

Illegal Oil Bunkering in Nigeria's Niger Delta Region: Prevalence and Consequences

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Abstract

This paper employs a Marxist political economy framework to analyze the prevalent issue of oil bunkering in Nigeria, examining its causes and consequences. By exploring the nexus between illegal oil bunkering and the political economy landscape in Nigeria, this paper argues that the prevailing socio-economic conditions provide fertile ground for the unimpeded proliferation of this illicit activity. Drawing upon a comprehensive analysis of secondary sources, the paper underscores how Nigeria's political economy dynamics, characterized by systemic corruption, inequality, and limited economic opportunities, create a conducive environment for illegal oil bunkering to thrive. It further argues that illegal oil bunkering flourishes within an interplay of powerful interests, including political elites, security forces, and criminal networks, within the oil bunkering ecosystem, perpetuating a cycle of exploitation and illicit wealth accumulation. The consequences of illegal oil bunkering are manifold and profound, extending beyond economic losses to encompass social and environmental degradation. Economic consequences encompass reduced government revenues, hindrance to legitimate oil industry operations, and distorted market dynamics. Socially, oil bunkering fuels inequality, social unrest, and exacerbates tensions between various stakeholders. Environmentally, the wanton destruction resulting from oil spills and the degradation of fragile ecosystems further exacerbates the existing environmental challenges. The paper concludes that the illegal oil bunkering space primarily emerges from pervasive poverty as well as youth unemployment, and further perpetuated by a nexus of conspiracy and corruption within the ruling elite, who often endorse it to serve their self-interest. The paper recommends a three-pronged approach to mitigating the problem which includes comprehensive socio-economic reforms; enhanced transparency and accountability mechanisms; and environmental protection and remediation.

Keywords: *Illegal oil bunkering, Criminal networks prevalence, Consequences, Marxist political economy*

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Background to the Study

The discovery of crude oil in the 1950s, caused what we choose to refer to here as the economic shift in Nigeria. This is a situation where one relatively new economic activity maintains a significant force of gravity to the extent that almost all aspects of a society's socio-economic life now gravitate towards it. Crude oil production and the commercial activities surrounding it have long remained the economic mainstay of Nigeria given the neglect of other sub-sectors of the economy such as agriculture, which was the dominant economic activity prior to the discovery of crude oil. However, while the focus on crude oil production as the main economic infrastructure of the country is not necessarily the problem, giving it a mono-economic status and at the same time creating a social relation scenario that is underlined by exploitation of one class by the other turned out to be a recipe for disaster in Nigeria. As a result, the political economy of exploitation which is typical of all capitalist and peripheral capitalist systems that has long been associated with the petroleum industry paved the way for all kinds of social, economic and environmental disincentives especially for the communities that play host to the natural resources (Ogadi, Raimi & Nwachukwu, 2012).

In Nigeria, the Niger Delta is home to the natural resources (crude oil and gas) that feed the petroleum industry. However, since the discovery of crude oil in commercial quantity in the region, its people have virtually experienced a practical example of the 'resource curse' (Ko, 2014). This is because, the region has passed through a trajectory of economic and social marginalization to the extent that their traditional livelihood systems have been adversely affected due to widespread environmental degradation with significant negative consequences for their social life. Under this degenerated environment and adverse human development scenario, and the perceived or in most cases real exploitation of the people by the ruling class in the country, the stage became set for all kinds of illicit socio-economic (Raimi, 2017) activities that now define the economy of conflict that Ikelegbe (2005) so aptly described in the region. Amidst all these, is widespread poverty which, provides the social incentive for most of the illegal economic activities that further reinforce the economy of conflict. According to Okaba (2005), poverty amidst plenty continue to provide the necessary drive for most of the anti-social activities in the Niger Delta region and most parts of the country.

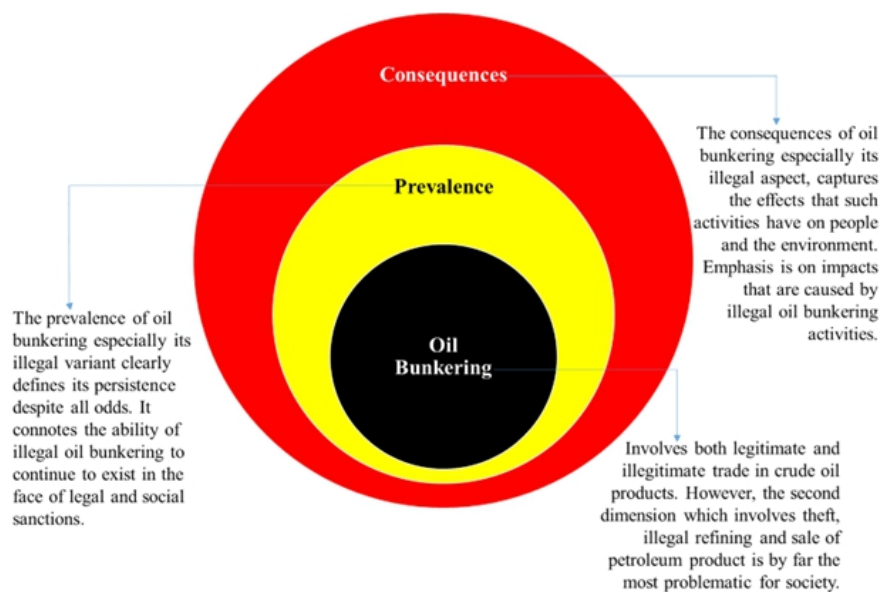
While we can argue that oil bunkering in Nigeria represents a distorted economic aspect of the oil and gas industry, there is the need to clarify the fact that not all oil bunkering activities are actually illegal. Hence, oil bunkering can go on under a legitimate process whereby a duly licensed operator provides fuels, water, and lubricants (*bunkering services*) for marine vessels on request (Kombo, 2003). However, the concern of this work is on illegal oil bunkering which emerged and persist following the internal contradictions that came with petroleum production. Elsewhere, Iwarimie-Jaja and Raimi (2018, 7) have stated that the “adverse social scenario, where, despite massive wealth associated with the oil and gas industry, a large number of the masses are unemployed and live below established poverty lines, created room for all kinds of criminality to emerge”. Oil bunkering in Nigeria emerged as a product of the contradictions associated with the political economy of the petroleum industry which, since its inception, has characterized the exploitation of the masses by the country's ruling class and their multinational allies.

This paper attempts to explain the nature and dynamics of oil bunkering in the Niger Delta region using the political economy approach. In doing this, emphasis is placed on exposing the prevalence and consequences of oil bunkering. However, before attempting to achieve these objectives, the Marxist Political Economy (MPE) perspective which is applied here as both a theoretical framework and a method of analysis is first explained in detail. Similarly, the conceptual framework for the discourse is also provided. This is to ensure that readers become familiar with the intricate relationship between oil bunkering, its prevalence and consequences in the Niger Delta region and by extension Nigeria.

Conceptual Clarification and Framework

The major concept to be clarified here is oil bunkering. However, in the course of presenting the conceptual framework, the concepts of prevalence and consequences of oil bunkering shall be integrated to provide a broader understanding of the interaction they have with oil bunkering. For the purpose of this work, oil bunkering shall be divided into legal and illegal dimensions which are concepts separated solely by law. Hence, *Oil Bunkering* is defined here to mean the legitimate activity whereby a company or group of companies get the legal authorization through license, by the state, to provide services that include the supply as well as loading of fuel and or related petroleum products for use by ships (*Manaadiar, 2016*). On the other hand, *Illegal Oil Bunkering* in the context of this work, connotes the unauthorised aspect of oil bunkering as defined above. However, just for emphasis, illegal oil bunkering refers to the unlicensed or unauthorised act of providing bunkering services for a ship or any other supply outlet. Illegal oil bunkering has also been referred to as black market sale of petroleum products or crude oil theft which clearly falls outside the officially or legally defined market structure for the sale of such products.

Fig. 1: Conceptual Framework for Oil Bunkering, Prevalence and Consequences



Source: Designed by Author

The Figure above shows the conceptual model for this work. Deriving from it, oil bunkering especially its illegal variant prevails mostly because of the syndicate nature of the business as would be discussed later. Similarly, its negative consequences especially for social relationships and environmental sustainability (Raimi, 2019) continue to increase due to the persistence of the problem despite social and legal sanctions.

Theorizing Oil Bunkering: The Marxist Political Economy Approach

For the most part of the discussion on oil bunkering in Nigeria, the resource curse and frustration aggression theories have dominated existing literature (Nwachukwu, 2017). As a result, oil bunkering especially its illegal variant has long been viewed as a curse associated with the petrodollar state. While this is a healthy argument in terms of understanding the cause of oil bunkering in any society, it nevertheless obscures the internal class contradictions associated with the petroleum industry. By extension, it also tries to hide the obvious political economy of the petroleum industry in general and oil bunkering in particular.

As a result, the Marxist Political Economy approach is adopted as the theoretical framework for this work. The theory is fundamentally associated with the writings of the famous German political economist and philosopher, Karl Marx. In discussing the basic assumptions of the theory, Marx argued for a careful examination of the intricate link between the economic sub-system and the political sub-system in any society. He maintains that inherent in this structural relationship is the fact that the economy gives shape to the political realm of society especially on the understanding that the character of the economic system determines the nature and dynamics of politics in society. By extension, the Marxist political economy approach clearly emphasizes the material character of society and how these further shapes other aspects of social life including the political structure.

It therefore follows that at the heart of the Marxist political economy approach, is the interaction between economics and politics as well as its associated outcomes in society at large. The focus therefore becomes how social relationships within the mode of production of a particular country further affects the distribution of political power and how this power is used in the daily administration of the country. According to Amundsen (2010), the “political economy analysis is now used to understand the relationship between economic and political power within states, political elites and authoritarian governments, and to unravel informal and customary political systems, patrimonialism and patronage (3).

The strength of the Marxist political economy approach lies more on its reliance on the dialectical method to understand the inner contradictions of any society and how these dialectical outcomes define the social currents in that society. Consequently, the dialectical relationship between the different classes and the manner in which this is expressed goes a long way to provide useful insight into several social happenings. In other words, class and class struggle as well as how this affects the organization of society becomes the basis for understanding issues in society. According to Marx “In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in their development of material

forces of production” (Ryazanskaya, 1993, 2). Similarly, Iwarimie-Jaja and Raimi (2018) have argued that the Marxist political economy approach gained its analytical popularity due to the central thesis which holds that the ensuing class relations and the contradictions thereof, determines significantly the nature of all other social relationships in society. By extension, when the class relations are at their pathological level and the exploitation associated with it is sharp, the masses become highly impoverished resulting to all forms of illegal or criminal activities (Ozogu, Olabimtan, Chukwurah, Ukpong, & Daniel, 2023) in society.

From the above assumptions, it becomes easy to see that oil bunkering especially its illegal variant in Nigeria and indeed the Niger Delta region, is a fallout of the political economy of marginalization of one class by another. In the Niger Delta, perceived feelings of injustice and marginalization over the years amidst widespread poverty remains some of the widely held reason and motivation for illicit socio-economic activities. The outright plundering of the natural resources of the people without commensurate infrastructural and human development in the region clearly provided the incentive for youths to defy government as they now engage in theft, illegal refining and sale of petroleum products. Hence, long years of exploitation provided the impetus for widespread discontent amongst mostly unemployed youths who are now obliged to take what they believe is rightfully theirs with or without the support of government. Oil bunkering thrives within a political economy of marginalization and exploitation which is typical of peripheral capitalist social formations like Nigeria. It is therefore the argument in this paper that illicit socio-economic activities in the Niger Delta region are built on a long history of discontent that necessitated the emergence of youth groups across oil producing areas who rely on a faulty political economy system to engage in such illegal business ventures. Based on this, the Marxist political economy perspective represents a useful analytical tool for understanding oil bunkering, its prevalence and consequences in Nigeria.

Oil Bunkering: A Look at the Illegal Space in Nigeria

As we have pointed out under the section on conceptual clarification above, oil bunkering is not necessarily a bad economic activity. As a result, when it is done within the ambit of the law, it certainly does not call for too much worries. However, illegal oil bunkering and related activities have become a major source of worry for the Nigerian government and the general public for quite some time now. This is perhaps due to the many negative consequences that is associated with the illicit economic activity. The issue of oil bunkering is not a new phenomenon. Many countries where crude oil is found in commercial quantity have had one experience or the other with oil bunkering. For instance, Akpan (2016) is of the opinion that oil pipeline vandalism and bunkering is not a recent phenomenon in the world. It has been experienced many years ago in oil producing countries of Russia, Saudi Arabia and Venezuela among others. According to him, in Nigeria, it began in the early 1970 and reached an alarming peak in the 1990s and it has since remained a major economic dark side of the petroleum industry.

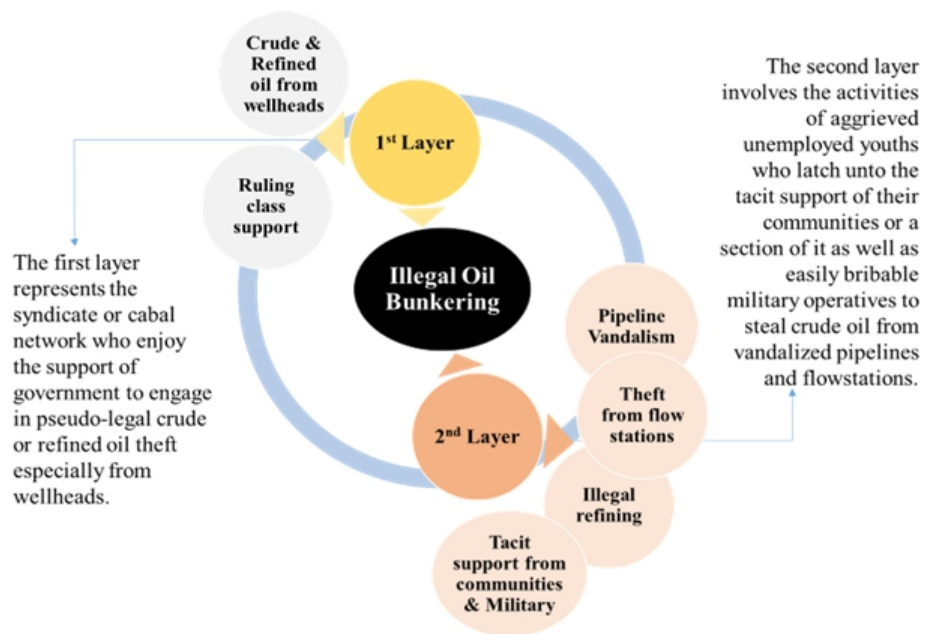
Kombo (2003), is of the view that legal oil bunkering is not usually the case in Nigeria given the fact that the country is not very reliable when it comes to the supply of crude or refined petroleum products. Hence, his argument is that most foreign vessels that find their way into the country tend to do so in order to cash into the illicit trade in petroleum product which is largely defined by oil bunkering activities. Several reasons account for illegal oil bunkering in Nigeria. However, the dominant one is the issue of widespread poverty in the oil and gas region of the country whereas a result of the social evils of the ruling class, a significant deficit in infrastructure and weak human development realities occasioned by unemployment dovetail to provide the needed army for the illicit trade in crude and refined oil. According to Igbuku (2014), high unemployment for instance has created a huge population of idle young people who are easily lured into all kinds of criminal activities. In addition to this, illicit oil bunkering in the country is further enabled by a weak policy environment that promotes corruption in the oil and gas sector making it easy for the masses to perceive of the ruling class as purely a class of exploiters comprised of selfish people who only deem it fit to enrich themselves. This perceived selfishness of the ruling class coupled with its use of force in the region that is endowed with the natural resource, provides just enough justification for illegal oil bunkering to emerge and thrive.

The illegal oil bunkering space in Nigeria has become a huge source of economic activity as more people cash into it as a way of ensuring their livelihood. Despite the negative consequences associated with the illicit trade in crude and refined oil which in most cases begins with the dreadful act of vandalization of pipelines, illegal bunkering continues to thrive and is sustained by a criminal network of powerful people within and outside the political space of the country. The criminal network covers a long chain of political and non-political actors from different countries who all share a common concern for siphoning crude and refined oil for the black market. Kombo (2003) is of the opinion that the illicit social network allows actors within the illegal space of oil bunkering to enjoy some kind of tacit support from neighbouring countries such as Niger, Chad, Burkina Faso, Sao Tome, Malabo, Benin Republic, Ghana, Cote D'Ivoire, Liberia, Sierra Leone, Angola, and elsewhere. However, the best of this support comes from the so-called political godfathers comprising of serving and retired military officers as well as civilian members of the ruling class. Interestingly, successive governments especially the military have at one point or the other criminalized oil theft and bunkering through various decrees. For instance, the current President of Nigeria, General Mohammadu Buhari, at one time as the military Head of State of the country promulgated the Special Tribunal (Miscellaneous Offences) Decree No. 20 of 1984 which was aimed at deterring people from engaging in the illicit trade in crude oil even with the threat of the death penalty.

The internal structure of the illegal space of oil bunkering is particularly complex. This is because there are two dominant layers of illegal bunkering actors who occupy this space given their specific roles in the trade. The dominant layer of illegal bunkering actors represents the highly sophisticated syndicate social structure involving top politicians (both military and civilian) who partake in what we prefer to call pseudo-legal oil theft using the governance space and associated legal instruments in their favour to syphon large quantity of crude oil

from wellheads for sale to unauthorized buyers who mostly station their vessels in the middle of the ocean or offshore for easy takeoff. This pseudo-legal layer of illegal oil bunkering enjoys the support of the ruling class in most cases with a clear understanding of how bounty is shared. The other layer of illicit actors who occupy the illegal oil bunkering space are those small scale mostly community youths who rely on indigenous artisanal techniques to vandalize pipelines and insert small pump points from which they steal small or moderate quantities of mostly crude oil which they either sell to local buyers or proceed to refine them into petrol in their local refineries. While the first layer of actors in the internal structure of the illegal space of oil bunkering have some kind of semi-open support from government officials or the entire ruling class, the second layer of actors enjoy the tacit support of communities. Figure 2 below shows the internal structure of the illegal oil bunkering space in Nigeria.

Fig. 2: The internal structure of illegal oil bunkering in Nigeria



Source: Designed by Author.

From the figure above, the two distinctive layers of the internal structure of illegal oil bunkering in Nigeria shows their level of support lines as well as their source of crude or refined products. The first layer which comprises of mostly highly placed businessmen/women as well as powerful politicians in the country is clustered around a syndicate structure as well as a weak political economy system that allows it to thrive. As Akpan (2016) has observed, “the syndicates behind the stealing of refined petroleum products from facilities owned by the oil multinationals, especially flow lines and wellheads in the Niger Delta have both local and foreign collaborators and are usually so highly connected that even security agents posted to secure the area are afraid of them (p5)”. On the other hand, the second layer of the internal structure of the illegal oil bunkering space involves petty or artisan actors who rely on the tacit support of some community members and mostly bribable lower

rank military officers who guard pipelines and wellheads for their illicit oil business. One distinctive feature of the second layer of the illegal oil bunkering space is the use of local refining techniques to produce petroleum products that find their way into the market. This is often done at the community level through the process of artisanal refining using crude implements.

Prevalence of Oil Bunkering in Nigeria

Despite efforts at solving the problem of illegal oil bunkering associated with the two layers discussed above, very little success has been achieved in this regard. The nature of the criminal network associated with the illegal space of oil bunkering makes it quite difficult to manage. In fact, Akpan (2016) captures the sophistication of social actors involved in the illicit trade in crude and refined petroleum products clearly when he argued that the “vandals and those involved in all levels of oil bunkering are not the street urchins commonly called Area Boys; they are well-heeled criminals often armed with information, technical data, skill and sophisticated weapons (p3)”. Perhaps the sophistication of the criminal network, persistent poverty and unemployment as well as the lack of political will on the part of government all unite to ensure that illegal oil bunkering prevails in Nigeria. The prevalence level of illegal oil bunkering is particularly alarming when we appreciate the fact that several billions of Naira have been spent on the security of pipelines and oil production facilities in the country.

What is interesting however, is that in the midst of widely held public opinion concerning the increase in security allocations, pipeline surveillance contracts and reduction in youth militancy in the Niger Delta, illegal oil theft and refining have continued to thrive. This goes a long way to show that the illegal space of oil bunkering is highly attractive to more youths especially those that are unemployed. Also, its prevalence serves to prove the high-level criminal network that drives and sustains the illicit trade in crude and refined petroleum products in the country. There are several statistics on the incremental nature of the illegal oil bunkering space that clearly suggest the resilience of the illicit industry. For instance, there are those who believe that the volume of crude oil theft or illegal oil bunkering has increased from 100,000 to 500,000 barrels per day between 2010 and 2015 (see; Akpan, 2016; Okafor, 2018). This incremental trajectory of illegal oil bunkering also justifies the fact that powerful members of the ruling class are involved in the business either directly or indirectly.

In addition to the high-powered criminal syndicates that drive and sustain the illegal oil bunkering business in Nigeria, widespread poverty and unemployment continue to provide the army of youths required to man the illicit industry. Unemployed youths in the Niger Delta region pose significant threat to the oil and gas industry especially following the perception that the natural resources belong to them. This category of youths are a constant threat to the pipelines as well as other facilities of the multinational oil corporations operating in the Niger Delta region. This is why it is believed that illegal oil bunkering from different pipeline points that have been vandalized, when put together constitute a very significant source of oil theft outlets in the country. As a medium that increases the prevalence of illegal oil bunkering, pipeline vandalization by mostly unemployed but technically experienced youths, lead to huge loss of petroleum products to bunkering activities. Scholars seem to agree with the fact

that pipeline vandalism has increased over the years despite the reduction in militancy due to the Federal Government's Amnesty programme for ex-militants. As Obenade and Amangabara (2014) have observed, the basic refining technique, first used during the Biafran Civil War, was resurrected and modernized by members of militant camps between 2005 and 2009, providing fuel and cash to support the Niger Delta insurgency. However, due to the failure to address the issue of illegal oil bunkering coupled with the perceived material reward associated with it, militants now turned ex-militants returned to their various homes and expanded the illicit trade. This goes to show that militancy is not actually the driver of crude oil theft but youth unemployment. For instance, Okoli and Orinya (2013 citing Ogbeni, 2012) have argued that “a total of 16,083 pipeline breaks were recorded within the last 10 years adding that while 398 pipeline breaks representing 2.4 percent were due to ruptures, the activities of unpatriotic vandals accounted for 15, 685 breaks which translated to about 97.5 percent of the total number of cases (67).

Also, there is a strong understanding that even the artisanal pipeline vandals tend to get huge support from the first layer of illegal oil bunkering actors. Hence, powerful players in the oil bunkering business are believed to provide the funding for artisanal pipeline vandals and their associated bunkering activities as a way of creating distraction from the major criminal network involved in the first layer of syndicate oil theft. In line with this, Adishi and Hunga (2017 citing Olusola, 2013), contend that this normally occurs when wealthy criminals prey on young unemployed minds by empowering them with instruments for pipeline vandalism for their own selfish interests and reward them with cash compensations (p48). The increase in the number of youths that are unemployed will continue to undermine efforts at reducing the scourge of illegal oil bunkering in the country. This is because given the highly materialistic nature of our society and the get rich quick syndrome that comes with it, such youths will tend to find it worthwhile to take the risks associated with the illegal oil bunkering space in order to get out of poverty.

Recent data on the illegal space of oil bunkering provides very telling insight into the incremental nature of the illicit trade. Okafor (2018) in an article published in the Vanguard newspaper highlighted the increase in oil bunkering between 2016 and 2017. In the publication, he referred to Shell Petroleum Development Company (SPDC) as having reported that illegal oil bunkering has increased by 50% between 2016 and 2017. By the statistics provided, it was reported that illegal oil bunkering from its pipeline networks in Nigeria actually increased from 6,000 barrels per day to 9,000 barrels per day for SPDC alone. This shows that despite huge investment in security endeavours, illegal oil bunkering continues to prevail.

Another factor that increases the prevalence of illegal oil bunkering in Nigeria is the equally increasing nature of the economy of conflict (Ikelegbe, 2005) as a product of class based political economy of natural resource governance. By this we mean, the fact that conflict in the Niger Delta region which plays host to the oil and gas industry in the country, fundamentally arose in reaction to the injustice associated with the governance of the petroleum industry. However, in addition to playing the role of liberation of the region from

the shackles of exploitation by the ruling class, the economy of conflict also serves as a camouflage for illicit oil bunkering. In other words, conflict provides the necessary conditions as well as environment for the perpetuation of all kinds of criminal activities including illegal trade in oil. Similarly, the proceeds from illegal oil bunkering is further used to sustain the conflict economy and the cycle goes on. This shows that conflict and oil bunkering are mutually reinforcing to the extent that one produces the other as they both unite to sustain each other.

The Consequences of Oil Bunkering in Nigeria

More than anything else, the consequences of the illegal oil bunkering space in Nigeria has attracted several commentaries. Interestingly, a good number of the discussions on this have tilted towards the fact that illegal oil bunkering has significant negative consequences on human beings and the physical environment. There are three very critical and mutually reinforcing areas that the political economy of crude oil governance in Nigeria which allows for illegal oil bunkering generates negative consequences. These are; the social, economic and environmental consequences. While this is not the focus of this work, it is interesting to note that coincidentally, these three areas reflect the tripod of economic sustainability, social sustainability and environmental sustainability which altogether reflect the focus of sustainable development in general. Below, we attempt to provide insights into how illegal oil bunkering adversely affects the tripod of sustainability in Nigeria.

Economic Consequences: A simple cost benefit analysis of illegal oil bunkering will show that the cost far outweighs the benefit for society. While the illicit trade in crude and refined petroleum products may benefit some people, evidence suggest that the negative consequences for the country whether from an economic perspective, social and or environmental point of view, are very deleterious. For instance, from the dimension of its economic consequences, the first very obvious adverse effect of illegal oil bunkering is the revenue loss that it causes for the country. It is on record that the illicit trade in crude and refined petroleum product reduces the revenue of the multinational companies as well as the country in general. This loss of revenue happens in two ways, the first is the direct cost that is associated with shortage of products when they are illegally removed from either pipelines, wellheads or flow stations. The next cost is that of repairs of damaged pipelines as well as other related facilities by the companies. Discussing the economic cost of illegal crude theft or bunkering, Akpan, (2016) opine that the country loses as much as N10.75 billion every month to criminal syndicates of crude oil and refined petroleum products thieves operating actively in the swamps of the Niger Delta, and offshore, in Nigeria's territorial waters. Hence, the massive black-market business in crude and refined products in Nigeria continues to reduce the revenue of huge multination corporations such as SPDC and the federal government that could ordinarily have been used for the provision of infrastructure and other related services. Translating the negative economic consequences into barrels within a period of five years, Akpan 2016 (citing Igwe, 2013) posits that between 2006 and 2011 alone, over 16,476,011 barrels of crude oil was lost to illegal oil bunkering activities in the country.

In addition to the outright loss of revenue associated with the loss of products discussed above, there are other economic costs associated with illegal oil bunkering in terms of how much is lost to repairs of vandalized pipelines as well as the increasing cost of securing the facilities. In terms of the economic consequence associated with the cost of repairing vandalized pipelines in the country, Nigeria continues to lose serious amount of money. For instance, in comparing the amount lost by the country to the repair of pipelines associated with vandalism and by extension illegal oil bunkering, Daniel (2017) reported that in 2015 over N103 billion was spent while in 2016 the cost of repairs increased by N9 billion to about N112 billion. This goes to show the enormous amount of damage that is usually done to the network of pipelines in the country as a result of illegal oil bunkering. Similarly, contracts associated with pipeline and other related facilities' surveillance especially awarded to ex-militants in the Niger Delta region have increased tremendously over the years. According to Iwarimie-Jaja (2013 citing The Nation of Thursday, August 23, 2012:13), to protect oil pipelines, the ex-militants were hired on a contract sum of N5.8 billion naira. Huge amounts of money which ordinarily should have been ploughed into the economy for development interventions now go into servicing civilian contractors as well as military personnel deployed to secure the pipelines on land and waterways.

Social Consequences: Although, without quantifiable costs in terms of money value, just like the economic consequences discussed above, there are several social consequences associated with illegal oil bunkering in Nigeria. Widespread social conflicts especially in the Niger Delta region have been attributed to the menace of illegal oil bunkering. This is usually evident in the fight for spatial control by different groups who try to lay claim to territories where their illegal oil business is expected to be located. This fights often assume lethal levels as highly sophisticated weapons are used leading to the deaths of many youths who are directly involved in the business as well as those who may not be involved in it. In most cases, communities pay the ultimate price of playing host to some of these violent conflicts between warlords who struggle for the control of oil bunkering territories. The end result is that vulnerable women and children end up losing their lives and when the loss of lives is not the case, properties worth millions a lost.

Apart from the social conflicts that illegal oil bunkering generates, there is the concern that it breeds a new kind of class relation that is inherently dangerous at the community level. Raimi (2017) has argued that the relative success achieved through illegal oil bunkering by erstwhile militant warlords now turned generals create a new class relation of those who own the instrumentality of violence and those who seemingly own nothing but their guns working as foot soldiers. In this regard, illegal oil bunkering sustains a class relation that is defined by proximity to violent conflict in the region. However, the danger in this is that as more youths use the instrument of violence to get rich through oil bunkering, others begin to see the trade as a worthwhile venture. As a result of this, the region continues to witness what we refer to here as the progressive substitution of illegal bunkering actors with new ones who use violent conflict as their entry ticket. What this implies, is that new entrants into the illicit trade in petroleum products have to assume very lethal violent status if they are to gain control over any territory at all.

Environmental Consequences: In the general literature on petroleum production in Nigeria, this is the most discussed especially given the fact that the entire process of exploring and exploiting crude oil carries with it the burden of environmental degradation. However, with regard to illegal oil bunkering the narrative in the literature has been very strong in favour of the negative consequences that the illicit activity has on the environment. It is now commonly held knowledge among scholars and the general public that illegal oil bunkering especially its artisanal variant continues to cause very deleterious effect in the environment. The first point at which illegal oil bunkering activities constitute negative effect with regard to the environment is through oil spills. For instance, Odalonu (2016) is of the opinion that the process of breaking, vandalising and tapping crude oil or refined petroleum products from installations may lead to the damage of oil pipelines which further increases the potential for leakages that cause immense environmental degradation. The use of rudimentary techniques by those involved in oil bunkering almost always guarantees that oil will be spilled into the environment with deleterious consequences for human and animal lives. Apart from the spills arising from pipeline vandalism, the process of refining also comes with heavy wastage of crude oil which find their way into the soil or rivers causing severe damage to the environment. Obenade and Amangabara (2014) seem to agree with this point of view when they argued that the resulting oil spills from broken pipes and wastes from tens of thousands of makeshift refineries combine to produce enormous environmental pollution on land and in the creeks. The oil spills from pipeline vandalization and artisanal refineries also have cumulative effects that undermine livelihood in the communities especially with regard to fishing and farming which are the dominant traditional economic activities in the region. For instance, hydrocarbon deposit in the waters, in addition to affecting the quality and health of the fishes, also reduces fish catch as their habitat is destroyed. Similarly, the crop yields are affected by oil spills especially root crops such as cassava.

Apart from the effects associated with oil spills, occasional fire outbreaks from pipelines resulting from the use of instruments that are mostly susceptible to fire under such conditions is another source of disaster to the environment. Fire outbreaks from the activities of pipeline vandals and artisanal crude oil refineries constitute a significant source of environmental problems since in most cases, large expanse of arable land is often times destroyed leaving such areas unproductive in terms of farm yields. In the same vein, massive amount of hydrocarbon is often released into the atmosphere causing serious damage to the environment. The increasing incidence of black soot in most parts of the Niger Delta region especially in Port Harcourt city has been strongly attributed to the operations of artisanal oil bunkering activities. This negative outcome of artisanal crude oil refining goes a long way to increase the health risks of the people of the region which has already been long undermined by the legitimate exploration and exploitation of crude oil by licensed multinational oil corporations. It is widely known that for most parts of the Niger Delta region, their dominant source of drinking and bathing water comes from the rivers and creeks around where they live. Although statistical records on the health implications of oil spills into water are scanty, pollution of water through artisanal crude oil bunkering activities is likely to have some negative affect on the quality of water which is also likely to affect the health condition of people who consume such water.

Conclusion

The academic discussion on oil bunkering in Nigeria is increasing significantly given the prevalence of mostly the illegal variant of the trade over the years and the consequences that this illicit economic activity has generated for the Niger Delta and Nigeria in general. It is clear that what we have chosen to refer to as the illegal oil bunkering space is mostly driven by widespread poverty and unemployment among youths who find it worthwhile to engage in the illicit trade in crude and refined petroleum products as a way of getting out of poverty. However, oil bunkering is further sustained by a political economy of conspiracy and corruption by the ruling class who tacitly, in most cases openly, support it for their personal and selfish interest. The result of this, is the proliferation of a large army of criminal network(s) who thrive in the sale of illegal crude oil gotten from the destruction of pipelines, flow stations and wellheads.

However, while the illegal oil bunkering industry seemingly enriches a small section of privileged class in the Niger Delta region and Nigeria in general, the adverse economic, social and environmental consequences far outweigh its benefits. This is because huge sums of monies are lost every day to this illicit trade in crude and refined petroleum products in addition to incremental social conflicts that arise from gang wars for territories associated with the trade as well as a serious magnitude of environmental degradation that undermine the ability of people to engage in their traditional livelihood activities. All of these further exacerbate the poverty situation and adverse human development realities that have long characterized the Niger Delta region.

It should be emphasized that the political economy scenario in Nigeria provides the necessary conditions as well as the enabling environment for illegal oil bunkering activities to go on. This is because over the years, the ruling class in the country have not sufficiently tackled the infrastructural deficits and the adverse human development realities in the region. Having a ruling class that finds it necessary to exploit the region of its natural endowment without any commensurate development intervention that deliberately targets the reduction of unemployment and poverty, only serves to increase the problem.

Recommendations

Drawing from the submissions of this paper, the following recommendations are proffered to mitigate the problem of illegal oil bunkering in the Niger Delta and Nigeria in general.

- 1. *Comprehensive Socio-Economic Reforms:*** Implementing wide-ranging socio-economic reforms that prioritize poverty alleviation and youth employment is imperative. By addressing the root causes of illegal oil bunkering, such as widespread poverty and youth unemployment, the government can offer viable alternatives to engage the youth in legitimate economic activities. This could involve targeted job creation programmes, vocational training, and skill development initiatives that empower young individuals to participate in the formal economy.
- 2. *Enhanced Transparency and Accountability Mechanisms:*** Combatting the nexus of corruption that sustains illegal oil bunkering requires strengthening transparency and accountability measures across government institutions and regulatory bodies.

Implementing robust monitoring systems for oil industry activities and transactions, as well as prosecuting those involved in corrupt practices, can help dismantle the networks that facilitate and profit from the illicit trade.

3. ***Environmental Protection and Remediation:*** Given the environmental degradation resulting from oil bunkering activities, prioritizing environmental protection and remediation efforts is crucial. Enforcing strict regulations on pipeline security and maintenance, along with swift response mechanisms to contain and clean up oil spills, can mitigate the ecological damage caused by these activities.

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