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## Petro-Piracy: Oil and Troubled Waters

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May 20, 2013

By Martin N. Murphy

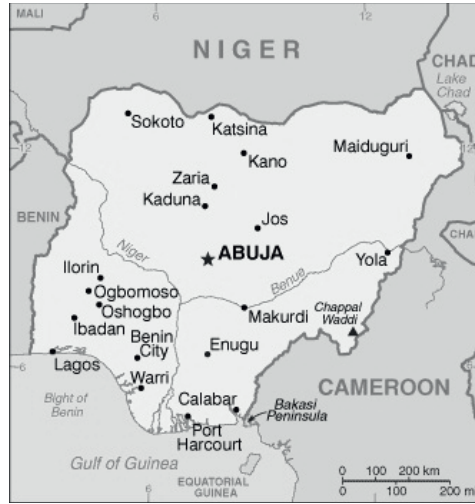
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*Abstract: West Africa piracy is the most profitable in the world. Well-organized gangs steal refined oil in contrast to Somali pirates who hold crews and ships for ransom. Like piracy elsewhere, the origins and potential solutions to West African piracy are found ashore—largely in Nigeria. This article argues that oil states in the developing world are shielded from the domestic and international pressures that can bring down their non-oil neighbors. The current international system which makes international recognition, not internal legitimacy or functionality, the key to state authority works to their benefit. It encourages those parts which are valuable to industrialized powers—and to the domestic elites who facilitate and benefit from international legitimization—to function well enough for resource extraction to continue. The security of the state generally matters less than the security of key enclaves— including ships and offshore platforms—which support elite interests.*

The world's attention has been so focused on piracy off Somali that it is sometimes hard to believe piracy is occurring elsewhere. In the case of the Gulf of Guinea that is unwise. On the inland and coastal waters of Nigeria particularly, and on the waters over a hundred miles off its coast, acts of depredation against ships and fixed oil installations have been taking place resulting in far greater financial losses and a far wider economic impact than anything seen so far anywhere else in the world. The effects of that disorder are spreading to its neighbors.

Observers are divided as to whether these acts are criminally or politically-inspired. Whatever the motivation they are a reaction to the rapacity of international oil companies (IOCs) over decades in the Delta region and the greed of Nigerian politicians who have colluded in the destruction of local habitat and the livelihoods

it supported. Local inhabitants believe they have gained little or nothing from the billions of dollars paid for the oil extracted from beneath their feet.



The main grievances are poverty, high youth unemployment, hiring practices that discriminate against locals and between local tribes, and the manipulation of government power by powerful ethnic groups outside the oil-rich Delta region to seize its oil wealth for themselves.<sup>1</sup> Over the past 50 years, 1.5 million tons of oil has been spilt which equates to an *Exxon Valdez* catastrophe every year.<sup>2</sup> In 2006 many in the Delta felt it was on the verge of an ecological disaster.<sup>3</sup>

The sense of injustice and exploitation that pervade the region has roots in a long struggle by local people for autonomy stretching back over generations. Drawing a Manichean distinction between politically and criminally-motivated actions in this conflict is wrong-headed. In practice they are inseparable on land, on the water-courses that are such a distinctive feature of the region's geography, and on the coastal seas, where militants have made victims out of seafarers, fishermen, foreign oil workers and the inhabitants of neighboring states.

<sup>1</sup> Cyril Obi, "Nigeria's Niger Delta: Understanding the Complex Drivers of Violent Oil-related Conflict," *Africa Development*, Nov. 2, 2009, pp. 106-107; Sofiri Joab-Peterside, "On the Militarization of Nigeria's Niger Delta: The Genesis of Ethnic Militia in Rivers State, Nigeria," Working Paper No. 21, *Niger Delta Economies of Violence Working Papers* (UC Berkeley: Institute of International Studies, 2007), p. 3.

<sup>2</sup> Arild Nodland, "Guns, Oil, and 'Cake': Maritime Security in the Gulf of Guinea," in Bruce A. Elleman, *et al.*, *Piracy and Maritime Crime: Historical and Modern Case Studies* (Newport, RI: Naval War College Press, 2010), p. 193.

<sup>3</sup> United National Development Programme (UNDP), "Niger Delta Human Development Report 2006," p. 74.

## Nigeria's Present and its Future: Two Interpretations

Nigeria, granted independence from Britain in 1960, was expected to be Africa's success story. There are now two divergent interpretations of Nigeria's prospects. The first suggests the country is beginning to realize its promise. Between 2001 and 2010 its economy grew at an average rate of 8.9 percent including in many sectors outside the oil industry.<sup>4</sup> Nigeria is also Africa's most populous country with 162 million people, including an emerging middle-class which is attracting the interest of international investors. Politically, Nigeria is evolving towards a stable democracy with increasingly free and fair elections and the continent's most diverse and outspoken media. An amnesty in the Niger Delta region has curbed the violent insurgency that threatened the country's oil industry. The only shadow is terrorism in the north of the country perpetrated by a militant Islamic group suspected of links to al Qaeda, Boko Haram.<sup>5</sup>

The alternative explanation is darker. It sees government at all levels as corrupt. While the 2011 presidential election was procedurally fair, the victor, Goodluck Jonathan, was widely seen in the north as flouting the convention that southern and northern candidates should hold the presidency alternatively. As a result the election was marred by considerable violence. Boko Haram grabbed this opportunity and exploited long-existing inter-communal tensions to extend its campaign to the country's middle belt.

Meanwhile the situation in the Niger Delta is no nearer a solution. The Delta region, rich in oil, remains rich in resentment. Billions of dollars have disappeared into the overseas bank accounts of corrupt politicians and officials. This combination triggered an insurgency. Unable to contain the violence, the government declared an amnesty which in 2009 induced some 26,000 militants to lay down their arms. However, government inaction on fundamental grievances has led to the formation of self-styled "third phase" militant groups.

Undoubtedly there is truth in both interpretations. Crime, however, is a national epidemic: one that the police—lacking adequate pay, training or numbers—seemingly aid and abet through their own predatory behavior. The general lack of trust in government feeds vigilantism. In areas of particular stress, such as the Niger Delta, repressive security measures are seen as actively making such problems worse.

<sup>4</sup> "Africa's Impressive Growth," *The Economist*, Jan. 6, 2011.

<sup>5</sup> Drew Hinshaw, "New Attacks Threaten Nigeria's Future," *Wall Street Journal*, Feb. 17, 2012.

## Ingrained Challenges

Four deeply-ingrained challenges do not augur well for the future: population, wealth inequalities, corruption and urban expansion. Nigeria's exploding population means it could add 70 million people to its 162 million population by 2025.<sup>6</sup> While it is the continent's second largest economy, wealth inequalities abound: it had a poverty rate of 70 percent in 2007.<sup>7</sup>

Income inequalities feed corruption, the country's over-riding curse and primary cause of its poverty.<sup>8</sup> Eighty-five percent of the country's oil revenue flows to one percent of the population and 40 percent of that is stolen and sent abroad.<sup>9</sup> Nigeria is also a country where civil servants go for months without salaries and things can only happen if money is exchanged illegally. At a political level, it is one where advancement is open to those who can pay. Since 1999 politics have been dominated by the People's Democratic Party (PDP) which now wields enormous patronage. Corruption costs the country between \$4 and \$8 billion per annum.<sup>10</sup> While politicians are corruption's principal beneficiaries, the police and judiciary are its most visible faces.

Lagos, the country's principal port and commercial capital, has grown to be a mega-city of between 12 and 17 million making it probably the largest city in Africa and one of the four largest in the world. This growth has placed immense strain on the region's ecology. The coastal belt, of which Lagos is a part, stretches 530 miles (850km) through nine of the federation's 36 states. Its width varies between about nine miles (15km) in Lagos state in the west, to over 90 miles (150km) in the Niger Delta, before narrowing again to around 15 miles (25km) between the delta and the Cameroon border in the east.<sup>11</sup> The geography of the Delta heartland is challenging: it's 27,000 square miles—roughly the size of South Carolina—is a maze of swamps, creeks and rivers, where constructing roads costs four times more than on dry land and mobility by water is time-consuming. It is

<sup>6</sup> United Nations Department of Economic & Social Affairs/Population Division, *World Population Prospects: The 2010 Revision: Vol. 1, Comprehensive Tables*, 2011, p. 88 (Table S2).

<sup>7</sup> All figures from CIA *World Fact Book* <https://www.cia.gov/library/publications/the-world-factbook/>.

<sup>8</sup> Omololu Fagbadedo, "Corruption, Governance and Political Instability in Nigeria," *African Journal of Political Science and International Relations*, Nov. 2007, p. 30 citing V.E. Dike; Herbert H. Werlin, "Corruption and Foreign Aid in Africa," *Orbis*, Summer 2005, p. 524. For the 2011 ranking, see Olukorede Yishau, "Transparency International ranks Nigeria 143<sup>rd</sup> on corruption index," *The Nation*, Dec. 2, 2011.

<sup>9</sup> Obi, "Nigeria's Niger Delta," pp. 123-124; Michael Watts, "Crude Politics: Life and Death on the Nigerian Oil Fields," *Niger Delta Economies of Violence Working Papers*, Working Paper No. 25. (UC Berkeley: Institute of International Studies, 2009), p. 3.

<sup>10</sup> "Everyone's in on the Game: Corruption and Human Rights Abuses by the Nigerian Police Force," Human Rights Watch, Aug. 2010, p. 20.

<sup>11</sup> "The Status of the Nigerian Coastal Zones," UNEP, <http://www.unep.org/AbidjanConvention/docs/THE%20STATUS%20OF%20THE%20NIGERIAN%20COASTAL%20ZONES%20version%202.pdf>.

home to 32 million people, 62 percent of them under age 30. Across the region communities have been subjected to unregulated development, pollution, inadequate sewage disposal, poor fisheries management, loss of mangrove habitat and coastal erosion. People have drifted to the cities in search of a better life but often find only a slum existence. That pressure is likely only to increase as the country's explosive population growth, felt keenly in Lagos, imposes similar strains all along the coast.

### **Delta Divisions**

Nigeria emerged from British colonial rule in 1960 as a federal state divided into Northern, Western, and Eastern Regions. However, tensions rooted in ethnic differences—which underlie much of the post-independence turmoil—remained unresolved.<sup>12</sup> In 1967 they exploded into civil war driven by an attempted coup followed by the Eastern Region's attempt—as the Republic of Biafra—to secede. The region's dominant tribe, the Ibo, was subjugated by the victorious northern interests. The region's smaller tribes, who had aligned themselves with the northerners fearing domination by the Ibo if Biafra had won independence, were cast aside once the war was over. Income from oil was collected and disbursed centrally, largely to the northerners' advantage. The political struggle between the oil-producing states and the minority tribes on one side, and the non-oil producing states and the majority groups on the other, had begun.

### **Early Piracy**

Oil was first discovered in 1956. In the years leading up to and immediately following the Ijaw's defeat, piracy was practically unheard of in Nigerian waters. By the 1970s corruption, driven by oil revenues, was widespread. It was boosted in 1973 by the oil price hike imposed by the newly created Organization of Petroleum Exporting Countries (OPEC). It stayed high throughout the 1970s. However, before it collapsed in the early 1980s, the government lavished money on wasteful social expenditure, unrealistic industrialization and prestige projects that sucked in enormous cement imports.

Lagos harbor could not cope and at times over 400 ships lay anchored, many for months, waiting to unload. Pirate attacks on the "cement armada" coupled to the wholesale theft of goods from wharves began. By the first quarter of 1981, the Lagos roadstead was experiencing between three and 12 attacks *a day*.<sup>13</sup> Shortly afterwards, however, the problem declined, largely in response to the steep decline in oil prices, resulting in fewer ships calling at Lagos, rather than effective law

<sup>12</sup> Ricardo Soares de Oliveira, *Oil and Politics in the Gulf of Guinea* (London: Hurst, 2007), p. 130.

<sup>13</sup> Roger Villar, *Piracy Today: Robbery and Violence at Sea since 1980* (London: Conway Maritime Press, 1985), p. 102.

enforcement or naval action. But it did not stop: as recently as 2002-2003 there were many more *reported* cases of piracy in Nigerian waters than off Somalia where the upswing only started in 2004-2005.

### The Oil Prize

For the past 30 years, the Nigerian government has depended on oil revenue for around 80 percent of its income. Immediately following the Biafran War, the military government made itself the recipient of all revenue from international oil companies operating in Nigeria placing all the money—and the formula for its disbursement—under federal control. Federally-created non-oil states lacking viable fiscal bases became federal clients and political counterweights to oil producing areas. The revenue allocation process became mired in secrecy and controlled by elites close to the president.<sup>14</sup>

Although the formula laid down for dividing oil revenue has been amended several times, it remains a major political issue. In 1980, 75 percent of the federal allocation went to non-oil producing states; in the decade following, the proportion of federal monies going to oil producing areas fell further still, in the case of Rivers State to less than three percent.<sup>15</sup> From this low point it climbed to 13 percent in 1999.

### Delta Militancy: Righteous Rebellion or Crude Criminality?

The money flowing to the Delta might have increased but local people saw little of it. As far as they were concerned the federal government, in partnership with the IOCs, was cheating them of what was rightfully theirs. What they saw in their everyday lives was "oil pollution, extreme poverty, high ... youth unemployment, perceived discriminatory employment practices against locals by oil companies ... neglect by successive administrations."<sup>16</sup>

Defiance started in February 1966 when the Niger Delta Volunteer Force (NDVF), led by Isaac Adaka Boro, tried to establish an independent Niger Delta republic.<sup>17</sup> His attempt was crushed but spurred others, including Ken Sara Wiwa, who formed the unarmed Movement for the Survival of the Ogoni People (MOSOP) in 1990. His arrest and execution, along with nine of his colleagues by the

<sup>14</sup> Soares de Oliveira, *Oil and Politics in the Gulf of Guinea*, pp. 67-68; Ike Okonta, "Behind the Mask: Explaining the Emergence of MEND in Nigeria's Oil-bearing Niger Delta," *Niger Delta Economies of Violence Working Papers*, Working Paper No. 11 (UC Berkeley: Institute of International Studies, 2006), p. 7.

<sup>15</sup> Michael Watts, "Petro-Insurgency or Criminal Syndicate? Conflict, Violence and Political Disorder in the Niger Delta," *Niger Delta Economies of Violence Working Papers*, Working Paper No. 16 (UC Berkeley: Institute of International Studies, 2006), pp. 11-12.

<sup>16</sup> Obi, "Nigeria's Niger Delta," pp. 106-107.

<sup>17</sup> Judith Burdin Asuni, *Understanding the Armed Groups of the Niger Delta*, Council for Foreign Relations Working Paper, Sept. 2009, p. 5; Obi, "Nigeria's Niger Delta," pp. 128-129; Watts, "Crude Politics," p. 14; Okonta, *op.cit.*, p. 6.

Abacha regime in 1995, generated local and international outrage.<sup>18</sup> The violent reaction of the Nigerian state provoked an armed response: by 2009 there were estimated to be 50,000 militants associated with groups all across the region.

Increased federal government payments to Delta states were intended to provide local political leaders with sufficient funds to co-opt such movements' leaders. In 2009 the income of Rivers State alone was, at \$2.9 billion, greater than that of several African countries. Decentralization of revenue, evident in an enormous increase in the wealth and patronage of state governors, meant the decentralization of corruption and with it the means to fund violence. There seems little doubt that militants and members of the PDP—worked together to mutual advantage.

From the beginning, the extraordinary profits in oil theft—known as "illegal bunkering" regardless of whether it takes place on land or at sea—attracted the interest of military and political figures who demanded a share in return for their acquiescence and protection. Politicians quickly recognized the advantages of associating with well-funded and well-armed gangs. Peter Odili, PDP candidate for the Rivers State governorship in 1999, supplied gang leaders Ateke Tom and Dokubo-Asari with arms to ensure his election. These gangs retained their weapons afterwards, although neither remained constant in their political allegiance, and eventually clashed violently over oil bunkering. Dokubo-Asari, who led the Niger Delta Peoples Volunteer Force (NDPVF), now claims he was trained in Libya and paid \$100,000 to stir up trouble by Muammar Gadhafi, who saw Nigeria as a rival.<sup>19</sup>

In late 2005 representatives of the Federation of Niger Delta Ijaw Communities (FNDIC), NDPVF and various cult groups met to discuss a unified response to the arrest of several prominent Ijaw leaders.<sup>20</sup> They agreed to form MEND, the Movement for the Emancipation of the Niger Delta, under whose umbrella bunkering syndicates were merged and attacks mounted against oil installations. A few weeks later, on January 11, 2006, the group kidnapped its first foreign oil workers.<sup>21</sup> Yet MEND was never a unified entity. Some judged it to have been a primarily criminal organization despite its own very public claims to the contrary. Others, while not denying the criminal element, pointed to the federal government's reluctance to provide security in situations that were not directly oil-related. This selective application of law enforcement, coupled to other social pressures, had led each tribe to form armed groups to defend their interests which by the early 2000s had also begun to drift into criminality. The region's "waterborne crimes," Samuel Menefee wrote, "resist easy interpretation. This is more than a question of government claim and tribal counterclaim: the number of 'players' ...

<sup>18</sup> Asuni, *Understanding the Armed Groups of the Niger Delta*, p. 5; Obi, "Nigeria's Niger Delta," p. 119.

<sup>19</sup> Drew Hinshaw, "Nigeria's Former Oil Bandits Now Collect Government Cash," *Wall Street Journal*, Aug. 22, 2012.

<sup>20</sup> For a description of "cults," see Asuni, *Understanding the Armed Groups of the Niger Delta*, pp. 8-9.

<sup>21</sup> *Ibid.*, p. 5, pp. 17-18.



makes assigning responsibility for any particular action tricky...Additionally, the sources available cannot exactly be called impartial.”<sup>22</sup>

### Nigeria’s Water World

International law defines piracy as an act of private depredation committed on the high seas. Many of the acts of maritime depredation along Nigeria’s coast take place within territorial and internal waters. Determining whether the various Niger Delta groups are privately or politically motivated further complicates the piracy issue. The Governor of Rivers State, Chibuike Rotimi Amaechi, endorsed the judgment of a leading private security company when he explained in 2008 that there was a

thin, often overlapping, line between these groups. An attacker may one day kidnap an oil worker in order to buy a flashy car; the next day he may join a raid by a militant group and, on the third day, hijack a rig to generate cash for his chief or to get jobs, a new hospital or generator for his village.<sup>23</sup>

In many conflicts, however, drawing a clear line between privately motivated piracy and politically motivated maritime depredation has proved difficult. Somali and Malacca Strait piracy are rare in being relatively unambiguous.

Illegal bunkering is enormously profitable. Income from kidnapping is also lucrative but cannot rival oil theft. The scale of the losses is staggering—more than \$100 billion worth of oil has gone missing since 1960.<sup>24</sup> More oil is stolen in the Delta than some African counties produce. Rising oil prices have fueled enthusiasm for the practice. Leaked U.S. diplomatic cables suggest those linked to shady deals have included the wife of a former president. It went on to suggest that "Ijaw and Itsekiri youths and elders accuse unnamed high-ranking politicians in Abuja. Unconfirmed reports claim that Lebanese nationals possibly funding the terrorist groups Hamas and Hizbollah, the Russian Mafia, and drug cartels are (also) involved."<sup>25</sup> In July 2012 the head of Shell in Nigeria described illegal bunkering as "out of control" and suggested that some of the operations appeared to have the support of foreign countries.

What proportion of this oil theft takes place at sea is hard to quantify; indeed the assumption is that oil theft generally is underreported. What is taken at sea is almost certainly far less than results from either "hot tapping" into land

<sup>22</sup> Samuel P. Menefee, "Delta Blues: Maritime and Riverine Crime in the Nigerian Delta," in Mamimo Q. Meija and Jingjing Xu, *Coastal Zone Piracy and Other Unlawful Acts at Sea* (Malmö: WMU Publications, 2007), p. 211.

<sup>23</sup> C.R. Amaechi, "Fundamental Causes of Maritime Insecurity," in a lecture organized by the Nigerian Maritime Administration and Safety Agency and the Nigerian Navy, published by *The Tide Online*, May 6, 2008.

<sup>24</sup> Watts, "Crude Politics," pp. 15-16.

<sup>25</sup> "Wikileaks names ex-first lady, others as oil thieves," *Punch*, Sept. 7, 2011.

pipelines or fraud in "legal bunkering." However, given the scale of losses overall it is safe to assume that the value of oil stolen at sea makes Nigerian piracy the most lucrative in the world. None of this would happen without the complicity of many in Nigeria's political elites, the national oil company (NNOC) and military.<sup>26</sup>

The number of piracy attacks is also unknown. Underreporting of piracy incidents is commonplace around the world.<sup>27</sup> Some observers suggest that Off Nigeria between 50 and 80 percent of cases may go unreported. Numbers for people killed or injured there are also unreliable.

Currently, six types of piracy are identifiable as shown in the chart below:

Type	Category	Description	Example
1	Inland water assault	Small bands in harbors, etc. akin to petty thieving; rarely violent	Chittagong, Santos, Indonesian ports; Lagos
2	Local vessel assault	Can be violent; fishing common cause; often persistent	Ganges Delta; Malacca Strait, Nigeria
3	Coastal shipping/installation assault	Perpetrators can use or threaten violence; primary objective is theft of crew valuables or ship's equipment; kidnap-and ransom (K&R) in some locations	Malacca & Singapore Straits; South China Sea; Nigeria & parts of Gulf of Guinea
4	Major ship assaults	Theft of ship and cargo; selective K&R; highly organized	SE Asia, Nigeria & parts of Gulf of Guinea
5	Major hostage taking	K&R over-riding objective; highly organized	Somalia
6	Coastal raiding	Historically common; currently rare	Philippines; Sabah; Gulf of Guinea

<sup>26</sup> Soares de Oliveira, *Oil and Politics in the Gulf of Guinea*, pp. 93, 119; Nodland, "Guns, Oil, and 'Cake,'" p. 201.

<sup>27</sup> For a discussion of this issue, see Martin N. Murphy, *Small Boats, Weak States, Dirty Money: Piracy and Maritime Terrorism in the Modern World* (New York & London: Columbia University Press/Hurst, 2009), pp. 65-72.

Nigeria is the most challenging maritime security environment on Earth. Most incidents occur in the country's inland or territorial waters although this is changing as gangs venture further out to sea, including to the waters off Benin and Togo. Inadequate capacity at Lagos means that ships still have to drift offshore sometimes for weeks waiting for a berth. At the same time, the Nigerian Navy lacks sufficient patrol craft to enforce national jurisdiction over the country's territorial waters, let alone its exclusive economic zone (EEZ). While it is taking steps to rectify this, training the personnel needed to man these vessels effectively takes time and needs to occur in parallel with action to reduce pervasive corruption in the armed forces. Confronting these two challenges simultaneously will not be easy and improvements may be slow to materialize.

Piracy is organized predation. In Nigerian waters Type One, Two and Three attacks are perpetrated by loosely organized gangs that seek out opportunities based on perceived weakness: ships and platforms that have taken sufficient self-protection measures are ignored and weaker prey sought instead. These criminals look to get on board quickly and quietly—often at night—and aim to leave quickly after taking the main portable valuables amongst the crew's possessions and the ship's equipment. They will, however, readily use or threaten violence to enforce compliance. These raids generally happen so rapidly that navies, even if they have resources available, have too little time to respond before the pirates have escaped. Those involved possess knowledge of the local water and also appear to have inside information about cargoes, ship movements and naval dispositions; they can undertake pre-attack reconnaissance easily by mixing with hundreds of similar small craft populating Nigeria's coastline.

These craft include offshore support and supply boats which are perfect for opportunistic robbery because of their slow speed and low freeboards. Oil workers are equally easy to abduct for ransom from small, isolated offshore platforms. Fishing vessels appear to be particularly vulnerable. According to the official figures, pirates attacked Nigerian fishing vessels 293 times between 2003 and 2008 losing the industry around \$600 million annually in exports. They succeeded in "ravaging Nigeria's fisheries sector" and in response "most of the boats were tied down at jetties" during 2008 in protest at the government's inaction.<sup>28</sup> Fishermen's leaders stated the problem extended from the Niger Delta as far west as Lagos.

Of greater concern are the highly organized Type Four attacks mounted by militant groups, such as MEND, to disable oil installations and also by criminal gangs focused on oil theft. Their *modus operandi* appears closer to that of Somali pirates: a high speed approach culminating in automatic gun fire directed at the ship's bridge and accommodation block backed up by the threat or use of rocket-propelled grenades (RPGs) to force the ship to accept borders. These groups appear to have substantial political and financial backing in Nigeria. Since 2010 there has been a rise in attacks off Benin and Togo whose navies are even less capable than Nigeria's; more recently Nigerian pirates have begun using mother ships to extend their range. In October 2012 the first attack took place off Ivory Coast. The ship,

<sup>28</sup> Ifeyinwa Obi, "Fish on the run: How pirates attacks on fishing trawlers hike price of fish," *The Vanguard*, March 2, 2008.

the *Orfeas*, was sailed past Benin and Togo to Nigeria where 3,000 of the 32,000 tons of gasoline on board was removed before the ship was released.

The majority of attacks have been on product tankers; only a few on crude carriers. The first *recorded* hijacking took place in December 2010, involving an Italian-registered tanker the MT *Valle di Cordoba* from which 5,000 metric tons of gasoline, reportedly worth \$5 million, was transferred to a smaller vessel. Other attacks have included the *BW Rhine* which was seized from an anchorage off Togo in April 2012. It was released missing an unspecified quantity of its \$60 million cargo of gasoline.<sup>29</sup> Had all of it been taken it would have made Somali seizures look paltry; the highest ransom ever received by Somali pirates was believed to be \$13.5 million in 2011 for the *Irene SL*, a VLCC carrying a cargo worth \$200 million. As it is, the gangs operating off Benin are believed to be taking two to three cargoes worth \$5-10 million each month. In August 2012 the MV *Energy Centurion*, with a Russian crew of 24 was hijacked and then released three days later minus 3,100 tons of its cargo of fuel.<sup>30</sup> In September a gang boarded the Singapore-registered *Abu Dhabi Star* and although the crew secured themselves in a citadel (a common procedure off Somalia) and managed to use a cell phone to summon help, the Nigerian Navy arrived after the pirates escaped too late to prevent the pirates siphoning off an unknown quantity of its refined oil cargo. In September, a vessel reportedly owned by Nigerian interests transported 16 armed pirates to attack the MT *Anuket Emerald* with sub-machine guns before siphoning off the cargo and taking it back to Lagos where it was stored in an Apapa tank farm prior to being sold into the local market.<sup>31</sup> Pirates had less success in March 2011 with the *Duzgit Venture* which was hijacked off Benin then sailed to Gabon where it failed to rendezvous with the expected barge and was later abandoned.

The United Nations Security Council, having expressed its concern about piracy in the Gulf of Guinea in August 2011, passed resolution 2018 in October in which it re-emphasized that concern and urged states to reinforce their domestic legislation, develop a comprehensive regional counter-piracy framework, issue appropriate guidance to shipping and cooperate in prosecuting pirates, their backers and financiers. Looking at piracy's wider affects, the Economic Community of West African States (ECOWAS) and the Gulf of Guinea Commission (GGC) reported that piracy was "rapidly spreading around the region and increasingly dovetailing into oil bunkering, robbery at sea, hostage-taking, human and drug trafficking, terrorism and corruption," while resource shortfalls and inadequate legal frameworks meant that pirate suspects were being released.<sup>32</sup> In an effort to overcome these weaknesses, the International Maritime Organization (IMO) had already begun working with the Maritime Organization of West and Central Africa

<sup>29</sup> "Italian tanker Anema e Core seized by pirates off Benin," *BBC News*, July 24, 2012.

<sup>30</sup> "Greek oil tanker released by pirates off the coast of Togo," *BBC News*, Aug. 30, 2012.

<sup>31</sup> Wale Akinola, "Jitters in the Oil Sector amid Crackdown in Thieves, Pirates," *The Vanguard*, Sept. 30, 2012.

<sup>32</sup> "Gulf of Guinea Piracy 'Clear Threat' to Security, Economic Development of Region," UN Security Council, Feb. 27, 2012.

(MOWCA) to develop a coast guard network and improve regional maritime security cooperation.

### Things Fall Apart

Nigeria's problems remain at the heart of this regional challenge. The country's social structures may not differ substantially from those of its neighbors but the comparative size of its population, the scale of its economy and the overwhelming preponderance of its oil sector mean its problems can affect them—particularly at sea where movement is easy and security is lacking.

With coercive response appearing to make little headway against Niger Delta militants, the late President Yar'Adua wisely initiated the amnesty program which continued under his successor Goodluck Jonathan. Most of the MEND commanders accepted what was offered although some, who were more quickly disillusioned than others, picked up their arms again. However, this disillusionment appears to be spreading and the amnesty looks as if it is beginning to unravel. The renegades have styled themselves "third phase militants"; they appear to be using MEND-style tactics in pursuit of more limited objectives.

The Yar'Adua initiative was a bold move, inducing militants to hand in their weapons for cash payments and enrolling them in rehabilitation and training programs.<sup>33</sup> Around 26,000 militants from various organizations eventually surrendered in return for a monthly stipend worth three times the minimum wage. This has led naturally to critics pointing out that the program was fiscally unsustainable with more money going to ex-militants than to the health service. The amnesty's flaw, however, was the assumption that the militancy was simply an outbreak of "large-scale organized crime" in which "once legitimate grievances [had] been abandoned to outright predation." It consequently failed to address the fact that Delta tribal groups felt they were supporting a corrupt political class and had not benefitted from the half a trillion dollars the oil industry has paid Nigeria since 1970. Peace was bought not built. The risk always was that some would return to the region's creeks and begin the cycle of violence all over again.<sup>34</sup> This seems to be what is happening. One expression of that has been the growth of piracy: militancy has moved offshore.

### Conclusion

In 2005, the CIA predicted that Nigeria would be a failed state by 2020.<sup>35</sup> Oil states in the developing world are shielded from the domestic and international pressures that can bring down their non-oil neighbors. The current international system which makes international recognition, not internal legitimacy or

<sup>33</sup> "Nigeria Offers Militants Amnesty," *BBC News*, June 26, 2009.

<sup>34</sup> Thomas Strouse, "Will Nigeria's Amnesty Campaign Have a Lasting Impact on the Delta Insurgency?" *The Jamestown Foundation Terrorism Monitor*, Oct. 2009, pp. 5-8.

<sup>35</sup> *Mapping Sub-Saharan Africa's Future: Conference Summary* (National Intelligence Council, March 2006), p. 16, [http://www.dni.gov/nic/PDF\\_GIF\\_confreports/africa\\_future.pdf](http://www.dni.gov/nic/PDF_GIF_confreports/africa_future.pdf).

functionality, the key to state authority works to their benefit. It encourages those parts which are valuable to industrialized powers—and to the domestic elites who facilitate and benefit from international legitimization—to function well enough for resource extraction to continue. The security of the state generally matters less than the security of key enclaves which support elite interests. These include the oil and gas fields and the necessary export infrastructure. As Soares de Oliveira has pointed out, these enclaves bear an uncanny resemblance to the trading and slaving factories established around the Gulf of Guinea in pre-colonial times.<sup>36</sup>

The two interpretations of Nigeria's future may not, therefore, turn out to be one or the other but both, side-by-side: the mega-city of Lagos, its major outlier Abuja and the various oil-related enclaves as economically and socially vibrant compared to the remainder of Nigeria, beset largely by criminal but not inter-communal violence, and where the possibility of advancement through corruption offers a future compared to the desperate existence elsewhere. Because oil emancipates the state from society, defensive perimeters can be drawn around the enclaves the state values leaving the space in between them relatively unprotected.

The Delta's problems will not, therefore, be addressed with any urgency because the militancy to which they give rise is perceived as manageable. The response to insecurity has been to re-balance and reinforce the state's coercive power, including the establishment of Operation Pulo Shield, a campaign led by the controversial Joint Task Force (JTF), to hit illegal oil bunkerers and refiners.<sup>37</sup> Instead of political engagement ex-militants are hired to guard the facilities they once attacked.

At sea, this requires that the major oil carriers must be able to come and go, and the major offshore platforms allowed to operate in relative safety. Offshore production was once seen as a way of escaping the predation on land but MEND's attack on Shell's Bonga platform in 2008, and the rise of piracy, has undermined that assumption. Physical defenses have been erected; the Bonga platform now has armor plating to protect it against Rocket-propelled Grenade (RPG) fire while French Special Forces have reportedly been deployed on Total Oil rigs. Cooperation with foreign navies has been increased. Nigeria and Benin initiated joint naval patrols as "Operation Prosperity," in September 2011, and other nations including Ghana and Togo are expected to join in the future. Ships and platforms will become the equivalent of on-shore enclaves; ensuring they remain secure will become the Nigerian Navy's primary purpose. Private security companies (PSCs) will likely play a larger and larger role, as they have on land and off Somalia, planning and guiding defensive measures if not yet engaging in armed confrontations with disruptive actors.

<sup>36</sup> *Ibid*, pp. 54, 105-107.

<sup>37</sup> Samuel Oyadongha, "FG approves new operational status for JTF," *The Vanguard*, Jan. 11, 2012. Amnesty International has accused the JTF of rape, theft, torture and "extrajudicial executions," "Conflict in the Niger Delta," Amnesty International *Eyes on Nigeria*, undated, [http://www.eyesonnigeria.org/EON\\_Delta.aspx](http://www.eyesonnigeria.org/EON_Delta.aspx).

These actors are categorized as criminals and pirates, labels that are applied indiscriminately. As one senior company manager put it, the amnesty reduced on-shore militancy but replaced it with "staggering levels of theft and criminality."<sup>38</sup>

The militants angrily reject the criminal label. From their perspective the principal act of engagement, the amnesty, should not be an end in itself. However, although recommendations for reform are plentiful, many attitudes will have to change if the fundamental social issues are to be addressed. Extraordinarily, since oil was discovered Nigerian GDP per capita and life expectancy have both declined. But implementing change and advancing a more broadly-based political settlement would mean confronting the distorting effects of subsidies on Nigeria's internal energy market, and on the difference between fuel prices in Nigeria and its neighbors that make smuggling so lucrative, and the over-riding problem of elite corruption.

The prospects for change are thin. An almost fatalistic acceptance that corruption is now a way of life appears widespread within Nigeria and anti-corruption efforts largely ineffectual. Moreover, and as distasteful as some may find it, the interests of the domestic elites and industrialized societies coincide. The United States alone imports around nine percent of its oil requirement from the Gulf of Guinea currently—largely Nigeria—and some forecasts suggest this might grow to a quarter by 2015. It is, therefore, unlikely that external pressure for change will be applied beyond the point where supply is jeopardized; in any clash of interests, the language and methods of security will prevail.



<sup>38</sup> Yemie Adeoye, "Of Oil Thieves and Clueless Governance," *The Vanguard*, March 6, 2012.