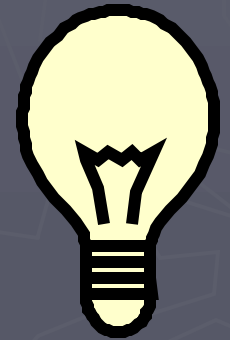
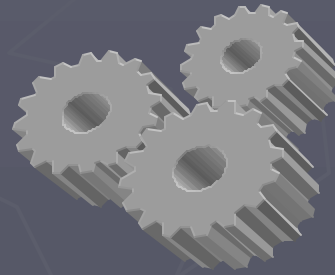


# The Urhobo Economy in the Niger Delta

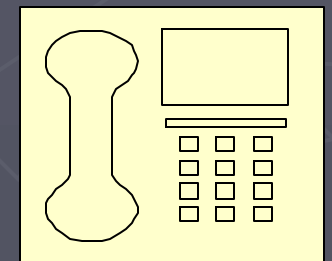
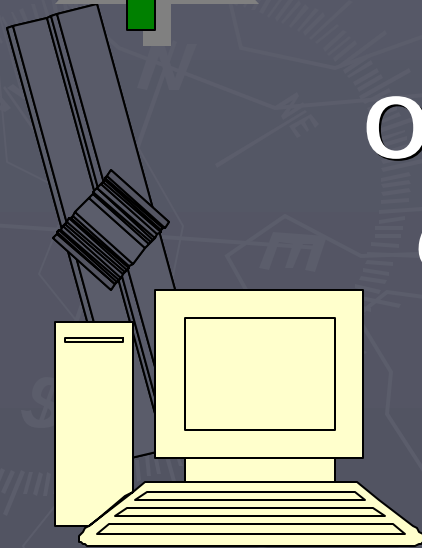
A Paper Presented at the Annual Conference of the Urhobo Historical Society,  
Petroleum Training Institute, Warri



**OLOROGUN MOSES TAIGA**

*Chairman, Execon Organisation*

*October 29 – 31, 2004*



# OUTLINE

- ? Background
- ? Size & Scope
- ? Impact of Economic Reform
- ? Economic Activities
- ? Competitive Advantage
- ? Challenges
- ? Strategic Options
- ? Outlook



# MAP OF NIGER DELTA

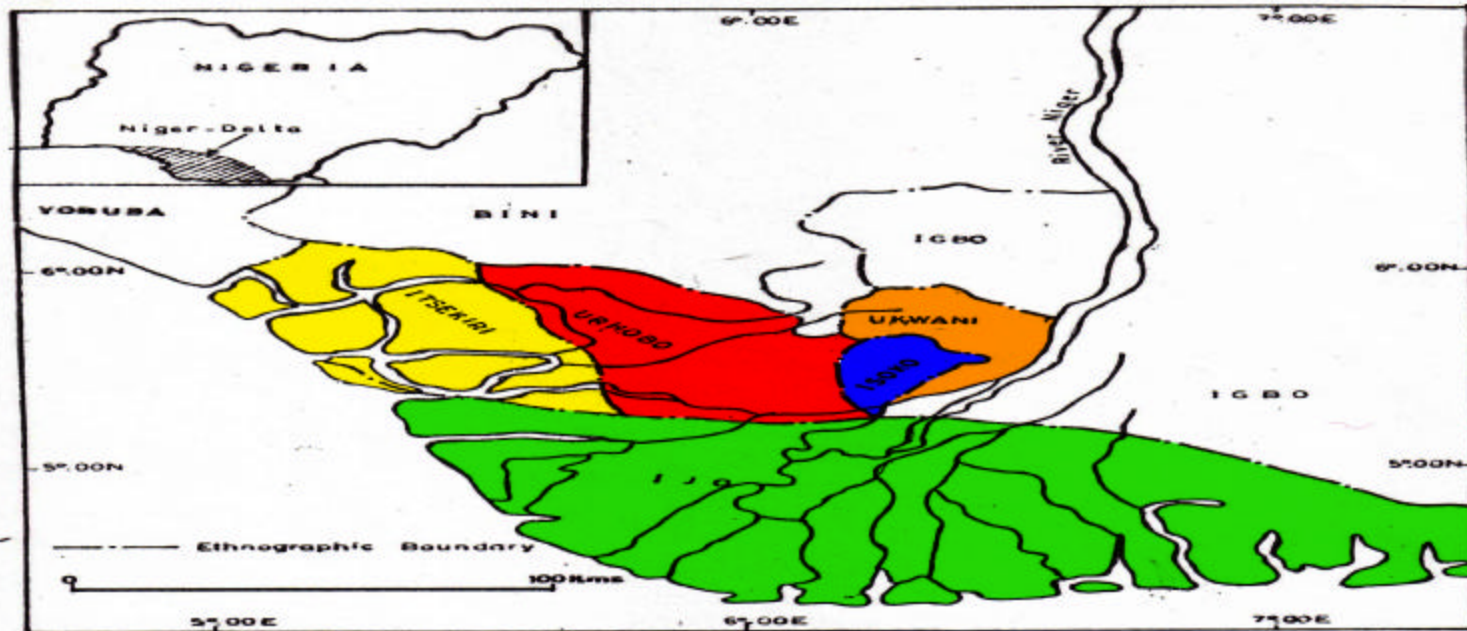


Fig.1: The Main Ethnic Nationalities of the Niger Delta.

Map drawn by Prof. Albert Aweto,  
University of Ibadan, Nigeria  
Copyright: Historical Society 2003

- Urhobo nation is sandwiched between Isekiri [West], Bini [North], Ijo [South] & Isoko/Ukwani [East]
- Urhoboland is 50m above sea level, Avg. Temperature 27°C
- Main Rivers: Ethiope, Ganagana, Warri
- Religion: Christianity [Catholic, Anglican, Others] & Traditional Beliefs

# Background

## Definition

? Urhobo:

✍ A people of the Northwestern Niger Delta in Nigeria

? Language:

✍ Kwa Branch of the Niger-Congo language family

? Sobo:

✍ Used by Ethnographers to refer to Urhobo & Isoko

## Origins:

? Descendants of one man – “Urhobo”

✍ Referred to as “Uhobo” by the Binis & “Soubo” by the Portuguese

? Different historical accounts of Migration

✍ From Sudan/Egypt btw 7th & 2nd Millennium B.C.

✍ From Ile-Ife in 990 A.D.

✍ From Benin before 1480

# Urhobo Nation: Size & Scope

## ? Population:

✍ Estimated at 2 million [as at 2000]

? \*Labour force -980,000

? \*School Enrolment -484,145

✍ Largest ethnic group in Delta, 5<sup>th</sup> largest tribe in Nigeria

## ? Major Towns/Cities:

✍ Ughelli , Warri, Sapele, Effurun, Abraka

## ? 22 Polities [organized societies/clans]

\* *Based on national estimates*

- Urhobo nation is heavily populated and is the 5<sup>th</sup> largest in Nigeria
- Urhobo nation comprises 22 states or provinces

# Economic Reform & Impact

? Nigerian economy in transition

Deregulation — Privatization — Liberalization — Competition

- Privatization leads to consolidation & big business

- Increased income inequality

  - It is estimated that 95% of Wealth in Urhoboland is controlled by 1% of population

- Widespread poverty & deprivation

- Social tension, youth restiveness & xenophobia

  - Negative impact on economic & business activities

  - Drives away foreign investments

  - Relocation of companies

• Develop strategy to position Urhobo nation to take advantage of impact of reforms on Nigerian economy

# Economic Activities

- Global Economic activities in transition from Primary — Secondary — Technology

Primary	Secondary	Specialised
Rubber, Palm Wine Tapping	Tyres, footwear	Banking
Palm Oil	Soft Drink	Aviation
Lumbering	Brewery	Telecoms
Fishing, Cocoa	Food Processing	Information Technology
Farming, Trading	Poultry	Shipping
Hunting, Pottery	Distilleries	

- **Lack of institutionalization of Indigenous Urhobo industries/companies**
  - **High attrition rate of companies set by Urhobos, surviving industries are either Govt. owned or Joint Ventures with Multinationals**

# Economic Activities

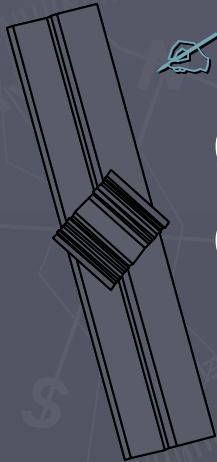
## ? Oil & Gas [Enclave Economy]

✍ Located in Urhoboland

✍ Hub of activity in Urhoboland

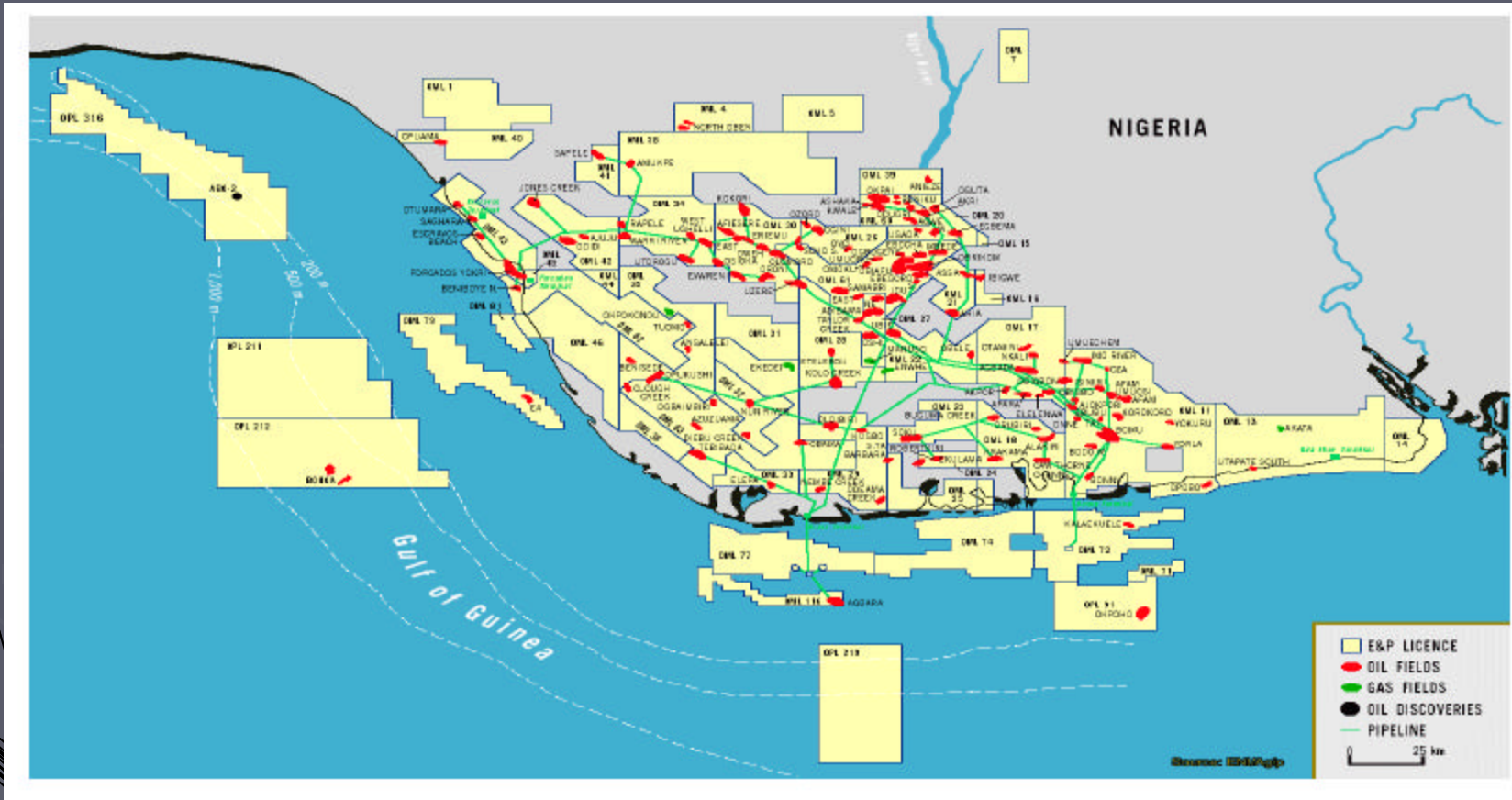
✍ Limited benefits to the local population

✍ Limited presence of Urhobos in major oil service companies, Marginal fields, oil blocks, concessions





## Oil Fields in the Niger Delta Area of Nigeria



- Oil & gas fields scattered all over Urhoboland
- Urhoboland contributes 8.4% or 64m barrels of oil and approx. \$2bn annually to Nigeria
  - Accounts for 33% of oil in Delta State

# Oil & Gas

- ? Urhoboland contributes approx. 64m barrels or 8.4% of Nigeria's annual production
- ? Oil & Gas fields are scattered across Urhoboland:
  - ✍ Oil is present in several towns in all the Urhobo LGAs
    - ? Ughelli
    - ? Otorogu
    - ? Sapele
    - ? Kokori
    - ? Eghwu
    - ? Ewreni
    - ? Oghara
    - ? Ogharefe, etc.



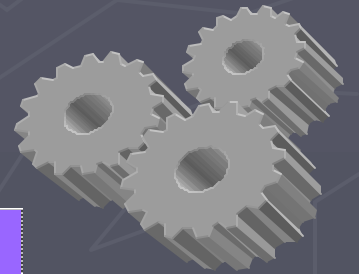
• 40 Years of Oil & Gas exploration has devastated the aquatic life & farmland in Urhoboland through gas flaring, spillages, Fires & Explosion leading to deaths of thousands

# Industry

## Key industries include

- ? Glass production – Ughelli, Beta Glass Plc
  - ✍ Owned by the Leventis Group
- ? Roofing/Tiles – Sapele, Eternit
  - ✍ Owned by Sen. Dafinone & Multinationals
- ? Poultry/Flour/Packaging – Sapele, Seaboard Group
  - ✍ Set up by Maternal Urhobos in Joint Venture with Multinationals
- ? Rubber Processing factories – Sapele
- ? Fish/Shrimp Companies – Oghara/Sapele
- ? Soap Manufacturing - Sapele

• ATP Sapele, now dormant, was once the largest timber plant in Africa



## A SWAMP FOREST DOMINATED BY RAFFIA PALMS



A swamp forest dominated by raffia palms  
Picture take by Albert Aweto  
Copyright:Urhobo Historical Society

•Raffia palms grow naturally in Urhoboland. Apart from yielding palm wine, a favorite alcoholic drink in many Urhobo and Niger Delta communities, its tough leaves were traditionally used for house roofing in olden days, before the importation of metal sheets from England and elsewhere in the 1920s-1940s onwards.

## A RUBBER PLANTATION IN URHOBOLAND



A small-scale rubber holding  
Picture taken by Albert Aweto  
Copyright: Urhobo Historical Society

• Dating back to the 1930s and 1940s, Urhoboland has large and small scale rubber plantations. Rubber trees produce white sap from which sheets of rubber are made for shipment to Europe for industrial processing. In more recent years, some rubber processing industrial plants have also been built in Urhoboland and elsewhere in Nigeria.

# Agriculture

- ? Urhoboland accounts for 87.4% or 61,200 hectares of rubber plantation in Delta State
- ? 50% of Arable soil used for Rubber production
- ? Annual yield per hectare avg. 180 -370 kilos
- ? Oil Palm projects in Delta – Mosogar nursery approx. 15,000 sprouted palms seeds
- ? Many other associated rubber factories in Sapele, Warri & Environs
- ? Investment in oil palm is capable of transforming Urhobo economy e.g. Malaysia

# Energy

? Urhoboland accounts for 28% of total electricity generated in Nigeria

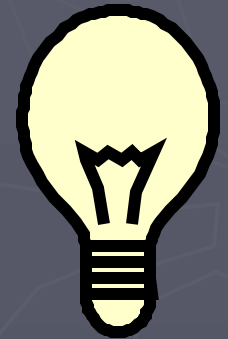
? Three Power stations in Urhoboland

✍️ Sapele [Installed Capacity -1020 MW]

? Ogorode Steam Turbine Station – 720MW

? Ogorode Gas Turbine Station – 300MW

✍️ Ughelli [Installed Capacity –600 MW]



- No Step-down of Electricity into Urhoboland after 3 decades
- Other Power Generating towns in Nigeria enjoy step-down facilities
- Lagos Egbin Thermal Station fuelled by gas from Otorogu in Urhoboland

# Competitive Advantage

## ? Natural Resources

- ✍ Oil & Gas
- ✍ Cash Crops & Food Crops

## ? Infrastructure

- ✍ Power stations – Ughelli & Sapele
- ✍ Airport – Osubi, Benin
- ✍ Railway – Aladja Steel
- ✍ Refineries – Warri Refinery
- ✍ Port facilities – Warri , Sapele, Koko

## ? Population

- ✍ Large market

## ? Bank Branches

- ✍ 15.4% of bank branches in South South

• Availability of natural resources & access to infrastructure makes Urhoboland a viable market for Foreign & Domestic Investments



# Challenges

## ? Declining state of industries in Urhoboland

- ✍ AT&P, Sapele
- ✍ New Nigerian Salt, Oghareki
- ✍ Rainbow Bottling, Mosogar
- ✍ Sparkling Breweries, Ughelli
- ✍ Bendel Glass, Ughelli
- ✍ Unokan Motors [SCOA]
- ✍ Superbru, Agbarho-Otor

## ? Lack of Cohesion/Togetherness

## ? High rate of Litigation between Urhobo Kinsmen

## ? Unhealthy competition & business rivalry amongst Urhobos

## ? Squabbles with neighbours

## ? Illiteracy & Low quality of education

• Good example of corporate succession is the Dafinones

• Urhobo businessmen & corporate moguls need to sustain wealth or business success beyond 1st generation

# Strategic Options

- ? Optimal & judicious spending of Stat Allocation
  - ✍ Delta state receives highest stat. allocation from FG
- ? Create an attractive environment for FDI Inflow
- ? Education is key
  - ✍ Build primary, secondary & tertiary institutions
  - ✍ Set up scholarship fund for exceptional Urhobo students
- ? Attract FG projects into Urhoboland
- ? Institutionalization of business
  - ✍ To ensure continuity beyond founder's lifespan



# Strategic Options

? Microfinance Schemes

? Take advantage of stock market

✍ Purchase blocs of shares to acquire Board position in key companies

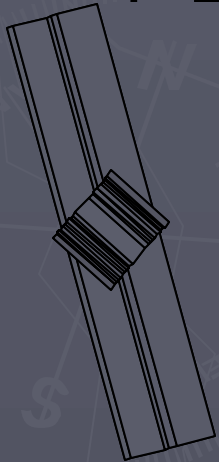
? Invest in agriculture & agro-allied industries  
e.g. Malaysia

? Investment in Trade [Domestic & International]



# Strategy for Poverty Alleviation in Urhoboland

? Lessons from Bangladesh, India & Malaysia



# Poverty Alleviation Through Micro-finance: Lessons from India & Bangladesh

## ? Self Employed Women Association [SEWA], India

- ✍ Formed in 1972 as a Women's trade union
- ✍ Operates as a cooperative bank
- ✍ Membership open to poor women on payment of 32 cents only
- ✍ To help women become financially independent and start own economic activity
- ✍ Assists over 250,000 local women obtain small loans without difficulty
- ✍ Loan recovery rate above 95%

## ? Grameen Bank, Bangladesh

- ✍ Reverse Methodology of conventional banking
- ✍ Objective is to bring financial services to the less privileged
- ✍ Branches located in local/rural areas
- ✍ Has 12,546 staff and 1267 branches
- ✍ Provides services in 46,000 villages
  - ? 68% of total villages in Bangladesh
- ✍ 3.7m borrowers as of July 2004
  - ? 96% are women

# Poverty Alleviation Through Micro-finance: Lessons from India & Bangladesh

## ? Impact:

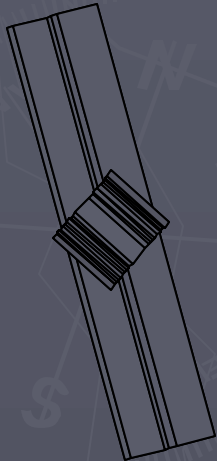
✍️ Grameen Bank [Bangladesh]: Outstanding success & recognition by World Bank

? A cost effective weapon to fight poverty

? A catalyst for overall development

✍️ SEWA Academy [India] – University for SEWA members

✍️ SEWA outperformed other public banks in India on key indicators:



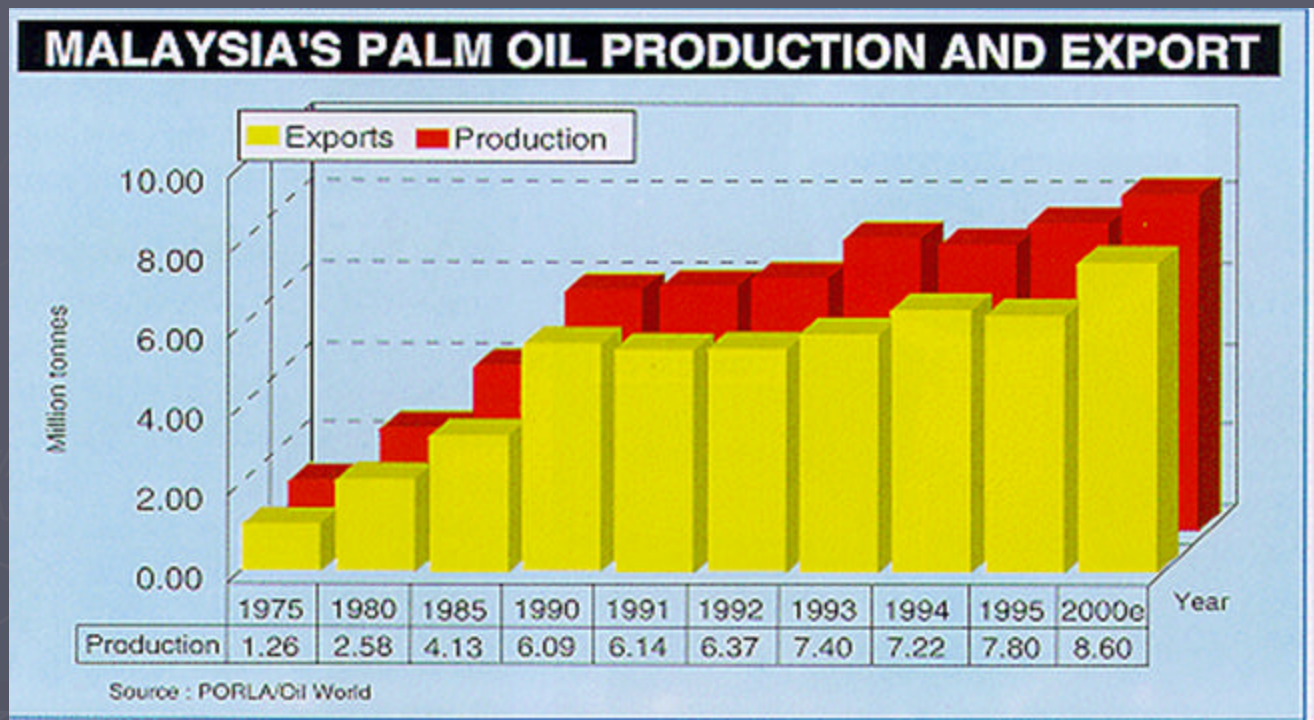
Items	Public Banks	SEWA Bank
Profit/ deposits	0.2	3.57
Profit/Loans	0.35	5.55
Reserve/Deposits	1.17	9.82
Reserve/Loans	2.05	15.27

# Wealth from Oil Palm Production - The Malaysian Example

- ? Oil palm introduced into Malaysia in 1870 as ornamental plant
- ? Commercial planting – 1917
- ? Modern expansion – 1960 through massive program of agricultural diversification
- ? Refining of oil palm commenced – 1970
- ? Emerged World's largest producer - 1995

- Urhoboland has vast potential for oil palm development
- Strategic partnership with Malaysia could help boost oil production in Urhoboland

# Wealth from Oil Palm Production - The Malaysian Example



- Palm oil is a vital agric. Product with several derivatives
- Contributes 20% of global demand for oils & fats
- Derivatives include soap, paper pulp, milk, cane furniture, palm wine, vegetable oils, etc.



# Conclusions

? Urhoboland has all the essential qualities of a nation as defined by Socrates

✍ Culture

✍ Language

✍ Defined Boundaries

✍ Economy

✍ Defense

? The question is do we have the wherewithal to sustain this nation

✍ Commitment, Zeal & Determination

? Cohesiveness, Togetherness & Singularity of purpose as against individualism [e.g. The Jewish People]

? To develop Urhoboland, indigenes must invest in education, agriculture, Information & Communication Technology & Small-Scale Industries