Oil extraction and health in the Niger Delta

Brief overview of oil-exporting developing countries

Industrial nations tend to be large consumers of oil and oil products, but minor producers. Most OECD (Organization for Economic Cooperation and Development) nations depend on the Organization of Petroleum Exporting Countries (OPEC) for oil supplies (Karl 1997). The majority of oil reserves are located in the Middle East. The largest non-Middle Eastern oil-exporting countries include Venezuela, Nigeria, Indonesia, Libya, Algeria, Ecuador and Gabon. New technologies and rising prices have increased the volume of offshore oil extraction, resulting in areas such as the Gulf of Guinea off Africa emerging as a major global hydrocarbon supplier.

However, Bergesen and Haugland (2000) show that natural resource endowment has not been positively correlated with economic development and social progress. Paradoxically, countries rich in natural resources have performed poorly when compared to countries that have possessed fewer natural resources. Resource-rich countries are more likely to experience higher levels of conflict (Collier and Hoefelfer 1999; Peluso and Watts 2001). A substantial body of research suggests that despite the considerable wealth tied to oil extraction, oil-exporting low-income countries suffer from economic deterioration and political turmoil (Hodges 2003; Karl 1997; Watts 2005).

Karl’s in-depth analysis of ‘petro-states’, which covers a diverse range of countries and regime types, including Venezuela, Iran, Nigeria, Algeria and Indonesia, reveals that they all fall prey to troubling development paths despite their resource wealth (1997). Countries such as Angola, the DRC, Ecuador, Gabon, Iran, Iraq, Libya, Peru, and Trinidad and Tobago experience entrenched poverty, environmental degradation and stark health
disparities in the context of great resource wealth, leading economists to frame the term ‘resource curse’ (Sachs and Warner 1995; Gary and Karl 2003). What follows is a description of this ‘resource curse’ in Nigeria using a ‘health lens’. It demonstrates the political nature of development and how a complex web of actors including transnational oil companies, military personnel and government officials conspire to keep millions of Nigerians unhealthy in spite of Nigeria’s rich oilfields.

The ‘new’ gulf

Africa is currently experiencing a large oil boom, while the continent delivers approximately 10 per cent of world oil output and holds 9.3 per cent of known reserves (Zalik and Watts 2006). It has been conservatively estimated that sub-Saharan African governments will receive over $200 billion in oil revenues over the next decade (Gary and Karl 2003). Among the twelve major African oil-producing states, Nigeria combined with Algeria, Libya and Angola account for 85 per cent of the continent’s output (Ghazvinian 2007). With a population approaching 140 million citizens, Nigeria is not only the most populous country in Africa, it is also a major supplier of petroleum to US and European markets. Human rights concerns and conflicts in other areas have led to the offshore region of the Gulf of Guinea in West Africa being identified as the new Gulf. The Gulf of Guinea region could receive $40 billion in investment by 2012 according to the petroleum industry, and the National Intelligence Council has stated that the significance of West Africa to US energy supplies may rise from 16 per cent to 25 per cent by 2015 (Zalik and Watts 2006).

Lubeck et al. draw our attention to the increased US military involvement in and around the Gulf of Guinea and ‘greater American-Nigerian cooperation in managing security in the Gulf of Guinea’ (2007: 10). During the next two decades, it is expected to become even more critical, along with other oil-producing countries in the West African ‘Oil Triangle’. Civilian functions previously organised under the State Department’s health, water and education agencies are now increasingly managed under the Trans-Sahara Counter Terrorism Initiative (TSCTI) and the US military (Lubeck et al. 2007). US officials affirm that the TSCTI strategy resembles ‘ring fencing’ in order to protect Nigeria, Africa’s largest oil producer (Wallis 2007). The introduction to the 2005 Council on Foreign Relations document entitled ‘More than Humanitarianism: A Strategic U.S. Approach Toward Africa’, stated that ‘By the end of the decade sub-Saharan Africa is likely to become as important as a source of U.S. energy imports as the Middle East’ (Foster 2006). Zalik and Watts observe that this US report’s focus is on ‘Sub-Saharan
Beyond health care

Africa as a key source in US oil imports, the growing role of China in the African oil and gas industry and, of course, Africa as the new frontier in the fight against terror and revolutionary Islam’ (Zalik and Watts 2006). However, Lubeck et al. insist that the only way to secure areas including the Delta region is to improve health, education and living standards, guarantee democratic elections, resolve resource conflicts, and include residents as stakeholders who will benefit from oil revenues (2007).

The Niger Delta makes Nigeria the largest oil producer in Africa and the eleventh largest producer of crude oil in the world. The Delta’s oil has the potential to create wealth and opportunities for the Nigerian population. Instead, it has entrenched poverty and led to high levels of conflict, repression, corruption and environmental degradation (Watts 2004). Such an intense contradiction has been framed as a ‘paradox of plenty’ (Karl 1997).

The problem, in a nutshell, is that for fifty years, foreign oil companies have conducted some of the world’s most sophisticated exploration and production operations, using millions of dollars’ worth of imported ultramodern equipment, against a backdrop of Stone Age squalor. They have extracted hundreds of millions of barrels of oil, which have sold on the international market for hundreds of billions of dollars, but the people of the Niger Delta have seen virtually none of the benefits. (Ghazvinian 2007)

**The oil extraction industry**

The search for crude oil began in 1908 when the German firm Nigerian Bitumen Corporation began exploration in Western Nigeria. However, it was not until 1956 and after investing over $30 million that Shell struck oil in commercial quantities.
The political economy of oil in Nigeria involves the complex interaction of the state, military and transnational oil companies (TNOCs). The federal government owns Nigeria’s oil resources and exerts a statutory monopoly over all mineral exploitation. The state sets the rules for the operation of a series of joint ventures with TNOCs, which are granted territorial concessions. By the 1990s, Shell controlled over 60 per cent of Nigeria’s known oil reserves and currently remains the biggest TNOC operator, controlling over 50 per cent of the oil wealth in Nigeria (Okanta and Douglas 2003). Other major players include Chevron, ExxonMobil and Nigeria Agip Oil Company.

The state security apparatuses, working with the private security forces of the companies, also play an important role. TNOCs have exploited oil resources for decades while several authoritarian military regimes have shielded them from litigation and liability for ensuing environmental damage and human rights violations. The systematic neglect underlying the Niger Delta problem has been described as a ‘matrix of concentric circles of payoffs and rewards built on blackmail and violence’ (Ibeanu 2002), involving actors from within and without the country.

According to one recent assessment of the situation,
Ten years after the execution of human rights campaigner Ken Saro-Wiwa and eight of his colleagues by the Nigerian government, the issues of human rights and environmental devastation in the oil-producing Niger Delta remain unresolved. Despite the return to civilian rule in 1999 and pledges by oil companies to implement voluntary corporate responsibility standards, new reports by Environmental Rights Action and Amnesty International document only limited action to correct abuses and deliver benefits to the residents of the oil producing areas. (Africa Focus Bulletin 2005)

Nigeria currently produces over 2 billion gallons of oil a day, valued at approximately $40 billion a year (Watts 2007). Nigeria is the world’s eighth largest exporter of crude oil (US EIA 2007; Falola and Genova 2005). Petrodollars account for 85 per cent of federal government revenue and about 40 per cent of GDP (Watts 2005). Some 85 per cent of the oil monies are accrued by 1 per cent of the population, with 70 per cent of wealth held in private hands abroad (Watts 2007), while 70 per cent of the people of the Niger Delta live below the poverty line and the majority of Nigeria’s oil and gas is consumed in developed countries.

Nnimoh Bassey, executive director of Environmental Rights Action/Friends of the Earth Nigeria, has captured the twin interests of international capital and the domestic rentier economy:

As the world continues to hunger for hydrocarbons, so the oil giants conveniently maintain a stranglehold on the Niger Delta in indifference to the cries of the people. As the IMF, World Bank and the Paris Club scheme on even more ingenious ways to skim off whatever funds trickle into our national treasury, so the fangs of rigs of the oil internationals sink defiantly into the heartlands and offshore of the oil coasts. (ERA/FoEN 2005)

Environmental and social consequences of oil extraction in the Delta

Nigeria ranks 158th out of 177 nations on the Human Development Index, and 91 per cent of Nigerians live on less than $2 a day (UNDP 2006; UNAIDS 2006). Over 3.5 million people live with HIV and average life expectancy is 45 years. Nigeria’s health system is under-resourced, with government expenditure on health being only US$13 per capita (1.4 per cent of per capita gross national income).

In the Delta, various stages of oil exploration and extraction cause tremendous environmental and social damage. These include seismic surveys, drilling, road and pipeline construction, river dredging and gas flaring. Long-standing pollution also results from pipeline leaks and oil spills,
Oil extraction and health

waste dumping and blowouts, all exacerbated by the neglect of proper maintenance and management.

Local communities eking out subsistence through fishing, cassava processing, palm oil processing, orchard tending and non-timber forest product gathering have experienced a devastating change in their lives. Deforestation, air and water pollution, desertification and loss of arable land have contributed to high rates of disease and physical, mental and social ill-health (US EIA 2007).

Oil spills, either from pipelines (which often cut directly through villages) or from blowouts at wellheads, are a major cause of pollution and ill health. There have been over 6,000 oil spills totalling over 4 million barrels between 1976 and 1996. Many pipeline leakages might have been avoided if the pipelines were buried below ground as in other countries and if ageing or damaged sections were repaired. Ageing and poorly maintained infrastructure also contributes to pipeline fires and explosions, which claim hundreds of lives annually. In 2006, over 400 people died in two pipeline explosions in Lagos, where leaking pipelines were left unremedied and crowds of impoverished residents desperately scooped up buckets of fuel, to sell or for personal use (Associated Press 2006).

In June 2001, an oil spill occurred in the rural town of Ogbodo. A study found that after a delay in clean-up efforts of at least three months, 15 km of soil along the Calabar river had been severely affected. High levels of oil and grease, laden with hydrocarbons, had damaged the soil, aquatic resources and the biodiversity of the area. Health impacts included respiratory and gastro-intestinal diseases, as well as mental distress (ERA/FoEN 2005).

All across the Delta, the water and soil have been poisoned with hydrocarbons, heavy metals and other substances (ERA/FoEN 2005). Thousands of toxin-containing waste pits are suspected of being linked to rising cancer rates, while waterborne illnesses such as cholera, typhoid and diarrhoeal diseases from unsafe drinking water present challenges for local communities. The power supply and stagnation of water have created breeding grounds for various waterborne diseases; and stagnant water in oil boreholes provides ideal habitats for disease-spreading mosquitoes.

All too often, oil spills are blamed on local sabotage. One spill in Rumueke that was claimed to be ‘a result of sabotage’ by Shell was later confirmed to have been caused by a leak in a pipeline. Numerous petitions from communities have been ignored (ERA/FOEN 2005; Amnesty International 2005).

The inactions of the TNOCs amount to a wilful neglect of the environment and local communities. In spite of the branding of oil companies
as ‘green corporate citizens’, this neglect continues (in the Delta and elsewhere). The clean-up methods initiated by oil firms remain unsatisfactory. A traditional scoop-and-burn method consists of scooping up oil onto water or land surfaces and then dumping it into open pits where it is burnt. Such fires set forests and rivers ablaze, and damage farmlands and communal property.

Another cause of ill health and environmental destruction is gas flaring. An estimated 2.5 billion cubic foot of gas is burnt on a daily basis (Osuoka and Roderick 2005). Soot, laden with harmful chemicals, drifts to the ground, adversely affecting soil fertility. Acid rain reduces the life of the corrugated iron sheets used for roofing from twenty to five years. Many of the 250 or so toxic chemicals in the fumes and soot of the gas flares and produced in the burning of oil spills have been linked to respiratory disease and cancer. Flares from nearby oil plants have caused an epidemic of bronchitis in adults as well as asthma and blurred vision in children (Piller et al. 2007). Medical staff report treating patients with many ailments and illnesses they believe are related to the products of the gas flares, including bronchial, chest, rheumatic and eye problems (Quist-Arcon 2007). Gas flares and their soot contain toxic by-products such as benzene, mercury and chromium, which contribute to lowering the immunity of community members, in particular children, making them more susceptible to diseases such as polio and measles (Piller et al. 2007).

Flaring also represents a significant economic loss – estimated at US$2.5 billion per annum (Osuoka and Roderick 2005). Cruelly, most Nigerian households suffer from chronic energy shortages while gas is burned virtually next door. Experts say that eliminating global flaring would curb more carbon dioxide emissions than all the projects currently registered under the Kyoto Protocol’s Clean Development Mechanism (Quist-Arcon 2007). Although 2004 was originally set as the year by which non-operational gas flaring would end, the government has informed the UN that it has reset the date to 2010.

Negative health impacts have also occurred through social processes. Oil firms mainly employ expatriates, migrant contract workers (often from the host country) and only a minority of local workers from the communities. The first two categories usually receive better pay and benefits. Where foreign nationals and local labourers exist alongside one another, exclusionary dynamics similar to those under apartheid often exist, with luxurious secure compounds housing foreign oil workers (Watts 2005). High alcohol use and disrespectful behaviour towards the local community aggravate the situation further (Essential Action and Global Exchange 2000).
Oil extraction and health

Oil workers and the high concentration of military and private security officers have created a market for commercial sex and account for the high incidence of violence, abuse and sexually transmitted infections including HIV/AIDS (Izugbara and Otutubikey 2005). Traditional gender roles and a lack of formal employment opportunities contribute to sex work serving as a survival strategy for women living near oil compounds and installations where many male field-based oil workers reside (Faleyimu et al. 2000).

Community and economic development efforts have been sorely lacking, while many development projects result in contracts being awarded or even bribes given without delivering any tangible benefits to the community (HRW 2007). Perceived inequalities in terms of the distribution of corporate benefits in various guises have resulted in violent responses (Cesarz et al. 2003).

Conflict

Not surprisingly, conflict and violence have been a defining feature of the Niger Delta. Protest by local communities has often resulted in brutal repression. The murder of Ken Saro-Wiwa and others, and the massacre of citizens in Odi in Bayelsa in 1999, in which the army killed 2,500 civilians, typifies the oppression in the region (Odey 2003). Amnesty International (2004) reports over 1,000 oil-related deaths in the Niger Delta in 2003 alone.

Internecine war and conflict between ethnic groups in the Delta pre-dated the discovery of oil. However, the nature of these conflicts has been altered by the oil economy. Notably, TNOCs have exacerbated violence in the area through land-use payments, environmental damage, price inflation and corruption.

Small arms and light weapons proliferation has accompanied the rise in the number of private security firms as well as community militia groups. The weapons have also been used for criminal purposes, for intimidation and violence during elections or campaigns, and during inter-communal disputes (Vines 2005). A HRW (2004) profile of violence in Rivers State featured the manipulation and militarisation of youths by local politicians and predatory oil firms.

Okanta and Watts carefully analyse how petrocapitalism as tied to an oil complex (an institutional configuration of firms, state apparatuses and oil communities) has contributed to territorial and indigenous rights disputes and exacerbated conflict related to perceptions of ethnic difference in Nigeria (Watts 2005, 2007; Okanta and Douglas 2003). Colonialism and the subsequent discovery of oil ruptured earlier forms of community, systems of ethnic identity, the functioning of local state governance, and
Beyond health care

Watts (2007) posits that ethnic youth movements in contemporary Nigeria are a significant political development that has recently involved an upsurge in violence directed at oil firm employees – from kidnapping to armed militia attacks on security forces to vandalism aimed at disrupting oil operations. The restive youth problem results from large numbers of unemployed men who are ‘incredibly alienated and angry at the consequences of this catastrophically failed oil development’ and ‘are either fighting among themselves or fighting local chiefs, local elites, for a cut of the oil money’ (Bergman 2007).

Health care in the Delta

Repressive military rule, corruption and the theft of public funds have resulted in substandard public services, including a barely functioning public health-care system (Hargreaves 2002). Low-quality public health services, high user fees, shortages of drugs, equipment and personnel, combined with persistent high unemployment and poverty rates, contribute to a crisis of confidence and affordability in terms of health-care access and status in the Niger Delta (Chukwuani 2006).

Current donor-driven vertical disease-control initiatives have been criticised for setting targets driven by international agendas that adversely
Oil extraction and health

affect the development of local health systems. The state of health care in Nigeria has been worsened by many Nigerian doctors emigrating to North America and Europe.

Nigeria is only one of ten countries where 50 per cent of the population is unvaccinated (Schimmer and Ihekweazu 2006). A burgeoning epidemic of HIV/AIDS leaves over 3.5 million infected and without access to the most basic care (UNAIDS 2006). Yellow fever remains a constant threat. Nigeria is listed eighth on the World Health Organization (WHO) list of countries with excessive tuberculosis mortality, and also has a major measles problem with an estimated 96,000 deaths per year. The Delta is a malaria endemic region. Until the WHO Roll Back Malaria campaign started in April 2000, there had been no defined malaria control programme. Epidemics are swift, frequent, and inevitably lead to high case-fatality rates, most often among children.

Médecins Sans Frontières (MSF) operates a surgical programme in Port Harcourt. Over 25 per cent of emergencies treated in May 2006 were for violence-related injuries (MSF 2006). In August 2007, Port Harcourt and surrounding Delta communities experienced weeks of violence, resulting in the deaths of dozens of people.

Most Nigerians have lost faith in government-run services, turning to various private providers including traditional healers, private pharmacists
and an array of charlatans who operate on a fee-for-service basis (Har-greaves 2002). A chronic shortage of essential drugs results in the purchase of substandard and counterfeit drugs from private pharmacists and street vendors with little or no regulation.

There is only one doctor for every 150,000 residents in the oil-plentiful Bayelsa, Rivers and Delta states (Zalik and Watts 2006). A 2007 HRW report on visits to primary health-care centres in five local government areas in the Delta found that all but a few lacked basic medicines, water and electricity. Some were housed in structures nearing the point of collapse, while many had been abandoned by demoralised staff (HRW 2007).

In November 2005, MSF had to end a malaria project in Bayelsa because local authorities were unwilling to improve health facilities and staffing. When funds are allocated to improve the provision of health care, as is the case with many development efforts in the Niger Delta, the money is often diverted to other purposes or channelled into ‘projects’ that are never executed.

Combatting the resource curse

Will Nigeria’s petrodollars help reduce poverty and improve health, or will conflict, oppression and environmental destruction be the experience of local communities?

Nigeria has taken small but important steps in the right direction. For the first time in the country’s history, one civilian government has handed over power to another. Corruption remains rampant, but there is no shortage of Nigerians desperate to rid the country of its reputation.

The positive steps taken by Nigeria can be greatly supported by improved efforts from the international community to clean up the act of the TNOCs and the international banking system in facilitating corruption. Perhaps some of the millions of dollars that go missing or are spent on ineffective development programmes would be better spent on developing the capacity of civil society to monitor and campaign for a clean-up of the oil industry, or to support the legal action of communities claiming damages for the harm caused by the industry.

Transparency initiatives are currently inadequate. Publish What You Pay, which largely focuses on oil-producing companies, and the Extractive Industries Transparency Initiative (EITI) both fail to examine the components inside the cost base, which may include bribes, commissions and mispricing, missing oil or misstated oil volumes (Shaxson 2005).

In 2003 the UN Norms for Business were introduced to strengthen the 1948 Universal Declaration of Human Rights, which requires transnational
corporations and other business enterprises to respect responsibilities and norms contained in UN treaties and other international instruments (UN 2003). However, not all states are parties to the treaties and enforcement mechanisms are sorely lacking.

The Voluntary Principles on Security and Human Rights (VPs) are a voluntary code of conduct for the extractive industry. However, the Principles are unaccompanied by a monitoring or compliance mechanism and many oil firm representatives or community stakeholders are unaware of their existence (Zalik 2004). The voluntary nature of these codes allows for broad discrepancies in implementation (Seidman 2003). Zalik suggests that, ultimately, security for global capital serves as their primary function.

Other approaches include taking legal action. There has been a worldwide increase in the number of lawsuits against oil companies for human rights violations and environmental destruction (Gary and Karl 2003). The Center for Constitutional Rights is involved in a class action lawsuit charging Chevron/Texaco Corporation with human rights violations in the Niger Delta. Three other lawsuits involve Royal Dutch Petroleum Company and Shell Transport and Trading Company for human rights abuses against the Ogoni people in the Delta. Elsewhere, legal action is being pursued against Chevron Texaco in Ecuador, Unocal in Burma, ExxonMobil in Indonesia and Occidental in Colombia.

Amnesty International and other organisations have also encouraged shareholder campaigns (Amnesty International 2007). Most publicly traded companies have a ‘one share, one vote’ policy, which allows any shareholder to make proposals at annual meetings or to become a signatory to a petition. Using such opportunities can attract media attention, allow interaction with management and the board of directors, and shame companies into taking appropriate action. One successful campaign helped pressure copper and gold producer Freeport–McMoRan to address indigenous and environmental rights in Indonesia (Friends of the Earth 2000). Another example is the Expose Exxon Campaign aimed at countering ExxonMobil’s efforts to block action on global warming, drill in the Arctic Refuge, and encourage the overconsumption of oil.

Needed are further resources and support for independent environmental impact assessments (EIA) of the Niger Delta; credible, independent judicial mechanisms to adjudicate compensation claims, ensuring that the credibility of environmental assessments are not influenced by funding from or association with government and energy firms; and efforts made towards the transparent distribution of compensation to communities. Moreover, company environmental impact assessment studies should be transparent and accessible to community groups, which should be consulted before
Beyond health care

proceeding with infrastructure or development projects. Recent efforts to extend impact assessment processes to include social and health issues are positive steps forward, but capacity and regulatory related challenges must be addressed in relation to the government as well as the oil firms (Birley 2007).

Finally, also important are the development of and support for local grassroots leadership and civil society organisations using a range of strategies in their claims for economic, social and cultural rights. The importance of holding official conduct up to scrutiny and generating local public outrage, while drawing on surrogate publics worldwide, has been stressed.

Conclusion

The purpose of this chapter is to make the link between the process of oil extraction and a variety of health, social and environmental outcomes. As with other chapters in Global Health Watch 2, it illustrates the fundamentally political nature of health and thereby highlights the requirement for political therapies and solutions. Health organisations, whether based within the UN system or within civil society, have a difficult challenge in combining political and social action with traditional clinical or public health programmes. But to neglect the former is to neglect the root causes of ill-health of millions of people. The oil extractive sector is one arena within which there is a compelling case for greater public health action around the politics of ill-health. A set of concrete recommendations related to this chapter can be found on the GHW website.

References

Oil extraction and health


Beyond health care


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