

The Shadow of Sabotage: Unraveling the Insecurity Threats Impacting Oil Operations in Ondo and Delta States of Nigeria

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Abstract

Niger Delta, home to Nigeria's vast petroleum wealth, remains mired in a complex security crisis that undermines economic productivity and deters foreign direct investment (FDI). This study interrogates the insecurity threats—particularly sabotage, oil theft, militant violence, and kidnapping—affecting oil operations in Ondo and Delta States between 2017 and 2022. Drawing upon the State Capacity Theory, the study employs a mixed-methods approach comprising survey questionnaires (n = 200), in-depth interviews, and secondary data analysis. Findings reveal a high incidence of oil theft (mean score = 4.65), kidnapping (mean = 4.63), and violence against oil workers (mean = 4.15), all significantly linked to diminished FDI inflows. While the Nigerian government has implemented legal reforms such as the Petroleum Industry Act (2021), weak enforcement and systemic governance failures persist, especially in managing local grievances and protecting oil infrastructure. Regression analysis, although indicating a weak statistical link between insecurity and oil output ($p = 0.507$), corroborates the perception that insecurity contributes to operational disruptions, revenue losses, and investor apathy. The study recommends a multi-dimensional intervention strategy, encompassing community inclusion, security sector reform, and infrastructural development, to address insecurity and stabilize investment conditions in Nigeria's oil heartland.

Keywords: Oil sabotage, Foreign direct investment, Security challenges, Ondo State, Delta State

Introduction

The Niger Delta region, often regarded as the economic backbone of Nigeria due to its vast oil reserves, has long grappled with a paradoxical existence: immense resource wealth on one hand, and deeply entrenched insecurity and socio-economic deprivation on the other. As Africa's largest oil-producing country, Nigeria's reliance on petroleum exports has positioned the Niger Delta as both a strategic asset and a volatile epicenter of national concern. The discovery of oil in Oloibiri, Bayelsa State in 1956 marked the dawn of an economic transformation, yet it also signaled the onset of persistent instability characterized by environmental degradation, militant insurgency, and socio-political unrest.

Insecurity in Nigeria, and particularly in the oil-rich Niger Delta, has evolved into a complex phenomenon with significant implications for economic growth and foreign investment. The Global Peace Index (2022) consistently ranks Nigeria among the least peaceful nations globally, citing high rates of civil unrest, organized crime, and insurgency. These conditions have been exacerbated in the Niger Delta by historical grievances linked to marginalization, pollution from oil exploration, and inequitable distribution of petroleum wealth. In response, various non-state actors—including militant groups, pirates, and criminal cartels—have

emerged, engaging in activities such as pipeline vandalism, oil theft, kidnapping, and sabotage of infrastructure.

Ondo and Delta States which are two out of nine Niger-Delta States exemplify the intricate dynamics of insecurity in the region. In Ilaje (Ondo State), socio-economic exclusion and ecological degradation have intensified calls for resource control, while Delta State continues to suffer from militant violence, environmental pollution, and disruption of agrarian livelihoods due to oil-related contamination. These persistent threats have resulted in operational shutdowns, force majeure declarations, loss of investor confidence, and capital flight.

Notably, between 2017 and 2022, oil firms operating in these states faced a wave of attacks ranging from armed banditry and kidnapping to community protests and crude oil theft. Reports from the Nigerian National Petroleum Corporation (NNPC) and the Nigeria Extractive Industries Transparency Initiative (NEITI) highlight staggering economic losses—running into billions of dollars—attributed to vandalism and theft. These challenges not only impair oil production capacity but also create an atmosphere of volatility that deters multinational corporations and undermines Nigeria’s reputation as a stable investment destination.

Despite recent legislative interventions, such as the enactment of the Petroleum Industry Act (2021) aimed at fostering transparency and restructuring the oil sector, the persistence of security threats underscores the limitations of policy without enforcement and inclusivity. The inability of the state to ensure the safety of infrastructure, personnel, and host communities reflects a broader crisis of governance and institutional capacity in the area.

Despite being central to Nigeria’s oil wealth, Ondo and Delta States persistent insecurity undermines oil operations and deters foreign investment. Sabotage, oil theft, militancy, and kidnappings have become entrenched threats, exposing the failure of state institutions to protect vital infrastructure. In communities like Ilaje in Ondo State and Burutu in Delta State, environmental degradation and socio-economic marginalization fuel hostility toward oil firms, leading to frequent disruptions. This study investigates how these insecurity threats—rooted in weak governance, local grievances, and organized crime—might likely one of the contributing factors sabotaging oil operations, highlighting the urgent need for targeted, region-specific interventions. Premised on the above, this study seeks to unravel the layered insecurity challenges undermining oil operations in Ondo and Delta States and to interrogate their implications for economic stability and investor confidence in Nigeria’s oil sector.

Table 1: Security challenges Index in West African Countries (2019)

S/N	Country	Index (0-10)
1	Nigeria	7.6
2	Burkina Faso	6.8
3	Mali	4.0
3	Ghana	1.7
4	Gabon	1.4
5	Benin	0.7
6	Senegal	0.4
7	Guinea	0.4
8	Sierra Leone	0.4
9	Liberia	0.2
10	Togo	0

11	Mauritania	0
12	The Gambia	0
13	Guinea-Bissau	0

Source: Global Peace Index, 2020

The 2019 Insecurity Index shows Nigeria with a high insecurity level (7.6), followed by Burkina Faso (6.8) and Mali (4.0), largely due to insurgency, terrorism, poverty, and poor governance. Persistent conflict in Nigeria's northeast is worsened by poverty and unemployment. The Global Peace Index highlights that insecurity across West Africa stems from weak governance and corruption, not just armed conflict. This suggests that lasting security requires more than military force—it demands effective governance and socio-economic development.

Theoretical Framework

This study is hinged on the State Capacity Theory. According to Fukuyama (2013; 350), state capacity is "the capability of the state to control, that is, force obedient conduct from the persons of a certain territory". Some scholars think that the major narratives of events in world politics are driven mainly by the capacity of modern State (s). (Croissant and Hellmann, 2017) posited that the state capacity theory explains and defines the capacity of a government to establish and impose rules and regulations, collect taxes, and deliver general amenities and services. For example, government provision of utilities like hospitals, building of infrastructures, security of lives and properties, etc., speaks of the strengths or weaknesses of a state (Croissant and Hellmann, 2017).

Hence, as regards this study the State Capacity Theory explains the role of a government's ability to maintain control, enforce laws, and provide public services in stabilizing sectors like oil. In the Niger Delta, insecurity from militant activities, oil theft, and pipeline vandalism highlights weak state capacity, which directly affects oil firms. Asongu and Nwachukwu (2022) argued that effective governance and law enforcement enhance the business environment, while the state's failure to secure oil facilities undermines operations, deterring investment. The inability to provide essential services like healthcare and infrastructure fosters dissatisfaction, leading to protests that disrupt oil production. Fukuyama (2013) asserts that such failures reflect limited state capacity, which, combined with insecurity, hinders oil operations in the region.

Furthermore, weak institutions contribute to insecurity. Omeje (2023) states that the Niger Delta's insecurity arises not only from a lack of state capacity but also from the government's failure to address socio-economic issues. This situation creates an environment where oil firms are vulnerable to disruptions. The theory suggests that a government's failure to manage economic and security challenges exacerbates instability, affecting foreign direct investment (FDI) in the oil sector.

However, critics argue that the theory overlooks external factors and local politics. Oyeniyi and Akinola (2022) emphasize the role of multinational companies and international factors, which often overshadow the state's security capacity. This diminishes the theory's relevance in explaining insecurity in the Niger Delta. Despite these critiques, the State Capacity Theory remains relevant to this study, providing a lens to assess the Nigerian government's response to insecurity in Ondo and Delta states. The theory allows an exploration of how state capacity impacts oil production and FDI, helping to determine the stability of the oil sector in these regions. Understanding the government's capacity to address these challenges is essential for the sustainability of the oil industry in the Niger Delta.

Methodology

This section discusses the research design, data collection methods, and data analysis techniques employed to gather and interpret the data for the study.

Research Design: The study utilizes a mixed-methods research design, integrating both qualitative and quantitative approaches to provide a comprehensive understanding of the research problem.

Study Area: The study is focused on the Niger Delta, covering approximately 70,000 sq. km of Nigeria and inhabited by around 25 million people across nine oil-producing states. These include six states from the South-South zone (Akwa Ibom, Rivers, Cross River, Delta, Bayelsa, and Edo), two from the South-East (Abia and Imo), and one from the South-West (Ondo). The region's ethnic diversity, with over 40 groups and approximately 250 dialects, reflects the complex socio-political environment in which oil firms operate (NBS, 2016).



Fig. 1: Map of Niger Delta States (Extracted from Map of Nigeria).

Methods of Data Collection: The study employs both primary and secondary data collection methods.

Population of the Study: The population includes major players in Nigeria's oil and gas industry, both upstream and downstream, as well as local communities in the Niger Delta. Key companies involved in the study include Shell Petroleum, Texaco, Exxon Mobil, Chevron, and others. The study also includes residents of host communities affected by oil firm activities, who provide valuable perspectives on the security challenges impacting oil production and FDI in the region.

Sampling Technique / Sample Size: The study adopts both probability and non-probability sampling techniques. Purposive sampling is used to select participants based on relevance to

the research, while stratified sampling divides the population into subgroups to ensure accurate representation. The sample size includes 200 questionnaire respondents and 40 in-depth interviewees. Stratified sampling focuses on the two states with the highest concentration of oil activities—Ondo and Delta—ensuring precise estimates. Random sampling for questionnaires and purposive sampling for interviews ensures both statistical validity and depth of qualitative insights. The study's multi-stage sampling approach enhances the accuracy and relevance of the findings (Mweshi & Sakyi, 2020).

Insecurity Threats to Oil Operations in Ondo and Delta States

There are insecurity Threats to oil operations in Ondo and Delta states which ranged from Abduction/kidnapping, insurgencies, protests among others.

1. Abduction/Kidnapping

Abduction in Nigeria, especially post-2007 elections, escalated as armed youths turned to kidnapping after being used by politicians for electoral violence (The Nigerian Tribune, 2022). These weapons remained in circulation, fueling a lucrative criminal enterprise. High-profile cases, like that of kidnap kingpin Chukwudumeme Onwuamadike (Evans), underscore the threat (The Nigerian Tribune, 2022). The rise in kidnappings has deterred FDI and economic activity, forcing some businesses and schools to close (Ojeh, 2022). Originally politically motivated in the Niger Delta, kidnapping has evolved into a nationwide threat, including Boko Haram's use of mass abductions to gain attention, train fighters, and raise funds (Campbell, 2019; The Punch, 2017). Notable incidents, such as the 2014 Chibok girls' kidnapping, reflect a broader security failure, with abductions becoming widespread across Nigeria by 2021 (Ogundipe & Jasper, 2019; Nwaubani, 2021).

2. Insurgency

Insurgency—mainly from Boko Haram—remains a major threat to Nigeria's GDP and foreign investment (Olugbode, 2010). Boko Haram opposes Western values and seeks to impose Islamic law in the north. Its exact origins are debated (Muhammad, 2009; Udo, 2012), its attacks across northern states have devastated infrastructure and scared off investors (Ibrahim, 2012). Weak institutions and high unemployment fuel its rise. In the Niger Delta, militancy from groups like MEND, driven by environmental degradation and marginalization, also disrupts oil production through vandalism, theft, and kidnappings, discouraging FDI (Nwankwo, 2013; Ojo & Olayemi, 2014). While Boko Haram's motivations are ideological, Niger Delta militants act from economic grievances—both, however, pose major threats to national stability and investment.

3. Other Specific Security issues in Niger-Delta

Aside the abduction/kidnapping and insecurity which permeates most regions in Nigeria including the Niger Delta, there are more insecurity issues peculiar to Niger-Delta since 1960s. The following are the chronology of security challenges in Niger-Delta. They are of different dimensions that include protests, militancy, vandalism, agitations, among others.

Table 2: Sample Distribution of Areas of Study and the interviewees and questionnaire respondents

S/N	States	Sampled LGA	Sampled Oil Firms	Sampled interviewees	Sampled Questionnaire respondents
1	Ondo	Ilaje LGA	5	15	85
2	Delta	Burutu LGA	“	25	115
Total	2	2	5	40	200

Source: Researcher's Computation, 2022

Table 3: Five Purposively Selected International Oil and Gas Companies from the Study area

S/N	Company	Date of Incorporation	Country of origin	Project Areas in Nigeria and presence in study Areas
1.	Chevron Texaco Oil Company	1901	U S A	Oil and Gas (Both Ondo & Delta states)
2.	Total Energy company	1924	France	Oil and Gas (Both Ondo & Delta states)
3.	Eni/Agip Oil Company	1920	Italy	Oil and Gas (Both Ondo & Delta states)
4.	Royal Dutch Shell Oil Company	1907	Netherlands	Oil and Gas (Both Ondo & Delta states)
5.	Exxon Mobil	1914	U S A	Oil and Gas (Both Ondo & Delta states)

Source: Compiled from Oil firm Bulletins (2022).

These designated oil firms are adjudged as some of the topmost oil and gas companies in Nigeria that have been operating for several decades in. The five companies were chosen in order to allow for thorough in-depth study and analysis. The attention of the study is on the oil sector because oil firms are always the target of militants, bandits and kidnappers which make the oil firms to lose money by paying ransom to kidnappers thereby making it difficult to perform their work which in turn affects the inflow of FDI in Nigeria (Albert, Danjibo, & Albert, 2020).

The study also selected some respondents for oral interview through a purposive sampling. The method allows the researcher to choose the participants with relevant first-hand information, experience and knowledge on the issue of security challenges and FDI with particular reference to oil firms in Niger-Delta area.

Method of data collection: The method of data collection is discussed as follows:

Research Technique/Instrument: The questionnaires and scheduled in-depth interviews were used as research tools in this study. The researcher distributed two hundred (200) questionnaires to respondents. The questionnaires were administered on staff of sampled oil firms in Niger-Delta and oil community stakeholders in Burutu and Ilaje Local Government

areas of Delta and Ondo states respectively. Out of the 200 questionnaires administered, 181 questionnaires were returned, leaving a shortfall of 19 not returned, representing 91% response rate.

Validity and Reliability of the Research Instrument: The validity and reliability of the research instrument was achieved by subjecting the instrument to critical evaluation for consistency, coherence and tenability. A pilot study was conducted to elicit the right understanding and answers to concepts under investigation using small participants from the chosen sample. Also, copies of the research instrument were presented to the experts in political Science departments who are well-grounded in this area of study for more logical analyses. All these helped the study to achieve its validity and reliability.

Method of Data Analysis: The Statistical Package for Social Sciences (SPSS) was used to statistically assess the field data. The study adopted descriptive and inferential statistics such as chi-square, correlation and linear regression.

Results and Interpretation of Data

Responses to the Research Questions

To answer the research questions of the study, the items of the questionnaire that are relevant are adopted as presented as follows:

Research Question 1: What are the security issues directly affecting oil firms in Niger-Delta?

To answer the question one as above, questions Item B1-B6 of the questionnaire was employed as presented below:

Table 15: Security issues directly affecting oil firms in Niger-Delta

Item /Statements		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	No response	Total	Mean	Rank
B.1: Kidnapping is a threat to foreign direct investment an oil firms in Niger delta	N	133	40	1	4	2	1	181	4.63	2 nd
	%	(73.5)	(22.1)	(0.6)	(2.2)	(1.1)	(0.6)			
B.2: The rate of piracy in Nigeria affects foreign direct investment and oil firms in Niger-delta	N	48	122	2	6	2	1	181	4.13	4 th
	%	(26.5)	(67.4)	(1.1)	(3.3)	(1.1)	(0.6)			
B.3: Regular ransom payment have caused oil firms in Niger-delta loss of huge revenue	N	44	118	4	10	3	2	181	4.02	6 th
	%	(24.3)	(65.2)	(2.2)	(5.5)	(1.7)	(1.1)			
B.4: Oil theft has negatively impacted on the effectiveness of foreign direct investment (FDI) in Nigeria and oil firms in Niger-delta	N	126	52	1	-	-	2	181	4.65	1 st
	%	(69.6)	(28.7)	(0.6)	-	-	(1.1)			
B.5: The high spate of vandalism has led to divest of foreign investment by oil firms Niger-Delta	N	52	112	8	8	-	1	181	4.13	4 th
	%	(28.7)	(61.9)	(4.4)	(4.4)	-	(0.6)			
B.6: The killings oil workers by suspected militants in Niger-Delta is one of the major problems confronted by oil firms:	N	76	81	7	11	5	1	181	4.15	3 rd
	%	(42)	(44.8)	(3.9)	(6.1)	(2.8)	(0.6)			
Overall Mean									4.29	

Source: Field Study, 2023

Likert Scale (1 to 5) Measurement used.

Keys: Strongly Agree = 5, Agree= 4, Undecided = 3, Disagree=2, Strongly Disagree =1, No response = 0

Table 15 presented the security issues directly affecting oil firms in Niger-Delta, Nigeria. Most of the security issues are very high as most responses are on strongly agreed and agreed. The security issues of concerns identified include Kidnapping, rate of piracy, Regular ransom payment, Oil theft, high spate of vandalism and killings oil workers.

Though all the security issues were linked to FDI inflow with mean responses far above 3.0 score which is the average for a 5 likert-scale grade, however, the leading security issues were Oil theft, Kidnapping and killings oil workers (with mean scores of 4.65, 4.63 and 4.15 respectively) which are also ranked 1st, 2nd and 3rd. Other security issues such as vandalism, piracy and ransom payment were of lower ranks, though high in its impact on FDI inflow in Nigeria.

Meanwhile, the overall mean was 4.29 out of 5.0 (maximum score for a 5 likert scale). Hence, the link between security challenges and the flow of FDI in Nigeria in from the oil firms' perspectives in Niger-Delta is very disturbing (high).

Research Question 2: What are the impacts of security challenges on oil firms operating in Niger-Delta?

To answer the question two as above questions Item C7-C11 of the questionnaire was employed as presented below:

Table 16: Impacts of security challenges on Nigeria and oil firms in Niger-Delta

Item /Statements		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	No response	Total	Mean	Rank
C.7: High rate of killings in Niger-Delta has led to low attraction of foreign direct investment in Nigeria.	N	106	61	4	5	4	1	181	4.42	2 nd
	%	(58.6)	(33.7)	(2.2)	(2.8)	(2.2)	(0.6)			
C.8: High cost of items is caused by security challenges problems in Nigeria.	N	8	45	32	82	13	1	181	2.72	5 th
	%	(4.4)	(24.9)	(17.7)	(45.3)	(7.2)	(0.6)			
C.9: Corruption has become a factor in driving security in Nigeria.	N	38	116	10	14	2	1	181	3.94	3 rd
	%	(21)	(64.1)	(5.5)	(7.7)	(1.1)	(0.6)			
C.10: Crude oil theft has caused Nigeria government to lose millions of dollars	N	92	83	1	4	0	1	181	4.44	1 st
	%	(50.8)	(45.9)	(0.6)	(2.2)		(0.6)			
C.11: Security challenges has led to unemployment in both the state and local government in Nigeria	N	22	64	31	55	7	2	181	3.18	4 th
	%	106	61	4	5	4	1			
Overall Mean									3.74	

Source: Field Study, 2023

Table 16 presented the immediate and long-term impact of security challenges on Nigeria and by extension on the oil firms in Niger-Delta. Most of the general security issues identified had impact on Nigeria at large, and specifically on the oil firms. The impact is very high as most responses are on strongly agreed and agreed. The general national security challenges concerns identified include high rate of killings, high cost of items, corruption, crude oil theft, and unemployment due to security challenges.

Though all the national security challenges were linked to have impact on Nigeria, and on oil firms in the Niger Delta, with mean responses far above 3.0 score which is the average for a 5 likert-scale grade. However, the leading national security issues were crude oil theft, High rate of killings and corruption (with mean scores of 4.44, 4.42 and 3.94 respectively) which are also ranked 1st, 2nd and 3rd. Other security issues such as unemployment due to security challenges, and high cost of items caused by security challenges were of lower ranks, though high in its negative impact on oil firms in Nigeria.

Meanwhile, the overall mean was 3.74 out of 5.0 (maximum score for a 5 likert scale). Hence, there is a negative impact of security challenges in Nigeria, most especially the on the oil firms' in Niger-Delta, in high scale.

Hypothesis Testing:

Ho1: *There is no significant relationship between security challenges and the operations of oil firms in Niger-Delta*

HA2: *There is a significant relationship between security challenges and the operations of oil firms in Niger-Delta*

To answer the hypothesis, secondary data were employed; Reported cases of Insecurity in Niger-Delta as independent variable vs Oil Output Production (Bpd) as dependent variables were used. The result is shown below:

Table19: Test of hypothesis Two Using linear regression**Table 19a: Descriptive Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.342 ^a	.117	-.104	1.80223E8

a. Predictors: (Constant), cases of Insecurity

Table 19b: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.721E16	1	1.721E16	.530	.507 ^a
	Residual	1.299E17	4	3.248E16		
	Total	1.471E17	5			

a. Predictors: (Constant), cases of Insecurity

b. Dependent Variable: Oil Production, BPD

Table 19c: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.488E8	1.756E8		4.265	.013
	Cases of Insecurity	-185501.180	254815.017	-.342	-.728	.507

a. Dependent Variable: Oil Production, BPD

The linear regression analysis for the Hypothesis examines whether security challenges significantly affect the operations of oil firms in the Niger Delta, using oil production as the dependent variable. In the Model Summary (Table 19a), the R value of 0.342 suggests a weak positive correlation between cases of insecurity and oil production. The R Square of 0.117

indicates that only 11.7% of the variability in oil production is explained by insecurity cases, while the negative Adjusted R Square (-0.104) suggests that this model may not fit the data well. The Std. Error of the Estimate (1.80223E8) shows a considerable amount of variation around the regression line, indicating limited predictive accuracy.

The ANOVA results in Table 19b show an F-statistic of 0.530 with a P-value of 0.507, which is above the 0.05 threshold, indicating that the model is not statistically significant. This suggests that insecurity cases do not significantly impact oil production levels. In the Coefficients table (Table 19c), the B value for cases of insecurity is -185501.180, indicating a small, non-significant negative effect on oil production, with a t-value of -0.728 and a P-value of 0.507.

Overall, these results show no significant relationship between security challenges and oil firm operations in the Niger Delta. Hence, accept the null hypothesis (H_0) and reject the alternate (H_1). This implied that the security challenges in Nigeria have positive but no significant relationship on the operations of oil firms operating in Niger-Delta.

Discussion of Findings

The findings of this study provide critical insight into the multifaceted nature of insecurity threats that plague oil operations in the Niger Delta, particularly Ondo and Delta States. The evidence, drawn from both qualitative interviews and quantitative survey responses, substantiates the hypothesis that security threats such as oil theft, pipeline vandalism, militancy, kidnapping, and community agitations have a profound and destabilizing effect on oil operations in these states.

One of the most alarming findings of the study is the prevalence of oil theft and pipeline vandalism, ranked as the most critical threats to oil operations. Survey responses presented a compelling mean score of 4.65 (on a 5-point Likert scale), signifying overwhelming agreement among oil firm staff and community stakeholders that oil theft severely undermines foreign direct investment (FDI) and operational efficiency (Akindoyo, 2024). This aligns with broader national data; the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) reported that Nigeria lost approximately \$1 billion to oil theft in the first quarter of 2022 alone (NUPRC, 2022). These acts of sabotage result in reduced production outputs, environmental degradation, and the loss of investor confidence.

The study also identifies kidnapping as a significant deterrent to oil investments, with a mean response score of 4.63, ranking it second among security concerns. The trend of kidnapping in the Niger Delta—initially politically motivated—has evolved into a criminal enterprise, often targeting oil workers and expatriates (Campbell, 2019; Akindoyo, 2024). The Movement for the Emancipation of the Niger Delta (MEND) and other groups have utilized hostage-taking to demand ransoms or political concessions, exacerbating insecurity in the region (Ibaba, 2008). The killing of oil workers, ranked third in the study, further compounds these challenges, creating a hostile work environment and necessitating costly private security arrangements.

Although Boko Haram insurgency is geographically concentrated in Northern Nigeria, its psychological and operational impacts have reached the oil-producing South, particularly through arms proliferation and displacement. The porous borders and weak state capacity have allowed extremist and criminal networks to access the Niger Delta, compounding local security

challenges (Adams, 2015; This Day, 2017). These findings echo the state capacity theory used in this study, which posits that insecurity is often symptomatic of weak institutions and poor governance (Fukuyama, 2013).

The correlation between insecurity and FDI in the oil sector is statistically evident. With a significant portion of survey respondents affirming that security challenges deter investment, and a reported mean score of 3.74 for the impact of such threats on oil firms, the study confirms that insecurity is not merely a local issue but a strategic economic concern (Akindoyo, 2024). Companies such as Shell and Chevron have either divested or scaled down operations, citing insecurity and regulatory instability (The Guardian, 2019; Punch, 2021). This aligns with international advisories from the UK and US, which have consistently warned their citizens against travel to many Niger Delta regions due to insecurity risks (Channels Television, 2022; Vanguard, 2022).

Conclusion

The Niger Delta region, particularly Ondo and Delta States, presents a vivid paradox of abundant oil wealth shadowed by chronic insecurity. This study has unpacked how insecurity—manifested through militancy, kidnapping, oil theft, pipeline vandalism, and environmental degradation—severely hampers oil operations in these regions. Evidence from field data confirm that oil theft and the killing of oil workers are among the most pressing threats, significantly discouraging foreign direct investment (FDI) and destabilizing Nigeria’s oil economy. The persistence of such threats is a direct consequence of weak state capacity, socio-economic exclusion, and ineffective governance.

Recommendations

Based on the findings of the study, the following recommendations were raised:

- i. The Federal Government and security agencies should modernize surveillance systems and empower institutions like the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and Nigerian National Petroleum Corporation (NNPC) to enforce anti-sabotage laws. Judiciary reform is also necessary to ensure timely prosecution of oil-related crimes.
- ii. The implementation of the Petroleum Industry Act should prioritize equitable distribution of oil revenues through Host Community Development Trusts. Transparency mechanisms should be overseen by NEITI to build trust with local populations.
- iii. Oil companies and state governments should establish dialogue platforms and community development initiatives to reduce grievances. These programs must directly involve local leaders and youth groups to ensure sustainable peace.
- iv. Community policing and vigilante groups should be trained, regulated, and integrated into the broader security framework under state supervision. This would improve early response to security threats and reduce reliance on overstretched federal forces.
- v. Federal and state governments should invest in sectors like agriculture, tech, and renewable energy to reduce dependence on oil. These initiatives should target job creation for youths in oil-impacted communities.

- vi. Revive and reform institutions like NDDC and the Presidential Amnesty Programme with strong accountability frameworks. These institutions must focus on infrastructure, education, and empowerment to reduce insecurity.

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