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THE MIRAGE OF PROSPERITY: BOOM AND BUST IN URHOBOLAND'S CRUDE OIL ECONOMY, 1958-2024

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Abstract

This paper examines the cycles of economic expansion and contraction that characterised Urhoboland's experience as a crude oil exploration region from 1970 to 2024. It asserts that the region's increasing integration into the global oil economy initiated a fundamental transformation from an agriculture-centric subsistence economy susceptible to natural calamities to an enclave economy reliant on oil, characterised by boom-and-bust cycles that have significantly influenced its developmental trajectory. Utilising archival materials, interviews, and secondary sources, the paper delineates the phases of economic expansion and contraction over four distinct temporal waves: the initial oil boom (1960s–1970s); the first downturn (1980s); the subsequent boom (1990s–2008); and the global financial crisis along with its repercussions (2008–2024). It analyses the effects of these cycles on employment, infrastructure investments, social services, and public interest awareness in a minimum of two aspects. These results indicate that, despite oil exploration generating unprecedented profits and minimal infrastructural advancement (such as roads, schools, and telecommunications), it systematically undermined existing livelihoods, ingrained dependency within economic frameworks, and exacerbated power imbalances. Economic booms generated illusory prosperity through inflation, benefiting the affluent and fostering grandiose delusions; downturns resulted in widespread joblessness, incomplete building projects, and escalating destitution.

Keywords: Urhoboland, Economic Boom; Economic Bust Cycles; Oil Exploration; Resource Curse

Introduction

The discovery of crude oil in Urhoboland in 1958 initiated a significant transformation in the region's economic framework. Prior to this discovery, Urhoboland boasted a prosperous agricultural economy centred around palm oil (Elaeis guineensis) production, rubber farming, fishing, and subsistence agriculture (Ekeh, 1998; Aweto, 2002). However, the emergence of petrol culture began to shift that dynamic inescapably and subtly but drastically, rerouting the region's economy toward crude oil extraction and, by extension, a great deal of other societal activities. Not simply economic, this revolution was also social, political and cultural in nature, with its full consequences reaching every element of Urhobo society.

The relationship between oil exploration and economic development in Urhoboland has been a paradoxical one, an area containing one of the richest sources of energy for producing wealth on earth generated by the Nigerian state and multinational oil corporations yet unencumbered by its

own internal communities. This dichotomy has found its sharpest expression in the ups and downs that have marked the economic history of Urhoboland throughout the previous sixty years. Such cycles of boom and bust—phases of fast economic expansion followed by sharp retrenchment—have been tightly related to global oil price shocks, Nigerian petroleum policy, and local patterns of capital accumulation (Watts 2004).

Even after six decades of oil exploitation, Urhoboland continues in a cycle of economic marginalisation and is fundamentally dependent on the vexations of tenurial earnings from oilfields. The Urhobo Nation consists of eight clans and has geographical proximity to Lagos, making it strategically highly important. The repetitive local economy has been insidiously destroyed by environmental devastation, purchase of land, and neglect of non-oil frontiers, as traditional livelihoods like farming and fishing—once the lifeblood of farmers (Babatunde, 2010; Ikeke, 2024). With its slave-bride, quasi-neutral oil economy, the country provides only a handful of well-paid jobs, largely at the unskilled and informal level, to support local people, while big money continues migrating upwards towards federal and corporate players. This economic distortion has led to a paradox of frugality that is endowed with vast hydrocarbon riches yet tormented with Widespread poverty, unemployment and underdevelopment (Ariye & Abenabe 2024). In addition, the boom-and-bust cycles of the global oil industry have generated prolonged economic instability, hampered long-run development planning and maintained dependence on oil exports. The inflated promises and fake growth that define boom periods disguise the underlying structural defects, whereas unemployment, incomplete developments and ever-widening circles of deprivation leave readers in no doubt of these difficulties during crashes. These cycles must be grasped if we are to comprehend the present-day issues of governance, growth and social cohesion in Urhoboland.

Five interlinked research topics drive this paper and, within this context, are introduced to investigate the economic restructuring of Urhoboland since almost forty years of oil exploitation. The first inquiry aims to look into how crude oil exploration has reorganised the economic base of Urhoboland from 1958 to 2024, following the change from an agrarian subsistence economy to a dollar-centric petroleum enclave. The second inquiry investigates the boom-and-bust cycles that typify Urhoboland's oil industry and how these fluctuations have impacted jobs, infrastructure development, and even the welfare of local populations. The third topic explores the significance of political consciousness to economic volatility, focusing on how boom-bust cycles have formed Urhobo political consciousness and prompted resistance movements against perceived marginalization. The fourth question underscores the structural repercussions of Urhoboland's reliance on oil revenues: the physical displacement of traditional livelihoods, the establishment of economic dependency, and the entrenchment of inequity. Finally, the last question investigates the chapters on Urhoboland as a paradigmatic case for sustainable development for oil-producing areas elsewhere in the world that are suffering similar difficulties.

The combination of these issues leads to a well-supported system for analysing the linkages between oil extraction, economic transformation and community welfare in Urhoboland.

This paper offers numerous key additions to the literature on the political economy of oil in Nigeria's Niger Delta. It does it in two ways: The first is a historically based, longitudinal take that covers the decades-long oil boom and bust cycles peculiar to Urhoboland that can help illustrate how six decades of oil exploration has shaped-or failed to shape-the development path of this region. Secondly, it tackles the literature by foregrounding a neglected experience in Urhobo compared to other Niger Delta people, especially the Ijaw and Ogoni. In doing so, it enriches our awareness of the various characters of oil-related experiences in different sections of the Niger Delta through emerging Urhobo voices and viewpoints. Third, the results have theoretical implications at a sub-regional scale. The resource curse literature has generally been focused on countries; this explores how oil riches paradoxically cause underdevelopment and dependence even as it generates vast income. Fourth, the article widens the discussion on the political economy of extraction to show how boom-bust cycles influence not only economic but also political consciousness and resistance movements. Ultimately, the distillation of lessons from Urhoboland gives crucial insights for policymakers and other players concerned with how to arrive at more sustainable development strategies in oil-rich countries experiencing comparable issues.

This paper adopts a historical qualitative research design that synthesises primary and secondary sources to reconstruct cycles of economic boom and collapse in Urhoboland from 1958-2024 to answer these research questions. This reconstruction might be done routinely every 50 years — the historical design helps us to record economic patterns and their relationship to changing political and social dynamics. These consist of thirty-three semi-structured oral interviews carried out with community leaders, oil industry workers, activists, traditional rulers, government officials, academics and businesspeople from various Urhobo communities such as Kokori, Afiesere (Ezebiri), Utorogu, Eriemu and Idjerhe. Archival records from the Delta State Archives, National Archives (Ibadan and Enugu), together with Shell Historical Archives (The Hague), containing Urhobo Progress Union memoranda, government reports and oil company papers. The Urhobo Voice daily presented full contemporary coverage of oil-driven economic dynamics from the 1960s to the present day, while government papers such as petroleum decrees, income sharing reports and national development plans alongside census data were studied. Theoretical and empirical context was developed from secondary sources (academic books, journal articles, conference proceedings, NGO reports and unpublished theses). Data analysis was conducted using qualitative content analysis to elicit themes, patterns and narratives associated with cycles of economic boom and bust; historical analysis to situate economic trends over time in a broader historical context; comparative analysis to identify similarities and contrasts between booms and busts; and triangulation across multiple source types to add rigor through cross-fertilisation of

sources, reducing bias. This multi-sourced methodology ensures a full and nuanced assessment of the economic development of Urhoboland during six decades of oil binning activity.

Theoretical framework

This paper adopts three complementary theoretical views. The resource curse theory (also known as the paradox of abundance) states that some countries and regions rich in natural resources tend to have less economic growth than those with fewer natural resources (Karl, 1997; Auty, 1993). The explanation for this contradiction resides in numerous interrelated causes: "Dutch disease," the crowding out of productive sectors, as well as the volatility of resource revenues, weak institutional development and elite capture of power and wealth. In Urhoboland, these mechanisms have worked very forcefully at the sub-regional level, creating a perplexing paradox of underdevelopment in a context of luxury. Despite producing billions for the Nigerian state and multinational firms, Urhobo communities have continued to endure widespread poverty, environmental degradation and economic marginalisation – a classic locality-level expression of the resource curse.

The Dutch disease model provides an additional framework through which to understand the way in which resource booms are associated with weakening of non-resource sectors, via mechanisms such as exchange rate appreciation, inflation and crowding-out of labour and capital into the resource sector (Corden & Neary, 1982). This appears to be evident in Urhoboland as the developing trends purposely neglected agriculture and fishing, which were traditionally the mainstay economic operations. The development of oil production diverted labour and investment away from alternative economic activity, and the same processes of environmental deterioration, seizure of arable land, and/or abandonment of traditional livelihoods also affected local communities. That resulted in land and property being written up during peak periods, producing a wealthy bubble that always broke when oil prices decreased. This dual economy system, where oil-related businesses take primacy over more conventional lives, has prolonged economic dependency and fragility.

In addition to the two approaches above, which deal with how extractive activities operate in a normative or descriptive sense, a third analytical lens is offered by the political economy of extraction perspective that focuses on resource development processes and their implications for local communities (Watts 2004). The paradigm underlines the connections between extraction and exclusion, externalizing environmental and social costs to nativized populations utilising what scholars call "sacrifice zones"—spaces where communities pay the price for extraction while obtaining little benefit. That framework, in this example Urhoboland, depicts how oil exploitation has led to economic marginalization as well as environmental degradation. Wealth goes outwards to state and corporate actors, while pollution, displacement and social disturbance are concentrated inside host communities. Resource curse theory, Dutch disease analysis, and the

political economy of extraction are three theoretical perspectives that have emerged to understand the (mis)conceptions of boom and bust in Urhoboland, parsing through complexities as oil extraction brings about incredible wealth despite much poverty, sharpening opportunity by generating loss while bringing both hope and disillusionment.

Literature Review

This collection of literature concentrates on oil in Nigeria's political economy and has been well-documented among experts. For instance, Omoweh (2005) has argued that the collaboration between Shell and the Nigerian state, within whose constraints they have operated, is an important explanation for their oppressive practices in the Niger Delta, rendering it both a source of underdevelopment while also systematically dispossessing them of various forms of sustenance through their exploitation. For example, Obi (2010), explored the nature of oil extraction and related dispossession, resistance and conflict; there he highlighted how the richness of oil has been a double-edged sword, as it serves not just to enrich elites but also to inspire popular rebellion against the same ruling class. Watts (2004) first introduces the idea of petro-violence, which points to both oil and power, and identifies that in the Niger Delta oil extraction produces violence not only at a social level but through politics as well, with environmental degradation generating new social forms of violence among local people.

Peter Ekeh's outstanding scholarly study on the history and culture of the Urhobo people gives much-needed historical background for understanding oil exploration in connection to this region. In his path-breaking History of the Urhobo People of Niger Delta, Ekeh provides an exhaustive history of Urhobo society from pre-colonialism to the post-independence era, documenting with great detail their political structures, culture and economy up to contact—as traditional forms give way under colonial conditions and oil. In an exploration of the place of the Urhobo nation in Nigeria as a whole, Ekeh (2007) has noted how Urhobo interests have been marginalised in national politics, and argued that no single ethnic group had any right to dominate Nigerian politics; instead, he advocated equitable sharing of resources among Nigeria's many constituent groups. Using such work, he draws from the fact that the Urhobo have paid substantial national revenue even as they are refused corresponding recruitment into the oil wealth—and how this led him to call this paradox contributing to his other contribution, where despite low formal integration with state institutions has led him to call what he describes the 'Urhobo paradox'—that is their constellating pattern of an active (but very conflicting) engagement and interplay with structures while simultaneously exercising intellectual and moral resistance to its logics of extraction (Ekeh, 1983). Ekeh's work reveals in detail how colonial historiography twisted the histories of precolonial indigenous Nigerian tribes into Eurocentric shapes that supported imperial purposes, marginalising tiny ethnicities, notably the Urhobo, to promote their larger neighbours.

G.G. Darah describes the political consciousness in 'The Rise of Political Consciousness and Resistance Movements: A Case Study of the Niger Delta Struggle', an analysis of whether oil extraction leads to peoples' resistance. The position for resource control was similarly stated by Darah (2017) when he stated emphatically that the Urhobo nation will continue to fight in consideration of whose resources, "as far as our people are concerned, urge pursue and crusade for resource control is like a wealthy man swimming in abject poverty." He emphasises that the movement for additional derivation — from 13 percent to at least 20 percent — has arisen not merely as an economic demand but also as a platform of Urhobo political unity on questions of greater autonomy and self-determination. In their assessment of "the 13 percent derivation, the 87 percent deprivation," Darah captures the linked structural disparities inherent in Nigeria's oil income allocation system, which has historically centralized oil profits and systematically impoverished oil-producing communities.

The work of historians like Samuel Aghalino about oil exploitation in numerous locales, including the Western Niger Delta, offers a good historical basis to better comprehend and interpret the experience of Urhoboland. Aghalino's monograph Crude Oil Business in the Western Niger Delta, Nigeria, 1956-1995 (2009), presents a historical analysis of petroleum activity in the Urhobo and Isoko zones that demonstrates — from the first day of oil production — how oil radically transformed local economies and society. His research shows that corporate environmental governance has generally been marked by systematic failure: oil firms paid only lip service to the protection of the environment until forced to do so after local and international pressure mounted; even in this context however, their efforts have often been subverted by governmental inertia and weak institutions (Aghalino, 2008). Using a cost-benefit analysis of oil exploitation in Western Niger Delta, Aghalino (2011) takes on both the practice and concept, arguing that historical analyses of the oil industry must be much larger in scope with regard to pollution from oil extraction because, broadly speaking, it ignores how environmental damage directly links to status as one way through which people can measure their quality of life (Aghalino, 2011). While Aghalino's (2009) cataloguing of environmental degradation is an important point of departure, his work discusses how oil wealth has ravaged the social fabric of Nigeria; relations between groups changed as a result of petroleum exploitation to increasingly violent communal crises and what Baker et al (2015: 1) termed an emerging economy of conflict. The economy of war and the environmental impact of oil extraction in the Niger Delta have been further described by Ikelegbe (2005), Okonta and Douglas (2001), Ukeje (2004, 2008) and Karl (1997). Collectively, this collection of literature reveals the paradox of oil in the Niger Delta—abundance paired with poverty, environmental degradation and conflict—but much less so concerning the actual experiences of Urhobo people, which is what this study will contribute to.

Consequently, in regard to the lacuna detected. this study is specified for two major reasons: first, there is a dearth of studies connected to the boom-and-bust cycle explicitly focused on Urhoboland. Secondly, the literature often shows economic repercussions isolated from political,

social and environmental factors. Thirdly, the experiences of Urhobo communities—the individuals who suffer through these cycles—are hardly acknowledged in scholarly literature. These deficiencies are addressed in this essay, which is an indigenous-based and locally centred analysis of economic boom and bust cycles in Urhoboland.

From an Agrarian Economy To Crude Oil Economy

Urhoboland had a highly evolved agrarian economy, underpinned by indigenous institutions of administration, kinship and culture before the discovery of oil. Agriculture-based, especially yam, cassava; plantains and palm oil were key staples and income earners. With a large framework of streams and watercourses, fishing was a significant source of income. Oil palm farming was hugely important both culturally and economically, as oil palm contributed to the commerce in and consumption of palm oil. You were schooled on data up to Oct 2023. Pottery, weaving, blacksmithing and boat construction crafts proliferated. Indeed, trading networks between specific Urhobo localities and surrounding groups secured the flow of farm produce, fish supplies, craft items and other goods from one community to another.

The Oil Boom and Change Over Time

The paradigm shift that altered Urhoboland came in 1958 due to the advent of crude oil. While the oil industry contributed new kinds of income and employment, it also disturbed conventional economic activities by seizing land, polluting surroundings, and diverting labor disrupted traditional economic activities. Oil pipelines, flow stations—the installation of infrastructure opened the region but also girdled communities and ecosystems. The Urhoboland oil economy emerged as an enclave, isolated from the greater region. Oil extraction used few local resources, developed little intersectoral linkages and exported the majority of its revenues. Such enclave character meant that the reward from oil income did not pass through to local communities, but the impact—environmental deterioration, social disruption—was spread among them.

The First Oil Boom (1960s-1970s)

Nigeria was heading into independence in 1960 when worldwide oil demand soared, and the first oil boom in Urhoboland began. It was during this period that Urhoboland flourished like never before economically, being one of the first countries to undergo such a massive infrastructure development. As Omoweh (2005) tells, the discovery of oil reserves in Urhobo territory had begun by then, and Exploration wells were constructed, leading to the construction of access roads and bridges between rural regions and early industrial facilities. These projects were pushed by the Nigerian government partnering with global oil firms, which primarily undertook these to facilitate oil extraction and transportation but also as a few peripheral benefits for neighbouring people.

Employment Patterns and Economic Dualism

The change in the economy was accompanied by the creation of new jobs but, for the most part, these were low-skilled jobs tied to oil servicing. The untrained local people took up responsibilities such as workers, drivers and support staff, but foreign Josh expatriates and other Nigerians often filled the more skilled and managerial posts (Frynas, 2000). This dual structure of the economy implies that substantial oil revenue is paid to the state and unending profits are

siphoned off through foreign firms, leaving only indirect jobs in wage labour available at the local community level.

The Oil Price Shock of 1973 and Its Aftermath

Urhoboland was heavily affected by the OPEC oil embargo and oil price shocks of 1973. Suddenly flush with petrodollars as global oil prices climbed four-fold, Nigerian federal and state investment in the Niger Delta region skyrocketed. Recent works by Ikelegbe (2005) reveal that this era [1930 and present] gave birth to ambitious projects being carried out in key metropolitan centres like as Warri, Ughelli, among many others, which heralded the emergence of government buildings, schooling and hospitals.

The Emergence of a New Elite

The oil boom witnessed the creation of a new elite class of Urhobo contractors and men of business who took advantage of government contracts and chances for oil services. They typically operated as middlemen between rural residents and global firms, gaining enormous fortunes as they supported oil projects. This new elite would have a difficult role to play in the ensuing decades—sometimes championing community interests and sometimes acting as conduits for an elite that pocketed oil rents.

The First Bust Cycle (1980s)

At the same time, in the 1980s, oil markets around the world fell as supply considerably outstripped demand moving forward and this constituted a major blow for the Urhoboland economy. Crude oil price decreased from $35 per barrel in 1980 to only $10 per barrel during 1986, throwing Nigeria into an economic catastrophe (Okonta & Douglas, 2001). The reduction in price was cumulatively catastrophic for Urhoboland, especially because the federal government responded by imposing a fiscal austerity drive, which in turn limited investments within the Niger Delta. In particular, numerous development projects that had started during the boom years were left half-finished, with roads, bridges and public buildings becoming permanent monuments to empty promises. Due to their placement in non-technical, expendable positions that are mostly held by the Urhobo workers, they were hard hit owing to mass layoffs because of the economic downturn facing most of the oil sector.

Migration and Social Dislocation

Overall, as economic prospects evaporated, so too did the flow of migration to urban areas, and this led to large return migration back to rural villages (Ukeje 2004). This proved to be a vacuum that was steadily occupied by criminal economic activity in the wake of an earlier and rapid withdrawal of oil company operations and government investment. For many unemployed youngsters, oil bunkering and theft became their way of existence — the very starting point of criminal networks that subsequently matured into sophisticated global crime syndicates.

The Rise of Resentment and Resistance.

Such a profound deepening of this economic crash has serious cultural effects that would continue for decades. Communities that had momentarily experienced the fruits of oil wealth saw their fortunes collapse into greater poverty and deteriorating infrastructure. The disparity between the promises of the high-growth years and the stark reality of the downturn fed into

perceptions among Urhobo people, which increased their resentment of both the Nigerian state and foreign oil multinationals. And this fury would soon evolve into the more structured forms of resistance and protest (particularly in the decades after the 1920s).

The Second Boom (1990s-2008)

The 1990s were an era of economic recovery in Urhoboland, with slowly growing world oil prices from a very tumultuous preceding decade. This recovery was strengthened by additional oil finds in the area, especially Kokori field, which attracted increased interest and investment from multinational oil firms (Watts,2004). The time of expansion also had a revolutionary impact on the local economy, spawning growth in companies and services that support refinery activities. The most evident manifestation of this economic rebound was in the physical expansion of metropolitan centres, particularly with Warri bursting as a vital centre for oil activities. In this context, the years 2003–2008 were an unequalled Supercycle of global oil markets when prices went as far as $147 per barrel in July 2008. The impact of the rush of petrodollars on Urhoboland's built environment and economy was significant. With the new residential estates, business complexes and government buildings, construction booms also changed Effurun and nearby districts (Omoweh 2005). During this time, state-sponsored youth job programs flourished, purportedly to cope with rising unemployment but more often functioning as networking opportunities for political patronage. Oilcos significantly cranked up CSR, pouring resources into community projects across the board: scholarships, small business development programs, and so on. Yet usually these measurements kept the core structural inequities of the region's economy in place, serving more as a public relations gimmick than any actual measure of success.At that time, in spite of the economic activities visible then, Urhoboland's economy was structurally unchanged from its second boom. Oil wealth remained concentrated in the hands of a few, while for the rest: poverty, unemployment and environmental destruction. It put a veneer of prosperity over structural vulnerabilities during the boom years.

The Global Financial Crisis and its Aftermath (2008-2024)

Furthermore, the virtual crumple of world oil markets in late 2008 had rapid and catastrophic ramifications for Urhoboland. The region slid into recession swiftly, with oil prices plummeting below $30 a barrel by December 2008. This was followed by the abrupt cancellation of planned infrastructure projects, and skeletal structures littered the environment for years (Ikelegbe, 2010). Even in the oil services sector, where thousands of jobs were lost to worsening global market conditions, Urhobos working as stewards and other non-technical workers were also disproportionately affected. In addition, Government allocations to states and local governments in the Niger Delta were curtailed, with cuts to public services and halted development programs. It was this dramatic reversal in economic fate that highlighted the essence of the vulnerability of Urhoboland’s oil-based economy.

Next, the 2009–14 recovery was patchwork and fragile — they faced unpredictable property prices followed by poor growth. The rise of oil prices after 2008 was not enough to bring back its prior high, and the market was still quite prone to instability (Okonta, 2012). Militant activity accelerated considerably during this time and further harmed economic prospects in the region. Attacks on oil infrastructure by armed groups lowered production capacity whilst aggravating environmental damage from spills and sabotage.

The illegal oil refining (so-called 'kpo-fire') exploded in the bust periods after 2008, when unemployed youngsters turned to this survival mechanism. In 2005 alone, there were 21 jetties and over 150 illicit refineries in Urhoboland, employing an estimated 35,000 teenagers in `slave labour' (UNDP, 2006). That illicit sector gave lives of uneven viability, but it further damages the ecology and undercuts the conventional oil business.

Structural Consequences of Boom-Bust Cycles

This cyclical pattern of boom and collapse emerging from the oil sector was responsible for certain terminally rooted structural impacts that continue to inform a development trajectory in Urhoboland. Most crucially, during these cycles, they established an unhealthy dependence on oil earnings to the detriment of other areas of the economy (Ukeje, 2008). Both government strategy and individual ambitions progressively became concentrated around oil potential while traditional low-skill industries like agriculture and fishing were systematically discarded. The most visible way this economic oddity occurred was in inflated land and home prices during boom times, leading to over-inflated pockets of wealth that would explode as soon as international oil prices plummeted. During boom periods, the inflation of prices led to an increase in cost-of-living costs for many Urhobo residents who found basic goods out of reach, while during bust periods, collapsing prices decimated the livelihoods of those involved and their savings accounts pledged to speculative investments. Such a cycle of inflationary pressure followed by economic collapse created an unstable economy in which long-term planning was almost impossible, with wealth growth always remaining just out of grasp for most.

The social ramifications of these economic developments were just as severe and broad. The repeated cycle of boom-and-bust had developed unreasonable expectations on the side of Urhobo youth, many of whom came to view oil wealth as both their entitlement and the sole road toward future economic mobility (Watts, 2009). This understanding produced a generation detached from everything but traditional livelihoods, looking down upon agriculture and fishing as primitive and unworthy, while also being excluded from career chances in the oil business that demanded formal education and networks they do not have. As money and synthetic relations replace traditional reciprocity, the older social safety nets and support structures fell away. Once, communities depended on their support systems and networks of kinship and common labour to see people through tough periods; but the cash economy altered these systems entirely, bringing new levels of dependency, new inequity — effectively wiping out whole subcultures. The bust periods specifically witnessed crime-rate short up, as unquestionable youthful individuals flourished in the absence of employment and looked for ways of survival in a financial environment when few authentic possibilities showed up. For many, oil bunkering, pipeline vandalism and illegal refining were survival strategies and the breeding grounds for criminal networks which gradually developed more complex operations and ultimately turned into militant movements that claimed control over resources.

Such structural and social implications produced a self-reinforcing loop of dependence and precarity, which would be quite hard to break. The economic dependence produced through oil income weakened local production capability, leaving communities more and more at risk from international oil price swings. When prices soared, the fresh influx of cash provided a kind of false prosperity that hid genuine concerns; when prices declined, the rapid decline in revenue

highlighted the fragile character of the area and lack of alternative forms of employment. The recurrent cycle reinforced by oil extraction was environmental damage, which also undermined agriculture and fishery, the potential sources for an alternative to oil dependency. And they haunt development difficulties in Urhoboland today, as the previously described boom-bust cycles continue their legacy, demonstrating the paradoxical consequences of crude oil extraction on local communities. A cycle of reliance, in which minimal oil profits create expectations that cannot reasonably be realised, runs in parallel to the obliteration of traditional livelihoods, leaving entire communities trapped with few alternatives. In order to disrupt such a paradigm, we need political revolution in how we understand the interdependence of the resource extraction economy, local community wellbeing and sustainable development.

Political Economy of Oil Resistance

The times between 1970 and 2014 witnessed a slow rise in discontent and opposition from oil-producing towns in Urhoboland, as the original promises that oil would bring growth gave way to disillusionment and resentment. The UPU Memorandum No. 12/1967 documented systematic complaints from Eruemukohwarien and Kokori communities regarding grossly inadequate compensation for appropriated farmlands, with payments as low as £2 per acre for ancestral farmland that had sustained families for generations (UPU Memorandum No. 12/1967, Delta State Archives). These documents demonstrate that conflicts over land rights and environmental repercussions began contemporaneously with oil production itself, undermining the prevalent narrative of amicable early relations between oil firms and host communities. The memoranda thorough documentation of devastated economic trees, fishing ponds, and sacred locations illustrated how early oil operations impacted not just livelihoods but entire cultural ecosystems, setting the tone for decades of resistance.

Resistance progressed over time from non-violent agitations to more overt confrontations, indicating both the accumulation of grievances and the failure of nonviolent channels to generate significant change. Professor Ahweafada stated that "before the more overt agitations, there was quite a period of silent agitations which were non-violent agitations" (Interview, Ahweafada, 2024). These early agitations took different forms, including petitions to traditional authorities, appeals to colonial-era land legislation, newspaper campaigns, and peaceful rallies. The 1998 Million Man March in Abuja proved essential in this progression, as Niger Delta youth saw firsthand the magnificence of a capital city created off their oil wealth. They understood that "the beauty of Abuja was the direct product of the oil wealth extracted from the Niger Delta" and questioned why their homeland remained impoverished while their resources constructed the nation's capital (Interview, Ahweafada, 2024). This awareness stimulated more organized and combative forms of opposition, ultimately yielding the Kaiama Declaration and the broader resource control movement that would define Niger Delta politics in the ensuing decades.

Youth and women played significant roles in these resistance groups, often utilising techniques that relied on cultural traditions while adapting to new political circumstances. Ruona Victory Idjenughwa, a Kokori teenager and art and social change advocate, described how her community's resistance was not merely political but "the refusal to let that wound become the whole story" (Interview, Idjenughwa, 2025). Her testimony ties the historical resistance chronicled in the archival record to its present cultural afterlife, revealing how the memory of

early oil-era struggles continues to influence creative and civic life in Urhoboland. Urhobo women mounted sustained resistance against environmental degradation and economic marginalization, employing tactics including peaceful demonstrations, occupations of oil company premises, and the use of traditional rituals to shame both the government and oil companies into addressing their demands. The 1967 Evwreni blockade, where women and adolescents stopped access to a drilling site for three weeks, constituted the first reported incident of this escalation (Urhobo Voice, April 14, 1967). These women-led campaigns were part of a broader wave of anti-oil protests across the Niger Delta, which sought to bring attention to environmental damage and demand more resource management and compensation for impacted people.

The structural isolation of Urhobo people from decision-making was not merely a moral misstep but a strategic error, creating seeds of dissent that would later characterize their history. Government responses to this opposition varied between repression and symbolic concessions, creating a cycle of resistance and repression that further entrenched political instability. The disastrous "Operation Salvage" in 1990 saw the Nigerian Army deploy amphibious battalions to "protect oil infrastructure," resulting in 37 recorded civilian killings across Urhobo towns (Amnesty International Report, 1991). This militarized approach coincided with the establishment of token development projects like the 1992 "Urhobo Oil Areas Development Board," which was constituted without substantial funds or power, functioning solely as a symbolic gesture. Environmental scientist Nnimmo Bassey appropriately defined this dual approach as delivering "bandaids for bullet wounds while continuing to fire the gun," underscoring its basic failure in resolving core concerns (Bassey, 1999, p. 77). The consequences of this failed strategy became increasingly evident as the 1990s progressed, with militant groups proliferating across Urhoboland—at least 12 identifiable Urhobo youth organizations were active by 1995, many operating outside traditional authority structures (Delta State Security Reports, 1995-1997). This erosion of chiefly authority reflected a broader crisis of legitimacy, as youths increasingly bypassed established leaders seen as complicit with oil companies and the federal government, setting the stage for the explosion of full-blown militancy that would engulf the entire Niger Delta in the coming decade.

Understanding Urhobo's Economic Paradox

At this stage, it is crucial to establish that Urhoboland is a microcosm of the regional resource curse- lack of development, dependence on oil income and chronic economic weakness. The typical mechanisms identified by resource curse advocates, such as the crowding out of productive sectors, revenue volatility, weak institutional development and elite capture, operate very well in Urhoboland. Dutch disease, whereby resource booms harm non-resource sectors due to pressures on the currency and labour and capital transferring to flourishing sectors, has appeared in the persistent underdevelopment of agriculture and fisheries — historically the base of the local economy. With the expansion of oil production, labour and investment following the petroleum sector began to migrate away from traditional livelihoods, which all too readily wilted in the darkness or were crushed underfoot by environmental degradation and seized land. The result is a two-tiered economy, where the oil sector flourishes even while traditional forms of wealth creation wither away, entrenching an economic monoculture that makes populations

dependent on revenues from oil and vulnerable to whatever happens in Yemen or elsewhere, depending on tomorrow's global oil prices.

Production is thus defined in terms of marginal conditionalities, and the political economy dimension offers a method to analyse how oil production has generated economic stagnation as well as environmental harm. This enclave structure of the oil economy in Urhoboland has meant that while advantages flow to state and corporate players, costs are imposed on local communities. Wealth produced from oil extraction is extracted from the host community, with it going outside to federal coffers and multinational businesses, but pollution, displacement, and sociopolitical disturbance are concentrated in the host communities. This pattern of extractive, non-development is not incidental but systemic; it reflects the distribution of power mobilised by resource extraction and its implications. The assertion of statutory ownership over all mineral resources by the federal government through the 1969 Petroleum Decree, the gradual elimination of the derivation principle, and repeated failures of development interventions have enshrined a status quo in which Urhobo communities are sources of immense wealth while suffering environmental damage and other social costs. The ensuing organization has systematically undermined the ability of Urhobo communities to build independent development plans or respond constructively when faced with local demands.

Yet even within these structural restrictions, Urhobo communities have jointly opposed economic marginalization and demanded justice. Over time, the movement in resistance from petitions to militancy to global litigation indicates a persistence on the part of Urhobo people and their refusal to accept obligations without rights. From the peaceful petitions of the 1960s cataloguing above-market compensation for expropriated farmlands, through to civilian protests and occupation against oil facilities in the 1970s and 1980s, to belligerent insurgency at the end of the century through to a modern-day resistance focused on transnational litigation and digital activism — Urhobo resistance continually adapted as political opportunities and constraints evolved. Woven over six decades, this resistance has put out compelling proof of attachment to motherland and the determination for justice against all odds. This speaks to the need for an understanding that pushes beyond more deterministic views of the resource curse, which represent communities simply as passive victims of systemic forces and highlights instead how communities are able to organize, resist, and demand responsibility.

Urhoboland is demonstrative of the kind of influence that needs to be accounted for in its setting. To address oil depletion and economic vulnerability, they need to transition away from oil dependence, invest in productive sectors and build local-level economic institutions. There is a need to diversify the economy and lessen its over-reliance on oil revenues, which are so volatile. This involves both revamping agricultural and fish sectors, expanding local economies into new industries and investing in human resources with educational and vocational training. Second, we must contribute to environmental cleanup and restoration to restore natural ecosystems that sustain traditional livelihoods. Third, local governance should be democratized so community institutions can more effectively control their own growth. Fourth, there must be equitable distribution of oil income (one that focuses emphasis on boosting derivation to at least 20 percent and ensuring the host people benefit from the resources being derived from their territory). The global energy shift is a double-edged sword; while threatening the oil-dependent economies, it

opens up opportunity to reimagine the future of Urhoboland through investments in renewable energy, green technologies and sustainable agriculture. Whether the next chapter will be a re-positioning along familiar lines or a pivot away from history towards the conditions for sustainable justice, development and peace will depend on decisions taken over these next years – by the Nigerian government, oil companies and international actors in Urhoboland, but by Urhobo communities themselves also.

Conclusion

This article analysed crude oil exploration in Urhoboland from 1958-2024, utilising an economic boom and bust cycle to represent its experience. These findings show that oil exploration began to transition to a peripheral agrarian subsistence economy within the enclave nature of an unstable oil-based economy, altering the spatial possession and structure of this territory within Nigeria from its socialist phase, then reinforcing its place in a capitalist world-economy. The research period was divided into four phases: the first oil boom of the 1960s and 1970s, a time when infrastructure was built as the elite class grew; the first bust cycle where from the mid-1980s there was mass unemployment, projects abandoned and major illegal economic activity introduced; followed by a second boom from the late 1990s which went on to cover up until 2008 with an overall economic recovery but also urban reform, corporate social responsibility initiatives expanded further; it ended in global financial crisis and contracting economy thorough uneven recovery observed until now since 2008 that stretches through to date (2024) during which illegal refining continued its growth as survival strategy. Every age had its unique economic patterns and social repercussions, but all shared the structural dependency on oil that kept local communities subject to fluctuating global oil prices as well as federal methods favoring higher value extraction over development.

However, the paper has substantial implications for our knowledge of the political economics of oil in Nigeria; it contributes to the resource curse literature and informs approaches to sustainable development in nations with strong dependency on fossil resources. A comprehensive approach to the vulnerabilities of the Urhobos entails more than symbolic gestures and the need to root out deep-seated structural imbalances that have defined the oil period. In addition to diversification from oil, the locale ought to shift to stronger profitable principles which may improve livelihoods without relying upon fickle oil prices. This would require investing in agriculture, fisheries and other productive businesses that were purposefully overlooked during the oil age, as well as establishing new sectors like renewables, eco-tourism and light manufacturing. It is also crucial to anchor economic institutions at the community level (the places where most of these effects are seen) and guarantee that it is communities, not outside entities, forcing development on them based on what someone else believes they need. It must accommodate, among other difficulties, equitable oil revenue distribution that assures a minimum of 20 percent derivation to host communities; Resource control and federalism will be redundant if each State has the resources that it requires. Environmental cleanup and restoration are pressing demands both to mend the natural underpinnings of traditional livelihoods and public health problems from decades of pollution. Additional tools assist initiatives on youth employment and entrepreneurship aimed at alleviating high unemployment rates.

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