movement categorisation). Marx attributed the rise of labour movements to the structural conditions created by the capitalist economy and also situated social action within a historical framework of class conflict. Marx insight into social movements was therefore, a radical critique of the capitalist economy and its influence on social structure.\textsuperscript{42} Marxist Structural Theory situates conflicts between and among individuals within the context of the state capitalist system. Specifically, Marx applied material dialectics in his analysis of socio-economic phenomena. Marx argued that economy determines political attitudes. This theory gives primacy to the material conditions, particularly economic factors in the explanation of social life. It assumes a dialectical relationship between and among different elements of social life including economic, social, and political structure and the belief system. In analysing the French Revolution, Marx identified the interests of different classes (namely the Parisian Proletariat, the petty bourgeoisie, and the enlightened fragment of the bourgeoisie) and the temporary coalitions they made. Marx identified the actors to be classes, which were formed according to the means of production and which are imbued with common interests, mutual awareness, and internal organisation.\textsuperscript{43} Marx sees history as been propelled by revolutionary conflicts between economically differentiated classes of individuals. Broadly as a macro structural theory of economic, political and social structures, Marxist theory is used in this paper to explain different structures of exploitation and dominations in ethnic relations and conflicts in Nigeria.

**Methodology**

This study relied essentially on qualitative method of research. It incorporated historical, descriptive and interpretative aspects of data analysis. Specifically, the study utilised a case study method; and examined the inter-ethnic conflicts between the Ijaw, Itsekiri and Urhobo in Delta State of Nigeria.

(i) **Sources of Data**

Both primary and secondary data were utilised. While primary data were derived through interactive methodologies, the secondary data were sourced from libraries, archives and the internet. A field work was carried out in Warri metropolis.


\textsuperscript{42} For more on this, see Richard P. Appelbaum, Karl Marx: Master of Social Theory, Volume 7, California: Sage Publications, 1988.

(ii) **Method of Data Collection**

Primary data were derived from five Focus Group Discussions (FGDs) with unemployed youths, civil servants, farmers, traders, and traditional rulers in Warri metropolis. The study involved a fieldwork in Delta State of Nigeria. Delta State as a microcosm of the Nigerian state is singled out for focus. The choice of Delta State as a case study is informed by the central place it occupies in Nigeria’s economy and also being a theatre of the resurgence of inter-ethnic conflicts. In addition, the Ijaw, Itsekiri and Urhobo were chosen because of frequent conflicts witnessed in that area. The respondents were the Ijaw, Itsekiri and Urhobo people. The discussions were guided by questions such as (a) What is your social background? (b) Are you employed? (c) Do you have job security? (d) Has oil improved your standard of living? (e) Have you benefited socially and economically from the Nigerian State? (f) What do you think is responsible for ethnic hatred in the oil communities? (g) Do you feel development projects in your community are equitably distributed? These were supplemented with Key Informant Interviews with academics and conflict management practitioners. These interviews were important in order to:

(i) offer capacity building techniques in the restive areas,
(ii) improve community development and action planning,
(iii) Ascertain the effective and efficient means of demobilisation, reorientation, reintegration, and reconciliation of the disillusioned youths.
(iv) Suggest policy measures that can engender lasting solutions to the Niger Delta conflicts.

Thus, the essence of conducting these interviews is to strengthen the involvement of Non-State Actors (NSA) in conflict management. In addition, secondary data on ethnic conflicts and economic liberalisation, and the implications these had on policy directions in Nigeria from relevant books, monographs, journals, and periodicals were also collected.

(ii) **Data Analysis**

Data collected from primary and secondary sources were subjected to descriptive analysis and ethnographic summaries.

**Findings and Discussion**

The international political economy of oil in Nigeria, through the forces of globalisation, imported many contradictions on ethnic identities, one of which is critical to this study. While ethnic conflicts predated SAPs, their proliferation underscored by throbbing economic austerity, along with the tendency to compound rather than ameliorate the debt crisis, increased Nigeria’s susceptibility to ethnic conflicts. Thus, the causes of ethnic conflicts in contemporary Nigeria cannot be divorced from the forces and contradictions unleashed by the global economy. Therefore, just as Nigeria is under pressure from internal problems, Nigeria also has external economic pressures bearing on the phenomenal growth of ethnic conflicts. Although, traditional preoccupation explains ethnic conflicts in Nigeria, it is however insufficient to understand the present phenomenon. In this connection, the timing of ethnic conflicts and the direction it took in contemporary Nigeria must be viewed against the backdrop of the international political economy of oil and the perceived weakness of the Nigerian state to provide welfare and social services to the majority of the populace. Evidently, Nigeria’s oil-related ethnic problem which encompasses inter-ethnic and intra-ethnic conflicts arising from the sharing of oil rent at the local and regional levels have risen sharply since the middle of the 1990s.

For a long time, the Niger Delta region has been a theatre of conflicts of varying proportions. A number of major confrontations of this nature deserve some elaboration, which would also help highlight the relationship between economic liberalisation policies and ethnic conflicts in Nigeria. The major sources of inter-ethnic conflicts in the Warri metropolis of Delta state could be classified as structural, political, socio-economic, cultural and developmental in dimension. While other factors are germane to the analysis of the conflicts, the serious economic difficulties and developmental crisis confronting the people in the Warri metropolis for over two decades have contributed more to the escalation of inter-ethnic conflicts in the area.

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45 Iwayemi, Op Cit., p. 36.
Some of the thorny issues that heightened inter-ethnic tension in the Warri metropolis, during the colonial period, were political appointment of the Itsekiri to the exclusion of other ethnic groups by the colonial authorities, and the right to control Warri lands. It must be noted that the colonial authorities effectively managed inter-ethnic conflicts in the Warri metropolis. However, the departure of the British, following the attainment of independence did not lead, as might have been expected, to a decrease in tensions between the Ijaw and the Itsekiri. With the discovery of large oil reserves in the Niger Delta region in the late 1950s, a new bone of contention was introduced, as the ability to claim ownership of a given piece of land now promised to yield immense benefits to be provided by the oil companies. Despite this new factor, rivalry between the Ijaw and the Itsekiri did not actually escalate to the level of violent conflict until the late 1990s, when the death of General Sani Abacha led to a re-emergence of local politics. The re-emergence of inter-ethnic clashes between the Ijaw and the Itsekiri in 1997 had their immediate cause in the government’s decision to relocate the headquarters of a Warri local government from Ogbe-Ijoh to Ogidigben. The Ijaw protested this government policy. The reasons why the Ijaw protested against the relocation, as observed by Obi, are:

(i) Playing host to oil wells and oil company installations, and being the headquarters of a Local Government Area had its material rewards to local elite in terms of influence, appointments, contracts, and relevance.
(ii) It enabled elites at the state and federal levels to control politics and distribute patronage at local levels.
(iii) It will also enable the oil companies to wield influence and power in the oil producing communities.

From the foregoing, the presence of oil companies in the Warri metropolis lured in a large population of youths from surrounding villages in search of employment. Unfortunately, many of these youths could not be employed in these oil companies, because of limited vacancies. This created an army of unemployed youths in Warri. It is imperative to note that the oil companies pay royalties and rent on land and properties in Warri. Thus, the Olu of Warri, an Itsekiri, receives royalties from Shell Petroleum Development Company (SPDC) and Chevron because he is the recognised traditional political authority in Warri. To this extent, the other ethnic groups (Ijaw and Urhobo) discovered that it is difficult for them to benefit from the oil companies either in terms of employment or royalties, even though these companies were exploring and exploiting crude oil in their own backyards. The Ijaw, therefore, see attacks on the MNCs’ facilities as a means of getting at the federal government who has disadvantaged them, and the attacks on MNCs are also because they are seen as part of the problem of inequitable treatment, neglect, disinheritance and deprivation. Thus, the Warri ethnic crisis, which resurfaced in 1999, 2003 and early 2004, gave way to despair, sadness, gloom and sorrow, because the conflict claimed thousands of lives, and properties worth several billions of naira were destroyed. However, the unwarranted youth reaction against oil companies resulted in inter-ethnic conflicts among the three ethnic groups of Ijaw, Urhobo and Itsekiri. More importantly, the tri-ethnic conflict in the Warri metropolis has been fuelled by the ever-increasing level of poverty, exacerbated by joblessness, deteriorating infrastructures etc. All these clashes are due to the fundamental crisis of underdevelopment. As Douglas et al succinctly put it: Central to the Warri crisis, however, is poverty amidst unimaginable oil wealth. The oil-producing communities do seek to control “their oil”. But this legitimate claim is reframed through the lens of ethnic difference, as Urhobo, Ijaw, and Itsekiri people struggle over the delineation of electoral wards (as a precondition to claim state oil revenues) and overlapping claims on oil-rich land. Consequently, the slow developmental pace of Warri brought about a grievance culture among Ijaw, Itsekiri and Urhobo.

Thus, the inability of these ethnic groups to enjoy basic social amenities aggravated suspicion and hatred in the context of competition for scarce resources. However, the field work conducted in the course of this research revealed that, inter-ethnic conflicts between the Ijaw, Urhobo and Itsekiri are often a consequence of liberalisation policies in Nigeria. The Niger Delta crisis tends to reflect the consequences of a market-led reforms starting from the mid-1980s and climaxing at the beginning of the 21st century. The twin reform agenda of the Babangada regime of open market and neo-liberalisation championed by the Bretton Woods institutions weakened the country’s economic base and spiralled unemployment rate and consequently leading to harsh economic hardship in the country. But this development was more pronounced in the Niger Delta because traditional means of livelihood had been greatly undermined due to incessant oil spillage and poor response to general environmental degradation due to the activities of oil companies.\(^{52}\)

<table>
<thead>
<tr>
<th>Year/Indicator</th>
<th>Savings-deposit rate</th>
<th>Lending rate</th>
<th>Inflation rate</th>
<th>Exch. Rate (N to US $)</th>
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</thead>
<tbody>
<tr>
<td>1980</td>
<td>6.0</td>
<td>9.5</td>
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<td>7.7</td>
<td>0.67</td>
</tr>
<tr>
<td>1984</td>
<td>9.5</td>
<td>13.0</td>
<td>39.6</td>
<td>0.76</td>
</tr>
<tr>
<td>1986</td>
<td>9.5</td>
<td>12.0</td>
<td>5.4</td>
<td>2.02</td>
</tr>
<tr>
<td>1988</td>
<td>14.5</td>
<td>17.6</td>
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<td>1990</td>
<td>18.8</td>
<td>20.6</td>
<td>7.5</td>
<td>8.04</td>
</tr>
<tr>
<td>1992</td>
<td>16.1</td>
<td>31.2</td>
<td>44.5</td>
<td>17.30</td>
</tr>
<tr>
<td>1995</td>
<td>12.6</td>
<td>20.8</td>
<td>72.8</td>
<td>81.30</td>
</tr>
<tr>
<td>1996</td>
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</tr>
<tr>
<td>1998</td>
<td>5.5</td>
<td>21.8</td>
<td>10.0</td>
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<tr>
<td>1999</td>
<td>5.3</td>
<td>33.1</td>
<td>6.6</td>
<td>92.3</td>
</tr>
<tr>
<td>2000</td>
<td>5.3</td>
<td>26.4</td>
<td>6.9</td>
<td>101.7</td>
</tr>
<tr>
<td>2001</td>
<td>5.4</td>
<td>31.2</td>
<td>18.9</td>
<td>111.9</td>
</tr>
<tr>
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<td>25.7</td>
<td>12.9</td>
<td>121.0</td>
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<tr>
<td>2003</td>
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<td>14.0</td>
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<td>4.4</td>
<td>20.4</td>
<td>15.0</td>
<td>133.5</td>
</tr>
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</table>


In Table 1 it is very glaring that Nigeria’s political economy has not improved the living standards of the people. Inflation has been consistently on the high side, thereby reducing the spending power of the people, with cost of living remaining high. The table further revealed that with the implementation of SAP exchange rate has been high. All these have resulted into high cost of investment and production, which contributed to serious higher inflation rate. In terms of government’s attention to social services, such as education and health facilities, the period witnessed low performance. This low performance is replicated in all states and local governments in Nigeria. As earlier pointed out, this low performance in social services is due to Nigeria’s romance with neo-liberal economic reforms. Rather than promote prosperity, neo-liberal reforms have worsened economic tensions. Arising from neo-liberal reforms also are increasing number of people with lack of access to basic education, and rising unemployment which have negatively affected people living in the Warri metropolis. In the Focus Group Discussion with the people, respondents were asked if they had benefited from the Nigerian state in relation to oil prospecting and development in the Warri region. Some respondents mentioned the failure of Nigerian state in providing essential social services as a reason for engaging in communal and ethnic clashes.

\(^{52}\) Interview with Dr. Alex Asakitipi, February 16, 2008.
One respondent states as follows:

The general neglect of infrastructure often rationalised by the difficulty of the delta’s terrain, has worsened people’s access to fundamental services, such as electricity, safe drinking water, roads, and health facilities which are in different dimensions in different parts of the country. This total neglect in social services aggravates tension and suspicions among diverse groups, by struggling for scarce resources. The end result is conflict.

In the same vein, another respondent believed that:

The activities of oil companies, to the total neglect of the people (Ijaw, Urhobo and Itsekiri), have resulted in the Warri area being the centre of hunger, poverty, and insecurity. Specifically, the youth in the Warri metropolis cannot understand why the region should remain neglected, underdeveloped and backward with the level of Niger Delta’s contribution to the economy of the Nigerian state.

Table 2: Contribution of Niger Delta States to Oil Production

<table>
<thead>
<tr>
<th>State</th>
<th>Percentage of Oil Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta</td>
<td>30%</td>
</tr>
<tr>
<td>Akwa Ibom</td>
<td>22%</td>
</tr>
<tr>
<td>Bayelsa</td>
<td>18.20%</td>
</tr>
<tr>
<td>Rivers</td>
<td>18.20%</td>
</tr>
<tr>
<td>Ondo</td>
<td>7%</td>
</tr>
<tr>
<td>Imo</td>
<td>2.5%</td>
</tr>
<tr>
<td>Abia</td>
<td>1.4%</td>
</tr>
<tr>
<td>Edo</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Tell Magazine, February 18, 2008, p. 25

From Table 2, Delta state, which is host to the Ijaw, Itsekiri and Urhobo ethnic groups, contributed the largest percentage to oil production in Nigeria. Yet, the teeming youth population in Warri is mostly unemployed. This automatically resulted in youth restiveness. Youth restiveness in the Delta region is more likely a reflection of the crisis of state failure and economic dislocation witnessed in Nigeria since the late 1980s and early 1990s. However, youth restiveness in Warri and its ethnic undertone has been linked to the problem of urbanisation. Darah has observed that the biggest industries in Delta state are located in Warri and its environs. The youth, according to him, react violently at the least provocation because they have not been provided with alternative social and economic means of letting off steam. The following comments shed more light on youths involvement in violence:

It is a fact that youths join anti-social movements because of the dire circumstance they found themselves, especially when they lack descent jobs.

Table 3: Population Distribution of Household Members Aged 6+ by Educational Attainment, 2006 (Niger Delta States)

<table>
<thead>
<tr>
<th>States</th>
<th>None</th>
<th>Nursery</th>
<th>Primary</th>
<th>JSS/Moder School</th>
<th>SSS/SEC/TTC</th>
<th>OND/NCE</th>
<th>University Graduate/HND</th>
<th>Postgraduate</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abia</td>
<td>292,272</td>
<td>419,583</td>
<td>434,211</td>
<td>367,451</td>
<td>652,735</td>
<td>112,894</td>
<td>139,293</td>
<td>26,185</td>
<td>6,618</td>
</tr>
<tr>
<td>Akwa Ibom</td>
<td>591,374</td>
<td>405,421</td>
<td>580,598</td>
<td>494,553</td>
<td>773,169</td>
<td>236,080</td>
<td>177,497</td>
<td>41,889</td>
<td>7,386</td>
</tr>
<tr>
<td>Bayelsa</td>
<td>381,141</td>
<td>175,201</td>
<td>187,872</td>
<td>198,950</td>
<td>326,510</td>
<td>73,534</td>
<td>77,772</td>
<td>14,817</td>
<td>2,288</td>
</tr>
<tr>
<td>Delta</td>
<td>727,735</td>
<td>508,229</td>
<td>536,566</td>
<td>514,432</td>
<td>779,839</td>
<td>194,733</td>
<td>173,188</td>
<td>28,702</td>
<td>5,845</td>
</tr>
<tr>
<td>Edo</td>
<td>587,053</td>
<td>430,682</td>
<td>449,375</td>
<td>380,378</td>
<td>619,331</td>
<td>125,826</td>
<td>116,161</td>
<td>22,323</td>
<td>4,952</td>
</tr>
<tr>
<td>Imo</td>
<td>352,883</td>
<td>561,593</td>
<td>541,437</td>
<td>514,825</td>
<td>898,114</td>
<td>193,156</td>
<td>257,418</td>
<td>46,638</td>
<td>8,968</td>
</tr>
<tr>
<td>Ondo</td>
<td>658,514</td>
<td>431,084</td>
<td>425,321</td>
<td>467,270</td>
<td>559,480</td>
<td>208,223</td>
<td>145,915</td>
<td>25,592</td>
<td>3,732</td>
</tr>
<tr>
<td>Rivers</td>
<td>661,763</td>
<td>606,278</td>
<td>585,119</td>
<td>643,029</td>
<td>1,189,159</td>
<td>282,184</td>
<td>379,456</td>
<td>75,895</td>
<td>11,757</td>
</tr>
</tbody>
</table>

Source: National Population Commission, Abuja

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55 Interview with Mr. Dan Otoikhian, January 10, 2008.
Table 4: Percentage of Households by Type of Housing Unit 2007

<table>
<thead>
<tr>
<th>State</th>
<th>Single Room</th>
<th>Flat</th>
<th>Duplex</th>
<th>Whole Building</th>
<th>Other Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abia</td>
<td>32.6</td>
<td>5.4</td>
<td>0.0</td>
<td>56.9</td>
<td>5.1</td>
</tr>
<tr>
<td>Akwa Ibom</td>
<td>43.3</td>
<td>7.9</td>
<td>0.2</td>
<td>47.4</td>
<td>1.2</td>
</tr>
<tr>
<td>Bayelsa</td>
<td>69.0</td>
<td>10.2</td>
<td>0.0</td>
<td>20.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Delta</td>
<td>72.8</td>
<td>13.3</td>
<td>0.7</td>
<td>12.5</td>
<td>0.9</td>
</tr>
<tr>
<td>Edo</td>
<td>64.4</td>
<td>6.1</td>
<td>0.1</td>
<td>28.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Imo</td>
<td>27.3</td>
<td>4.1</td>
<td>1.1</td>
<td>67.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Ondo</td>
<td>78.5</td>
<td>6.6</td>
<td>0.0</td>
<td>14.9</td>
<td>0.0</td>
</tr>
<tr>
<td>Rivers</td>
<td>50.4</td>
<td>9.6</td>
<td>3.1</td>
<td>35.8</td>
<td>1.1</td>
</tr>
</tbody>
</table>


Beyond unemployment, there is the problem of inadequate housing, inadequate access to education and access to social amenities among the three ethnic groups. Table 3 showed population distribution of households members aged 6 years and above by educational attainment 2006, in the Niger Delta. The estimated population of Delta State is 4,098,291. Population with no education in Delta state was high, with 727,735. Even the members of population with OND, NCE, Graduate/HND and Postgraduate were very small. This represents 4.8%, 4.2% and 0.7% of the total population (4,098,291). This revealed the extent to which most people in the Niger Delta are deprived of access to education. A woman (trader) recalled: Our people are so poor that they couldn’t access basic needs. In fact, they could not pay their children’s school fees. Because parents couldn’t provide the things they used to provide for their children, their children cannot survive the hardship. It is the children who are dropped out of school that are easily mobilised to participate in ethnic conflicts (Female FGD, Warri).

One respondent stated that: Often, if children have been mobilised to participate in ethnic conflict, most felt that it will be an opportunity to get a source of livelihood. This is because, their parent cannot pay their school fees and they have to fend for themselves. Table 4 presented the percentage distribution of households by type of housing unit for 2007 in the Niger Delta. The single room housing units are the most numerous in the region. As the state is enable to provide these social amenities, people invested their sovereignty horizontally in one another through collective action, self-organising and self-governing capabilities and, thereby, to an extent, able to address daily challenges – education, health, community hall building, political services, security services, road repair, and other essential services. Thus, decreasing transportation costs and inadequate housing scheme as a result of market economic reform policies can lead to increased ethnic conflicts.

The government’s neglect of the Delta’s development (infrastructure – roads, electricity, schools, and health services – which do not extend to the coastal communities), Nigeria’s overall economic decline since the mid-1980s, and the tendency of educated Delta youths to leave the area, have confirmed its status as an economically backward region. In this context, the government has neither invested enough to guarantee good life and security for the poverty-stricken people in the Warri metropolis, nor provided sufficiently for the structural and human development of the communities. Generally, economic liberalisation has negated the prospect of economic prosperity and social progress including the minorities who take solace in militancy as a counterforce against the state coercive apparatus. Thus, the continued ideological hegemony of neo-liberal reforms has emasculated the political will of the Nigerian government to cater for the citizens’ welfare and, hence, people are forced to fend for themselves as witnessed in the Warri metropolis. If nations attempts to adjust to economic shocks or IMF imposed conditions to overcome debt crises they can be a risk for increased protest and conflict behaviour. On the effect of inflation on the local farmers as a result of economic liberalisation policies, a respondent in Warri asserts that: Inflation was caused by the IMF-encouraged devaluation and this form of currency devaluation damaged the input from farmers’ sales, as prices affects production and consumption. Thus poor farmers who cannot engage in farming activities move to the city to find a job. As jobs are scarced, they can be easily recruited into ethnic movements, as this provide an opportunity of livelihood.

57 Interview with Prof. Remi Anifowose, February 18, 2008.
Conclusion

This paper examines the relationship between economic liberalisation policies and inter-ethnic conflicts in Delta State of Nigeria; characterised by contemporary processes of globalisation. Nigeria’s experience shows that globalisation has led to the dismantling of the state. As the state continues to exclude the larger chunk of the population from the economy and politics of Nigeria, especially in the distribution of material means of livelihood, the people take refuge under the umbrella of their ethnic associations. Put differently, the adverse effects of neo-liberal economic reform, resulting in weakness of the Nigerian state’s capacity to provide essential social services to the majority of the populace since the early 1980s, has been responsible for the phenomenal growth of inter-ethnic conflicts in Delta State of Nigeria. The harsh economic policies of government, more often than not, lead to disenchantment about the state, and anger against other groups in the society. As a panacea for the management of inter-ethnic conflict, provision of social services in the country is necessary, and these include: jobs and decent wages, quality and meaningful education, health insurance scheme, good roads and decent accommodation. This will help minimise complaints of neglect of any ethnic groups and at the same time reduce the rising ethnic tensions all over the country. It will also calm the restless youths who were always in the vanguard of ethnic violence. However, a re-orientation of the youths on the cultural and ethical values of honesty and hard work is also necessary for attaining sustainable peace and development. There is, in addition, an urgent need for good governance, accountability, transparency and openness. It is through such positive policy measures that the gains from globalisation can be enjoyed in Nigeria. Thus, ethnic harmony will be fostered in an atmosphere where benefits are shared equitably. Indeed, the solution to the adverse effects of economic liberalisation policies in relation to ethnic conflicts in Nigeria is the implementation of a welfare programme.

Acknowledgement

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