Militancy and Insecurity in the Niger Delta: impact on the inflow of foreign direct investment to Nigeria

The Niger delta region of Nigeria, reputed to be one of the most richly endowed delta's in the world, contributes about 80% of Nigeria's national wealth. Years of political and economic marginalization, environmental degradation, bad governance and policy inconsistency by the government, and the divide and rule policy of the oil companies led to the emergence of militancy in the Niger delta in the early 2006. The various activities of militants have created a state of general insecurity in the region. The study adopted the Marxist political economy approach as its theoretical construct, and used it, in the content analysis of the secondary data on the subject matter. The paper argues that the methods of operation of the militants, which includes kidnapping and hostage taking (with over 200 foreign nationals as victims), blowing/shutting down of oil installations and facilities, setting off of car bombs, and illegal oil bunkering (estimated at between 80,000 and 300,000 bbl/day) has negatively impacted Nigeria's economic development. This is evidenced by the fact that Nigeria, reported by UNCTAD in 2006 as the 40th most attractive economy for the location of foreign direct investment, has experienced a fall in inflow of foreign direct investment from about $20 billion in 2007 to about $6.1 billion in 2010. Implementation of amnesty...
Causes of Militancy and Insecurity in the Niger-Delta

There has been a high rate of militancy and insecurity in the Niger-Delta starting from 2006. This can be attributed to several factors including the marginalization of the people of the Niger-Delta, environmental degradation, bad governance and inconsistent policy framework and the divide-and-rule policy of the oil companies. These factors are discussed below. Oil extraction has impacted most disastrously on the socio-physical environment of the Niger-Delta oil-bearing communities massively, threatening the fragile subsistent peasant economy and bio-diversity, and hence, their entire social livelihood and very survival.

Issues

Programme for the militants by the federal government has failed to lead to increased inflow of foreign direct investment. The paper concluded that addressing the genuine needs of the people of the region, through, good governance by the various levels of government, provision essential social infrastructure, as well as strict adherence to international environmental standards by the oil companies would create the enabling environment for attraction of foreign direct investments. Keywords: Militancy, insecurity, Niger Delta, impact, foreign direct investment, Nigeria.