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Development Crises and Peasant's Survival Mechanisms in the Niger Delta: The Effects of Illegal Oil Bunkering

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I. Introduction and Statement of the Problem

The Niger Delta region which is considered the mainstay of the nation's economy by scholars has been faced with several developmental challenges this is despite the fact that "oil and gas resources from the region accounts for over 90% of Nigerian export and foreign exchange earnings, and over 70% of total Nigerian revenue" (Ekuerhare, 2002). In a bid to tackle this anomaly, youths in the region picked up arms against the state, and as a result engaged in so many social vices which included but not limited to: kidnapping/hostage taking for ransom, killing of military personnel, illegal oil bunkering etc. The major reason why these vices were carried out as captured by Ugor was "In a frantic bid to gain attention from an indifferent global corporate world and an impervious local political class" (Ugor, 2013: 1).

With an official oil production figure of 2.4 million barrels per day, Nigeria ranks as Africa's biggest petro-state after South Africa; it ranks in billions of dollars in petroleum revenue. However, as noted by scholars, there is one indication that the nation may be producing more than the official figure while the rest is lost through the illegal activities and manipulations of criminal cartels who engage in oil theft. (Victor, Offong and Sunday, 2016: 70). Akpan, Olusola, Odemwingie, and Okere collaborates the above assertion when they noted that "The upsurge of oil theft in the Niger Delta region of Nigeria in recent times is alarming. Presently, Nigeria is losing over 300,000 barrels of crude oil per day to oil theft, pipeline vandalism and related criminal vices in the country's oil sector" (Akpan 2013; Olusola, 2013; Odemwingie and Nda-Isaiah, 2013; Okere, 2013) in (Boris, 2013).

The above is interesting to note when one puts into consideration the fact that government security spending in the region has been on the rise as it has strengthened its pipeline security by equipping the Nigerian Security and Civil Defense Corps (NSCDC) with ammunition. The scenario leaves one to ponder why the government has not been able to tackle the incidence of oil theft, despite the increase in security. It is thus as a result of the above, that the research work has attempted to look at oil bunkering as a peasant survival mechanism as the Niger Delta economy transit from an agrarian economy to an oil-based economy.

II. Theoretical Framework

The theoretical underpinning for this research endeavor is the QUEER LADDER THEORY. The theory was developed by Daniel Bell (1919- 2011). The main proposition of the theory is that "organized crime thrives in a context where the government's capacity to dictate and sanction abnormality and crime is poor, where public corruption is endemic and where legitimate livelihood opportunities are slim". (Nwoye, 2000; Lyman,2007). Thus, the *Queer Ladder Theory* has three assumptions:

1. Organized crime is an instrumental behavior/ practice, it is a means to end.
2. It is an instrument of social climbing, fame, and socio-economic advancement.
3. It is a means to accumulate wealth and build power.(Mallory, 2007).

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III. Conceptualization /Clarification of Terms

a) Development Crises

The term development crisis cannot be understood in isolation of the term development. Thus, in order for us to conceptualize the term development crisis properly, we must, first of all, familiarize ourselves with the concept of development.

A delve into the available literature on development will reveal that there are different variations as to what scholars agree as to what constitutes development. In other words, there is no one single or encompassing definition of the term development. For example, while Chambers (1997) in hubcymru.org (nd) holds that Development is 'Good change', the question that readily comes to mind is; who decides what constitutes a 'good change'? It is in line with this semantic confusion that Seers argued that

> *The starting point in discussing the challenges we now face as to what constitutes the term of development is to brush aside the web of fantasy we have woven around 'development' and decide more precisely what we mean by it. (Sears, 1969)*

It is in line with the above that Sears went further to define development in terms of what it seeks to achieve. Thus to him, "the purpose of development is to reduce poverty, inequality, and unemployment" (Sears, 1979). In other words; if a 'good change' does not bring about a reduction not just in poverty, but also in inequality and unemployment, then it cannot be regarded as development. Sen (1999), went a little further than Sears as to what constitutes development when he argued that

> *…development involves reducing deprivation or broadening choice. Deprivation represents a multidimensional view of poverty that includes hunger, illiteracy, illness and poor health, powerlessness, voicelessness, insecurity, humiliation, and a lack of access to basic infrastructure*

While scholars seem not to be in agreement as to what constitutes development, they seem to agree that development connotes a degree of progress. Going by the above, development crises can be taken to mean a distortion in transitional phases in the development process. In the case of the Niger Delta, it can be taken to mean the distortion or total destabilization of the agricultural/ peasant-based economy into an oil-based economy.

b) Peasant

Just like every other concept in the social sciences, the term peasant is blessed with an abundance of definition, however, for the purpose of this study, the term would be taken to mean a smallholder or agricultural laborer of low social status. They are small farmers, producing crops more for family consumption than for market exchange, using family labor throughout the farming season. Peasants live in villages and small towns. They are in face-to-face relations with neighboring farmers; they possess a diverse range of cultural and religious beliefs and practices; they fall within a diverse range of social networks and local organizations (kinship organizations, temples, labor-sharing networks) etc.

c) Oil Bunkering

While there are so many definitions of the concept of what constitute oil bunkering, the definition that is adopted by this study is the one given by Asuni (2009) according to him, "oil bunkering refers to oil taken from pipelines or flow stations, as well as extra crude oil added to legitimate cargo that is not accounted for".

d) The effect of Oil Production on Agriculture: A case for oil Bunkering

While oil production has brought a significant level of development to the Niger Delta region in particular and Nigeria at large, its effect on the host communities where it is derived is nothing but disastrous. Prior to the discovery of crude at Oloibiri in 1956, the people of the Niger Delta heavily depended on her environment (agriculture) for survival as most of its inhabitants especially the rural dwellers are fishermen and farmers. But with the discovery of crude and its subsequent production in commercial quantity, its effect on the environment made nonsense of agriculture production as constant oil spillage affected the fertility of the soil and destroyed aquatic life. The above assertion is supported by the report made by UNDP when they revealed that, "more than 60 percent of the people in the region depend on the natural environment for their livelihood. For many, the environmental resource base, which they use for agriculture, fishing and the collection of forest products, is their principal source of food. Pollution and environmental damage, therefore, pose significant risks to human rights" (UNDP. 2010)

Oil spills on land as analyzed by Akpomuvie (2011) "destroy crops and damage the quality and productivity of soil that communities use for farming. Oil in water damages fisheries and contaminates water that people use for drinking and other domestic purposes. Environmental pollution from oil spills has been identified as the major cause of poverty in the Niger Delta". The table below shows the alarming rate at which oil is being spilled in the region.

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Table 1: Oil Spillage volume and causes from 2005 to 2010 in the niger delta region of nigeria

Year	No. of spills	Vol. of spills / barrels	Major causes
2005	180	10,000	Sabotage - 95%
2006	170	20,000	Sabotage and operational 50% each
2007	250	30,000	Operational 70% sabotage 30%
2008	170	100,000	Operational and sabotage 50% each.
2009	150	110,000	Sabotage 90% and operational 10%
2010	190	28,000	Sabotage 80% and operational 20%.

Source: Amnesty International (2011)

Consequently, from the above, we can draw a linkage between oil production and poverty in the Niger Delta region. Having said this, it is important to note that with the destruction of their source of livelihood, the people are left with little or no choice than to engage in criminal behavior to survive. Thus, it could be argued that the sabotage of oil installations in the region for oil bunkering is as a result of the economic hardship brought on the people by oil production itself.

IV. The Dialecticsof the Development Crises

It is however worthy of note that the development crises in the Niger Delta are dialectical in nature. This is because while the aborigines (Niger Deltans) quarry the attitude of the oil multinationals over the destruction of their environment which is their source of survival and the government over neglect, they also destroy and terrorize the environment in form of oil bunkering and destruction of oil facilities. This makes the issues even more complicated to think of and which of course requires more of government's attention. It in this light the paper sees *Development Crises* as the critical turning point in a society where there is a decline, reversal of the developmental process which results from the stagnation of the productive forces due to the contradictions in resource production and distribution. It also involves a crucial point at which the path of development is distorted, truncated or violated, making it impossible for it to continue on the previous development path. Gunder Frank (cited in Thomas and Johnnie, 2008:1017) captured this point when he noted that; "the world system has experienced crises throughout history…a period in which the previous expansion could not continue on the basis".

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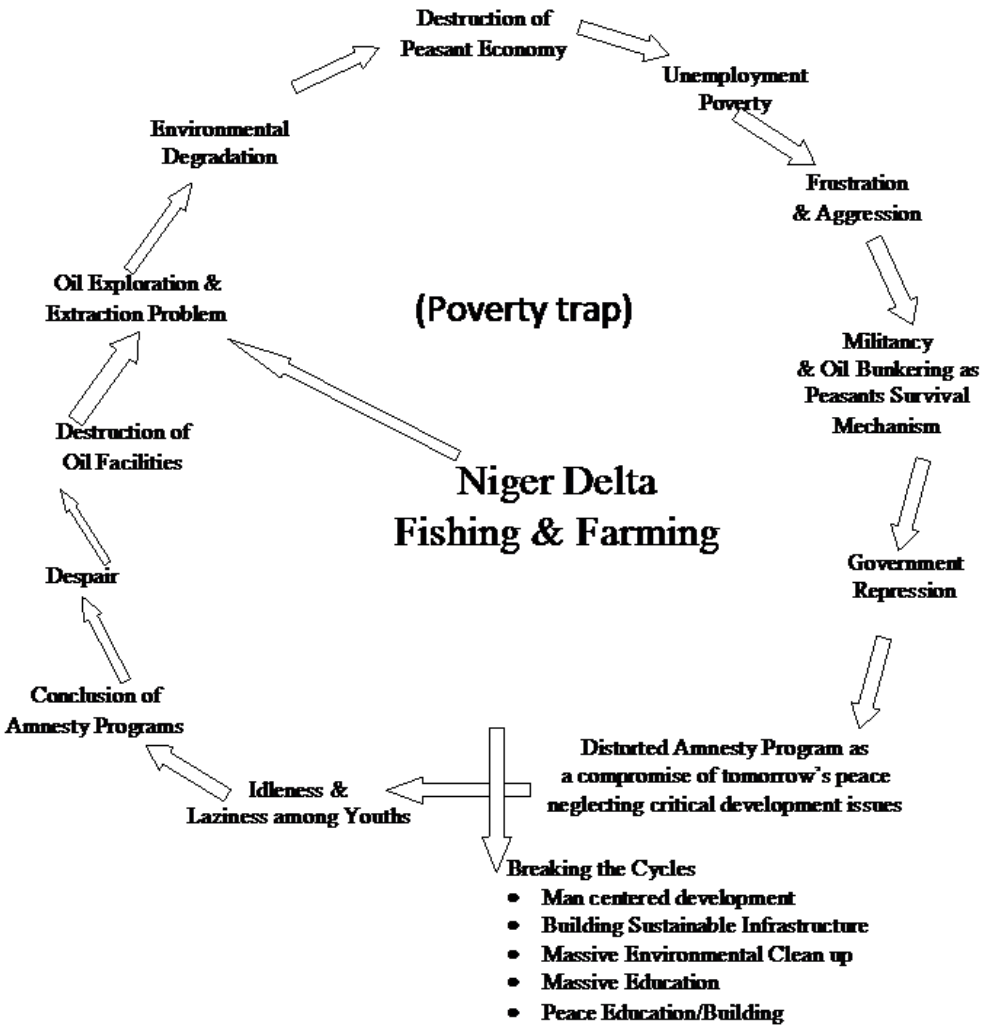

V. Dialectical Poverty Cycle in the Niger Delta

The above figure captures the grim realities of poverty cycle in the Niger Delta. First, the peasant base agrarian economy was dash/invaded and penetrated by the exploitative capitalist system through trade and the multinational corporation. The activities of the MNOCs degraded the environment that negatively impacted the peasant economy which led to poverty and frustration/aggression on the part of the people. This state of affairs further led to militancy, vandalism and oil bunkering as survival mechanism. The Government having a desire for uninterrupted oil extraction had to apply repressive policies and later the distorted amnesty program to sustain the oil exploration. This creates a character of idleness among the youths who are paid for doing nothing. Predictably, the ending of the amnesty program may result in despair which may lead to a revived/renewed dimension of militancy. This pictures a clear cycle of poverty and crime. Only man-centered development, building sustainable infrastructure, massive environmental cleanup, robust educational programs and peacebuilding/education can break the cycle.

Ibaba S. (2005) captured the above realities when he highlighted seven features of a society that is faced with development crises. These include high and rising level of unemployment and poverty, economic and material deprivation, distortions in the societies engine of growth and development, declining economic growth, the collapse of local economies, the absence or collapse of social infrastructure, disillusionment and social tension. These crises are exemplified in the Niger Delta in the continued prevalence of poverty in the region in the face of opulence from oil segmental profligacy by oil operators and government functionaries; the apparent decay, collapse and or absence of social infrastructure in the area, absence or gross lack of health fascilities, inaccessible and non-affordable educational fascilities, complications in gender issues, exclusion from global reach, the siege of crime, violence and general insecurity in the area, and the obvious threat to the state and government (Thomas and Johnnie, 2008).

Oil theft, also known as illegal oil bunkering, is the act of hacking into pipelines to steal crude which is later refined or sold abroad (Ugwuanyi, 2013). Asuni (2009) refers to oil theft as oil taken from pipelines or

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flow stations, as well as extra crude oil added to legitimate cargo that is not accounted for. The act of oil bunkering is a common behavior in the Niger Delta region as most of her youths (which form the bulk of the unemployed population) see it as a survival mechanism.





Figure 1: Showing transportation of illegal crude, Figure 2: Showing the production of illegal crude

While it is assumed that the incidence of oil bunkering is carried out by a cluster of unemployed youths as a mechanism for survival, the reverse might be the case as noted by Ikelegbe (2005) who revealed that:

> *''There is a large scale illegal local and international trading on crude oil. This has grown from a few amateurs in the1980s who utilized crude methods to extract crude from pipelines to a very sophisticated industry which uses advanced technologies to tap crude and sophisticated communications equipment to navigate through the maze of hundreds of creeks, rivers, and rivulets. The oil theft syndicates have also graduated from boats and barges to ships and large oil tankers in the high seas. The stealing and smuggling of crude have become very extensive and large scale since the late1990s''.*

As revealed above, illegal oil bunkering—long prevalent in the delta—has become a sophisticated operation that no longer requires the cooperation of oil company staff to operate equipment at wellheads or allow access—though there are still reports that they are involved. The bunker's tap directly into pipelines away from oil company facilities and connect from the pipes to barges that are hidden in small creeks with mangrove forest cover. Frequently, both in the riverine areas and on dry land, the police and military are involved in the process or are paid off to take no action against those tapping into pipelines (Human Right Watch, 2003). Illegal bunkering on its own is bad business, capable of further undermining the legitimate economy when organizations like the NNPC, banks, major and independent marketers are involved in the shadow economy. For instance, it was reported that three Nigerian banks allegedly funded MT African Pride bunkering activities to the tune of $ 15 million (Daily Champion, 2004) in Onouha (2013).

The above shows the level of sophistication that the illegal bunkering industry has grown into. This no doubt has caused the government billions of petro-dollar as the government attempts to checkmate the menace of illegal oil bunkering through heavy and improve spending on security in the region. Human Right Watch (2003) revealed the monumental loss suffered by the government as a result of illegal of bunkering when they revealed that "The loss to the Nigerian government from illegal oil bunkering amounts to figures in the order of U.S.$750 million to $1.5 billion annually at oil prices between nineteen to thirty dollars a barrel, assuming bunkering at around 150,000 bpd (close to 55 million barrels a year); or $3.5 to $6.2 billion annually, if the figures are as high as 250 million barrels stolen each year. Former Governor of Delta state Ibori has stated the amount lost is around $3.5 billion a year" (HRW, 2003).

VI. The cost and Causes of Illegal Oil Bunkering

There is no doubt that sabotage, vandalism of oil infrastructure and thefts of oil are serious problems in the Niger Delta, although the scale of the problem is unclear. Sabotage ranges from vandalism by community members to theft of oil and deliberate attack by criminal groups. Some people damage pipes while trying to steal small quantities of oil for sale at local markets or for personal use. Others damage pipes and installations to extort compensation payments or clean-up contracts from companies (Mba, 2013).

Illegal oil bunkering has cost the government billions of petrodollar no doubt, but it has also cost the lives of some of those who engage in it. According to a report released by the Royal Dutch Petroleum Company (Shell), "Theft of crude oil on the pipeline network was 25,000 barrels of oil per day (bbl/d) in 2015, which is less than the 37,000 bbl/d in 2014. The number of

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sabotage-related spills declined to 93 incidents compared with 139 in 2014. In 2015, the decrease in theft and spills was also in part due to divestments in the Niger Delta. However, theft and sabotage are still the cause of 85% of spills from SPDC JV pipelines,"

The financial implication of this to the country's economy is enormous as illegal oil bunkering coupled with the growing activities of militants group has ensured that Nigeria no longer occupies its position as the largest crude producer in Africa which has been taken over by Angola. As revealed by Dalby, (2014).

> *…the Nigerian economy is in a precarious situation. She is facing an economic emergency unprecedented among the oil producers of the world and something urgent needs to be done to reverse the ugly trend. For instance, Nigeria has been tagged the most country plagued by oil theft among her contemporaries of Indonesia, Russia, Iraq, and Mexico. Statistics of oil theft among these major oil-producing countries shows that Nigeria is losing as much as 400,000 barrels of oil per day which equates to losses of US$1.7-billion a month.*

It is casually assumed that the success recorded by oil bunkerers in Nigeria as compared to other oil-producing countries is as a result of the level of development in the Niger Delta region which has made it difficult for security forces to engage those involved in this unwholesome activity as the creeks have proven to be a difficult terrain for security forces to navigate.

Boris (2015) highlighted some of the factors that are responsible for illegal oil bunkering to include: (a) poverty; (b) ignorance; (c) greed; (d) lack of respect for national economic survival; (e) get rich syndrome; (f) lack of gainful employment ; (g) exploiting the loopholes in the criminal justice system to circumvent the law ; (h) evolving culture of impunity from the wrong perception that some people are above the law; (i) weak institutional structure to checkmate criminals; (j) malice; and (k) bad governance (corruption, incompetency).

VII. Conclusion and Recommendation

Conclusively, it is important to note that while the oil industry has brought a significant amount of development to the Niger Delta region, it has also made the poorest of the poor in the region poorer by destroying wide and aquatic life in which the rural communities depend on to survive. The consequence of this has resulted in a developmental crisis in the region which has pushed so many of her youths to become unemployed and has thus forced them into illegal oil bunkering. In turn, the government has suffered a monumental loss running into billions of petrodollar as a result of oil theft which has now become a sophisticated industry run by several cartels.

From the above, this study has proposed the following as a solution to the illegal refining of crude.

- Government should clean up the environment as a matter of urgency so that those that depend on it to survive can have a means of livelihood while also contributing to the nation's economy.
- Government should ensure that the development of the area is placed in high priority as this is the best way to checkmate oil theft.
- Government should engage in a massive skill acquisition program to ensure that the unemployment rate in the region is massively reduced and that the youths are gainfully employed

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