
OIL PIPELINE VANDALISM: IMPLICATIONS ON MULTINATIONAL OIL CORPORATIONS AND HOST COMMUNITIES IN THE NIGER-DELTA, NIGERIA

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Abstract

Multinational oil corporations operating in the Niger-Delta, Nigeria have encountered different challenges which include oil pipeline vandalism and this has adverse implications on the oil multinationals as well as the host communities. In the quest to actualize the phenomena under study, this paper sourced information through published books, journal articles and conference proceedings. The frustration aggression theory was adopted as the theory suitable to guide this work. The paper concludes that, despite various attempts put in place by the federal government and multinational oil corporations in Nigeria to create a peaceful atmosphere and cordial relationship between multinational oil corporations and their host communities' tension, agitation and crises in the form of pipeline vandalism still persists. The paper recommends among others that, multinational oil corporations should as a matter of necessity always showcase their corporate social responsibility and ensure that it gets directly to members of host communities diligently as this will help to put an end to oil pipeline vandalism in the Niger-Delta, Nigeria.

Keywords: Oil Pipeline, Vandalism, Multinational Oil Corporations, Host Communities, Niger-Delta, Nigeria

Introduction

The Niger-Delta region of Nigeria is the base of Nigeria's crude oil which accounts for around 90 percent of Nigeria's income and gives more than 90 percent of add up to trade. In spite of expanded nationwide resources establishment from the mostly bucolic and undersized Niger-Delta region, asset allotment to the region is not equivalent to its commitment to the Nigerian economy (Ogbebor & Undebulu, 2007). In Nigeria, the oil industry has experienced changes since oil was found in large magnitude for some years in the past. The oil division has turn into being the backbone of Nigeria's economy rotating other segments and accounting for huge percent of Nigeria's overseas trade profit. Nigeria moreover infers around 20 percent of gross domestic product (GPD)

and around 88 percent of the national collectable revenue generation from the oil division (Aghalino, 2004).

Ekuerhare (2002) maintained that without a doubt, oil and gas assets from Niger-Delta region accounts for huge percent of Nigeria's export and oversee trade profit as well as high percentage of overall Nigerian income. In spite of these noteworthy percentages, the Niger-Delta is among the poorest and undeveloped zones in Nigeria. In similar direction, Ojo (2010) stated that most of occupants in the Niger-Delta region need essential civilities such as the arrangement of power, consumable water, wellbeing offices, and great road networks. In addition, the Niger-Delta people undergo gigantic negative affects remotely incited by oil exploration and generation as well as oil spills and gas flaring which devastate the host communities. Enemaku (2006) posits that, the most issue in dispute within the Niger-Delta is enormous misuse of oil and gas by transnational oil companies in conspiracy with the Nigerian state with small or no respect the improvement of the individuals and the environment of the Niger-Delta. The communities where oil is created are characterized by lack of sanitization, degraded destitution and non-appearance of essential civilities.

Njoku (2015) pointed out that the most prominent challenge confronting oil generation and dissemination and undoubtedly, the oil and gas industry in Nigeria has been the evil exercises of oil hoodlums and pipeline vandals. Within the time of oil wars and militancy in the Niger-Delta region (1999-2009), the activists almost crushed the oil industry and by expansion, the national economy which depends intensely on oil income. Njoku continued that, in the past, Nigeria lost huge amount of money to oil spills exuding from vandalized unrefined oil pipelines and oil thievery. In the same direction, Adishi and Hunga (2017) stressed that oil pipeline vandalism within the Niger-Delta region of Nigeria in later times is disturbing to the degree that Nigeria may lose its financial remain. Currently, Nigeria is losing over thousands of crude oil

barrels daily to pipeline vandalism and related criminal indecencies within the country's oil division (Adishi & Hunga, 2017).

According to Omole (2000), the network of cheerfulness which showed between the oil multinationals and their host communities in the past has paved way to threatening vibe and savagery. The threatening vibe is on the aspect of oil pipeline vandalism, closing down of oil companies, seizure of oil establishments, militancy as well as intra and inter community struggle. In his own view, Alabi (2012) contend that the emergency or upsurge of violence clashes within the Niger-Delta is both a matter of national and worldwide concern. The rising insecurity in Nigeria's oil-rich region can be attributed in part to the fluctuation in crude oil prices in international markets. In general, the disasters pose an enormous risk to Nigeria's economy, as the nation loses a large number of oil barrels to pipeline vandalism every year.

In his assertion, Mernyi (2014) cited in Odalonu (2015) affirms that, in spite of the endeavors of government to fight against illicit redirection of oil within the Niger-Delta region by expanding its security expenditure currently and giving huge sum of money yearly to contract private security firms, continual destruction of pipelines and other oil valuables over the nation as well as illegal marketing of stolen oil by criminal with international links have continued unabated. As a result of incessant oil pipeline vandalism prevalent in the Niger-Delta region in Nigeria, multinational oil corporations in Nigeria and host communities are saddled with numerous setbacks and problems. This paper therefore seeks to highlight the implications of oil pipeline vandalism on multinational oil corporations and host communities in the Niger-Delta, Nigeria with a view to mapping out policy recommendations that may be useful towards putting an end to the menace in Nigeria.

Conceptual Clarifications

The Concept of Oil Pipeline Vandalism

From the Marxian viewpoint, vandalism may well be seen as a beneficial drive that battled against misuse of the capitalist framework (Zinganel, 2005). Vandalism may incorporate strategic vandalism such as disrupt at the work put; malignant conduct, e.g. shape of exact retribution; play vandalism e.g. breaking of window boards; and pernicious vandalism e.g. irritation, hatred, and dissatisfaction (Walter, 1992). In his own quest, Vidal (2011) cited in Mmeje, Bello and Mohammed (2017) posits that vandalism is an activity including pulverization of public or private property. Inside the civic space, vandalism indicates the willful and malicious destruction of public or government property in keeping with criminal or political aim. Oil pipeline vandalism in this manner infers, breaking of oil pipelines with the aim of carting away petroleum products or to disrupt the government.

According to Chibuzor, Chukwujekwu and Ekene (2014), oil pipelines are the process by which unrefined oil and gas as well as industrial chemicals are transported. Vivan (2012) affirms that oil pipeline vandalism is illicit destruction of pipelines by criminals more often than not individuals from local communities in order to demonstrate their grievances against oil companies or robbery to generate wealth. In addition, Sanusi, Onovo and Isa (2016) stressed that in Nigeria, oil pipeline vandalism has been executed mainly by criminals who are spurred by the aspirations to plunder oil products to make fortune. Oil pipeline vandalism is additionally identified in Nigeria as oil bunkering which entails the process of disfigurement into pipelines with the aim to make away with oil items.

The Concept of Multinational Corporations

According to Monsen (2000), the term 'Multinational Corporation' refers to a corporation which has its operation in one country and also operates and lives under the laws of other countries. Monsen stressed further that, two major issues are associated with multinational corporations. First, their activities involve more than one nation and

secondly, they are responsible for most foreign direct investments (FDI). Similarly, Kim (2000) affirmed that multinational corporations are outstandingly colossal corporate entities that though having their base of operations in one nation 'the household nation', they carry out transactions in at smallest one other but regularly various nations as host nations.

Nwankwo (2002) hypothesized that, multinational corporations provide finance for investments, provide employment for the nationals of new countries, and in expansion offer help to the rising countries to solve their unemployment issues. Litvin (2002) maintained that multinational corporations can invigorate economic activities in developing countries and offer an opportunity for enhancing the people's standard of living, budgetary advancement and provincial/worldwide commons. Litvin continued that at the same time, multinational corporations are regularly charged with perilous allegations in their operations such as destroying the environment and complicity in human rights abuses. Whether the accusations are sensible or not, various multinational corporations are currently trying to manage complex set of issues in their host countries by implementing social responsibility strategies because such issues may jeopardy the success of their operations.

Prevalence of Oil Pipeline Vandalism in Nigeria

According to Onuoha (2008) oil terrorism includes such acts of blowing up oil amenities such as establishments, pipelines and oil stages with destructive explosive gadgets, and the act of capturing oil freight ships, stream stations, bolster vessels and oil wells to avoid dispersions of petroleum product or refining of the product. According to NNPC (2016), between 2010 and 2012, the number of pipeline vandalism that was reported on pipeline belonging to the Nigerian National Petroleum Corporation (NNPC) was 2,787 and as a result of the vandalism, 157.81mt of petroleum items worth approximately ₦12.53 billion were lost. In addition, NNPC (2016) illustrates further that, pipelines along the Gombe and Kaduna axis recorded 850 and 571 cases of pipeline vandalism respectively whereas, the pipelines along Warri,

Mossimi, and Port-Harcourt axis recorded 548, 463 and 336 cases of vandalism respectively.

Ogbeni (2012) cited in Okoli and Orinya (2013) maintained that between 2002 and 2012, several cases of pipeline vandalism were recorded in Nigeria and the bulk of these cases happened within the Southern part of the nation where the complex landscape of the creeks and coastlines clearly makes such exercises simple (See table 1 below).

Flashpoints of Oil Pipeline Vandalization in Nigeria (2002 and 2012)

| PIPELINE SYSTEM | PIPELINE ROUTE | NO OF BREAKS (%) |
|-----------------|--|-------------------------|
| System 2E/EX | Port-Harcourt – Aba - Enugu – Makurdi + Yola | 8, 105 (50.3%) |
| System 2A | Warri – Benin – Suleja/Ore | 3, 295 (20.2%) |
| System 2B | Atlas Cove – Mosimi – Satellite – Ibadan – Ilorin | 2,440 (% not indicated) |
| System 2C-1 | Warri – Escravos | 74 (% not indicated) |
| Gas System | Trans – Forcados | 55 (% not indicated) |

Source: Ogbeni (2012) cited in Okoli and Orinya (2013).

Onuoha (2008) posits that, the act of oil and ecological sabotage in the Nigerian setting got to be noticed in early 2005 when the Movement of the Emancipation of the Niger Delta (MEND) blew up a pipeline in Delta State after Alhaji Asari Dokubo the then leader of the group was apprehended. In their own reaction, Oshienemen, Dilanthi and Haigh (2019) contend that a number of blew up by the hoodlums that have for years destroyed the environment are; the 2005 January explosion of the Forcados export terminal which sever the supply of petroleum products of around hundred thousand barrels per day; the March 2005 oil pipeline explosion owned by an Italian company thereby decreasing oil flow by sixty five thousand barrels per day; and also the

2006 activist strike at an oil vessel at Cawthorowe channel murdering five military officers who were escorting the vessel, and afterward sank the vessels.

Implications of Oil Pipeline Vandalism on Multinational oil Corporations in Nigeria

The following are the implications of oil pipeline vandalism on multinational oil corporations in Nigeria.

- i. As a result of pipeline vandalism, multinational oil corporations in the Niger-Delta, Nigeria may be bedeviled with setbacks in transactions and efficiency which could lower the corporation's integrity as well as corporate set objectives due to cost of repairs and re-installations of oil pipelines after been vandalized.
- ii. In the process of oil pipeline vandalism, fire outbreak may be experienced which can result into damage and loss of oil installations and equipment used for oil explorations as well as great lost and setback on the operations of the oil multinational corporations.
- iii. Multinational oil corporations can cease to carry out their corporate social responsibility continuously and efficiently as required and agreed with their host communities due to nefarious incidents of oil pipeline vandalism melted out to them by members of host communities.
- iv. Lack of trust, corporation and unity may likely emanate between multinational oil corporations and their employees. Oil corporations may have the feeling that their employees collaborate with members of host communities to vandalize their pipelines in order to scam their corporations and make gains.
- v. Oil pipeline vandalism may result into several challenges on multinational oil corporations in the Niger-Delta which include, non-payment of worker's salaries as at when due, slash in salaries as well as retrenchment of workers

as oil corporations are bedeviled with lose of resources and investments due to pipeline vandalism.

- vi. Multinational oil corporations may be faced with lack of new investors for business transactions and lose of interest by those that have invested already for continued or renewal of business transactions because of being frightened of losing their investments or resources due to vandalism.
- vii. Misunderstanding and conflict may arise between multinational oil corporations and their host communities most especially, in the quest for multinational oil corporations to carry out thorough investigations in the host communities regarding the occurrence and perpetrators of pipeline vandalism.

Implications of Oil Pipeline Vandalism on Host Communities in the Niger-Delta, Nigeria

The following are the implications of oil pipeline vandalism on host communities in the Niger-Delta, Nigeria.

- i. As a result of pipeline vandalism, there may be the tendency of misunderstanding, lack of trust, and inadequate cordial community and industry relationship between multinational oil corporations and host communities in the Niger-Delta.
- ii. Members of host communities who engage in pipeline vandalism could be faced with fire outbreak which can destroy host communities aquatics, crops and farmlands as well as leading to all manner of severe injuries on the vandals and loss of lives.
- iii. In the cause of pipeline vandalism, oil spillage can erupt which constitutes environmental pollution thereby depriving host communities the privilege for drinking, washing, bathing and fishing in their streams and rivers.

- iv. Investigations may be carried out by multinational oil corporations on incidents of oil pipeline vandalism and after the investigations, those involved in the act from the host communities are prosecuted or meant to face the law and this brings bad reputation to the host communities.
- v. Misunderstanding and treachery that could amount to severe crises may arise amongst perpetrators in host communities who engage in oil pipeline vandalism in the cause of making frantic and dubious nefarious efforts in catering away and divulging stolen crude oil.
- vi. Multinational oil corporations can cease to carry out their corporate social responsibility to their host communities effectively due to copious pipeline vandalism encountered from members of host communities and this affects the communities in different dimensions.

Theoretical Framework

The frustration aggression theory was adopted as the theory suitable to guide this work. The frustration aggression theory was propounded by John Douard and his research associates in 1939 and has been expanded and modified by scholars like Leonard Berkowitz and Aubrey in 1962. The main explanation that frustration aggression theory holds is that, aggression is not just undertaken as a natural reaction or instinct but, it is the outcome or result of frustration. It is a situation where the legitimate desires of an individual is served either directly or the indirect consequences of the way the society is structured. The feelings of disappointment may lead such person to express anger through violence that will be directed at those he holds responsible or people who are directly or indirectly related to.

The implication/relevance of frustration aggression theory as it applies to this work is that, in the Niger Delta region after many years of multinational oil corporation's exploitation and presence, the host communities are saturated with feelings of neglect, bitterness, anger, frustration, alienation, and protests about the economy of oil and a

situation of agitation, mobilization, contestation, confrontation, conflicts and violence for redress and higher benefits. The host communities relationships with the multinational oil corporations is so underlined by loss of trust, skepticism, contestations and hostility that there is an increasing resort to extra-legal means of settling disagreements such as subversion, violence, destruction, and disruptions (Ugbomeh & Atubi, 2010). As result of the environmental pollution and degradation often associated with oil spillage, poverty and underdevelopment, less rightful means of livelihood, and lack of gainful employment by the members of host communities some unscrupulous elements among them could take to pipeline vandalism, oil theft and oil bunkering as to showcase thire grievances and to meet up with the challenges in life. By so doing, multinational oil corporations are faced with numerous setbacks and challenges which are to their detriment and can resort to their inability to meet up with their corporate set objects as well as host communities in the Niger-Delta confronted with fire out brakes and destruction of farmlands and lack of trust between from the oil multinationals.

Conclusion

The implications of disgusting environmental degradation by multinational oil corporations operating in the Niger-Delta region, has been massive protestations, agitations and conflicts that accrues to destruction of oil equipment and installations in the form of pipeline vandalism. Despite various attempts put in place by the federal government and multinational oil corporations in Nigeria to create a peaceful atmosphere and cordial relationship between multinational oil corporations and their host communities' tension, agitation, and crises in the form of pipeline vandalism still persists. With the persistent incidents of oil pipeline vandalism, multinational oil corporations operating in the Niger-Delta, Nigeria and their host communities are bedeviled with numerous challenges which this paper addresses as well as proffered policy measures towards fighting against the scourge and putting a stop to it.

Recommendations

The following policy recommendations are proffered in this work in order to ameliorate oil pipeline vandalism on multinational oil corporation and host communities in the Niger-Delta, Nigeria.

1. Multinational oil corporations should as a matter of necessity always showcase their corporate social responsibility and ensure that it gets directly to members of host communities diligently as this will help to put an end to oil pipeline vandalism in the Niger-Delta, Nigeria.
2. Multinational oil corporations in the Niger-Delta should endeavour to strengthen their security base by using modern gadgets and equipment as well as training and re-training their security personnel's as this would go a long way in checkmating oil installations and equipment against pipeline vandalism.
3. Multinational oil corporations should be careful during recruitment for not recruiting employees with dubious minds as well as enhance their employee's welfare packages as these would make the employees not to have the feelings to collaborate with members of host communities to vandalize oil pipelines in order to make fortune.
4. Parents, guidance, traditional and religious institutions should continuously advice members of host communities on the consequences of indulging in oil pipeline vandalism as well as report any form of agitations gearing towards that to security agencies and authorities of oil corporations for necessary actions.
5. Youths in host communities should coordinate and form vigilante groups in order to keep watch over oil installations and pipelines against vandalism as this would help to reduce oil pipeline vandalism as well as give the youths the opportunity of securing employment opportunities and other benefits in the oil corporations.

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