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Nigeria

# A country on oil

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**On the morning of June 18 2014 a giant cloud of black smoke drifted from Ilora Island, facing Lagos lagoon, towards Victoria Island. A widely visible flame rose into the sky. The night before, a pipeline pumping petrol from an offshore delivery point, across the island to the mainland, had exploded – not for the first time.**

## The juice of wealth....

Nigeria is a paradigm for a collective addiction – it is on oil like a junkie on the needle. More than 80% of the government budget and 88% of the export revenue come from oil production. The country is rich – and since 2014 the biggest economy of Africa - but this is not reaching the mass of the population. The official minimum monthly wage (which is sometimes undercut even by state institutions) is 18000 Naira, which means, about 90 Euro. This is not enough to survive, because especially in big cities like Lagos, with its 20 million inhabitants, life is not cheap.

According to the so-called “inequality adjusted Human Development Index”, therefore, Nigeria is listed as No. 153, even behind such pauperized countries as Bangladesh or Senegal. The official unemployment rate is over 20%.

The wealth is reaching only a small minority. In the first place there are the few rich families, who helped themselves to the petrol trade when it was privatized. Then there are the politicians, closely connected to the former, who switch between the two big parties as required, and help themselves generously to the state budget – Nigeria is one of the most corrupt countries in the world (and has the highest salaries for members of parliament anywhere: a senator earns about one million US dollars a year). And of course there are the international oil companies, which control oil production, who also profit hugely from the black gold, which will flow for at least the next 50 years.

## ...of movement.....

These companies’ handsome earnings are not only down to their oil production. Nigeria still has only four oil refineries, of which two are not working properly most of the time. Therefore most of the petrol, diesel and kerosene, which is needed for the almost completely automobile-based transport infrastructure, has to be imported at world market prices – by the way, an interesting version of unequal exchange. The international, but also the Nigerian, oil companies again make money on this operation, while the government has to use part of its oil revenue to subsidize the petrol prices to a level that is more or less affordable for the people.

And petrol is not only needed for transportation. Hardly anywhere is the electricity supply permanent. In many regions, including the big cities, it lasts for only a few hours per day, and so everybody who can afford to, is running a more or less big kerosene- or diesel generator. If you pass Waterside Market, for instance, in Apapa/Lagos, you will see in front of almost every tiny shop a humming (and smelling) generator, producing power for light and ventilation in the windowless shops.

But the biggest part of the petrol is needed for the legions of trucks and petrol-tankers, and for the clapped-out collective taxis. Nigeria in fact is the biggest mobile car mortuary for German cars. All those cars which are no longer allowed on the streets in Germany (and other industrialized countries), you can easily find here. According to the German executive director of Con Truck Logistic lim., a shipping company for individual and commercial vehicles to West Africa, Nigeria is the biggest market for commercial vehicles in this region, with an increasing rate. According to

him, in the first place there is a demand for technically simple – that means: old – vehicles, the mileage is not important, but they have to be cheap. In fact, the Nigerian government introduced a law stating that vehicles over 15 years old may not be imported, but with no visible effect – bypassing laws in Nigeria is simply a question of the size of the bribe. Additionally, the transport industry plays a big part in the business interests of ex-high ranking state officials and army officers, who invest their property in it and who have excellent connections.

## ...of death....

That pipeline explosion in June only made it as far as the regional press. Such events are a regular occurrence, and this time the damage was of limited extent – there were between 8 and 20 casualties; with different reports putting the number at anything between zero (the police report) and 20 (the local neighbourhood's account). The biggest pipeline disaster took place in 1998 in the Niger Delta, causing 1200 deaths. In Lagos, similar ones happened in 2000, 2004 and 2006. In 2006 there were two, though in the bigger one 500 people lost their lives. Exact information is usually not available, because the owners and the authorities usually manipulate the figures. These accidents usually are caused by petrol-thieves tapping into the pipelines at night by drilling holes. Then a spark is enough to cause an explosion and a fire. Because the inhabitants of the surrounding areas immediately flock to the spot to get their share of the unexpected booty, and additionally the pipelines are deviating through populated areas, partly overground, partly underground, the consequences in most cases are disastrous.

Lagos is suffering from a chronic traffic jam. Among the main causes are the thousands of tankers and other trucks carrying goods and petrol from the harbour. More than 60% of Nigeria's imports are brought by ship through Lagos; because the only existing railway line to the harbour is out of commission, all this transport happens by road. The monstrous trucks, mostly antique Mack, MAN or Mercedes in disastrous technical conditions, often try to bypass the frequent holdups through small back roads. This sometimes fails: in January a kerosene-truck collapsed in the dense populated district of Ajegunle and the explosion and the following fire destroyed completely dozens of small shops and a bank building. Officially there were 8 deaths, but this information was most probably sugar-coated as well.

In the harbour area the soil is literally impregnated with oil and petrol; to get clean water, you have to drill a well sometimes more than one hundred metres deep.

In the (former) oilfields in the Niger Delta the situation is even worse. Shell has stopped oil production there long ago due to the resistance of the local population and is now drilling exclusively offshore. But the struggle over the clear up is continuing. Vast areas of the Delta are completely destroyed and biologically dead. Oil is constantly leaking from the former installations and out of the disintegrating pipelines. Yet even here, the impoverished local population, deprived of their former natural livelihoods, is trying to make the best of the situation: they drill into the old tubes and pipelines and run illegal small "refineries"; the oil is heated in the open air over fire and in this way roughly separated into kerosene, petrol and diesel. Then it is sold in barrels. The police look the other way in exchange for a share of the barrel-price. Overall, the oil-and-petrol-theft has reached such a dimension that the government has installed a special task force. The officials estimate the loss through oil theft and leakages in the whole country at 300,000 barrels – that is every day!

But even that has to be put in context. Shell claims that the losses and the pollution are almost exclusively caused by the oil thieves, who allegedly leave holes in the pipelines. But the fact is, many of the installations are simply shabby, and pipeline bursts happen frequently. In one case it was proved that Shell had tried to label a technical failure as "vandalism".

Additionally, most of the gas which accumulates during oil production is burned off on the spot, because there is no equipment for liquefying – with the respective consequences for the environment and the local population: life

expectancy in the Niger Delta is by far the lowest.

## ....and no improvement in sight

Since the small Nigerian upper class, created during British colonial rule and now dominating the economic and political scene, is living excellently, thank you, on this extractivist and non sustainable system, a real change is not in sight. Instead of turning away from oil-dependency, huge investments are being made in oil-based power plants and a "gas city" in Yenagoa. Instead of a conversion of the transport infrastructure to mass transit systems, most investment is going into building highways. And the agricultural sector, which in former times guaranteed the country's self-sufficiency, is increasingly dominated by plantation agriculture and sold out to international land ventures. More than 60% of Nigeria's food now has to be imported from abroad.

Unless there is a radical change, one day, when the oil runs dry, what will be left is a country in which the conditions of subsistence are gone, vast regions of the formerly fruitful South are destroyed and, because of the consequences of the increasing migration to the big cities (also a consequence of the oil boom), social relationships have completely disintegrated.