

The Impact of Piracy on Economic Prosperity in Niger Delta Region of Nigeria

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Abstract: - This study examines the relationship between piracy and economic prosperity in Niger Delta area of Nigeria. The study utilized a structured questionnaire to obtain data from 186 resident of Niger delta region. Statistical package for social sciences (SPSS) version 23.0 was employed for data analysis. The study made use of description analysis to analyze the demographic characteristics of the respondents while regression analysis was used to analyze the hypotheses earlier stated. The result of the study indicates that piracy has significant effect on economic prosperity of Niger delta region. The three measures of economic prosperity (economic development, sea transportation performance and job creation) as was used in the study were found to be influenced by pirate activities. The region can enjoy economic prosperity by holistically approaching piracy with drastic measure which aim at eradicating all form of it. The study concludes that piracy is a plaque and must be eradicated at all cost to ensure economic development. Piracy can control, influence, impact and affect economic prosperity. It was further concluded also that the region can only thrive economically when attention is been given to the causes of the situation and much effort are channelized towards its eradication. The following among others were recommended, government should see to the activities of oil producing firms and others within the region to ensure that they carry out their social responsibility to their host communities and also a reformation and review of maritime policies.

Key words: piracy, economic development, job creation, transportation

I. BACKGROUND TO THE STUDY

Generally in the world, security has been a global concern especially in the maritime sector as it affects the functionality of the world economy. Piracy without a doubt is one of the most challenging factors that have bedeviled sea transportation along water ways especially in the Niger delta region. Piracy which is considered anti social activities has over the year truncated not only the peaceful coexistence of the region but also have slow the pace of prosperity within the region. The terror of this plaque has been some of the major factor that have ignited most social violence in the region. Piracy which like every other social challenges, have taken various form and shape in its operations. Both kidnapping, robbing and molesting of local boat passengers to hijacking of ships and oil vessel at high seas. These activities are mostly being carried out by middle aged youth both from economically neglected region and politically marginalized

area in the Niger delta. Oceans and seas have been one of the platform through which goods and other materials have been transported to and from in the world. Thus contributing to the transportation of 80% of goods that sustains the world economy and support the livelihood of the people in the Niger delta region. Therefore, order and security at sea, is considered as indirect wealth generator and enabler and one of the core pillars for oceans sustainable wealth generation. Unfortunately, order and security at sea have been threatened by piracy activities carried out by criminals for selfish reasons for centuries. Niger delta maritime piracy and armed robbery against ships and local boat have continually truncated the economic activities within this region making it impossible for economic activities to thrive for centuries now. In fact, maritime piracy and armed robbery against ships and other boats along water ways can be viewed as a epidemic that has affected the maritime domain right from the inception of seaborne trade in the history of mankind especially within this region.

Hassan & Hassan (2016) stated that Piracy constitute a major threats to maritime security. As noted by Murphy (2010), piracy is a greasy concept which can rarely be understood without some form of caveat or exemption that changes its meaning. However, it cannot be seen as a political crime, but has often been attributed to politics and state weakness. Piracy is as old as the hill which has assumed several forms and has been carried out for different reasons. The constant attacks by this criminals along the Niger delta water ways such as in Bonny, Nembe, Oron, Degema, Okrika Delta state etc call for effective and urgent response by the law enforcement to combat this plaque that have eaten into the fabric of the region. The success of law enforcement will be contingent on sound and comprehensive knowledge of the international law requirements concerning piracy and armed robbery at sea, knowledge of the operational environment, awareness of the actors and understanding of the nature of piracy in Nigeria as asserted by (Ali, 2015).

Modern piracy in the Gulf of Guinea, is a Nigeria-centric problem. contrasting the Somali piracy, which happens frequently in the high seas, a lot of the piracy in the Gulf of Guinea occurs in Nigerian territorial waters (Ashiru, 2016). According to Ali (2015), Nigeria accounts for 80 percent of

reported piracy incidents in the Gulf of Guinea and it stands out as the epicenter of Gulf of Guinea piracy.

Otto, (2014) noted that in Nigeria, there exist a multifarious relationship between piracy and the legacy of oil and one could say the two issues are interwoven because piracy in Nigeria occurs mainly in the resource rich Niger Delta region . Historically ,Piracy activities in Nigeria started as mere pretty robbery but however, aggravated as the year passes to robbery of personal effects of crew and ship equipment onshore, today it is more organize and advanced like a legal corporate organization as they operate in larger numbers and with faster crafts. Otto further discovered that it was as a result of the oil production, negligence of social corporate responsibilities and unhealthy trade in the Niger Delta region, that contributed to the piracy activities such as oil theft, attacks on offshore installations as well as attacks on vessels carrying petroleum products .

Omovigho (2017) noted that the establishment of the Movement for the Emancipation of the Niger Delta (MEND), gave piracy a new look in Nigerian waters and off its coast. The MEND, according to experts, is an organized group which is a loose coalition of armed militias who are motivated by local grievances. Watts(2008) noted that group were involved in kidnapping of oil workers, theft of crude oil, raids on ships and constant attacks on installations .Their activities increased instability in the Niger Delta region of Nigeria and this in turn led to increased attacks on ships at sea, river crafts and oil platforms. Currently piracy and armed robbery attacks at sea have shifted from violent armed robbery attacks to theft of whole ships, kidnap and ransom and sometimes sabotage (Murphy 2010).

Problem

Over the year there has been economic downfall in the region of Niger delta which majorly constitute six(6) state in Nigeria (Akwa ibom , Rivers state , Bayelsa state , Edo state , Cross river and Delta state) and who are the major oil producing state in Nigeria . These could be attributed to the security challenges by pirates in the water ways faced by this states . While both life , properties and goods worth billions of dollars have been lost in the hands of this pirates , their activities along the creeks have also scared away potential investors who would have invested in the economy but currently are in constant fear of being kidnapped , and loosing their money and resources to the criminals . Hence, the reason for conducting the research to investigate the impact of the piracy activities on economic activities in rivers state.

Objectives

The flowing are the objectives of the research:

1. To determine the impact of piracy activities on economic development.
2. Examine the impact of water ways transportation performance.

3. Examine the impact of piracy in job creation.

Hypotheses

The following hypotheses are stated

1. There is no significant relationship between piracy activities and economic development in rivers state
2. There is no significant effect between piracy activities and water ways transportation performance Niger delta region .
3. Piracy has no significant relationship with job creation in Niger delta.

II. LITERATURE REVIEW

The Concept of Piracy

Pirates are acts of loot taking place on the sea or the coast and are acted upon by illegal maritime forces. Piracy have been viewed as a global crime, piracy that directly threatens the economic activities at sea the lives and lives of seafarers, strongly impacts maritime activity as well as economic development as noted by Burruss (2018). The global damage caused by piracy is estimated at \$ 6.6 to \$ 6.9 billion through commercial fraud, loss of cargo or delay. pirates is capable of causing political instability due to state officials' corruption.

Technically piracy has often been portray as a business model and viewed as an activity that is primarily economically motivated. While piracy assures revenues to the people involved in it , a direct causal association between poverty or lack of employment opportunities and piracy cannot be constructed. Rather than poverty per se, the critical issue is economic dislocation. People engage in piracy have discovered to be those who are economically marginalized and by virtue of their status have been put at a disadvantage by economic developments and globalization processes or are not allowed to participate in sources of wealth.

Though piracy among other factors considered as a threat to maritime security , can be seen as an exemplary one. Piracy shows that maritime security threats have a propensity to be sticky. Given the fact that once it emerges, eradicating it becomes a major problem. Thus prevention strategies are fundamental. While a mechanism is essential to eradicate piracy, it is utmost important to put up early preventive and warning strategies to prevent its escalation. The issue of piracy cannot be dealt with only by military might. They need multifarious and coordinated responses and tactical innovation. Niger delta piracy moreover forcefully reveals how apparently local problems can have considerable global effects. Niger delta piracy security issues will consequently have to be understood as a dilemma requiring ongoing international consideration and action.

Presently, pirates have been categorized into two base on their mode of operation which are as follows: armed robbers and ghosts. While the former is armed and terroristic, the ghost ship mode of operation is tremendously sophisticatedly and.

Their prominence, as well as the active area of each type of robbery, is classified as followed:

2.1. Armed robbery

- **Grounds:** Usually located in places far from central areas, uninhabited islands, areas not regularly inspected by the government. Some regions may be named, such as the Dutch islands in rivers state , the Gulf of Mexico, the Caribbean, or Somalia
- **Manpower:** Mainly local people are knowledgeable in the area, armed with weapons such as guns, grenades, etc.
- **Vehicles:** Use high-speed canoes and boats to avoid scans of radar boats as well as quickly and easily reach cargo ships to control crew on board.
- The most famous for this type of terrorist piracy is the Somali region - from the Atlantic Ocean to the Indian Ocean and vice versa, South America, some of the archipelago of Indonesia in the Southeast Asian.

2.2. Ghost ships

This is a very complicated form of piracy, which is a ship registered and flagged properly, but these ships carry pirates. When the pirates capture the ship, cargo on the whole ship is taken to the ghost ship, which will be shipped to the sea after shipment without any difficulty from the ship. Security forces. Through analysis and evaluation, maritime security forces find that ghost ships typically have the following characteristics:

- Over 15 - 20 years of use
- Initial registration information is abnormal
- Ships arrive at slow ports for loading and unloading
- The owner or operator is always the only one

The Chinese pirate and shanghai are well known for using Ghost ship to perpetrate crime on the high sea and oceans. as noted by Burrus (2018) the Ghost ship obtain information for their illegal operation from a third party such as moderators and brokerage. consequently, their major are of concern for their operation is in the pacific oceans which is more conducive for their operation in the high sea .

Generally , the operation of both of them , regardless of the same reason, are the raiding and looting of ocean-going ships, but their mode of operations is extremely different. While the major activities of armed pirates is to loot goods and take hostages for ransom, robberies are mostly flushed into the ocean or move to bordering countries for consumption [Lindley 2018]. The pirate ghost ships are organized, commanded and receives support from the shore . It acts as a refined criminal organization, with intelligence, coordinated attacks, and individual attacks (Hastings and Phillips 2018)

The Niger Delta Region

The Niger-Delta is located in the South-South zone of the country and provides 80% of Nigeria's oil revenue. Six state

made up this geo-political zone , which are as follows Rivers, Bayelsa, Cross Rivers, Delta, Akwa-Ibom and Edo States. This areas has experienced huge setbacks due to oil exploration activities of both indigenous and multinational oil firms who have neglected their social responsibilities to their host communities and render the environment unhealthy for the people leaving in the area . Oil according to history of oil exploration, was discovered first in this area in 1956 in one of the community in bayelsa state . According to Omofonmwa & Odia, (2009) the exploration and production of oil is still in existence till now. The International Oil Companies (IOCs) that operate within the region have shown less concerns in safeguarding the environment which is in their continual gas flaring, indiscriminate deposit of waste to the environment , non practice of green logistics ,emission of carbon etc. thus , these actions have contributed to the damaging of the ecosystem of the region which the people use as means of livelihood .The people of the region engage on agriculture and fishing as their major occupation .As reported by (UNDP Report, 2006) 70% of the people in the region depends on this natural environment for survival . However, continual oil spillage and gas flaring, have threaten their occupational activities causing hardship in the region. These have contributed to majority of the social vices in the region, such as militancy, piracy, kidnapping, ritual among others. Hence, the need to reduce environmental degradation is very paramount to the economic improvement of the region .

III. METHODOLOGY

The study was conducted in Niger Delta area of Nigeria,. The study employed a well structured questionnaire to obtain data from two hundred and forty five (245) resident of the region which was determined using the Taro Yamane formula from total population of six hundred and thirty one (631) resident of Niger delta region, out of which, only one hundred and eighty six (186) were found useful for further analysis. The questionnaire was structured in five (5) sections (Section A – E). Section A captured the demographical characteristics of the respondents, Section B contains eight (8) relevant questions on piracy activities, Section C contains relevant questions on Economic development within the region, Section D contains relevant questions on employment opportunities E contains relevant questions on Environmental impact within the region . Data was analyzed with the help of statistical software known as SPSS 23.0. Descriptive analysis was used to analyze the demographical characteristics of the respondents while simple regression analysis was employed to test the three hypotheses that were raised in the study.

IV. DATA ANALYSIS AND DISCUSSION

Table 1 Demographical Characteristic of Respondents

Variable		Frequency	Percentage
Gender	Male	114	61.3
	Female	72	38.7
	Total	186	100

Age	18 – 27	35	18.8
	28 – 37	28	15.1
	38 – 47	40	21.5
	Above 47 Years	83	44.6
	Total	186	100
Marital	Single	61	32.8
	Married	123	66.1
	Divorced	2	1.1
	Total	186	100
Educational Qualification	SSCE	11	5.9
	OND/NCE	27	14.5
	B.Sc/HND	96	51.6
	M.Sc/MBA	52	28.0
	Total	186	100
Duration	1 – 5 Years	66	35.5
	6 – 10 Years	98	52.7
	Above 10 Years	22	11.8
	Total	186	100

Source: Field Survey, 2020.

Table 1 above shows the demographical characteristics of the respondents. Out of 186 respondents 114(61.3%) are male while the remaining 72 (38.7%) which implies that majority of the respondent are male. Regarding respondents' age 35(18.8%) of the respondents are between age 18 and 27, 28(15.1%) of the respondents are between age 28 – 37,

40(21.5%) of the respondents are between age 38 and 47 while the remaining 83(44.6%) of the respondents are above 47 years of age. This implies that majority of the respondent are above 47 years of age. This connotes that matured respondent who has witness the piracy activities within the region were involved in the research . Also, 61(32.8%) of the respondents are unmarried, 123(66.1%) of the respondents are married while the remaining 2(1.1%) have lost their partner. This implies that majority of the respondents are married. This connoted that majority of the respondent are responsible citizens. Academically, 11(5.9%) of the respondents are SSCE certificate holder and have no higher institution certificate. 27(14.5%) of the respondents have Ordinary National Diploma (OND)/National Certificate in Education (NCE) certificate, 96(51.6%) of the respondents have Bachelor of Science (B.Sc.)/Higher National Diploma (HND) certificate while the remaining 52(28%) of the respondents have Masters of Science (M.Sc.)/Masters of Business Administration (MBA) certificate. This implies that majority of the respondents are B.Sc/M.Sc certificate holder. Based on the number of years each respondent has stayed in the region , 66(35.5%) of the respondents have been staying in the region between a year and 5 years, 98(52.7%) of the respondents have been staying in the region between 6 years and 10 years while 22(11.8%) of the respondents have been staying in the region over 10 years ago. This implies that majority of the respondents have spent between 6 years and 10 years in the area . This connotes that experienced and victims who has felt the impact and those that are conversant with the piracy activities are found in the region .

Test of Hypotheses

Hypothesis One

1. H_0 = There is no significant relationship between piracy activities and economic development in Niger delta region

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.245	.497		14.564	.000
	Piracy	.278	.053	.363	5.276	.000

a. Dependent Variable: Economic development.
 $R = 0.363$; $R^2 = 0.131$; $Adjusted R^2 = 0.127$; $Sig = 0.000$; $F Stat = 27.841$

Table 2 above shows the result of regression analysis that was done to test the first hypothesis of the study. It revealed that piracy has a significant effect on economic activities. Looking at the result above, R gives the value of 0.363(36.3%) which shows the level of relationship that exist between the two variables (piracy and Economic development), R square shows that for any variation that occur in Economic Activities, piracy contribute 13.1% to it while the remaining

86.9% of the variation are caused by other factors that are not captured in the model. The result also revealed the significant level which is 0.000 ($P < 0.05$). Based on this the study thereby reject the null hypothesis which state that there is no significant relationship between piracy activities and economic development in Niger delta and accept the alternative hypothesis that piracy has a significant effect on economic activities in the Niger delta .

Hypothesis Two

H_0 = There is no significant effect between piracy activities and water ways transportation performance in Niger delta

Model		Table 3 Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.918	.904		7.650	.000
	Piracy	.473	.096	.342	4.943	.000

a. Dependent Variable: water ways transportation

$R = 0.342$; $R^2 = 0.117$; $Adjusted R^2 = 0.112$; $Sig = 0.000$; $F Stat = 24.437$

Table 3 explains the results of the regression analysis. The analysis revealed that there is a significant impact of piracy on water ways transportation in the Niger delta; ($R = 0.342$; $R^2 = 0.117$; $Adjusted R^2 = 0.112$; $Sig = 0.000$). These indicate that of the variation of water ways transportation performance ; piracy accounted for 11.2%. Also, the F-values statistics (24.437) shows that the overall equation is significant at (Sig . level=0.000; $P < 0.05$). Therefore, the null hypothesis (H_0)

which states that no significant effect between piracy activities and water ways transportation performance in Niger delta should also be rejected and accept an alternate hypotheses of it .

Hypothesis Three

H_0 = Piracy has no significant relationship with job creation in Niger delta.

Model		Table 4 Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.256	.482		6.749	.000
	Green Logistics	.672	.051	.697	13.172	.000

a. Dependent Variable: Job creation

$R = 0.697$; $R^2 = 0.485$; $Adjusted R^2 = 0.483$; $Sig = 0.000$; $F Stat = 173.491$

Table 4 explains the results of the regression analysis. The analysis revealed that there is a significant impact of Piracy on job creation opportunities in the Niger delta region; ($R = 0.697$; $R^2 = 0.485$; $Adjusted R^2 = 0.4832$; $Sig = 0.000$). These indicate that of the variation of job creation or employment; Piracy accounted for 48.5%. Also, the F-values statistics (173.491) shows that the overall equation is significant at (Sig . level=0.000; $P < 0.05$). Therefore, the null hypothesis (H_0) which states that Piracy has no significant relationship with job creation in Niger delta should be rejected as their exist a significant relationship..

IV. CONCLUSION

The study examined the impact of piracy on economic prosperity in Niger delta. After a careful review of related literatures and testing the hypotheses that were put forward in the study. The result of the analysis discovered that piracy has a significant effect on economic prosperity of Niger delta. The three variables (Economic development , transportation performance and job creation) that were employed to measures economic prosperity in the Niger delta are found to be influenced and controlled by pirate activities. Thus, the region can only achieve a high rate of economic prosperity

through formulating strategic measure and implementations of policies that aims at crippling pirate activities in the region. Based on this, the study thereby concludes that piracy is a plaque , negating effective functionality of the economy of the region and should be dealt with holistically by all concerns. Piracy can control, influence, impact and affect economic prosperity. It was further revealed that the region can only thrive economically when attention is been given to the causes of the situation and much effort are channelized towards its eradication.

V. RECOMMENDATION

Based on the findings of this study, the study therefore recommends the following;

- i. Efforts should be made toward reforming maritime policy to ensure that their activities are geared towards protecting life and property and not for selfish reasons.
- ii. Death penalty should be put forward for any pirate practices as part of maritime Policy as this will promote terror and promote peace in the water ways
- iii. Government should see to the activities of oil producing firms and others to ensure that they carry

- out their social responsibility to their host communities.
- iv. A total privatization of the sea transportation services by government .this will ensure a maximum security by the private firm in their operation.
 - v. Mounting of security personnel's with advance weapon and technology to some strategic points along the creeks .this will help in curtailing pirate constant attacks to sea fearers Media should endeavor to orientate the populace about green logistics and see to its promotion on media.

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