

OIL PIPELINES VANDALISM AND ITS EFFECTS ON THE SOCIO-ECONOMIC DEVELOPMENT IN NIGERIAN SOCIETY

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ABSTRACT

This paper discusses the critical issue of oil pipelines vandalism and its effects on the socio-economic development in Nigerian society. Crude oil was discovered in the Niger Delta region in 1956. The production of crude oil began in 1958. Shell D'Arcy was the first oil company that commenced oil exploration and exploitation in Nigeria. Thereafter, other international oil companies, IOCs, such as Exxon-Mobil, Agip, Total and Chevron began oil exploration and exploitation in the country. However, as from the 1990s there was the evolution of militancy and the consequent widespread incidences of oil pipelines vandalism and oil theft in the Niger Delta region. The reasons for the incessant oil pipelines vandalism in Nigeria include the pervasive poverty and frustration in the Niger Delta, and Nigeria at large, and corruption and sabotage within the oil sector. There was also frightening unemployment among the educated youths which compel some of them to take to anti-social behaviours such as oil pipeline vandalism, oil theft and kidnapping for ransom etc. Moreover, there was the international dimension of pipeline vandalism whereby some unscrupulous Nigerians collude with foreigners to steal crude oil in the country for pecuniary gains. Besides, the establishment of illegal refineries in some parts of the Niger Delta encourages pipeline vandalism, and the oil politics and struggle for resource control. Also, there were issues of ineffective security arrangement around pipelines and vital oil facilities largely as a result of inaccessibility of many areas in the Niger Delta region and the menace of pipeline vandals and oil thieves. The paper also highlighted the effects of pipeline vandalism on the socio-economic development in Nigerian society. These include colossal loss of revenue from oil by the government; the destruction of critical national assets necessary for economic development; and loss of lives of many citizens. It also worsens the problem of environmental degradation and thereby impoverishes the people. Pipeline vandalism also generated social insecurity and compelled some international oil companies to divest their investments from the country. This stagnates the country's economic growth. The paper finally suggested that the federal government should initiate dialogue with the stakeholders in the Niger Delta region so as to find lasting solution to the problems of pipeline vandalism, oil theft and militancy in the region.

INTRODUCTION

This paper discusses the critical issue of oil pipelines vandalism and its effects on the socio-economic development in Nigerian society. Nigeria discovered crude oil deposit in large quantity in the Niger Delta region in 1956. By 1958, Shell D'Arcy had discovered crude oil in twelve areas in the region of which Oloibiri, Afam and Bonu were the most promising. Oil production started in Oloibiri in early 1958 with 3, 000 barrels per day (Ekpu, 2009). Since then, enormous deposits of crude petroleum oil have been found on-shore and off-shore in many parts of the Niger Delta region and further eastwards towards Ohaji and Egbema axis. By 1997, Nigeria's proven oil reserve was put as 13.5 billion barrels. However, the estimated recoverable oil was put at 22.5 billion barrels of oil in the region from a total of 164 blocks

(Inyang, 2004). In 2015, however, Nigeria was ranked as the 10th largest oil producer in the world with proven oil reserve of about 36 billion barrels, and gas reserve of about 185 Trillion Cubic Feet (TCF), among others (Johnson, 2015). It should be noted that crude petroleum oil has been discovered further inland along Anambra River plain and its production had commenced under Orient Petroleum. This has made Anambra state to join the coveted league of oil producing states in the country. In February 2016, Nigeria was reported to have devised a strategy to maintain crude oil production at 2.2 million barrels per day. The 2016 Federal budget was said to have been pegged at this level of crude oil production. Thus, the Minister of State for Petroleum Resources and Group Managing Director, Nigeria National Petroleum Corporation, NNPC, Dr. Ibe Kachikwu was reported to have affirmed that the country's oil production would be 2.2mbpd for the month of February 2016. He was reported to have further stated that the country would keep striving to increase crude oil production to meet local demand and not necessarily to sell it in international market. He reportedly noted that Nigeria has considerable local demand for refined petroleum products and, as such, the demand for the four domestic refineries was at least 500, 000 barrels of crude oil per day (See Okoromadu, 2016).

However, the greatest challenge facing oil production and distribution and, indeed, the oil and gas industry in the country has been the nefarious activities of oil thieves and pipeline vandals. In the era of oil 'wars' and militancy in the Niger Delta region (1999-2009), the militants nearly destroyed the oil industry and, by extension, the national economy which depends heavily on oil revenue (See Tamuno, 2011 and Njoku, 2015). The dialogue between President Umar Musa Yar'Adua and the militants and other stakeholders in the Niger Delta led to the introduction and implementation of the Amnesty programme as from 2009, which led to the restoration of peace and stability in the region. The President Goodluck Jonathan's administration tried to consolidate the gains achieved by the Amnesty programme through massive infrastructural development and concerted efforts to improve the socio-economic life of the people. President Jonathan's administration later commenced the rehabilitation and reorientation and training of ex-militants at Obubra Camp in Cross River State. The ex-militants were also placed on monthly stipend of N65, 000.00 while many of them were sent to overseas for further studies and training in various technological skills. Besides in 2010, the National Assembly approved N240.5 billion budget for the Niger Delta Development Commission (NDDC) for the speedy and effective execution of development projects in the area (See Njoku, 2015 and Daniel et, al, 2010).

The Amnesty programme coupled with other development initiatives helped to create an enabling environment for oil companies to repair damaged oil facilities and ramp up production of both oil and gas. This helped to reduce acts of criminality such as kidnapping for ransom, armed robbery, sea piracy and cult war which were very common in the hey days of militancy in the region. Besides, pipeline vandalism motivated by political considerations and militancy came to an end. But oil theft and pipeline vandalism spurred by greed, avariciousness, corruption, collaboration with international business syndicates, desire for instant wealth and, indeed, other pecuniary motives continued unabated in the Niger Delta region, and in some other parts of the country. These reasons for the continued vandalisation of oil and gas pipelines in Nigeria will be discussed below.

Reasons for Oil and Gas Pipelines Vandalism in Nigeria

Oil and gas pipelines are part of the critical national infrastructures and, indeed, vital assets to the nation. Crude oil production and transportation of both crude oil and refined petroleum

products to refineries, oil depots, thermal power stations and flow stations constitute an important task in Nigeria's sustainable economic development. The nation has 5,120 kilometers of products and crude pipelines, 21 storage depots and one petroleum products import terminal at Atlas Cove, Lagos all of which have suffered incessant vandalism, mostly by oil and fuel thieves (Asu, 2016). The plausible reasons for these incessant oil and gas pipelines vandalism include the following:

1. Pervasive Poverty

The pervasive poverty in Nigeria, and in the Niger Delta region in particular, appears to be a major reason why some people engage in oil and gas pipelines vandalism. As oil companies continued to undermine the environment in the Niger Delta region, people's livelihoods were destroyed, the basic needs of the communities remained unattended, causing tension to build-up over the years, climaxing in armed militancy and other criminalized behaviour such as hostage taking and vandalizing of pipelines (Oshita, 2009). The massive environmental degradation in some parts of the Niger Delta often deprives the people the opportunity to continue to practice their traditional occupations such as fishing and farming. This leads to increasing poverty among the coastal communities. Consequently, some people within these communities where oil pipelines criss-crossed engage in criminal act of busting oil pipelines in order to scoop oil for sale for the purpose of economic survival. Thus, Yusuf (2015) observed that at the centre of the crisis of pipeline vandalism is the issue of poverty. He buttressed this statement by making reference to the statement of one of the Niger Delta activists, Chief Efe Maxwell who reportedly stated that:

Suffering and poverty is just too much for people. I can tell you that those of us living in the Niger Delta region feel short changed even by the so-called oil companies which have not done enough in terms of corporate social responsibility. So, this has caused a lot of people to go into pipeline vandalism (See Yusuf, 2015). The Nigerian National Petroleum Corporation, NNPC, in its working report prepared by Martwins Consult Limited in 2015 has revealed that a total of 2,832 vandalized points were recorded between February 2015 and January 2016 (See Okere, 2016). This criminal act of rupturing oil and gas pipelines aggravates the problem of oil spillage and environmental degradation in the Niger Delta region.

2. Corruption and Sabotage in the Oil Sector

The rampant cases of corrupt practices in Nigerian society, and in oil industry in particular, contributed to the incessant oil pipelines vandalism in the country. It is widely believed that some unscrupulous elements within the oil industry aid and abate pipelines vandalism and oil theft. For instance, Asu (2016) reported that "some people within NNPC would collude with the vandals whom they alerted whenever products were being pumped into the pipelines". Similarly, Oshita (2009) observed that the corruption in the sector encouraged oil thieves to blossom, making illegal bunkering a thriving business involving powerful people in and outside government.

Besides, the act of sabotage within the oil sector is partly the reason why pipeline vandals had persistently busted pipelines within the Lagos axis, that is, at the Atlas Cove, the country's major discharging points for petroleum products through pipelines (See Asu, 2016). The same situation exists in Arepo in Ogun State which has been described as "the major hot bed of pipeline vandalism and fuel theft" (See Asu, 2016). Arepo has also been described as "the republic of pipeline vandals" in view of the incessant oil pipelines vandalism in the area (See

Yusuf, 2015). Asu (2016) reported that the activities of pipeline vandals in Arepo were recently hampering smooth distribution of petroleum products to Mosimi depot through pipeline. Thus, corruption and sabotage within the oil sector allegedly accentuates the problem of pipeline vandalism and oil products scarcity in the country.

3. The Problem of Unemployment

Unemployment appears to be the major factor that compels some people to take to criminal activities, including oil pipeline vandalism and oil theft as a means for economic survival. Unemployment has been very rife in the country over the years. Consequently, thousands of educated graduates from tertiary institutions have not been able to secure gainful employment. The National Bureau of Statistics, NBS, has recently revealed that the nation's unemployment rate rose to 12.1 per cent in the first quarter of 2016. *The NBS unemployment watch* stated that the population of unemployed Nigerians increased by 518, 000 to over 1.45 million between December 2015 and March 31, 2016. The NBS report, however, noted the marginal increase in the number of economically active or working age population, from 105.02 million in the fourth quarter of 2015 to 106 million at the end of March 2016. Also, the actual population of people willing, able and actively looking for work was said to have increased by 1.99 per cent from 76.9 million to 78.4 million within the same period. The report noted that the failure of government to meet its target of creating a minimum of 1.5 million jobs during the period to keep the unemployment rate constant at 10.4 per cent before the end of December 2015 worsened the employment situation (See Daily Sun Editorial, May 26, 2016; Njoku 2016).

Many of the unemployed were highly educated youths with relevant knowledge and technical skills. Without gainful employment or legitimate means of livelihood, some unscrupulous elements among them could take to pipeline vandalism, oil theft and oil bunkering as "business" of choice. In a similar view, the former President of Nigeria, Chief Olusegun Obasanjo has urged the federal, states and local governments to do more in the area of employment. He noted that "if there is no job for the unemployed to feed themselves and also to contribute to the development of the country then, we will be sitting on a keg of gun powder" (See Olatunji, 2015). Thus, the frightening state of unemployment has increased the incidences of pipeline vandalism especially in the creeks and other areas not easily accessible to security operatives. The NNPC 2015 Working Report stated that in the last five years, the problem of pipeline vandalism, oil theft and oil bunkering appeared to be getting worse in the Niger Delta, as many as 5,280 oil wells are linked by 7000 kilometers of pipelines and are vulnerable to attacks by organized gangs (See Okere, 2016).

4. International Dimension of Pipeline Vandalism in Nigeria

There is certainly the international dimension of pipeline vandalism and oil theft in the Niger Delta region, the hub of Nigeria's oil industry. This has resulted in the emergence of illegal oil bunkering as an economic activity. Consequently, this has given rise to a complicated network involving the activities of pipeline vandals, oil thieves and illegal oil bunkerers in the Niger Delta. Many vandals engage in pipeline vandalisation and oil theft for the purpose of scooping crude oil for sale to oil syndicates on international market. Comrade Joe Esiri, a Niger Delta activist stated that some unscrupulous Niger Delta indigenes that collaborate with foreigners perpetuate the arts of pipeline vandalism and oil theft. He further stated that these thefts take place at oil terminals, pipelines and well heads at night. He noted that the stolen crude oil goes through the creeks at night with the aid of vessels that transfer the crude to

internationally registered vessels, sold to international buyers, processed in international oil refineries and paid for using international accounts (See Yusuf, 2015). In a related development, the Managing Director and Chief Executive Officer of Energia Oil Limited, Mr. Felix Amieyeofori was reportedly stated that Nigeria was one of the five countries of the world most plagued by oil theft. The other four countries, according to him, were Mexico, Iran, Russia and Indonesia. He was further reported to have stated that about 75 percent of crude oil stolen in Nigeria was being exported, while the rest was being refined locally. According to Mr. Amieyeofori: Stolen Nigerian oil worth billions of dollars is sold every year on international markets, and much of the proceeds are laundered in world financial centres like Britain and United States (cited in Yusuf, 2015). On September, 2015 President Muhammadu Buhari was reported to have lauded China's interception of ship loads of crude oil stolen from Nigeria, and which were to be sold with the proceeds to be paid into private accounts. He urged China to continue her cooperation with Nigeria in order to curb the menace of oil theft in the country (See Abubakar, 2015). Also, according to a study reportedly carried out by Chartam House, London, it was found out that the countries which most imported stolen oil from Nigeria include the United States, several West African countries, Brazil, China, Singapore, Thailand, Indonesia and the Balkans (See Yusuf, 2015). The international criminal oil syndicates were said to have been able to import the crude oil through the roles of commodity traders that work in the oil industry. Such persons closely connected with the oil industry might have been directly aiding and abating pipeline vandalism, oil theft and illegal bunkering for pecuniary gains. Moreover, Tamuno (2011) observed that if poverty underpinned certain conflicts and rivalry among militant foot soldiers, the same was not true of the roles of the high and mighty behind them and their provocative agents of terror and counter terror. He specifically noted that it was the big wigs in Federal, State and Local Government levels that were often behind oil pipeline vandalism, oil theft and illegal oil bunkering. He further noted that "with their powerful connections, they were able to engage foreign partners to hurt Nigeria financially and politically".

Thus, it was perhaps as a result of the international dimension of this economic crime, that is, illegal oil bunkering that about 400,000 barrels of oil were said to have been stolen per day. In this context, therefore, about \$10 billion to \$12 billion was said to have been lost to oil theft by Nigerian state between 2009 and 2011 (See Yusuf, 2015). Moreover, despite spending N103.4 billion for pipeline repairs and management, the NNPC report shows that the Federal Government actually recorded crude oil and products losses of N57.71 billion to pipeline vandalism between January and December 2015 (See Okere, 2015). Consequently, the Federal Government recently resolved to deploy drones across the nation's territorial waters to monitor inwards and outwards movement of oil bearing vessels (See Ofikhenua, 2015). Besides, President Muhammadu Buhari has warned that the activities of vandals and saboteurs blowing up oil and gas installations will get the same reaction from government as that being taken against Boko Haram insurgents by the Armed Forces (See Abubakar and Daku, 2016). On the whole, pipeline vandalism for the purpose of scooping crude oil for illegal bunkering is a very big business for local cabals and their international collaborators. It has been alleged that those involved are highly placed and strategically located in and out of government and they fund politics and elections in the country (See Telegraph Comment, Saturday, April 23, 2015).

5. The Establishment of Illegal Refineries in the Niger Delta

The establishment of illegal refineries otherwise known as "bush" or "artisanal" refineries is a major factor that has encouraged the incessant rupturing of crude oil pipelines for scooping

oil for the illegal refineries. Mr. Felix Amieyeofori, a Niger Delta activist was reportedly stated that about 25 percent of the estimated 400,000 barrels of crude oil stolen per day in the Niger Delta was refined locally in the illegal refineries (See Yusuf, 2015). Historically, the Niger Delta environment is made up of numerous creeks and undulating landscape characterized by mangrove swamp forests. There are over 33, 000 creeks in the region (Olaniyi, 2015). The numerous creeks and mangrove vegetation pose serious challenge in terms of accessibility especially for those who are not familiar with the environment. Consequently, the task of patrolling the region by the Nigerian Navy and the Joint Task Force (JTF) in order to contain acts of criminality such as pipeline vandalism, oil theft, illegal bunkering, sea robbery and sea piracy has been an arduous one. The Nigerian Navy ship, NNS, Pathfinder was reported to be monitoring more than 1000 of the creeks and waterways (Olaniyi, 2015). Besides, as a strategy to stem the tide of pipeline vandalism, oil theft and the existence of numerous illegal refineries in the Niger Delta the Nigerian Navy and the Joint Task Force, JTF, were said to have resorted to the destruction of crude oil tanks as well as illegally refined petroleum products. In September, 2015, the Chief of Naval Staff, Vice Admiral Ibok-Ette Ibas was said to have ordered for operations aimed at ending incessant crude oil theft and pipeline vandalism in Rivers State. During the aerial surveillance, many new illegal refineries were said to have been sighted, which prompted troops mobilization. According to the report from the naval sources and cited in Olaniyi (2015):

In the course of our (naval) operations on illegal refinery with 15 storage metal tanks loaded with 145,000 liters of stolen crude was set ablaze in Buguma, Assari Toru LGA, Rivers state. According to the same naval source more than 50,000 liters of illegally refined diesel stored in 10 cooking tanks was also destroyed (See Olaniyi, 2015). The destruction was said to be in accordance with extant regulations of destroying in-situ when an arrest was not effected (Gabriel, 2015). Also, in a similar operation jointly carried out by the Navy and the Air Force, crude oil theft and pipeline vandalism were cited as the major focus of the operation. The Director of Public Relations and Information of the Air Force, Air Commodore Dele Alonge reportedly stated that the services collaborated to fish out criminals operating anywhere in the maritime domain. He assured the nation that:

The illegal activities which include crude oil theft and environmental pollution, losses of lives and property, and losses in accruable revenue to the Federal Government of Nigeria, would soon become a thing of the past (See Ogunwale, 2015).

The critical question, however, is whether it is rational and appropriate for the Nigerian Joint Task force or indeed the security agents operating in the Niger Delta to destroy such large quantity of petroleum products seized from the illegal refineries in view of its implications for the Niger Delta environment. This would certainly aggravate the problem of environmental pollution in the Niger delta which has been facing the challenge of environmental degradation as a result of the oil exploration and exploitation activities of international oil companies (IOCs). Besides, it would further compromise the economic activities of the people, and as well expose them to greater health hazards. Gabriel (2015) observed that the large quantity of petroleum products suspected to be Automated Gas Oil and Crude Oil (a total of eight refineries and about 300 metric tons of products) reportedly destroyed during the Navy or JTF raids in the Niger Delta will permanently deface the surface on which it was poured. He argued also that if burnt, it will send a lot of carbonmonoxiate into the atmosphere. The implication, according to him, is that vegetation, fish and other aquatic lives in that area are thus destroyed (Gabriel, 2015).

Moreover, the grave implications of environmental degradation of the Niger Delta region arises partly from pipeline vandalism, oil theft, and oil spillage. Besides, the destruction of petroleum products and crude oil confiscated from illegal oil refineries on the surface ground also helps to worsen the effects of climate change in the country, particularly in coastal areas where floods have become a perennial problem. However, the JTF Commander, Major General Emmanuel Atuwe has urged the government to legalize and establish modular refineries in the area to provide gainful employment to the teeming youths (See Yusuf, 2015) and Ejim, 2015). Besides, the establishment of modular refineries will make petroleum products readily available in coastal communities, thus discouraging the people from busting crude oil pipelines for scooping oil for the illegal refineries.

6. Oil and Gas Pipeline Security as a Major National Challenge

The incessant vandalisation of oil and gas pipelines and other oil facilities has shown that the security of these critical national assets has become a major security challenge. This is because a greater percentage of the government revenue is derived from oil. Besides, the thermal power stations in the country depend on gas supply for effective and efficient power generation, hence the oil pipelines and other facilities should be properly secured. Unfortunately, however, it has not been easy to secure the oil pipelines and other vital oil facilities across the country, especially at the Niger Delta and Lagos axis. The plausible reasons for the inability to secure pipelines and other oil facilities effectively in the country include the following:

In the first place, there are about 6,000 to 7,000 kilometers of flow lines and pipelines in the Niger delta (See Yusuf, 2015). The pipelines criss-crossed through the creeks most of which are not easily accessible, thus making it difficult for security agents to maintain effective security in the entire flow lines and pipelines. It is in view of this that harmonious relationship between the host communities and oil companies becomes a necessity. Secondly, there appears to be inadequate personnel to provide adequate security for the long stretch of pipelines and other numerous oil installations such as well heads, flow stations, depots, platforms, terminals etc. It is perhaps in recognition of this seemingly inadequate security situation in respect of oil pipelines that the former President of Nigeria, Dr. Goodluck Jonathan, while acknowledging that “power supply has not improved to the extent that he wanted”, blamed it on “lack of gas, and pipeline vandalisation”. He then proposed to employ technological device to help deter and detect vandals and punish them (See Oyeade, 2015). Thirdly, there have been allegations of compromises which tend to make it more difficult to safeguard the pipelines and other vital oil facilities effectively. For instance, the Telegraph Comment (April 23, 2016) alleged that those that were supposed to protect the oil facilities in the country were also part and parcel of the problem because they were benefiting from the illicit transactions. The paper contended that the only reason the illegal oil laden vessels disappear was that compromises must have been made because of pecuniary gains.

In 2014, it was reported that the eastern operations of the Shell Petroleum Development Company of Nigeria, SPDC, suffered average of six line breaks per week, and the vandals were said to have resorted to setting the pipelines ablaze. The report further stated that the volume lost to the incidence of crude oil theft and shut-in suffered by the company’s operations in the area had exceeded 300, 000 barrels per day and had continued to mount (See Igbikiowubo, 2014). In a similar development, the Group Managing Director, NNPC, Dr. Ibe Kachikwu lamented that most of the country’s pipelines were ruptured and attacked frequently. He stated, as an example, that between June 2014 and June 2015 the NNPC

reported about 3,500 to 4,000 attempts at the various products pipelines across the country. He also said that in addition to that the pipelines that were supposed to convey crude to the refineries were perpetually hacked. He noted, therefore, that as a result of the incessant pipeline vandalism, the NNPC had attempted to convey crude oil to refineries by marine vessels at a heavy cost to the NNPC (See Ofikenua, 2015). Thus, the incessant pipeline vandalism and oil theft in the country indicates that, perhaps, as a result of difficult terrain, inadequate personnel and logistics it has not been possible to secure the long distance traversed by pipelines and locations of some vital oil facilities.

7. Political Dimension of Pipeline Vandalism in Nigeria

Pipeline vandalism and oil theft in the Niger Delta region can be traced to the evolution of militancy and struggle for resource control in the region. Ann Kio - Briggs, a Niger Delta activist reportedly stated that:

All Niger Delta people have ever wanted is to have the right to access our God-given resources to develop at our own pace, live in our clean and serene riverine and mangrove environment (See Ebiri and Onakemu, 2016).

Thus, militant activities between 1999-2009 were essentially political actions directly against Nigerian state and multi-national oil companies aimed at creating greater awareness about the environmental degradation in the Niger Delta region. It also served as a pressure point for the purpose of ultimately compelling the government to improve the socio-economic conditions of the people of the Niger Delta region. As the oil 'wars' raged on, President Umar Yar'Adua took far-reaching political and administrative measures which ultimately restored peace and stability in the region. These measures include the introduction of amnesty programme for the ex-militant youths; the better funding of the NNDC, and the creation of Niger Delta Ministry to oversee the affairs of the region. Tamuno (2012) gave an insight about the oil politics in the Niger Delta region. He stated that the Niger Delta communities with protracted politics over crude-oil and associated gas at first welcomed Yar Adua's amnesty, but with misgivings. He further stated that with the amnesty the government exported more barrels of crude oil and more money accrued to the government as revenue in post-amnesty era. He noted, however, that neither the governments of federation, nor the multinational companies in oil and gas industries cared much about sustainable welfare in the affected communities. He concluded that as a result of the situation, the people's degree of disappointment as well as lack of confidence and trust in relevant governments increased (See Tamuno, 2012).

In recent times, the nation has witnessed the resurgence of militant activities in the Niger delta region. The militant group known as *Niger Delta Avengers* recently vowed to take the Niger Delta struggle to new heights that has never been seen in this nation before (See Amaize and Brisibe, 2016). The group had embarked on the bombings of oil pipelines and other vital oil installations since February 21, 2016. Earlier on, in October 2015, Shell Petroleum Development Company of Nigeria, SPDC, was reported to have shut-in its operations and declared *force majeure* on its export of the Forcados crude oil as a result of spills caused by pipeline vandalism. Consequently, Nigeria was said to be losing 150,000 barrels of export crude oil daily. (See Yusuf, 2015). The Niger Delta Avengers had claimed responsibility for several other bombings of pipelines and vital oil facilities owned by Exxon Mobil, Agip Oil Company of Nigeria in Delta, Bayelsa and Akwa-Ibom states (See Abubakar and Daku, 2016; and Okafor and Tsokar, 2016). Abia (2011) has reported that the activities

of the Niger Delta Avengers have reduced the country's oil production by 800,000 barrels per day, a sad situation in an era of bad economy. More specifically, Shell and Chevron were reported to have lost over 50 percent of their productions as a result of the continual bombing of their oil facilities by the militants (See Onyibe and Ejim, 2016). The political motives for the action of the Niger Delta Avengers appears hazy. The most remarkable of their demands include, among other things, the immediate and unconditional release of Nnamdi Kanu and former NSA, Sambo Dasuki from detention (See Abubakar, 2016). However, many prominent Nigerians including eminent indigenes of Niger delta region view their actions as "unpatriotic and criminal" since they were aimed at economic sabotage (See Amaize and Brisibe, 2015). Consequent upon the continued bombings of pipelines and other vital oil installations by the militants, the Nigerian military was reported to have declared war on Niger Delta militants and began to comb the creeks and even invaded some coastal communities to apprehend the suspects (See Omojeghen, 2016). Amidst continued bombings of oil facilities by militants in the Niger delta, the Federal Government has linked their actions to lack of understanding of its policies. The Group Managing Director, NNPC, Dr. Ibe Kachikwu added that President Muhammadu Buhari's fight against corruption has forced enemies of the administration to resort to hostilities and vandalism of crude oil pipelines and other national assets, especially in the Niger Delta region (See Oyemweneso, 2016). However, it has been suggested that the Federal Government should employ dialogue with the stakeholders in the Niger Delta in order to resolve the unfolding conflicts. For instance, the former Federal Commissioner of Information and Ijaw Leader, Chief Edwin Clark has asked President Buhari to emulate his predecessors, President Umar Yar' Adua and former President Goodluck Jonathan by dialoguing with the Niger Delta militants whose activities were threatening the peace, stability and possible existence of Nigeria (See Umoru, 2016). Similarly, the former governor of Anambra State, Dr. Chukwuemeka Ezeife has warned the Federal Government that "any attempt to crush Niger delta militants may spell doom for the country". He rather urged President Buhari to engage the militants and other aggrieved people from the South-South and South-East in dialogue (See Adegbite, Tsa and Falaramini, 2016).

8. Frosty Relationship between the Niger Delta Communities and Oil Companies

The incessant pipeline vandalism in the Niger Delta region has been attributed to the frosty relationship between the host communities in the Niger Delta and the multi-national oil companies operating in the region. The Joint Task Force, JTF, Commander, Major General Emmanuel Atuwe reportedly observed that at the inception of oil companies operations in the Niger Delta region, the relationship between the host communities and the multi-national oil companies was symbiotic. According to him, there was trust between the two groups, and the oil companies were meeting their obligations to their host communities. He noted, however, that at a point trust was lost. He pointed out that one of the reasons for the frosty relationship between the host communities and the oil companies was "the impoverished nature of the host communities; the poor infrastructure and increasing unemployment among the youths in the communities" (See Yusuf, 2015). Thus, while the indigenes endured filth and environmental degradation due to the operations of the oil firms, the companies and their sponsors daubed their separate habitations with lucre (Nwachukwu, 2016).

Besides, there were cases in which the corporate social responsibility provided by the oil companies were said to have been misappropriated. For instance, Nwachukwu (2016) observed that in some cases the agitation for compensation and rehabilitation had only yielded lucre for a few vocal or exposed community leaders. Those members of the

community who felt short changed sometimes resorted to pipeline vandalism and oil theft. Also a Niger Delta activist, Chief Efe Maxwell has stated that some oil companies have not done enough in terms of corporate social responsibility. This, according to him, might lead to widespread disenchantment within the host communities and consequently resulting in some people resorting to pipeline vandalism and oil theft. He also noted that the major cause of pipeline vandalism could be the misappropriation of monies allocated for pipeline protection contracts by some individuals. He pointed out that in such a situation those who were not carried along in the scheme or who felt shortchanged could resort to crimes, including pipeline vandalism and oil theft (See Yusuf, 2015).

Socio-Economic Effects of Pipeline Vandalism on Nigerian Society

The socio-economic effects of oil pipelines vandalism on Nigerian society include the following:

1. Pipeline vandalism represents a serious sabotage to the effort of the federal government to achieve stable and sustainable power supply in the country. For instance, the bombing of Shell's Forcados export terminal and the vandalisation of Lagos Escravos pipeline in February, 2016 resulted in the shortage of 3,132 megawatts (MW) of electricity (The Guardian, May 11, 2016). Moreover, the power sector was reported to be losing an average of N2billion daily since the resurgence of pipeline bombings in the Niger Delta. This was said to have resulted in acute shortage of gas to gas-fired generating turbines. The Minister of Power, Works and Housing, Mr. Babatunde Fashola was reported to have stated that out of 140 gas-fired generating turbines in the country, only 50 were functional (Nnodim, 2016). Thus, the vandalisation of oil pipelines plunged many parts of the country in darkness.
2. Pipeline vandalism, oil theft and other related crimes have worsened the problem of social insecurity in the Niger Delta region. The situation has exposed many oil workers to grave danger. The Deputy Managing Director of Total Oil Company, Mr. Nicolas Brunet has lamented that the state of insecurity in the Niger Delta region had created "extraordinary situation" for the company. He therefore urged the stakeholders and host communities to share information with the company so as to contain the menace of pipeline vandalism. He noted that the company's facilities had been vandalized and the worsening security situation compelled some staff to relocate, thus hindering effective performance of the company. He promised to encourage dialogue with the host communities (See Onoyume, 2016).
3. Moreover, pipeline vandalism has seriously disrupted the smooth distribution of petroleum products across the country. Between November 2015 and February 2016, the NNPC and its subsidiary, Pipelines and Products Marketing Company, PPMC, were reported to have discovered several locations from where petroleum products were being siphoned from ruptured pipelines (See Asu, 2016). Consequently, petroleum products such as gas, fuel and kerosene could not be adequately supplied through the depots, thus, leaving the depots in a state of moribund. This has given rise to the perennial problem of fuel scarcity in the country.
4. Furthermore, pipeline vandalism and oil theft have resulted in increasing loss of the nation's revenue which could have accrued from the sale of crude oil on international market. Yusuf (2016) has recently reported that Nigeria was at the risk of N1.458 billion (\$7.29 million) daily revenue loss on its crude exports as Shell declared *force majeure* on 162,000 barrels per day Bonny light crude export. *Force majeure* is a legal declaration which a party uses to state that it may not be able to meet its contractual obligations in a deal (See Yusuf, 2016). In February, 2016 the NNPC was reported to have incurred N24.23 billion operational deficit,

while in March 2016, the report indicated that it has declared N18.89 billion loss. The financial losses by NNPC was reported to be due to “a major slump in export sales due largely to shut-in of about 300,000 barrels of crude oil at Forcados Terminal following *force majeure* declared by Shell in February 15, 2016”. The report noted that production shut-in occasionally by vandalism at Forcados Export line has continued to drag NNPC’s performance (See Daily Sun News, May 9, 2016). It was perhaps in view of these colossal financial losses suffered by Nigerian state as a result of pipeline vandalism and oil theft that President Muhammadu Buhari called on international community “to designate oil theft as an international crime similar to the trade in blood diamonds” (The Guardian News, May 13, 2016). On the whole, Nigeria was reported to have lost N12.566 billion in one month, that is, March 2016, due to petroleum products theft and vandalisation of the facilities of the NNPC (See Eboh, 2016). According to Organization of Petroleum Exporting Countries, OPEC, source, Nigeria’s oil production has dropped to 1.637 million bpd in April and further slide to 1.1 million bpd in May 2016 (See Salau, 2016).

5. Also, pipeline vandalism has been partly responsible for the inability of the NNPC to consistently meet its contractual obligations to its international trading partners with regard to the supply of natural gas. This is glaring in the case of supply of gas to Ghana, Togo and Benin Republic through West Africa Gas Pipeline (WAGP). Yusuf (2016) reported that Ghana, for instance, barely received a third of the volume of gas contractually required for most of 2015. As a result, Ghanaian officials were said to have lamented severally that the unreliability of gas supply by WAGP was a major reason for electricity outage in their country. Thus, the unstable gas supplies from Nigeria to these countries deprived Nigeria of considerable revenue that could have been realized in the sale of gas in West African sub-region. This impedes the development of Nigeria’s economy especially in the gas sub-sector as a veritable resource for rapid economic growth.
6. In addition, pipeline vandalism is a major threat to the safety of critical national assets especially those pertaining to oil industry. Pipeline vandalism and oil theft were said to be largely responsible for the collapse of national grid in May 2016. Consequent upon the sabotage, President Muhammadu Buhari was reported to have threatened to deal with the vandals and saboteurs the way Armed Forces dealt with the Boko Haram (See The Guardian, May 11, 2016).
7. It is also a major cause of environmental degradation in the Niger Delta communities. Pipelines vandalism contributes to the environmental pollution often associated with oil spillage. As the vandals bust oil pipelines, a large quantity of crude oil spills on the land surface and consequently degrades the environment. This ultimately impoverishes the people as it destroys the arable land, vegetation, the bio-diversity as well as aquatic lives which constitute the main sources of the economic survival of the people.
8. Pipeline vandalism has resulted not only in colossal waste of national resources, but also in human tragedies involving loss of lives. The NNPC Group Managing Director, Dr. Ibe Kachikwu has observed that beyond the loss of crude oil and finished products, the incident of pipeline vandalism and oil theft have also claimed a huge number of human lives. He lamented that over the last three years no fewer than 350 persons, including NNPC workers had been killed as a result of the activities of oil thieves (See Ofikhenua, 2015). In Arepo community, in Ogun state described as “ the republic of vandals”, more than 200 persons including nine members of security personnel were reported to have been killed as a result of

the activities of pipeline vandals between January, 2013 and July 22, 2015 (See Isiguzo and Osunbor, 2013; Yusuf, 2015).

9. Finally, pipeline vandalism and oil theft have contributed significantly in the current policy actions of some multi-national oil companies with regard to divestment of their investments in Nigeria. For instance, it was reported that in 2014, Shell concluded plans to sell four of its oil fields in Nigeria. According to *Financial Times* cited in Salau (2014), Shell had concluded in June 2013 to announce “a strategic review of its operations in Eastern Niger Delta, which could result in the divestment of its interests there.” Shell was further reported “to have been moving away from Nigerian onshore oil, which is plagued by industrial scale oil theft, security problems and oil spills” (See Salau, 2014). The divestment of investments by some multi-national oil companies operating in Nigeria has serious implications for the country. In the first place, it leads to scale down of production activities in the oil sector of Nigeria’s economy, and thus reducing the revenue accruing to the coffers of the government. Secondly, it results in capital flight with its attendant problems in macro- economic activities. Thirdly, it gives rise to massive loss of jobs by Nigerians in the oil industry, thus depriving them of their sustainable means of livelihood. Yusuf (2016) has reported that Shell and Chevron’s total job cuts have risen to 23, 500 in Nigeria and other countries of operations by the two international oil companies.

CONCLUSION

This paper has discussed the critical issue of oil pipelines vandalism and its effects on the socio-economic development in Nigerian society. In the course of the study, the paper critically examined why some unscrupulous citizens embarked on oil pipeline vandalism. The paper established that poverty and frustration compel some people to embark on pipeline vandalism in the Niger delta region. There were also the problems of corruption and sabotage in the oil industry; the international dimension of pipeline vandalism and crude oil theft, and ineffective security arrangements around oil pipelines largely due to difficult terrain and long stretch of pipelines infrastructure. There was also the oil politics and the struggle for resource control which stokes conflicts and instigates militant activities in the Niger Delta region.

The paper also highlighted the socio-economic effects of pipeline vandalism on Nigerian society which include the loss of considerable revenue and vital facilities by government, and even loss of lives of some citizens. It also generated social insecurity and as well disrupted production operations in oil industry. The paper concluded that the government should dialogue with the stakeholders in the Niger Delta to find a lasting solution to the menace of pipeline vandalism, oil theft and militancy in the Niger Delta region. The Group Managing Director, NNPC, Dr. Ibe Kachikwu stated that contrary to application of brute force against the militants in the Niger Delta region, the Federal Government has been advised to engage the vandals who have been attacking oil installations in the region in dialogue (See Ogeyipo, 2016). Dialogue may likely lead to the restoration of peace and stability in the region and as well create conducive condition for sustainable oil production activities.

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