TO MINT AN ILLUSION

(Economic + Poverty Growth in an Extractivist Rentier State)

TO MINT AN ILLUSION

(Economic + Poverty Growth in an Extractivist Rentier State)

To MINT An Illusion is a publication of
Health of Mother Earth Foundation (**HOMEF**)
Top Floor, 214 Uselu Lagos Road
Benin City, Edo State,
Nigeria.
e: home@homef.org
w: www.homef.org

Other publications by **HOMEF** include

1. Eco~Instigator, a quarterly journal
2. Defending our Biological Diversity – Linking the Convention on Biological Diversity and Nutrition, 2013

First Published By HOMEF,May 2014

GDP is the
ultimate illusion and we do ourselves
much harm by sticking to it.

MINT is as silly
as BRICS when it comes to genuine
economic prospects.

About HOMEF

Health of Mother Earth Foundation (HOMEF) is an environmental/ ecological think tank dedicated to building knowledge across the strata of the Nigerian society and building resistance to the expansion of fossil fuels extraction. HOMEF also works on hunger politics, proposing that food sovereignty and support of small-scale farming are the keys to abolishing hunger. HOMEF was registered in Nigeria in 2011 and began operations in March 2013.

HOMEF is an ecological think tank that promotes a culture of ecological knowledge, resource ownership and environmental defence. A pan Africanist ecological think tank working at all times in support of socially cohesive and inclusive environments.

Goals and Objectives:

Our goal as an ecological think tank is to build knowledge and work with rural communities, government institutions and organizations in Nigeria/Africa to develop and effectively implement appropriate environmental protection programs as integral parts of their operations.

(i) To promote the observance of the environmental human rights of all Nigerians, Africans and all of humanity.

(ii) To promote basic principles of environmental human rights as enshrined in the Constitution of a democratic Nigeria; the African Charter of Human and Peoples Rights; the Universal Declaration of Human Rights, the ILO convention 169 and all other such instruments which promote and protect the dignity of humankind and the integrity of the biosphere.

(iii) To influence policies and policy directions of government, corporations and organizations in such a manner as to promote ecological viability.

Contents

Volatile Wealth – an introduction 1

GDP as a Grand Illusion 3

Africa's Economy, For Wealth Evaporation 9

Authors

GDP as a Grand Illusion was written by **Nnimmo Bassey,** Director, Health of Mother Earth Foundation (HOMEF). The article was written for Heinrich Boel Foundation's Perspectives and can be found at
http://www.za.boell.org/downloads/Perspectives_Feb_2014_WEB.pdf
Bassey is author of To Cook A Continent – Destructive Extraction and the Climate Crisis in Africa (Pambazuka Press, 2012)

Africa's Economy, For Wealth Evaporation was written **Patrick Bond.** Professor Bond directs the University of KwaZulu-Natal Centre for Civil Society in Durban, South Africa and is co-author of the new book –South Africa The Present as History.

Africa's Economy for Wealth Evaporation was first published at
http://zcomm.org/znetarticle/africas-number-one-economy-for-wealth-evaporation/

Acknowledgements

The Article GDP as a Grand was written by Nnimmo Bassey for Perspectives- a Journal of Heinrich Boal Foundation, HBF.
We are grateful to HBF for this.

HOMEF thanks Patrick Bond for permission to reproduce his article "Africa's Economy for Wealth Evaporation."

Introduction: Volatile Wealth

The use of Gross Domestic Product (GDP) as a measure of the state of a nation's economy has long been acknowledged as unreliable. The fact that the GDP does not tell the story of the quality of life of citizens of nations has led to the development of other measurement indexes, including the Human Development Index and the Gross National Happiness Index.

Although adjudged to be an unreliable barometer of the wellbeing of any economy, the GDP is still a favourite of neoliberal international financial institutions and the nations enamoured to them. It allegedly measures the value of goods and services workers and capital produced in a country in a given year. Nations and politicians are forever seeking feel-good concepts and acronyms to mark their belonging to special clubs.

Membership of clubs or groupings offer politicians space for influence-peddling and places them in line to provide service to powerful transnational corporations in the name of attracting investment in their territories. It is also a prestige thing.

Rather then focus on democratising the United Nation's and working on the platform of equality of nations, countries prefer to expend energy of groupings such as G8, G20 and others. After a banker dreamt of BRIC it was soon to grow to become BRICS. When it became obvious that BRICS was not turning into a veritable economic bloc, the same acronym-smith minted MINT. Being a part of MINT must have released a load of adrenalin into the veins of Nigeria. This had to be justified.

Nigeria hopes to become one of the top 20 economies in the world by 2020. Never mind the several obstacles on the nation's highway to greatness. Progress had to be made. Rebasing the GDP provided a quick way forward. And so by rebasing the GDP, Nigeria suddenly has become the largest economy in Africa and the 26th biggest economy in the world.

Spectacular. The only trouble is that the realities on the ground do not match this hype. It is possible that even ardent voodoo economists would be scratching their heads, seeking justification for this newfound bigness that refuses to find traction with the intense poverty, unemployment and low productivity on the ground.

This publication serves you with two articles. The first was written in November 2013, before Nigeria leapfrogged over South Africa and several nations of the world to hit the 26th spot. The second piece by the irrepressible Patrick Bond was written early April 2014 just as Nigeria's economic abracadabra.

Why would an ecological think tank serve this fare? Simple. When nations have dreams, such as Nigeria has, there is a heavy risk that ecological concerns will be pushed to the background as the nation intensifies extractivist activities to bolster their foreign rents and to build their GDPs even higher.

Chapter One

GDP as a Grand Illusion

By Nnimmo Bassey

Nigeria is a nation of interesting, even difficult, statistics and many contradictions. While the economy is said to be rising in leaps and bounds, the people readily admit that these are difficult times. The country's Gross Domestic Product (GDP) growth rate has been up to 8 percent in the last decade, but this depends on an income structure of which 95 percent comes from the export of oil. It is a nation so deeply tied to petroleum resources that budgets are dependent on the benchmark set for crude oil prices in any given year. In fact, the presentation of the proposed national budget for 2014 to the Nigerian National Assembly has been delayed mostly due to the fact that the two upper houses (the Senate and the House of Representatives) are unable to agree on whether to set the benchmark for crude oil price for 2014 at USD 74 or USD 79.[i]

The jostling and shoving at the National Assembly has serious implications for the health, real or perceived, of the Nigerian economy in the coming years. First, the last time crude oil price fell below USD 90 was in 2010 when it sold for USD 79 per barrel. The average for the past ten years has been USD 74 per barrel. For 2011 and 2012 the average price has been above USD 90.[ii] In terms of the way the Nigerian economy is managed, fixing a high benchmark translates to spending the cash as soon as it hits the account while having a lower benchmark implies that some of the cash euphemistically termed “excess crude” could either go into an excess crude account to be shared to the three tiers of government or possibly provide a contribution to the Sovereign Wealth Fund.

In reality the so-called excess crude account can become a very contentious matter between the States and the Federal Government as each sees the funds as theirs to control.[iii]

The bickering of national leaders over the price of crude, over which they have no control, raises question about whether political governance has been reduced to a struggle over what slice of the oily cake gets to whose control. While this conflict rages huge losses are being recorded in the petroleum sector through gaping holes that policy tweaks ought to cover.

One of the holes is an estimated loss in the sector of N60.8 trillion or USD 380 billion in the last 30 years through lack of sufficient integrated local content. Generally it is estimated that the country has lost more than USD 250 billion in capital flight over the same period. Corruption and related misbehaviours have led to a net loss of up to half a trillion US dollars. Add to that the over USD 2 billion lost to gas flaring and the profligacy is truly outrageous.

The statistical measure of the GDP of nations allows political leaders to gloss over these economic realities and permit the overlooking of political and economic freedoms deficit faced by the people and the state of human and social capital as well.

The rising growth that is often applauded also does not take into account externalized project costs. For instance, environmental pollution and security problems are factored out. If the environmental pollution in the Niger Delta were to be factored into the computation of Nigeria's GDP it is clear that the rates would drop significantly. Presumably pollution could be seen as job generation opportunity, after all someone would be hired to clean the mess. Right?

With huge externalized environmental costs and the clamour for the cleanup of Ogoniland and other polluted oil field communities of the Niger Delta, it does appear that Nigeria's oil wealth is an ephemeral sheen on polluted creeks.

The report of the assessment of the Ogoni environment by the United Nations Environment Programme (UNEP) submitted to President Jonathan on 4 August 2011 indicated that USD 1 billion would be needed to set up the structures for the cleanup of the environment and that the clean up itself would take up to 30 years – only for the Ogoni region of the Niger Delta.

Other observers believe up to USD 100 billion would be needed for the actual start up of the clean up of the Niger Delta.[iv]

According to Joseph Stiglitz “Just as a firm needs to measure the depreciation of its capital, so, too, our national accounts need to reflect the depletion of natural resources and the degradation of our environment. Statistical frameworks are intended to summarize what is going on in our complex society in a few easily interpretable numbers. It should have been obvious that one couldn't reduce everything to a single number, GDP. The report by the Commission on the Measurement of Economic Performance and Social Progress will, one hopes, lead to a better understanding of the uses, and abuses, of that statistic.”[v]

The obvious implication of keeping a blind eye to externalized costs is that these are borne by the people and the environment – a form of subsidy that is scarcely ever spoken about or considered in the economic matrix.

However, all these hiccups do not deter optimists in their GDP projections. In fact, when showing that Nigeria's debt profile is nothing to worry about, some analysts say that the debt to GDP ratio of Nigeria is less than 20 percent and is smaller than those of rich industrialised countries. We could almost cheer on the borrowers to grab more loans and sink the nation into more debts!

Nigeria's GDP is said to have grown by 6.81 percent in the third quarter of 2013.[vi] But this and other optimistic GDP projections mask the lived reality of ordinary citizens on the ground. This shows even in official statistics. An example is a joint study conducted by the World Bank (WB) and the Nigerian Bureau of Statistics (NBS) on poverty in Nigeria. A blog on the report written by Mark Roland Thomas[vii] opens with an oblique statement that “The World Bank and the Nigerian Bureau of Statistics (NBS) have recently completed an in-depth analysis of Nigeria's last set of household survey statistics, which were compiled in 2010 but until recently not fully understood.”

We must ask why it took the WB and the NBS so long to comprehend? It appears it was the stark contradiction between the huge growth rates being peddled and the “stubbornly high” poverty rates in Nigeria.

A report, “African Economic Outlook”[viii]by the African Development Bank (AfDB)came out with a conclusion that the average Nigerian has no difficulties agreeing with. The report showed that the number of people living below the poverty line in Nigeria has increased from 65.5 per cent in 1996 to 69 percent in 2010 and that income disparity between classes of Nigerians had widened. The time span covered by the study includes the last four years of military rule and ten years of post-military rule by political elites.

The WB and NBS study calculated poverty rates in Nigeria by treating children as adults in defining the consumption needs that underpin the poverty calculations. By this method, the conclusion was reached that poverty fell from 64 percent of the population in 2004 to just less than 63 percent in 2010.

The AfDB report angered the Federal Government of Nigeria, which faulted the report as untrue and politically motivated. An editorial on the issue in the Daily Trust Newspaper noted that “No matter how offensive these conclusions are to government, the general public sees no problem in agreeing with all the negative assertions concerning the nation's level of development.”[ix]

In line with this observation, measures such as the Human Development Index (HDI), which places people at the heart of development and, we dare say, progress, paint a rather uncharming picture.

The UNDP's HDI assessment of Nigeria in 2012[x] ranked her 153 out of 186 countries and territories, stating that the nation was not making remarkable progress according to the measures. In 2012 average life expectancy in Nigeria stood at 52 years. The nation spent less than 2 per cent of her annual budget on health. All this despite the fact that the GDP growth rate stood at about 7 percent for 2012.

African countries that have been adjudged as making good progress in terms of the HDI measure since 2000 include neighboring Niger, which would typically be regarded by Nigerian politicians as an unimportant, poor neighbour country.

Measuring economic growth in Nigeria and other countries of Africa cannot be an easy task. This is one reason why economists can really be challenged when attempting to analyze whatever data they may have collected.

In Nigeria, it has been estimated that the informal sector contributes up to 58 percent of the country's Gross Domestic Income (GDI) and over 50 percent of jobs in urban areas.[xi] Obtaining reliable statistics in Nigeria can be difficult and this becomes more difficult with the informal sector where there is no systematic keeping of records. However, it is estimated that the size of the informal economy was about 75 percent of the nation's GDP in 2010.[xii]

Those who labour in this realm include domestic workers, informal street-corner-construction-workers, street hawkers, etc. – in other words, people depending on their wit, blood and knuckles for survival. These are the people whose economic struggles are undocumented, unsupported and unobserved by the state. Some of these are urban based and fall under the informal economy grouping. But some in the rural areas lie beyond even the informal sector. They neither have access to banks nor access to public electric power supply and water supply. They have few social amenities and sometimes no all-weather access roads. They live in some of the most degraded and polluted environments and endure living conditions that make life expectancy a mere gasp.

Sadly the GDP-led mantra of “Africa Rising” has been repeated so often that it has become a pacifier for policy makers and their advisers. It is profitable for them to swallow this tale from head to tail because by these claims they can bury their heads in the sand while the people are blown away by storms as they battle to keep their heads above water.

The Africa Rising refrain is a lullaby that lulls leaders to sleep and allows rabid exploitation of the continent's natural resources. Our roaring economies are too heavily dependent on export of raw materials at prices that are externally determined and are thus vulnerable to the sudden jolts. And although oil contributes the largest chunk of national revenue and keeps politics and social crises in the nation at boiling point, oil is not the largest contributor to Nigeria's GDP. According to analysts, agriculture offers the most jobs and contributes the highest quota to the GDP at 35 percent annually.[xiii] An understanding of this should help policy makers see what can be leveraged to the benefit of the people.

Going by correlation of reality and perception to GDP it can be said that GDP is the ultimate illusion and we do ourselves much harm by sticking to it.

Chapter Two

Africa's Number One Economy, For Wealth Evaporation

By Patrick Bond

Jim O'Neill – the Goldman Sachs banker who in 2001 coined the idea of a Brazil-Russia-India-China 'BRIC' serving as “building bricks of the 21st century world economy” – has another bright idea. He recently announced[xiv] a new fascination with the Mexico-Indonesia-Nigeria-Turkey countries, which “all have very favourable demographics for at least the next 20 years, and their economic prospects are interesting.” O'Neill is now completing a BBC series on the MINTs, and no doubt will profit handsomely from investments made in these countries' financial assets, the way any scurrilous marketer does when, brandishing an insider-trading portfolio, he draws naïve consumers to a product with limited shelf life.

MINT economic prospects are 'interesting' insofar as Goldman Sachs makes enormous profits from churning investors' funds through new markets, using whimsical rationales based upon silly acronyms. As Matt Taibbi[xv] described the firm's philosophy in Rolling Stone five years ago, “The first thing you need to know about Goldman Sachs is that it's everywhere. The world's most powerful investment bank is a great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money.”

Goldman Sachs is a useful barometer of stupidity, since it brought the world economy to its knees in 2008 by creating infinitely-toxic financial products. For example, what was just a decade ago a supposedly glorious group of high-growth European countries led by 'Celtic Tiger' Ireland, became financially-cancerous 'PIGS' once Portugal, Ireland, Greece and Spain melted down seven years ago, in the process wiping out hundreds of billions of dollars in paper assets. O'Neill has also tried out the 'Next 11' and 'CIVETS': Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa. The rationale behind acronym subterfuge? According to O'Neill, his customers “are still scared of these places.”

That means, as the Christian Science Monitor[xvi] interpreted, "financial firms use colourful nicknames to push investments," and O'Neill is "using the power of language to try to make investors feel more comfortable about putting their money into these places."

And now, just a year after the Durban BRICS summit, you are more likely to find Brazil, India and South Africa described as leading the "fragile five" emerging economies, and Russia now also under increasingly severe financial attack the more it attacks the border demarcations on Eastern European maps.

MINT is as silly as BRICS when it comes to genuine economic prospects. To illustrate, Nigeria this week became Africa's biggest economy measured by Gross Domestic Product (GDP). But it is also Africa's fastest-shrinking if measured by wealth, which I take to incorporate the depletion of oil, degeneration of land, and departure of financial flows to offshore hideaways.

Nigeria's ThisDay[xvii] newspaper acknowledges that local elites are attempting quite a scam with their GDP 'rebasing', a project that aligns national income account statistics to international norms: "The exercise was shelved in 2000 in order to pursue debt relief from the Paris Club [of Northern donor countries] and multilateral lenders. The thinking of the economic team then was that a revised GDP for the country would have pushed the economy into the category of the medium income economies."

That move, according to This Day, "would have made the country forfeit its eligibility for access to aid and grants from international organisations such as the International Monetary Fund (IMF) and the African Development Bank, as well as debt relief or forgiveness which was being considered at the time by the G8 group of industrialised nations. The strategy of delaying the rebasing worked as the Obasanjo administration's pursuit of debt relief was successful."

Finance minister Ngozi Okonjo-Iweala, who during the 2000s also served as a World Bank managing director, was so successful arranging the deal that her South African counterpart Pravin Gordhan nominated her to be Bank president two years ago (she lost to a US citizen, Jim Kim,[xviii] because

Washington and Brussels maintain their apparently permanent grip on the Bretton Woods Institutions).

However, the fake-GDP scam and 2005 debt relief were not viewed so flatteringly by everyone, with experts like Nigeria Jubilee leader Rev. David Ugolor[xix] complaining: “The Paris Club cannot expect Nigeria, freed from over 30 years of military rule, to muster $12.4 billion to pay off interest and penalties incurred by the military. Since the debt, by President Obasanjo's own admission, is of dubious origin, the issues of the responsibilities of the creditors must be put on the table at the Paris Club.”

Remarked the Global AIDS Alliance,[xx] “The creditors should be ashamed of themselves if they simply take this money. These creditors often knew that the money would be siphoned off by dictators and deposited in western banks, and the resulting debt is morally illegitimate. They bear a moral obligation to think more creatively about how to use this money.”

The next step in the scam was for Obasanjo to agree to the reimposition of neoliberal economic policies. According to ActionAid's Soren Ambrose,[xxi] “The Paris Club requires that countries applying for relief be under an IMF program, but the prospect of agreeing to one is political dynamite in Nigeria. The Paris Club was however under great pressure to complete a landmark deal with Nigeria, where the legislature had threatened to simply repudiate the debts.” The IMF snuck in through the back door as part of the debt deal.

In short, the long-standing economic swindle was actually perpetrated against the Nigerian population by Washington financiers and allied local elites, especially Okonjo-Iweala. Later, in 2012, her neoliberalism catalysed a National ''Occupy Nigeria”[xxii] strike that nearly overthrew the government because of a dubiously-formulated[xxiii] recall of a petrol subsidy, under direct pressure from IMF managing director Christine Lagarde.[xxiv]

The final stage of the rebasing scam was Sunday's announcement[xxv] that Nigeria has risen from a GDP of $262 bn in 2012 to become, after new counting techniques, the largest economy in Africa with $491 bn GDP in 2013 (compared to $384bn for SA), when in reality it is the fastest-shrinking in terms of wealth.

The term 'wealth' is critical to interrogate because in addition to the financial assets, productive machinery, real estate, and 'human capital' (educational accomplishments and skills) of a people, even the World Bank concedes that we should add 'natural capital', i.e. resources such as Nigeria's untapped oil and minerals, forests and agricultural land.

Here we can spot the difference between bogus ''Africa Rising[xxvi] rhetoric as GDP increases thanks to raw materials exports, and Africa crashing[xxvii] in terms of fast-shrinking wealth, especially in resource-cursed countries like Nigeria and South Africa. To fail to acknowledge the distinction is to import from malevolent Northern economists what University of Pretoria political economist Lorenzo Fioramonti calls a Gross Domestic Problem.

It means ignoring women's unpaid labour, pollution, social ills and a variety of other variables that should be measured as losses from net income. The biggest of these GDP-blind factors in Africa is the depletion of natural resources, which when mined or drilled out are only counted as GDP credits on the income accounts, but not as debits, as they should be since a source of future income is now gone.

It's as if you have several generations' worth of your family jewels locked away but your drunkard nephew steals the key, sells the jewels for a song, and boozes away the proceeds. Like Pretoria (or Washington for that matter), Abuja has seen lots of drunkard-nephew types exercising power, aided and abetted by multinational corporations like Shell Oil[xxviii] which infiltrate and underhandedly manipulate critical parts of the state.

Nigeria shrinks because natural capital is being stripped out of the Niger Delta by foreign oil companies without the kind of compensating investments that resource-rich Norway, Canada and Australia can brag, because their mining and oil companies are headquartered at home there.

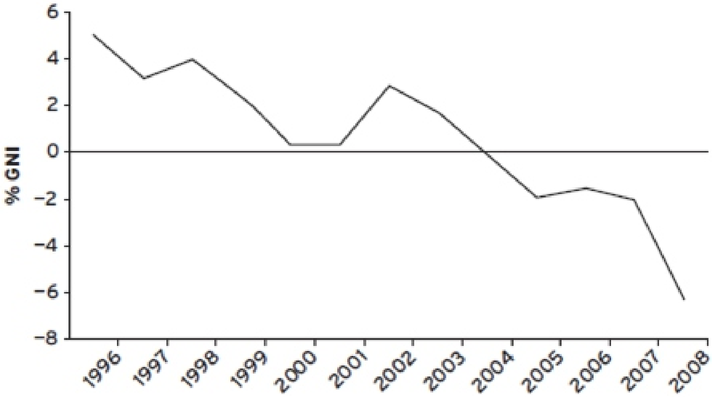
The Bank's 2011 book, The Changing Wealth of Nations, provides the latest available comparative data: in the year 2005 (when oil averaged $50/barrel), the average Nigerian lost $280 – or in sum, 140 million Nigerians lost a net $39 billion – because the depletion of natural resources far outstripped the income gains from exploiting petroleum. (In 2005, each

South African lost $245 of wealth on average, and four other oil-stained African countries had higher per capita – albeit lower absolute – wealth shrinkage than Nigeria: Equatorial Guinea, Angola, Chad and Mauritania.)

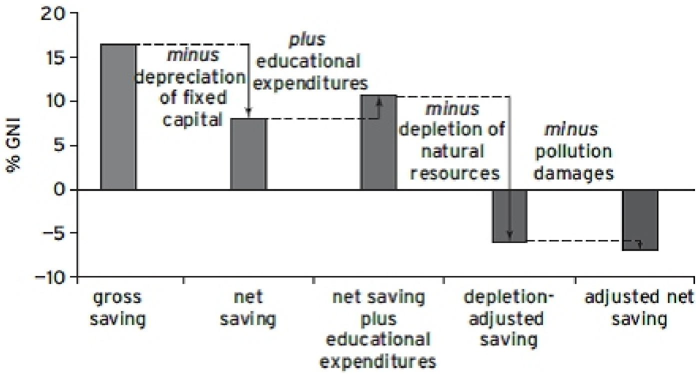
This was not a one-year fluke, it amplified a trend the Bank observed for at least a decade earlier: “wealth in Nigeria declined by 15 percent.” During the 14 years prior to 2008, say Changing Wealth of Nations authors, “clear trends emerge, with Adjusted Net Savings as well as per capita wealth increasing in Asia and ANS declining in Sub-Saharan Africa. In both instances, a few countries dominate the trend: the stellar performance of China and, more recently, India drives the positive trends in Asia, and the poor performance of Nigeria and a handful of other countries outweighs the positive performance of many other African countries.”

Economy	GNI Per Capita (US$)	Population Growth Rate (%)	Adjusted Net Saving Per Capita (US$)	Change in Wealth Per Capita (US$)	Adjusted Net Saving Gap (% GNI)
Morocco	1,949	1.0	423	341	n.a.
Mozambique	314	1.9	−14	−45	14.3
Namibia	3,520	1.1	545	389	n.a.
Nepal	300	2.0	65	−1	0.4
Netherlands	39,028	0.2	3,825	3,541	n.a.
New Zealand	24,549	0.9	496	−501	2.0
Nicaragua	918	0.5	62	25	n.a.
Niger	243	3.4	37	−19	8.0
Nigeriaa	700	2.4	−94	−280	40.1
Norway	65,776	0.7	5,504	3,254	n.a.
Oman	11,662	1.3	−1,656	−2,997	25.7
Pakistan	718	2.4	88	−24	3.4
Panama	4,438	1.8	587	315	n.a.
Papua New Guinea	769	2.0	−2	−213	27.7
Paraguay	1,269	1.9	124	14	n.a.
Peru	2,657	1.5	176	3	n.a.
Philippines	1,288	1.8	208	109	n.a.
Poland	7,788	0	317	329	n.a.
Portugal	17,238	0.5	−577	−811	4.7
Romania	4,530	−0.2	91	142	n.a.
Russian Federation	5,209	−0.5	−13	236	n.a.
Rwanda	261	1.7	28	−30	11.6
Saudi Arabia	13,904	2.6	−54	−3,750	27.0
Seychelles	9,985	1.0	−1,018	−1,250	12.5
Sierra Leone	213	3.5	4	−42	19.9
Singapore	26,554	2.4	8,265	5,007	n.a.
Slovenia	17,691	0.2	2,264	2,256	n.a.
Solomon Islands	617	2.6	171	−30	4.9
South Africa	5,073	1.1	−63	−245	4.8

Adjusted Net Saving in Sub-Saharan Africa as a Percentage of Gross National Income



Calculating Adjusted Net Saving for Sub-Saharan Africa, 2008



Accurate updates are not available, but as oil prices rose to $145 per barrel through mid-2008, crashed to $32 for a short while later that year, and then rose to the $80-100 range since 2010, Nigeria's wealth shrinkage became even worse. If all other factors remained roughly constant, 175 million Nigerians would have lost around $80 billion net, last year. Rebase that, Abuja.

What can be done? There is an obvious case from the standpoint of climate change to ''leave the oil in the soil,[xxix] so as to avoid not only the looting and all that goes with it in political, economic, ecological and public health degradation, as […] Nnimmo Bassey explains in To Cook a Continent[xxx] – but justice would demand that in compensation, the North pay a climate debt to ordinary Nigerians not venal politicians running the state. The superb group Environmental Rights Action[xxxi] makes this case.

The outflow of wealth was slowed decisively on one occasion, five years ago, when activists of the Movement for the Emancipation of the Niger Delta (MEND) sabotaged pipelines so often that by the end of 2008 oil production was cut to half the prior year's level. This followed a period of turmoil after Ken Saro-Wiwa's non-violent fight against pollution and underdevelopment a quarter century ago ended in his execution in December 1995, even though Nelson Mandela had personally intervened against the then dictator Sani Abacha.

I was asked to write the Foreword to a brilliant 2013 book about MEND, Temitope Oriola's Criminal Resistance,[xxxii] which uses social psychology as well as political economy to unearth why oil generates such intense resistance. By all accounts, forces posing as MEND more recently degenerated into opportunistic activity, in contrast to the politically-'liberatory' kidnaping of the early years. Their former leader, Henry Okah, got a 24-year sentence from a South African judge for supporting car-bombing terrorism in 2012 and he tried to escape a Pretoria prison twice[xxxiii] in the last two months, including last week. And although an amnesty led to substantial MEND disarmament once Nigeria's president Goodluck Jonathan (a Delta native) came to power, this year has witnessed a resurgence of kidnapping[xxxiv] and sabotage, which in the last two months disabled Shell and Agip pipelines that carry more than a fifth of Nigeria's crude to ships.

MEND and the Islamic extremist movement Boko Haram have created the most intense battlefields within the MINTs and BRICS. In contrast to Nigerian guerrilla and terrorist attacks, leftists have been active the past few weeks in Mexico, where mass anti-privatisation protests addressed energy[xxxv] and education.[xxxvi]

A frightened Newsweek[xxxvii] reporter last October reported from Mexico's 'streets of fire', as protests “have become more frequent, volatile and violent, analysts say, a response to major domestic policy shifts and growing alienation among the young and unemployed.”

Indonesia recently witnessed two million protesting workers [xxxviii]demanding 50 percent wage increases, while activists in Turkey competed with Brazil for the largest take-overs of public space in major cities last year. The potential destruction of Istanbul's Gezi Park[xxxix] was just as important a symbolic statement of crony-capitalist power as 'Sepp Blatters[xl] politically-destructive relationship with Brazilian Workers Party president Dilma Rousseff, herself prone to neoliberal tendencies such as raising public transport prices beyond affordability.

Russia[xli] has witnessed mass protests, many very courageous in that authoritarian context: a democracy movement in late 2011, a freedom of expression battle involving a risque rock band in 2012, gay rights in 2013 and at the Winter Olympics, and last month's anti-war protests. Indian[xlii] activists shook the power structure over corruption in 2011-12, a high-profile rape-murder in late 2012, and a municipal electoral surprise by a left-populist anti-establishment political party in late 2013. And Chinese activists protest tens of thousands of time a year, at roughly equivalent rates in urban and rural settings, especially because of pollution,[xliii] such as last week's throughout Guandong[xliv] against a Paraxylene factory.

Millions hate these kind of repressive relationships in the MINTS and BRICS, exemplified by the ''toxic collusion[xlv] – so named by Marikana mineworker victims' lawyer Dali Mpofu – uncovered in emails between Cyril Ramaphosa, other Lonmin bosses and South African politicians and massacre-ready police. But South Africa's diverse protests,[xlvi] probably numbering far more than the 12 399 (including 1882 violent ones) that minister Nathi Methethwa counted last year alone, still fail to link up. Indeed, many have xenophobic tendencies[xlvii] (like yesterday's in Maake, Limpopo), pointing out how structures of power stay in place through divide-and-conquer.

That doesn't mean they won't, and if Occupy Nigeria could emerge from nowhere to win a dramatic victory against petrol price hikes in early 2012, then a higher GDP figure will not distract the masses with false pride. Likewise, many increasingly radicalised South Africans will continue the long, slow struggle to replace neoliberal nationalism with something more durable, and in doing so will have to reiterate to the society why it's not appropriate to be count the decline of natural resources as a positive contribution to GDP, when the resource curses continue. [xlviii]

End Notes

Chapter one

i Muhammed Bello and Jaiyeola Andrews. 20 November 2013. Presidency – Why Jonathan Deferred Budget Presentation.http://allafrica.com/stories/201311200952.html

ii Forecastchart.com. Crude Oil Price Forecast.www.forecast-chart.com. Accessed 21 November 2013

iii The RiverState governor, AmaechiRotimi recently alleged that $5billion was missing from the Excess Crude Account. See http://www.vanguardngr.com/2013/11/5bn-missing-excess-crude-account-amaechi/ The Minister of Finance quickly responded that the Governor was untruthful in his narrative. See http://dailypost.com.ng/2013/11/19/amaechi-lied-about-excess-crude-account-rivers-has-received-n56bn-in-2013-okonjo-iweala/

iv John Vidal. 05 August 2013. Niger Delta Oil Spills Clean-up Will Take 30 Years , Says UN. http://ourworld.unu.edu/en/niger-delta-oil-spills-clean-up-will-take-30-years-says-un

v Joseph Stiglitz. 09 September 2009. Rethink GDP Fetish. http://host.madison.com/news/opinion/column/guest/joseph-stiglitz-rethink-gdp-fetish/article_71fad514-9caa-11de-9a00-001cc4c03286.html

vi Trading Economics. Nigeria's GDP Growth Rate. http://www.tradingeconomics.com/nigeria/gdp-growth

vii Thomas Roland Thomas. 01 August 2013. Poverty In Nigeria: Some New Facts .http://blogs.worldbank.org/nasikiliza/poverty-nigeria-some-new-facts

viii African Development Bank Group. African Economic Outlook Report 2013 –“Structural Transformation and Natural Resources.” http://dailytrust.info/index.php/editorial/3532-the-rising-rate-of-poverty-in-nigeria

ix Daily Trust Editorial. 20 August 2013. The Rising Rate of Poverty in Nigeria.http://dailytrust.info/index.php/editorial/3532-the-rising-rate-of-poverty-in-nigeria x Michale Paul. 19 March 2013. UNDP Rates Nigeria Human Development Index Low.http://www.dailytimes.com.ng/article/undp-rates-nigeria-human-development-index-low

xi G. M. Oyeyemi. 2011. Poverty in the Urban Informal Sector of Kwara State, Nigeria. www.unilorin.edu.ng/publications/oyeyemi/serial%20No.%2020,%20G.M.%20Oyeyemi.pdf

xii Jonathan EmenikeOgbuabor and Victor A. Malaolu. 2013. Size and Causes of the Informal Sector of the Nigerian Economy: Evidence From Error Correction Mimic Model. http://www.iiste.org/Journals/index.php/JEDS/article/download/4100/4128

xiii NAN. 02 February 2012. Agriculture is the Largest Contributor to Nigeria's GDP-Don. http://www.nanngronline.com/section/agriculture/agriculture-is-the-largest-contributor-to-nigeria%E2%80%99s-gdp-don

Chapter Two

xiv Jim O'Neil. 12 November 2013. Who You calling a BRIC? http://www.bloombergview.com/articles/2013-11-12/who-you-calling-a-bric-
xv The Great American Bubble Machine.http://www.rollingstone.com/politics/news/the-great-american-bubble-machine-20100405#ixzz2y7N9hkaE
xvi Ruth Walker. 20 January 2012. BRICs, CIVETS, and PIGS: What's in a name? http://www.csmonitor.com/The-Culture/Verbal-Energy/2012/0120/BRICs-CIVETS-and-PIGS-What-s-in-a-name
xvii Steve Omanufeme. 6 April 2014. Why Nigeria Delayed GDP Rebasing for Twenty-four Years. http://www.thisdaylive.com/articles/why-nigeria-delayed-gdp-rebasing-for-twenty-four-years/175494/
xviii Patrick Bond. 5 April 2012. Promise-breaking at the World Bank; Why Jim Yong will be a heartbreaker. http://links.org.au/node/2814
xix See Nigeria: Debt Deal Views. 27 October 2005. http://www.africa.upenn.edu/afrfocus/afrifocus102705.html
xx Nigeria's Creditors Should be Ashamed, Says Global AIDS Alliance. http://www.prnewswire.com/news-releases/nigerias-creditors-should-be-ashamed-says-global-aids-alliance-55483812.html
xxi Soren Ambrose. IMF Adds a New Tool to its Bag of Tricks. http://www.oid-ido.org/article.php3?id_article=136
xxii Pius Adesanmi. 20 January 2012. Occupy Nigeria: NgoziOkonjoIweala, Paul Collier, and Some Troublesome Nigerian Professors. http://saharareporters.com/column/occupy-nigeria-ngozi-okonjo-iweala-paul-collier-and-some-troublesome-nigerian-professors
xxii National Daily newspaper. 15 January 2012. Fuel Subsidy: International conspiracy against Nigeria. http://www.nationaldailyng.com/business-news/fuel-subsidy-international-conspiracy-against-nigerians
xxiii Christine Lagarde. 20 December 2011. Statement by IMF Managing Director Christine Lagarded at the Conclusion of her Visit to Nigeria.http://www.imf.org/external/np/sec/pr/2011/pr11478.htm
xxiv Daniel Magnowski. 7 April 2014. Nigerian Economy Overtakes South

Africa's on Rebased GDP
www.bloomberg.com/news/2014-04-06/nigerian-economy-overtakes-south-africa-s-on-rebased-gdp.html

xxvi Patrick Bond. 06 February 2013. Africa 'Rising', South Africa Lifting?Or the reverse?http://www.dailymaverick.co.za/opinionista/2013-02-06-africa-rising-south-africa-lifting-or-the-reverse/#.U0wu3sdn_R0

xxvii Bond. 01 July 2013. Africa Crashing.
http://www.counterpunch.org/2013/07/01/africa-crashing/

xxviii David Smith. 8 December 2010. WikiLeaks cables: Shell's grip on Nigeria state revealed. http://www.theguardian.com/business/2010/dec/08/wikileaks-cables-shell-nigeria-spying

xxix JulienBoumardCoallier and Roger Rashi. 1 May 2013. “Leave the oil in the soil, the coal in the hole and the tar sands in the land!” http://www.alterinter.org/spip.php?article4009

xxx See http://fahamubooks.org/book/?GCOI=90638100628980&fa=reviews

xxxi www.eraction.org

xxxiihttp://books.google.com.ng/books?id=HvK0ZhwrFE4C&printsec=frontcover&dq=isbn:1472401956&hl=en&sa=X&ei=u89BU_bkFaLLsQT2nIHoDw&redir_esc=y#v=onepage&q&f=false

xxxiii Henry Okah caught after prison break attempt. http://www.vanguardngr.com/2014/02/henry-okah-caught-foiled-prison-break-attempt/

xxxiv James Bridger. 14 March 2014. Kidnapping Resurgent in Gulf of Guinea Piracy. http://news.usni.org/2014/03/14/kidnapping-resurgent-gulf-guinea-piracy

xxxv Mexico crowd protests against energy reform. http://www.bbc.com/news/world-latin-america-25180472

xxxviMexico: Students riot in education protest in Oaxaca. www.euronews.com/2014/03/23/mexico-students-riot-in-education-protest-in-oaxaca/

xxxvii http://www.newsweek.com/mexicos-streets-fire-253

xxxviii http://www.bloomberg.com/news/2013-10-31/two-million-workers-strike-in-indonesia-wage-protest-group-says.html

xxxix http://showdiscontent.com/archive/gezi-parki/
xl Brazilian Social Movements Organize for Political Reform.http://progressivebrazil.tumblr.com/ en.wikipedia.org/wiki/2011%E2%80%9313_Russian_protests
xli http://en.wikipedia.org/wiki/Category:Protests_in_India
xlii Chinese Anger Over Pollution Becomes Main Cause of Social Unrest.www.bloomberg.com/news/2013-03-06/pollution-passes-land-grievances-as-main-spark-of-china-protests.html
xliii Shannon Tiezzi. 05 April 2014. Maoming Protests Continue in Southern China.http://thediplomat.com/2014/04/maoming-protests-continue-in-southern-china/
xliv Patrick Bond. 01 February 2013. Pamaphosa epitomizes corporate-state collusion. http://mg.co.za/article/2013-02-01-00-ramaphosa-epitomises-corporate-state-collusion
xlv Peter Alexaner. CarinRunciman and Trevor Ngwane. 07 March 2014. Growing civil unrest shows yearning for accountability. http://www.bdlive.co.za/opinion/2014/03/07/growing-civil-unrest-shows-yearning-for-accountability
xlvi Twenty protesters arrested in Maake village, Limpopo. http://www.thenewage.co.za/122569-1013-53-
xlviiTwenty_protesters_arrested_in_Maake_village_Limpopo
xlviii Patrick Bond. South Africa's Resource Curses and Growing Social Resistance. http://monthlyreview.org/2014/04/01/south-africas-resource-curses-growing-social-resistance

HOMEF

HEALTH OF MOTHER EARTH FOUNDATION

www.homef.org