Oil companies and lethal violence in Nigeria:
Patterns, mapping and evolution
(2006 – 2014)
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Oil companies and lethal violence in Nigeria: Patterns, mapping and evolution (2006 – 2014)

Executive summary

This study explores different aspects of fatal conflicts that involve oil companies such as Chevron Texaco, Ente Nazionale Idrocarburi (ENI), ExxonMobil, Shell, Total, indigenous companies, and the Nigerian National Petroleum Corporation (NNPC). Using both qualitative and quantitative data from the Nigeria Watch Project, the research enhances our understanding of the patterns and evolution of oil companies and lethal violence in the country between 2006 and 2014.

It was found that 2009 was the most turbulent year, because of various confrontations with militant groups such as MEND. But the differences in fatalities between the upstream sector (exploration and production) and downstream sector (marketing and distribution) are conspicuous. The Nigeria Watch database reveals that the footprint of oil companies is a major factor in the intensity of their involvement in lethal violence. Thus, oil companies that combine both upstream and downstream activities have recorded more deaths nationwide than those that participate in production only. Also, those that have more offshore operations than onshore activities have a lower incidence of violence resulting in fatalities.

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Shell remains the foremost company in the upstream petroleum sector, and insecurity explains why it is now considering divesting onshore.

INTRODUCTION

This study critically examines the evolution and patterns of oil companies’ involvement in lethal violence from 1 June 2006 to 31 May 2014. It analyses the main features of oil-related violence in Nigeria and responds to the pertinent question of whether some companies are more involved in conflicts than others. It also identifies the non-oil stakeholders involved in such violence: political parties, trade unions, rebel groups, armed gangs, cult societies, and the security forces. The police and the army, for instance, use the instrument of force, having being invited by the oil companies to confront any form of aggressive behaviour or violent protests by host communities and trade unions, especially when these groups attempt to restrict entry into flow stations. As for the navy, it regulates the security of the offshore oil rigs.

Regarding the historical, political, economic, legal, and social context, it is also important to note that any mention of oil reminds people of the region called Niger Delta, which is the location of the genesis of the petroleum industry in Nigeria. According to Mitee (2012), “as oil was discovered in commercial quantity in the Niger delta, the region gradually became seen and expressed in terms of an oil producing area of the country, not necessarily in an area geographically classified as delta”.

At the national level, oil has become a dominant attribute of the control and development of the country’s economy since the era of oil boom in the 1970s (Arinze 2010, p.7). While the government is supposed to play a
regulatory role, three main types of actors operate in the petroleum industry: transnational corporations, indigenous private companies, and the parastatal Nigerian National Petroleum Corporation (NNPC). Shell, ExxonMobil, Chevron, Total, ENI, and Nigerian Petroleum Development Company Limited (NPDC), for instance, work in the upstream sector (exploration and production), whereas indigenous companies such as Conoil, Oando, and African Petroleum (AP) are mainly active in the downstream sector (marketing and distribution). The Nigerian National Petroleum Corporation also plays a role in regulation, transportation, and refining (Omiyi 2008: 8). According to Arinze (2010: 37), apart from the transnational corporations, related but different are the new entrants, namely British Gas Exploration and Production Nigeria Limited (BGEPNL), Centrica, and Addax, as well as other national oil companies such as Statoil, the Korea National Oil Corporation (KNOC), China National Offshore Oil Corporation (CNOOC), Petrobras, and Gazprom.

Shell, ExxonMobil, and Chevron are the major players in Nigeria, and they are listed among the Fortune Global 500 ranking of the world’s largest companies (Hassan 2013: 139). The Shell Petroleum Development Company was a pioneer in both the production and export of crude oil. It has remained the largest since it began producing in 1958, before the emergence of other international oil companies in Nigeria (Udeke 1995).

Some of Shell’s notable onshore projects are Gbaran-Ubie, Soku, and Bonny. The country’s main offshore oil and gas assets have also been identified as Agbami (which produces over 250,000 barrels per day), Bonga (200,000 per day), Usan (over 180,000 per day), and Amenam/Kpono field (125,000 per day) (Asu 2014). The Bonga offshore oil field is operated by Shell Nigeria Exploration and Production Company Limited (SNEPCo).

\[1\] Arinze (2010) adds that Shell has also “the largest historical footprint” in the oil industry.
Experts in the industry now believe that the country expects much growth from the deep offshore production activities. Oil is indeed supposed to bring “wealth and socio-economic development” (Evoh 2009: 40). Despite assuming a prime position in the economy of Nigeria (Emoyan, Akpoborie & Akporhonor 2008), however, the petroleum industry faces many technical and security challenges, including problems like “occasional product shortages, inefficient product distribution and contending pump price of petrol” (Ehinomen & Adeleke, 2012: 232). Moreover, it is responsible for “environmental deterioration” in the Niger Delta.²

A RESOURCE CURSE?

Oil is often perceived as a curse by journalists, activists, and some academics (Pérouse de Montclos 2014: 3). Sachs and Warner (2001) noted that the decline in manufacturing is one of the consequences of natural resource availability. Insights from geology, political science, and economics also show that the abundance of natural resources has had a negative impact for the people of developing countries (Kolstad & Wiig 2008; Mähler 2010; Soreide & Williams 2013). It is also argued that oil revenue drives deprivation and grievance, which further motivate violent conflicts (Collier & Hoeffler 2004; Mähler 2010). This aspect of the “curse” made Juan Pablo Alfonzo, a prominent Venezuelan diplomat, call oil the devil’s excrement.

While having abundant oil is a curse, however, lack of it can equally be another unfortunate curse. The positive level of economic growth in some producing states shows that oil can contribute to economic and political stability when managed properly. Arguably, oil

production and distribution have to deal with uncertainties stemming from factors such as weak institutions and property rights, corruption and crime, favouritism, and easily influenced judiciary. The resource curse theory rather “links corruption to the gross story of the underdevelopment of the Nigerian State, especially with regards to mismanagement and misappropriation of her natural resources” (Ezirim 2011: 2; see also Ugochukwu & Ertel 2008: 139; Nwajiaku-Dahou 2012).

A Nigerian journalist portrays the problem in this manner:

“The huge earnings, arguably, have not translated to improved welfare for the people of the oil producing areas, whose environment – land, water, and air have been adversely contaminated and in many cases devastated and polluted... How Ogoniland and other polluted communities would be cleaned is a matter of conjecture. (Ndjihe 2012: 10)”

Arguments in favour of the curse theory are also based on confrontations over political power and access to resources, which sometimes culminate in bloody clashes between oil-producing communities (Collier & Hoeffler 2004; Watts 2004; Aghalino 2009: 156; Faleti 2010: 11). The ownership of oil wells, for instance, is source of rivalry and competition between Ijaw kingdoms such as Nembe and Kalabari in Bayelsa and Rivers State respectively. It is thus believed that oil companies are embroiled in perennial violence in communities such as Odioma, Oghulagha, Okpoama, Liama, Soku, Emadike, Idama, Epebu, Odimodi, and Warri.

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To many observers, the oil industry in Nigeria is thus associated with disasters, violence, oil spills, pollution, and vandalism. According to data from the Nigeria Watch (NW) database, economic issues like oil are the fifth main cause of violence in the country. Aghalino, for instance, observed that “petroleum production in the Nigerian context has produced a combustible politics of intergroup relations marked by violence” (2009: 153). No wonder Arinze (2010) described Nigeria as the world’s worst case of petro-paralysis. Beyond economic failure, oil has become a human security issue, with a total of 1,547 and 4,548 victims nationwide in incidents related, respectively, to violence in oil production and distribution in 2006–2014 (see Figure 1).

Figure 1 - Causes of violent deaths in Nigeria, cumulated figures, June 2006–May 2014

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According to the data of NW, the core oil-producing areas record the highest number of violent deaths related to the petroleum industry in the upstream sector, with Delta followed by Rivers. On a national level, however, oil distribution is much more deadly, as it includes

“armed attacks on filling stations, tanker accidents and the theft of petrol or inflammable products that are much more lethal than crude oil in the event of an explosion; while violence in oil production is limited to extraction areas only, mainly in the Niger Delta, usually concerned with political desire or criminal attacks to benefit from the oil revenues.” (Nigeria Watch 2007: 8-10)

The maps in Figures 2 and 3 thus show that fatalities involving oil distribution companies are much more scattered. This is why, of a total number of 4,575 victims occasioned by oil distribution, Lagos alone recorded 1,200 cases while Delta State, which produces crude oil, recorded 850 deaths (Adams 2014: 19-20).

In assessing the risks, it should thus be pointed out that oil distribution companies are easily reachable by armed gangs because the process of marketing petroleum products involves direct access to the public. Producing companies, on the other hand, are mainly restricted to members of staff, onshore/offshore partners, and communities where they are located. Such is the case of indigenous oil companies like the NNPC, Conoil, Oando, PPMP, and AP, which have a large footprint in Lagos and other large cities. Although distribution is more lethal than production, however, companies that combine upstream and downstream operations record more violence owing to the complexities associated with the herculean task of managing stakeholders’ diverse interests. A noteworthy source of oil-related deaths, for instance, is smuggling of petroleum products both at the production and distribution stages. These incidents can
happen offshore when naval officers exchange gunfire with thieves who resist arrest.

Figure 2 - Geographical distribution of violent deaths caused by oil production in Nigeria, June 2006–May 2014

Figure 3 - Geographical distribution of violent deaths caused by oil distribution in Nigeria, June 2006–May 2014
THE MAPPING OF OIL COMPANIES AND LETHAL VIOLENCE

The following investigation covers a period of eight years, specifically from June 2006 to May 2014, with data extracted from the NW Project. The situation changed after an amnesty was put in place in 2009 to quell oil-related unrest in the upstream sector. Before then, production had declined owing to threats of attack by rebel groups that wielded sophisticated weapons. Figure 4 thus shows that the highest number of oil-induced fatalities in the upstream sector was recorded in 2009, with a sharp decline since then.

![Figure 4 - Number of violent deaths caused by oil production in Nigeria, per year, June 2006–May 2014](image)

During this period, the number of fatalities according to the involvement of different protagonists shows that armed gangs and communities were the main actors of violence nationwide, followed by Islamic groups when the Boko Haram crisis expanded after the extra-judicial killing of Mohammed Yusuf in July 2009. Other notable protagonists in violence are political parties, rebel
groups, and social movements, including youth associations and community development unions (Figure 5).

**Figure 5** - Violent deaths in Nigeria per protagonists, cumulated figures, June 2006–May 2014

When it comes to oil production and distribution, offshore activities are quite different in this regard, as they are threatened by piracy, illegal bunkering, vessel hijacking, smuggling, arms proliferation, sabotage, and attacks on production facilities. According to the International Maritime Bureau (IMB), Nigeria was top of the list of countries in the Gulf of Guinea, where piracy and sea robbery held sway in 2013.\(^6\) Onshore, there are obviously many more actors involved in violence. The youth, insurgents, women, and host communities’ development associations are all involved in resisting oil exploration and production despite the payments made by international and indigenous companies to keep the crude

oil flowing. For instance, on 15 July 2002, women of Gbaramatu and Egbeama clans in Warri Southwest Local Government Area took over Chevron-Texaco flow stations and staged protests against the company as a result of ecological damage, poor employment opportunities, and the lack of infrastructure (Ezeilo 2007: 70).

Indeed, the region remains underdeveloped in spite of the establishment of institutions such as the Niger Delta Development Board (NNDB) in 1960, the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992, the Petroleum (Special) Trust Fund (PTF) in 1995, the Niger Delta Development Commission (NDDC) in 2000, and the Ministry of Niger Delta Affairs in 2008. While the efforts of these organisations were usually perceived as inadequate, oil companies like Shell, ENI, and Chevron have tried to negotiate with communities and pay them compensation through their public relations departments and the signature of memoranda of understanding.

In reality, the mapping of fatalities in Figure 6 reveals that political and rebel groups are the main adversaries of oil companies, even more so than host communities and trade unions such as the Nigerian Union of Petroleum and National Gas Workers (NUPENG) and the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN). For years, the Movement for the Survival of Ogoni People (MOSOP) has confronted Shell for using security operatives to attack non-violent protesters. According to the NW database, most of the clashes involving MOSOP occurred in the Gokana, Khana, Eleme, and Kegbara Local Government Areas of Rivers State. Since 2005, however, Alhaji Asari Dokubo’s Niger Delta Peoples’ Volunteer Force (NDPVF) and the Movement for the Emancipation of Niger Delta (MEND) have earned enormous popularity for launching successful armed attacks against the petroleum industry. In fact, Jomo Gbomo has been a well-
known mouthpiece of MEND, sending e-mails to media organisations and warning international oil companies of imminent attack.

Of all the rebel groups, MEND is indeed the most dreaded enemy of oil companies, and it continues to threaten them despite the national amnesty programme aimed at disarming militants in 2009. On several occasions in 2008 and 2009, for instance, MEND attacked Shell’s facilities in Ogbotubo (Bayelsa State) and Bonga (75 miles offshore), as well as the Utorogu-Ups trunk line, the Amukpe-Rapele manifold, the Trans-Escravos-Forcados River manifold, the Chanomi Creek Pipeline, and the Trans Ramos Pipeline. MEND even succeeded in a remarkable attack outside Niger Delta, when the militants bombed the oil receptor facilities at Atlas Cove Jetty in the Takwa Bay area of Lagos on 12 July 2009. Available reports show that nine fatalities were recorded in that single incident: three naval personnel and six civilians.7

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During this turbulent period, Shell, Chevron, and ENI had to restrict their usual crude oil production, estimated at 1.3 million barrels per day (Lawal, Olise & Hassan 2009). ENI declared *force majeure* on its Brass fields, while Shell had to reduce production from its onshore operations after losing 20 million USD per day owing to multiple devastating attacks on well-heads and pipelines near Escravos (in the west) and the Cawthorne channel (in the east). About 124 of Nigeria’s 300 operating oil fields were shut by mid-July 2009 (Watts 2009: 2).

Figures 7 and 8 thus confirm that MEND provoked the most deadly scenarios while confronting major oil companies like Shell, ENI, Chevron, and ExxonMobil. NDPVF recorded its highest fatalities in 2010, with 151 deaths. But MEND recorded 631 fatalities in 2009. It is also the only group that still recorded fatalities in 2013, with 15 deaths.

*Figure 7: Fatalities by major oil companies, MOSOP, NDPVF, and MEND, June 2006–May 2014*
However, the various oil companies were not affected in the same way by the armed struggle of rebel groups. Shell, Chevron, and ENI have a history of forceful entry, shutdown, seizure, and occupation of premises and facilities by the youths of oil-producing communities, blocking access roads or installations. Figure 9 shows that Shell has been more involved in fatal incidents, with 307 violent deaths, followed by ENI with 158 and Chevron with 88. The chart also reveals that ExxonMobil is the least affected company, which is not surprising given that it works in deep-water production. As for Total, it describes itself as the first downstream and fourth upstream operator in Nigeria, but it records lower fatalities because it does not have many operating sites in rebel areas.
On the other hand, Shell has a large footprint onshore. It has a substantial network of pipelines, eight gas plants, and two oil export terminals. Consequently, the company has been much affected by the peak of militancy and the damage to oil facilities in 2009, to the extent that its revenues from onshore and shallow-water projects dropped, while offshore production rather increased. As a result, Shell has considered divesting its operations onshore and plans to sell four giant oil blocks in the Niger Delta.

ENI is the oil-producing company with the second-highest number of fatalities since 2006. The reason is not difficult to find: it also has more footprint onshore than Total or ExxonMobil. Moreover, it resorts to heavy-handed Nigerian and foreign security forces to guard both oil workers and installations against protesting youths and militants. In 2007, for instance, ENI hired

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8 This report is available at US Energy information Administration’s website, 2013, on Nigeria. http://www.eia.gov/countries/cab.cfm?fips=ni

IFRA-Nigeria epapers series, 2015, n°44
 Larry Johnson, a former US Army officer, to organise the protection of its facilities.\textsuperscript{10}

In this regard, it is important to note that the use of security forces often exacerbates the problem with the deployment of troops, gunboats, and helicopters. Whether it has been invited by oil companies to intervene or not, the army is notoriously brutal. In May 2009, for instance, the bombardment of seven communities suspected of harbouring militant camps in Delta State led to the death of over 500 people (Afeno 2014: 29).

CONCLUSION : THE MAIN FINDINGS

The petroleum industry in Nigeria is arguably crisis-ridden and this is why many fatalities are recorded annually. Since 2006, oil-related violence in Nigeria has included incidents related to the following: fire accidents in the petrochemical sector, security threats occasioned by restive youths, pipeline vandalism, kidnappings, and attacks by armed gangs. Such features pose grave economic and security costs, with far-reaching implications for oil exploration, production, and distribution.

The activities of oil-producing companies in the Niger Delta are also consistently hampered by what political analysts and media reports describe as the “massive theft of crude oil”\(^\text{11}\). While oil distribution seems to be more dangerous than production across the country, it is believed that onshore activities pose graver dangers to oil workers than offshore activities. For this reason, some major companies now prefer to operate offshore, where rigs can only be reached by helicopters or speedboats. In essence, offshore production facilities are less frequently attacked because underwater drilling is far from land and militants.

The findings also reveal that NNPC records more fatalities because it is nationally based, carrying out both production and distribution activities, while the international oil companies mainly work in the upstream sector in the Niger Delta only. MEND is the most dangerous enemy of major oil-producing companies in this regard. It has recorded more fatalities, especially in 2009 with 631 violence-related deaths. Its attacks have reduced production and led to divesting onshore. While MOSOP and NDPVF focused on Rivers State, MEND operated across Bayelsa, Rivers, and Delta states. This

explains why Shell, ENI, and Chevron have been more affected by lethal violence than other companies. Shell, in particular, had the highest number of fatalities among oil-producing companies, with 307 victims since June 2006. By contrast, ExxonMobil has been more free of violence (Nigeria Watch 2011: 16), with just 10 recorded fatalities since 2006.

To conclude, it is clear that the higher the number of onshore operations, the more that oil companies become vulnerable to attacks. Shell’s sale of onshore oil blocks is thus traceable to insecurity and threats posed by armed gangs. Footprint is a crucial factor in the issue of lethal violence, as it offers more insight into why oil distribution companies record more deaths nationwide, on the one hand, and what makes some oil-producing companies experience a higher number of violent incidents, on the other hand.
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LIST OF ABBREVIATIONS

AP: African Petroleum
BGEPNL: British Gas Exploration and Production Nigeria Limited
CNOOC: China National Offshore Oil Corporation
EEPNL: Esso Exploration and Production Nigeria Limited
ENI: Ente Nazionale Idrocarburi
IMB: International Maritime Bureau
KNOC: Korea National Oil Corporation
MEND: Movement for the Emancipation of Niger Delta
MNDA: Ministry of Niger Delta Affairs
MON: Mobil Oil Nigeria plc
MOSOP: Movement for the Survival of Ogoni People
MPN: Mobil Producing Nigeria Unlimited
NDDC: Niger Delta Development Commission
NDPVF: Niger Delta Peoples’ Volunteer Force
NIMASA: Nigerian Maritime and Safety Agency
NNDB: Niger Delta Development Board
NNPC: Nigerian National Petroleum Corporation
NPDC: Nigerian Petroleum Development Company Limited
NW: Nigeria Watch
OML: Oil Mining Licence
OMPADEC: Oil Mineral Producing Areas Development Commission
PMS: Premium Motor Spirit
PPMP: Pipeline and Product Marketing Company
PTF: Petroleum (Special) Trust Fund
PTF: Presidential Task Force
SNEPCo: Shell Nigeria Exploration and Production Company Limited
SOL: Seawolf Oilservices Limited
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