abstract: This study derives from a concern with the Nigerian oil conflict. It focuses on the paradigm shift and various methods of conflict management practised in the oil industry, especially among the more dominant transnational oil companies (TNOCs). The article is primarily based on a field study of the three largest TNOCs in Nigeria – Shell, Mobil and Chevron. The study reveals that different oil companies operating in the Niger Delta adopt different conflict management strategies depending on the precise nature and intensity of the threats concerned, which are, in turn, largely related to the locational spread or concentration of the individual firm’s oil operations. The upsurge and intensification of violent anti-oil protests in the oil-bearing communities since the 1990s have compelled petrobusiness to explore new paradigms of security communitization, security privatization, security corporatization and securitization of development. The paradigm shift, as the study demonstrates, has considerable implications for both the oil conflict and security in the Nigerian oil region.

keywords: conflict management ♦ Niger Delta ♦ oil conflict ♦ petrobusiness ♦ petro-violence ♦ security threats

Introduction

The Nigeria oil industry and its dominant actors, conceptualized in this article as ‘petrobusiness’,¹ are embroiled in intense conflict with the oil-bearing communities of the Niger Delta over issues of environmental degradation and charges of marginalization in employment provision, patronage and ancillary contracts. The conflict has assumed a radical dimension since the 1990s, with local militias frequently using violent protests to subvert and obstruct oil activities, resulting in what scholars like Karl (1997) have described as ‘petro-violence’. Besides petro-violence, there are a number of other less violent protest measures and exogenous forces in the Niger Delta, which potentially pose security threats to petrobusiness given the contemporary volatility of the oil region and the
increasing fluidity of violent and non-violent protests. Consequently, because of the peculiar nature of Nigeria’s political economy as an oil-dependent neopatrimonial state, oil resources and oil rents are central in shaping national political discourses and the broad rhythms of accumulation and social conflicts, including security threats in the oil-producing region (see Watts, 1999).

Even though oil is most strategic to Nigeria’s economy and politics, it is significant that the Nigerian state has been unable to evolve a coherent and constructive policy framework for the management of oil resources and their negative externalities, the distribution of the accruing revenues, or for engaging with the increasingly restive oil-bearing communities of the Niger Delta. Most oil-related legislation and policies in Nigeria tend to promote the rent-seeking interest of the state and the corporate or profit maximization interest of petrobusiness, for the most part, at the expense of the concerns of the local people for ecological preservation, human security and sustainable development (Ibeanu, 1999; Omeje, 2004a). The logic and pervasiveness of patron–client networks, as well as the trajectories of domestic capitalist accumulation and resource distribution rooted in historical patterns of authority and ethnocultural solidarity, which are some of the defining characteristics of neopatrimonial politics in Nigeria, have necessitated the systematic exclusion and repression of the Niger Delta region, largely populated by diverse ethnic minority groups. The Nigerian state – which controls the bulk of the oil revenues – and petrobusiness have historically been dominated by a coalition of ethnic majority elites who exploit their privileged position to perpetuate their interests in the oil economy and national politics.

Beleaguered by far-reaching legitimacy crises partly emanating from its inability to accommodate the participation and popular pro-development aspirations of the majority of the populace, the state is beset by growing opposition towards its authority by various militia groups and disgruntled civil society movements in the Niger Delta area and beyond. Fulfilling the primary obligation to provide development and security has increasingly proved difficult for the state and the repercussions of this tendency have had an adverse toll on petrobusiness. In a bid to protect their common interests in oil against a backdrop of extensive formal and informal collaborations between state officials and petrobusiness on issues such as development and implementation of oil-related policies and incentives, oil receipts and accounting procedures, appointment and services of technocrats and management of the grievances of disgruntled Niger Delta local populations, oil company executives are increasingly compelled to tap into their huge corporate resources to fill the gap created by the failure of the state to deliver in terms of development and oil industry security (Omeje, 2005). As such, different oil companies develop
and implement their own corporate security and community development programmes as part of their strategies to manage the grievances of the local people and to dissuade them from disruptive violence.

Despite the medley of threat management strategies adopted by the oil industry, many of which impact either positively or negatively on the oil conflict and the security landscape, a dearth of scholarly enquiry exists on how petrobusiness manages petro-violence and security threats in Nigeria. Based on an empirical study of the three largest oil companies in Nigeria – the Shell Petroleum Development Corporation of Nigeria (SPDC), Mobil Producing Nigeria Unlimited (MPN) and Chevron Nigeria Limited (CNL) – this article explores the above problematic with a view to helping to fill the knowledge gap.

**Petrobusiness and Conflict Dynamics**

Petrobusiness in Nigeria, especially the upstream or exploration/production sector, is dominated by the big ‘transnational oil companies’ (TNOCs) such as Shell, ExxonMobil, ChevronTexaco, Agip and Elf. These companies operate joint venture production arrangements with the Nigerian government represented by the Nigerian National Petroleum Corporation (NNPC), in which the latter holds larger equity shares (between 55 and 60 percent). Hence, in a bid to protect its equity interests, the oil-dependent Nigerian state usually intervenes in favour of petrobusiness using sundry legislations, public policy and military reprisal in trying to resolve the conflict between the oil companies and their host communities. Too often, the state’s measures have aggravated the conflict.

The emergence of the famous Movement for the Survival of the Ogoni People (MOSOP) in 1990, led by the renowned playwright and environmentalist Ken Saro-Wiwa (later executed), marked a major turning point in the oil conflict. MOSOP under Saro-Wiwa’s leadership impacted greatly on the anti-oil campaign by mobilizing and conscientizing large sections of the Niger Delta grassroots populations and civil groups to fight for environmental justice. This was progressively followed by the spread and proliferation of local environmental NGOs, communal associations and ethnic militias championing the anti-oil struggle. Some of the more constructive non-violent campaigners receive support and funding from many western civil society organizations and pro-environment groups.

Furthermore, the increasing volatility of the Gulf region, aggravated by the post-9/11 US-led wars in Afghanistan and Iraq, has compelled the international oil economy, especially US oil multinationals, to seek to develop virile oil reserves outside the politically volatile Persian Gulf, which currently holds a substantial concentration of the global oil export.
market. The US is presently committed to expanding its oil exploration and production activities in the Gulf of Guinea, where Nigeria holds the largest national oil reserves and is by far the most dominant player. Nigeria is Africa’s largest oil-producing country and the contribution of Nigeria’s crude oil to US oil imports has markedly increased, from 8 percent in the late 1990s to about 14 percent in 2005 (EIA, 2005; Omeje, 2005: 83). Two leading America TNOCs (ExxonMobil and ChevronTexaco), which are among the three largest oil-producing companies in Nigeria, are key players in the Gulf of Guinea. The Bush administration is increasingly anxious about securing the huge US oil investments in Nigeria in the face of burgeoning petro-violence in the Niger Delta region. This urgency has led the US government to establish various security partnerships and proposals with the Nigerian government (involving in-country capacity-building for military and intelligence personnel, and supply and maintenance of hardware and equipment), some of which are unpopular with the civil society and general public. Although American policy and the new international energy drive in the Gulf of Guinea have not significantly exacerbated the Nigerian oil conflict, ostensibly because most of the expanded oil investments and production activities are concentrated in the less volatile offshore areas, domestic political contention over oil revenues, rents and petro-accumulation tend to deepen as the revenue bases of the state and petrobusiness increase and this is mostly apparent in the aftermath of the second Gulf war. Consequently, there are grim possibilities that if the present levels of human misery, social deprivation and state repression in the Niger Delta are not effectively redressed, the ongoing expansion of US oil investments in the Gulf of Guinea could be an obvious target of the Niger Delta-based militias.

Petrobusiness and the Nigerian state have suffered enormous losses since the intensification of the conflict in the 1990s. Some of the losses have occurred in terms of suspension of oil operations in turbulent communities, deferment of production, vandalism of equipment and sabotage of oil pipelines, occasional payment for collateral damage (mostly clean-up of sabotage-related spills) associated with equipment vandalism and payment of ransom to secure the release of hostage or kidnapped staff. In terms of economic cost, the case of the highly publicized Ogoni crisis is particularly instructive. Shell was forced to pull out of Ogoniland in 1993 following the intensification of community uprising. In Ogoni, Shell had a total of five major oil fields, containing 96 oil wells capable of yielding 28,000 barrels of crude oil daily (FMIC, 1996: 5). If we take a relatively conservative oil price of US$13 per barrel, Shell and the Nigerian government have lost US$133 million per year in oil revenues from the Ogoni area, and according to this conservative estimate, the joint
venture has lost about US$1.3 billion in oil revenues from Ogoni during the past decade of Shell’s withdrawal.\textsuperscript{2}

It is, however, noteworthy that in both human and material terms, the oil-bearing communities have clearly suffered more losses through ecological devastation and the violent crackdown on oil communities and anti-oil protesters by the state’s security forces. In the course of the state’s military intervention in the Ogoni uprising of 1993–5 and in the Ijaw resistance of the mid-1990s onwards, thousands of local people have been killed and countless properties destroyed (see Ikelegbe, 2001; Zalik, 2004). A large number of people have also been rendered homeless by the state’s violent actions and the effects of oil-related environmental degradation.

To appreciate the paradigm shift in the oil conflict and how petrobusiness manages the correlated threats, it will suffice to briefly identify some relevant characteristics and features of the pre-1990 situation (see Frynas, 2000; Omeje, 2004a):

1. Prior to the 1990s, the oil conflict was largely latent, marked by occasional non-violent protests amid massive environmental devastation. Violent protests were rare and sporadic. It was largely a phase of structural violence.

2. Oil companies’ security programmes were low profile in the pre-1990 era, mostly involving limited perimeter fences around office premises and major production facilities and reliance on non-arm-bearing supernumerary police, the so-called Spy police.

3. Petrobusiness’s development assistance to the oil-bearing communities was basically low-profile, business-motivated (e.g. the construction of an access road to a major company’s production facility) and in some cases mere charity-driven philanthropy.

4. There was a palpable developmental neglect of the oil-producing area before the 1990s.

**Threat Management Strategies**

Petrobusiness operating in the Niger Delta faces a range of security threats, mostly threats from grassroots protesters. The causes of these threats are broadly (but not exclusively) related to the oil companies’ infringement, real or perceived, of local settlements, taboos and people’s livelihood. Some examples of the infringement include land alienation, environmental degradation and biodiversity destruction. Hence, oil companies whose operations and facilities are located in areas where they have more direct contact with human populations and livelihood activities, such as the onshore, nearshore, swamp and inland water locations, are potentially more exposed to forms of anti-oil security threats. Other
major external causes of security threats to petrobusiness are communal strife, criminal externalities and occasional backlashes from some corporate or state policy and action, including the state’s mismanagement of various conflicts (extra-oil conflicts inclusive) in the Niger Delta.

Table 1 (pp. 484–5) is a summary of the various domestic security threats and the TNOCs’ response patterns to such threats. 3

From the table, one can observe that most threats directly connected with oil sites and infrastructure, such as seizure or occupation (both violent and non-violent) of oil sites/facilities and kidnapping of staff, as well as attacks on oil sites and installations, are only applicable to Shell and Chevron, the two TNOCs that conduct oil extraction activities in the vicinity of human settlements and intensive livelihood activities. Operating companies usually go into negotiations with protesters using their community liaison officers (CLOs) in the event of non-violent seizure or occupation of oil sites/facilities or when sites are violently seized with some workers taken hostage. The use of CLOs by the various TNOCs has been markedly successful in containing and solving a number of ‘soft threats’ and ‘low-intensity conflicts’. Most CLOs have substantial expertise in managing community disturbances and since the mid-1990s, when most TNOCs started to actively utilize them, their skills and expertise have proved useful in progressively reducing the average length of time (in most cases from a couple of weeks to a few days) it takes to resolve some low-intensity community disturbances. But this does not mean that the conflicts disappear or, in technical parlance, are transformed. It simply implies that the conflicts are sufficiently controlled, submerged or contained to give the oil companies ample room to continue to operate.

In the case of non-violent seizure or occupation, the state’s security forces may or may not be drafted to the background depending on how the negotiations proceed, but the visible presence of the police is known to be hardly helpful to the goal of achieving a peaceful settlement. In most cases, including when an outright abduction or kidnapping incident occurs – and this is more or less a common experience to all the TNOCs – release of hostages are usually secured through payment of a ransom. The size of the ransom is arbitrarily determined depending on the negotiating powers of both sides and the implicit value and number of the hostages. Abducting expatriate workers (usually westerners), for instance, fetches a much larger ransom (in most cases over four times in monetary value) than abducting a local equivalent of the expatriate. Sometimes, the anti-oil militias are paid as much as 1.5 million Naira in ransom (about US$11,500) to secure the release of a team of two to four abducted oil workers that might involve one expatriate. Officially, oil companies usually deny paying out any ransom to secure the release of their abducted workers to avoid giving a wrong signal (capable of encouraging more abductions) to local
militias and the Delta public. In the case of violent seizure or occupation of facilities and repeated or serious attacks on oil sites and installations, the company would usually call in the police (for land facilities) or navy (for facilities on water) and this occasionally results in a violent encounter with the local militias. It must be emphasized that a fine line exists in practice between violent and non-violent threats and a measure of fluidity occasionally attends both.

A common measure adopted by Shell and Chevron, among other TNOCs with onshore operations, to mitigate the incidents of local violence on oil facilities and personnel is the engagement of community youth volunteers in ‘security contract services’, otherwise branded ‘surveillance contracts’ by Shell. The community youth security contract systems, as the Shell and Chevron case studies reveal, have caused more disruptive violence than otherwise and the TNOCs have basically been compelled to retain the facilities based on some strategic considerations and expediency. Further illustrations of this are contained in the succeeding section on security communitization.

Similarly, far-reaching security threats, such as massive youth or community uprising and communal strife, have been more applicable to TNOCs with onshore (and nearshore, to a lesser extent) oil operations. Examples of such massive uprising include the Ogoni and Ijaw resistance. Mobil, with its oil production activities entirely based offshore, has rarely experienced threats of such magnitude. The majority of this category of threats are related to allegations of TNOCs’ breaches of their Memorandum of Understanding (MoU) agreements with host communities, boundary disputes over land believed to be endowed with oil minerals, struggle for traditional political power and patronage linked to oil pollution, and classification or delimitation of electoral wards and constituencies. Oil workers are usually evacuated and production suspended in the affected communities. In this circumstance, the state’s intervention leading to a violent campaign is usually inevitable. The state directly funds large-scale military operations in oil-bearing communities, such as the foregoing, although some TNOC facilities such as air strips might be used for launching attacks. But for most minor aspects of the state’s security services, including the services of servicemen routinely assigned to oversee office premises and sensitive field facilities, the TNOCs are obligated to make adequate financial and logistic provisions. The financial provisions come as an additional incentive to supplement the considerably small wages paid to the servicemen by the state.

All the TNOCs also use unarmed supernumerary police (popularly known as the Spy police for short) or company police to regulate access to their office premises, secured with electric perimeter fences. The Spy police was established by the federal government Decree No. 41 of 1967.
<table>
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<th>Types of security threats</th>
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<td>Operation areas and concentration of facilities</td>
<td>Mostly onshore production (land, swamps and creeks). Facilities dispersed accordingly.</td>
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<td></td>
<td>Offshore production. Storage/export terminals and non-production facilities on land.</td>
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<td>Offshore, nearshore and onshore production. Facilities dispersed accordingly.</td>
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<tr>
<td>Office-related threats: gate barricade and road blockade</td>
<td>Electric perimeter fences with highly regulated gates.</td>
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<td>Spy or company police (unarmed).</td>
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<td>Highly visible armed state police deterrent.</td>
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<td></td>
<td>Electric perimeter fences with highly regulated gates.</td>
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<td></td>
<td>Spy or company police and private contract security guards (unarmed).</td>
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<td>Armed state police deterrent in the background.</td>
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<td>Abduction and kidnapping of oil workers</td>
<td>Negotiated settlements using company’s community liaison officers (CLOs).</td>
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<td>Non-violent seizure or occupation of oil facilities,</td>
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<td>sometimes with staff taken hostage</td>
<td>Engagement of state security forces (background).</td>
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<td></td>
<td>Violent intervention by state police; arrests and detention of suspects.</td>
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<td>Attacks on non-oil facilities (e.g. vehicles, guest houses,</td>
<td>Rarely applicable.</td>
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<td>recreation sites)</td>
<td>Not applicable.</td>
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<td>Negotiation using company’s CLOs.</td>
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<td>Engagement of state security forces (background).</td>
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<td>Rarely applicable.</td>
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<tr>
<td>Seizure of non-oil facilities (e.g. vehicles and consignments)</td>
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<td>Negotiation using CLOs.</td>
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<td>Types of security threats</td>
<td>Shell</td>
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<tr>
<td>Attacks on oil sites and installations (e.g. wells, pipelines, flowstations)</td>
<td>• Evacuation of oil workers.</td>
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<td>• Violent police or naval action.</td>
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<td>• Negotiated settlements.</td>
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<td>• Surveillance contracts</td>
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<td>(community youths).</td>
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<tr>
<td>Violent seizure of oil sites/facilities sometimes with hostageing of staff</td>
<td>• Negotiation using CLOs.</td>
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<td></td>
<td>• Engagement of state security services.</td>
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<tr>
<td>Massive youth or community uprising and communal strife (intra-/inter-community)</td>
<td>• Evacuation of oil workers.</td>
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<td>• Shut down of oil operations.</td>
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<td>• Violent state intervention and</td>
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<td>military campaign.</td>
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<td>Oil ‘bunkering’, i.e. perforation of pipelines (mostly in obscure swamp and creek locations) and siphoning of crude oil for export to regional black markets (action of a criminal network)</td>
<td>• Naval surveillance.</td>
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<td>Extortion from company contractors and delivery trucks (a criminal externality by some local youths)</td>
<td>• Top-up provision otherwise called ‘cashes’ for sorting out extortion by local youths permitted in contract budgets.</td>
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<tr>
<td>Stealing of equipment from oil platforms in water bodies and swamp locations by pirates (a criminal externality)</td>
<td>• Irregular naval patrol of swamp and inland water facilities.</td>
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as an unarmed elite guard for private citizens and organizations that want to avail themselves of police services for property protection. It is pertinent to note that apart from the oil companies, various big businesses in Nigeria, including banks and construction companies, also use the services of the unarmed Spy police. The main advantage of the Spy police is that they wear the same uniform as the conventional armed police, which ordinarily makes it difficult to differentiate them from the state police. Thus despite being unarmed, the official uniform used by the Spy police serves a considerable deterrence function.

Three forms of criminal externalities corresponding to different operational spheres are reported by the TNOCs. The first, which is peculiar to Shell because of its extensive operation in remote places, is perforation of pipelines (mostly in obscure swamp and creek locations) and siphoning of crude oil for export to subregional black markets. Shell responds to this externality, colloquially known as ‘oil bunkering’, by engaging naval units to patrol some of its vulnerable water-borne pipelines. The second is extortion from company contractors and delivery trucks by bands of local youths and this type of threat occurs on land. Whereas Mobil and Chevron largely ignore this threat for their contractors to sort out themselves, Shell permits the inclusion of a top-up provision otherwise called ‘cashes’ in contract budgets for sorting out these extortions. The third externality is the stealing of valuable equipment from oil platforms in offshore and inland water locations by pirates. TNOCs respond to this criminal threat by occasional or irregular engagement of naval patrol services.

There are three major fallouts of the TNOCs’ threat management strategies in the Niger Delta that may require further elucidation because of their overall implications for the immediate and long-term security of the oil region and beyond. These are the related phenomena of ‘communitization’, privatization and corporatization of security.

Security Communitization

Security communitization is increasingly taking centre stage in the Niger Delta region. For conceptual clarity, the term ‘security communitization’ is used to denote the contractual engagement of members and youth groups of the local oil communities to provide security for oil installations and operations within their localities. Sometimes, communitization of security emerges as part of the MoUs between petrobusiness and the oil-bearing communities. The MoUs basically articulate in a semi-formal framework the negotiated settlements between petrobusiness and the oil-bearing communities with clearly documented obligations on both parties. For its part, petrobusiness promises to be a more sensitive ‘tenant’, who will protect the local environment and more importantly deliver specific development assistance, including jobs to local youths, while the
host communities commit themselves to protecting and not attacking the company’s oil facilities and staff (see Ibeanu, 2002). To seal the agreements, the company usually gives gifts to the local communities, and the entire process guarantees some relative peace for the company to continue its oil operations without fear of serious security breaches.

With the exception of Mobil, whose oil operations, as mentioned, are exclusively offshore, all the major TNOCs in Nigeria engage the services of community-based youth vigilantes on a contract basis. Many indigenous oil companies also use the services of the community vigilantes. The latter do not undergo any training and are employed to provide protection to the enlisting company’s oil infrastructure within their respective local communities. A large number of the members of these security contract groups are wittingly or unwittingly drawn from the different anti-oil militia groups that intermittently launch subversive attacks against petrobusiness. In the ensuing localization of security, petrobusiness aims to positively harness the violence capacity of the largely militant local youths towards a more productive end by enlisting and pay-rolling them as local security contractors in the expectation that this will mitigate their violent attacks on the oil industry. It is therefore partly regarded as an employment generation device. But this way of engaging with the local youths has in practice ostensibly compounded the security problems of both petrobusiness and the oil-bearing communities through increased gun violence, pipeline sabotage by disaffected and envious rival groups, communal and inter-group warfare and local terrorism. This backlash has left petrobusiness at a dangerous crossroads. Most oil companies are particularly reluctant to disengage with the services of the youths for fear of more catastrophic consequences.

**Security Privatization**

Security privatization more broadly refers to the surge of specialized security companies/organizations and private military corporations (PMCs). Most specialized (private) security organizations and companies offer non-combatant-related (in conventional military terms) security services that have a considerable measure of professionalization. Security personnel in their employ are, for instance, provided with specialized and often rigorous training. PMCs, on the other hand, are corporate military and intelligence entrepreneurs that provide diverse combatant and non-combatant-related security services and products. They may organize mercenaries into temporary armies for combat operations in foreign conflicts on behalf of a party to that conflict, and may procure war materials and logistics, provide military advice, undertake intelligence gathering duties and act as force multipliers for clients. They also provide VIP escort services and guard installations’ (Musah, 2002: 913).
TNOCs like Elf and Chevron employ the services of specialized security companies whose uniformed personnel provide unarmed security services in their office premises and non-rural operational locations. Outsourcing Security Services Nigerian Limited, a subsidiary of a major South African security corporation, presently supplies over 300 unarmed security guards to various Chevron Niger Delta locations based on a recent contract agreement. The majority of the indigenous oil companies, whose oil operations are comparatively smaller than those of the TNOCs, have been using unarmed guards supplied by local and foreign security firms since the 1990s, apparently because this arrangement is relatively cheaper than engaging or relying entirely on the services of Spy police. Unlike the TNOCs operating in Colombia, Sudan, Angola and other more volatile countries, who engage the services of PMCs to guard against the predatory attacks of some well-established guerrilla or resistant movements that often run limited parallel governments to the state, the Nigerian-based TNOCs do not seem to have much need for PMCs, especially in frontline security operations. This is particularly because despite being highly beleaguered, the provision of armed security and the combatant capacity of the state have not been sufficiently weakened by the anti-oil insurgencies, albeit it is most unlikely that the state would indefinitely perpetuate this advantage if the present scale of material deprivation, ecological degradation and misery in the oil-bearing communities persists.

Security Corporatization

Corporatization of security, also known as corporate militarism, refers to the increasing empowerment of some large business corporations to operate their own security outfits or to considerably run (equip, fund and/or command) a detachment of the state’s defence forces assigned to protect the corporation’s personnel and property. Given the volatility of the Niger Delta, corporatization of security takes different forms in the oil industry. For instance, all the major oil companies in Nigeria have hundreds of their own unarmed corporate police – the Spy police. Various oil firms use the latter for internal access control in their premises and they are indirectly recruited and trained with the help of the Nigerian police force but directly funded and controlled by the different oil companies. The Spy police, whose history in the oil industry actually predates the contemporary escalation of the oil conflict, are complemented in their access control function by a daily contingent of armed mobile police officers posted from the state’s divisional police command. The oil companies pay the mobile police officers a fat top-up allowance for their services. In water-borne oil operations and facilities, such as inland creeks, swamps and nearshore areas that are soft underbellies for
attacks by local militias, the oil companies engage the paid services of the Nigerian navy and marine police who they also provide with marine transportation and logistic support to provide necessary security.

The real strategic danger with communitization, privatization and corporatization of security is that in the context of the shrinking authority and legitimacy of the state contrasted by the expanding power and social functions (quasi-governmental) of petrobusiness, especially as the prices of oil products appreciate, chances are high that these security practices will run into blatant abuse. Shell was, for instance, implicated in an abortive deal to import firearms in 1995 worth over US$500,000, including 130 Beretta 9mm calibre sub-machine guns, 200,000 rounds of bullets and 500 smoke hand grenades, to strengthen the security provision capacity of its Spy police (Frynas, 2001: 51).

There have been several allegations of oil companies doling out large sums of money to their local vigilantes for the purpose of acquiring firearms to fight rival gangs and to strengthen their capacity to provide security to their oil installations. Already, the Niger Delta is awash with small arms and illicit weapons, which are indiscriminately used for organized crime, local thuggery, intimidation of opponents and electoral violence.

Securitization of Development

Traditionally, ‘securitization’ of development or the process of factoring development into the public security agenda is the function of the state (see Omeje, 2004b). In this article, the concept has been expanded to depict the growing state-like function that petrobusiness performs in the area of development provision in the oil-bearing communities. In doing so, petrobusiness substitutes for the failure of the state to fulfil its obligation of delivering development to the grassroots communities and in a large sense this repositions the oil corporations as a ‘de facto government’ or ‘surrogate state’ in the oil region. The range of development functions performed by TNOCs are varied but they generally include provision of community health infrastructures and health care delivery, provision of rural infrastructure (electricity, roads, pipe-borne water, civil centres, markets), construction of schools and supply of educational equipment, scholarship awards for education at various levels, operation of women and youth vocational skills acquisition centres, funding of small-scale agro-allied cooperatives and provision of grants and micro-credits to encourage rural enterprise.

Over time, beginning from the 1990s, the ‘community development’ (CD) efforts of TNOCs have more or less progressed from an ‘assistance’ model of enunciating and delivering development projects to a more
participatory model of involving the local people or at least sections of them in deciding and implementing development programmes. In practice, the two models have in most cases operated in tandem as opposed to the new model replacing its predecessor. Based on the company’s own account, SPDC has in recent years (apparently the past quinquennium) spent an average of US$50 million annually in executing CD projects in the Niger Delta (SPDC, 2002, 2003; Shell, 2004). Compared to the figures of the 1980s, this constitutes a substantial increase; Shell’s figures indicate that the company had spent 13.7 million Naira (roughly US$1.4 million at the 1991 official exchange rate) between 1980 and 1991 on various development projects in Nigeria (Frynas, 2000:51).

For its part, Mobil, with a total asset of about US$3.3 billion and an annual investment average (joint venture) of about US$390 million in Nigeria for the past eight years, has maintained an average budgetary provision/expenditure of about US$8.5 million on CD since 1994 (see MPN, 1999, 2000, 2003; ExxonMobil, 2004). Similarly, joint venture sources indicate that between 1991 and 2001, NNPC/ChevronTexaco invested about US$56 million in CD in the operational area and roughly two-thirds of the money (some US$36 million) was expended during the second half of the decade (NNPC, 2002: 34; CNL, 2002, 2003; ChevronTexaco, 2004). CD expenditure on the joint venture in 2002 and 2003 averaged about US$5.6 million.

Most analysts and local activists tend to be dismissive of petrobusiness’s seemingly huge CD commitments in the host communities, arguing that they are exaggerated, insignificant, superficial and business-motivated. Frynas (2000: 52) has, for instance, argued, citing a few examples, that a significant proportion of the monies budgeted by Shell and other oil companies for CD is misappropriated by staff, contractors and local chiefs, while another significant proportion of the monies actually spent on community projects appears to have been misspent on some inappropriately planned, non-functional, botched-up and ultimately abandoned projects.

In spite of any shortcomings, levels of success, measured by the relative contentment of the host communities with an operating company’s development and environmental performances, vary from one company to another. Of the three TNOCs sampled, Mobil seems to have been the most successful but its success, as the study shows, is mainly because the area wherein it has to fulfil its CD obligations is the smallest and most concentrated, this being due to the company’s exclusive offshore production interest. In the real sense of the matter, Mobil’s CD obligations in the restive Niger Delta are practically limited to four local government areas (LGA) in Akwa Ibom State and the Bonny Island – a Rivers State LGA where the Shell Group is much more dominant. In Bonny, Mobil, Shell
and the Shell-operated Nigerian Liquefied Natural Gas (NLNG) established the well-known Joint Industry Committee (JIC), where they pool resources together to sort out the various development needs and demands of the local people. To this end, NLNG pays 50 percent, Mobil 30 percent and Shell 20 percent.

Elsewhere, in Onne in Rivers State, where Mobil has a skeletal non-production facility, the company operates as a tenant to its major contractor, Intels, and part of the terms of the contract services is that Intels should handle all of Mobil’s community relations obligations in the area, including sorting out the development demands of the surrounding villages and communities. In effect, Mobil is more directly and exclusively concerned with CD in the four contiguous Akwa Ibom core communities, which have a population of about 300,000 people (AISG, 1996: 20). This is a much more manageable density when compared to the enormous land/swamp area and the greater part of the over 14 million inhabitants of the seven oil-producing states that form part of the operational catchments of companies like Shell and ChevronTexaco, for instance.

Mobil’s exclusive offshore oil interest consequently provides a natural security to most of its oil infrastructures. Shell and Chevron are relatively beleaguered given the localization of a wide range of their oil infrastructures within the proximity of human settlements and intensive livelihood activities. Moreover, regardless of any shortcomings in their designs and implementations, the present sizes of the two companies’ development programmes do not seem to be very significant in relation to the vast needs of their numerous impoverished host communities. This has not encouraged the oil-bearing communities to abate the level of violence meted out to the oil industry and in the face of the state’s relentless application of punitive force to solve the violence, the oil-bearing communities have in fact remained more defiant and restive.

Two related structural factors tend to have complicated the plight of the oil-bearing communities in general. The first is the antecedents of ecological devastation and neglect in the decades that preceded the evolution and spread of violent anti-oil campaigns in the 1990s when both the oil companies and the state were largely insensitive to the oil-producing area. The second is the continued lack of a proper and transparent commitment to environmental remediation and restoration on the part of the oil-producing companies in the Delta, worsened by the institutional incapacity or reluctance of the state to enforce the necessary laws in this regard. These structural factors conspire to hugely limit the pursuit of a sustainable development objective in the Niger Delta.

The tragedy of state failure underscores a range of both the growing state-like activities of TNOCs, as well as their subsectoral (notably
environment) performance shortcomings. With regard to the former, TNOCs progressively operate like quasi-governmental institutions substituting for the state’s development functions. At the same time, individual TNOCs have been forced to develop their own approaches to the protection of their facilities, the thrust of which has included developing various forms and levels of security cooperation with the state, and as the case may be, with private security firms and diverse host communities. However, the state has not been significantly weakened or rivalled by local insurgencies in the Delta in terms of military capability and as such is still actively involved in the function of providing security for the various TNOCs. Consequently, unlike in the relatively more autonomous (in terms of sourcing security) Colombian oil industry, for instance, TNOCs operating in Nigeria have rarely made any operational distinction between defending the oil industry and the security of the industry in its sociopolitical environment because of the continued involvement of the state in most legitimate forms of armed security operations.

Concerning the issue of subsectoral performance shortcomings, the oil corporations have generally demonstrated varying levels of insensitivity to the crucial objective of environmental protection in a manner that contrasts markedly with their performance standards elsewhere, especially in the developed countries. A striking example is the issue of gas flaring, where the TNOCs have over the years taken advantage of the weak legal system in Nigeria to flare most of their associated gas, a phenomenon they have for long handled in a much more proactive way in the different developed countries in which they operate. The result is that in Nigeria as much as 75 percent of all the associated gas from crude oil is currently flared (the highest world record, albeit new government policy of zero gas flaring by 2008 seems to be slowly turning the tide) compared to 0.6 percent in the USA, 4.3 percent in the UK and 8 percent in Canada (Watts, 2000; PMN, 2003). Following strict requirements of environmental laws, a greater part of the associated gas in these and other developed countries, as well as in some developing countries with relatively stronger legal systems (e.g. Libya, Kazakhstan, Saudi Arabia and Malaysia), are reinjected into the earth’s reservoir for oil recovery and/or converted into environment friendly, income-yielding liquid fuel (see Ake, 1996; Watts, 2000). Similarly, recent reports published by environmental organizations like Living Earth UK and Denmarks Naturfredningsforening (DN) in association with the South African-based South Durban Community Environmental Alliance (SDCEA) reveal that in both upstream and downstream oil operations there are stark differences in the environmental records of Shell in such developed countries like the US and Denmark when compared to developing countries like Nigeria, Argentina and South Africa (see Living Earth, 2003; DN/SDCEA, 2003).
The reported critical areas of environmental records include air pollution levels, polluting incidents and polluter’s liabilities. The DN/SDCEA report further underscores the unwillingness of the South African government in particular to develop the expertise, laws and capacity to regulate polluting industries, a conclusion that may not be far from the Nigerian situation.

Perhaps, the most crucial point of difference in the performance standards of oil companies in the developed countries when compared to a developing country such as Nigeria is the question of polluter’s liability and application of sanctions for specific environmental breaches. Whereas TNOCs and the oil industry are hardly sanctioned for cases of ecological infringement of local communities in Nigeria – a phenomenon where the country has one of the poorest records in the world – the situation is completely different among the developed countries where some of the Nigerian-based multinationals also operate. In the US, for instance, various state agencies, including municipal authorities, state and federal government departments and conservation agencies, as well as civil society organizations constitute a powerful watchdog over oil companies and big business corporations, frequently instituting litigation against them concerning environmental and health and safety breaches. Athan Manuel (2001) has systematically documented more than 100 such litigations successfully prosecuted against four leading TNOCs (BP Amoco, ExxonMobil, Chevron and Philips Petroleum) over their US-based operations, culminating in the four companies being ordered to pay close to US$1 billion in fines, penalties and settlements for more than 150 spills between 1990 and 2000. A greater part of the money from the fines and penalties went to the concerned state’s conservation agencies for the purpose of environmental remediation (Manuel, 2001).

Finally, and beyond the Nigerian case studies, it is pertinent to remark that the relatively substantial scale of development provision that TNOCs have carried out in the Niger Delta, especially since the 1990s, is by no means an isolated or localized phenomenon. Consequently, the phenomenon cannot be entirely explained based on the dynamics of local anti-oil struggles in the Niger Delta during the observed period, even though there is no doubt that the latter has been a major catalyst at least for the scale observed or quantum of provisioning. Oil companies, big businesses and the state have been increasingly held to higher standards of social and ecological responsibilities since the 1990s through the activities of global civil societies, especially western NGOs (see IPIECA, 2000; Kaldor, 2003). In fact, a great deal of the inspiration and funding for many leading civil groups (pro-environment and pro-democracy) in developing countries, including Nigeria, have been derived through their partnerships with western civil groups (Ake, 1998: 191).
Further, in the area of environment, the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro in June 1992, including the flurry of ecological developments across the globe, protests and agitation that led up to the conference, provided a powerful impetus for the subsequent expansion of both local and international activism (IPIECA, 1995, 2000). Among other things, the Framework Convention on Climate Change and the Convention on Biological Diversity, both of which ultimately resulted from the Rio Summit, accorded legitimacy to the vigorous campaigns mounted by civil society to reinvent the ideas of state accountability and corporate social responsibility. In comparison with the state, which tends to rely more on the advantage of its legitimate possession of overwhelming coercive power, petrobusiness and big businesses tend rather to have been more significantly compelled to yield to these popular pressures. Hence, in the global oil industry in particular, corporate social responsibility has assumed a high profile in recent years (IPIECA, 1995, 2000). The different TNOCs sampled in this study are all engaged in comparable levels of social development activities elsewhere in the developing countries they operate in.10

Concluding Remarks

Much is still expected of petrobusiness but even much more is expected of the state. Although petrobusiness has generally enhanced the quantum of its development assistance to the oil-bearing communities, this enhancement has scarcely translated into the much-desired peace or mitigation of petro-violence in the oil region. The problem persists mainly because in relation to the magnitude of poverty and developmental requirements of the local populations, the solutions being offered by petrobusiness remain very far from the threshold of upliftment and well-being desperately needed by the locals. Consequently, because of the growing pressure on petrobusiness to deliver development aid, the latter tends to pursue development securitization almost at the expense of environmental rehabilitation. The magnitude of ecological devastation wrought by oil operations in the Niger Delta prior to the radicalization of anti-oil protests in the 1990s demands that both the oil industry and the state map out a comprehensive environmental remediation action plan without which many small-scale local producers cannot effectively return to their traditional occupations because of the lingering problems of pollution of farmlands and natural water bodies.

The capacity of the state to enforce environmental standards on petrobusiness remains extremely weak, with the result that the latter is left to operate virtually on the basis of its own norms and sense of corporate social and environmental responsibility. Similarly, the state hardly
regulates or monitors the development provision programmes of the various oil companies, thereby leaving the oil-bearing communities entirely at the mercy of petrobusiness. The real danger with such a regime of ‘corporate self-help’ is that it creates wide variations in the standards of corporate social and environmental responsibility practised by the various oil companies, the indigenous and state-owned corporations inclusive. The highly variable standards subsume the good, the bad and the ugly. But the state itself even seems to have a worse performance record in terms of both the quality and quantity of development provision and the corporate responsibility of its own major oil company, the Nigerian National Petroleum Corporation, which dominates the downstream sector of the oil industry (see Thomas, 2001). This leaves little hope for the future.

Notes

1. This concept is borrowed from Ibeanu (2000), who has used it to describe the social ensembles that control Nigeria’s petroleum industry, which include major foreign and local investors in upstream and downstream activities in the petroleum industry, encompassing exploration, contracting, consulting and marketing.

2. Quoted and reconstructed (statistics updated to a 10-year period) from the work of Frynas (2000: 48).

3. Information contained in this table and the analysis were mostly derived from fieldwork interviews with a broad range of management staff from the focus TNOCs, local community leaders and youths in the Niger Delta, police officers serving in the oil industry, as well as senior officers of the relevant government agencies and departments. Useful data were also sourced from annual reports and periodicals of the focus TNOCs. On-the-spot observation of some of the processes and phenomena was also carried out in the course of the fieldwork during the first quarter of 2003.


5. In line with its equity share, ExxonMobil Corporation contributes some 40 percent of the joint venture community development budget, which is about US$3.4 million per annum.

6. In line with its equity share, ChevronTexaco corporations contributes some 40 percent of the community development budget of the joint venture, which places its 2002 and 2003 contributions at about US$2.24 million average (see CNL, 2003; ChevronTexaco, 2004).

7. Paraphrased from my separate interviews with MPN’s senior public relations and security officers at Onne (Rivers State) in February 2003. The Onne facility is basically a clearing-house. All the major oil companies have some land facilities in the Federal Government Wharf territory in this coastal community, which serves as an import/export free zone for the oil industry.
8. Shell’s oil and gas operations are widely scattered over six of the nine oil-producing states of the Niger Delta, while those of Chevron are dispersed across three states, excluding offshore operations in two additional states. The two companies also maintain significant operations in swamps, inland waters and nearshore areas. In a considerable number of areas (creeks, local government councils and states), the two TNOCs have oil operations that more or less overlap with one another or with the operations of some of the relatively smaller oil companies. The companies’ swamp, inland water and nearshore operations generate transitive ecological hazards (mainly spillage) whose immediate impacts are felt across a much wider territory. This partly makes it difficult to generate a more precise estimation of the two TNOCs’ territorial catchments. On top of that, the companies have a large number of abandoned or suspended onshore oil sites. Sites are mostly abandoned when they have run through their normal production cycle and have become exhausted, while most suspended sites have either been shot down or discontinued due to community disturbances. Both past and present oil-bearing communities lay claims for the TNOCs’ developmental attention. Many ‘gate-way communities’ (i.e. non-oil-bearing communities en route to the TNOCs’ oil sites) lay a similar claim and they do so through violent means.

9. In terms of size and conventional military capability, Nigeria has the largest and one of the most well-equipped armies in Africa (see Mortimer, 2000). Hence, the state has continued to effectively dominate the legitimate provision of armed security for the oil industry. Other armed security arrangements within the oil industry have largely been complementary to as opposed to competitive with that of the state. On the security practices of the Colombian oil industry, see Pearce (2002).

10. Social development expenditure of all the focus TNOCs in the various countries they operate in (both developed and developing countries) has increased dramatically in the past decade when compared, for instance, to the preceding years (see Lunde, 2000; Shell, 2003, 2004; ExxonMobil, 2003, 2004; ChevronTexaco, 2003, 2004).

References


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