

# The Globalisation of Private Security

Country Report: Nigeria



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## Introduction

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“Security is now the second largest money-spinner in Nigeria, surpassed only by oil and gas”. This statement by a long-standing observer of Nigerian politics is striking, especially given that Nigeria is Africa’s most populous country and the world’s seventh largest oil producer. While a lack of statistics and information make this claim impossible to verify completely, there is no doubt that the private security industry has grown rapidly in recent years. Private security personnel are highly visible around the country, guarding businesses, homes and neighbourhoods, and advising transnational companies and embassies on risks and dangers to their assets and employees. Security has thus become a major part of the Nigerian economy, and according to the best informed estimates, there are currently between 1,500 and 2,000 private security companies (PSCs) in Nigeria, employing in excess of 100,000 people.

Several factors provide the context for the size and growth of private security in Nigeria. Despite the country’s petroleum riches, the broader economy has declined over the past two decades. While segments of the population have benefited massively from oil wealth, most Nigerians remain poor, leading to extreme inequalities and a rise in crime and general insecurity. Wealthy residential and commercial areas are increasingly being transformed into enclaves, and some form of private security is considered essential by the vast majority of households and commercial establishments that can afford it.

This situation is exacerbated by the condition and actions of state security organisations. While prominently stationed on the streets of Lagos and throughout the Niger Delta, the Nigerian police are often unable to enforce law and order. To a significant extent, the police themselves are engaged in criminal activities – particularly corruption and extortion - and are often feared rather than respected throughout society. This is particularly true of its elite, armed force, the Mobile Police, whose nick-name ‘Kill and Go’ gives a clear indication of many people’s continuing perceptions of its tactics, although some observers suggest considerable recent improvement in Police-community relations.<sup>1</sup>

The Nigerian armed forces are still used extensively for internal security purposes, particularly in the oil-rich Niger Delta. Like the police force, the armed forces command little respect and trust among the public, but are widely feared for their coercive capabilities. In the Delta, soldiers and navy personnel are extensively deployed on the streets as well as in the protection of oil resources and installations. The continuing conflict in the Delta is highly complex, involving numerous actors and agendas, and often presented in terms of ‘resource control’. Perhaps best described as a low-level insurgency, the situation has remained highly conflictual and violent with an average death toll estimated at approximately 1,000 people a year.<sup>2</sup> In addition to community unrest arising from local people’s exclusion from oil wealth and from the environmental damage inflicted on their livelihoods by oil production, crude oil theft (bunkering) has emerged as a significant issue in recent years, increasing the level of criminality and armed violence in the region. A succession of

<sup>1</sup> On repression in the Delta, see Human Rights Watch (2003) *Nigeria: Renewed Crackdown on Freedom of Expression* (New York); Human Rights Watch (1999) *The Price of Oil- Corporate Responsibility and Human Rights Violations in Nigeria’s Oil-Producing Communities* (New York).

<sup>2</sup> For accounts of the conflicts in the Delta, see G. Gore and D. Pratten (2003) ‘The Politics of Plunder; The Rhetoric of Order and Disorder in Southern Nigeria’, *African Affairs* 102(407), pp. 211-240; J.G. Frynas (2001) ‘Corporate and State Responses to Anti-Oil Protests in the Niger Delta’, *African Affairs* 100(398), pp.27-54.

various military operations have been launched to quell unrest in the oil producing areas, including the recent Operation Restore Hope which was instigated at the request of the oil companies and consist of the combined forces of the army, the navy and the Mobile Police.

This report outlines some of the key issues surrounding the provision of private security in Nigeria, focusing in particular on Lagos and the oil industry in the Niger Delta. It provides a brief overview of the private security sector, its relationship to public security forces, as well as the key challenges facing the sector in the future.

## Overview of the Private Security Sector in Nigeria

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### **Size and Growth of the Sector**

As noted above, it is difficult to estimate the size of the private security sector in Nigeria with any degree of accuracy. No reliable figures exist for either the number of companies or employees, as many companies are unlicensed and unregistered. The most frequent estimates put the number of PSCs at between 1,000 and 1,500, with the majority being small, owner-managed companies operating in only one town or locality.<sup>3</sup> In terms of employment, it is likely that the sector as a whole employs at least 100,000 persons. In personnel terms, the largest companies are Prudential Security, which operates countrywide and employs nearly 9,000 guards, and Halogen Security with approximately 4,000 guards. Other major companies include Bemil Security and Corporate Guards. The major 'foreign' PSC, Group4Securicor's partner Outsourcing Services Ltd. (OSL), also operates nationally and has a total of approximately 3,000 personnel.

While there is a long tradition of employing so-called 'mai-guards' as watchmen in Nigeria, the first company providing uniformed guards was Nigeria Investigation and Security Company (NISCO), founded in 1965 and still in business. A steady growth occurred during the 1970s and 1980s, while the expansion of the sector gained renewed force following the inauguration of the Fourth Republic in 1999, which ended Nigeria's 'pariah status' and brought a new wave of foreign investment and business to the country. A relatively recent and controversial development is the arrival of international security companies, most notably Outsourcing Services Ltd. OSL started operations in 2002, as part of the South African company Gray Security, which was subsequently bought by Securicor and is now part of the newly-merged global security company Group4Securicor. Other international companies are also increasingly involved in Nigeria, most notably in the fields of risk analysis and consultancy. As insecurity continues to increase, so does the demand for private security services and many transnational companies now employ expatriate risk consultants from companies like Control Risks International and ArmorGroup, in addition to their own in-house security staff and commercial PSC guards. International companies, such as OSL/Group4Securicor, also offer extensive risk analysis and consultancy services, embedded in their overall security service to clients.

### **Services and Market Dynamics**

The commercial sector is the main market for private security, and virtually all businesses of any size in Nigeria employ private security in one form or another, as do international organisations, NGOs and embassies. The most sought-after contracts are with transnational corporations, particularly with the oil companies and the various contractors and service companies associated with the oil industry. Many oil companies, embassies and other transnational firms

<sup>3</sup> One study of the sector put the number of companies at over 1200. See P. Keku and T. Akingbade (2003) *Industrial Security in Nigeria. Challenges and Prospects for the 21<sup>st</sup> Century* (Lagos).

have a triple security structure in place, relying on a combination of in-house, public security forces, as well as private security companies, thus providing multiple business opportunities for guarding companies and for risk and consultancy services.

The residential market is as yet much more limited, and tends to be the preserve of smaller companies and traditional night-watchmen or 'gate swingers' due to its relatively low profitability. The main exception is the protection of the residences of employees of transnational companies, embassies and international organisations, which are frequently part of commercial contracts to secure business premises. The residential market is, however, undergoing rapid change, and a number of companies are currently in the process of developing more extensive residential security services, introducing panic buttons and rapid armed response services in defined areas. At the moment, these services are limited to a relatively small number of customers, but the introduction of more sophisticated technology and rapid response capacities along the model found in South Africa is perceived by many in the industry to provide important new business opportunities. PSCs that are able to offer this service may in the future be able to compete more effectively on price against the lower-end manned guarding companies, while providing a superior service through an armed response capability.

Cash in Transit (CIT) and cash management is also emerging as a new growth opportunity. To date, cash and valuables have frequently been transported in insecure vehicles, and hold-ups and robberies have been common. As a result, some PSCs are now investing in bullet-resistant, armored vehicles, as well as advanced satellite tracking-systems to ensure safer transport of cash and valuables for major banks and commercial clients. It is anticipated that this will become an increasingly important part of the market for the larger security companies.

It is clear that the private security market in Nigeria is undergoing an increasing professionalisation, with several leading companies incorporating the use of more technology and equipment such as satellite tracking, radio alarms, panic buttons and armored vehicles. Moreover, there is an increasing move towards offering integrated risk analysis and consultancy services, as transnational companies seek to protect their employees and assets in an increasingly insecure environment. These developments are driven by the international companies as well as a small number of local PSCs, and it seems likely that an increasingly diversified security market will emerge where a small number of leading companies provide a highly sophisticated service, whereas the majority of companies will continue to rely predominantly on low-skilled manned guarding. These transformations will increase further the disparity in security provision both within the sector and within Nigerian society as a whole. It is also likely to further exacerbate existing political/competitive tensions, as the increased capacity of 'foreign' companies to compete at the more lucrative, higher-end of the market is likely to be met with hostility by some local companies.

## Policies and Legal Framework

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### **Legislation**

The private security sector is regulated by the *Private Guard Companies Act (1986)*.<sup>4</sup> The Act requires that no organisation shall perform the service of watching, guarding, patrolling or carrying money for the purpose of providing protection against crime unless the organisation concerned

- (a) is registered as a company under or pursuant to the Companies and Allied Matters Act
- (b) has applied for and has been granted a licence by the Minister in accordance with the provisions of this Act; and
- (c) is wholly owned by Nigerians in accordance with the Schedule to the Nigerian Enterprises Promotion Act (Part I,1)

In considering an application, the Minister of Internal Affairs considers:

- (a) the good character, competence and integrity of any director or any other person responsible for or in charge of the operation of the company concerned
- (b) where Alsatian or other guard dogs are to be employed in the service of the company, sufficient evidence that all existing regulations relating to animal health and certification have been complied with; and
- (c) such further information as the Minister may specify (Part I, 2 (2)).

An application must also be accompanied by a fee, as well as a statement setting out the conditions of service, including salaries, of the employees. A licence is granted for a period of two years, after which a renewal licence must be applied for. No person who has been found guilty of a criminal offence under the 'Penal Code, the Criminal Code, the Firearms Act, or the Robbery and Firearms (Special Provisions) Act' in Nigeria, or of a similar offence elsewhere, will be granted a licence (Part I, 13, 1 (a)). Similarly, a licence will not be granted to persons who have been imprisoned for an offence involving fraud, theft or breach of trust, or who has been dismissed on disciplinary grounds from the Police Force, the Armed Forces, Prison Service or Customs Preventive Service, whether in Nigeria or elsewhere. The Minister can also decline an application on the grounds that it is "contrary to the public interest or the interest of national security" (Part I, 13, (1) (d)).

The Act prohibits the use of any firearms or ammunition by PSCs. It also prohibits the use of the expression "private detective" by the sector.

<sup>4</sup> *Private Guard Companies Act (1986)*, Cap 367 Laws of the Federal Republic of Nigeria

### ***Qualifications and Training***

The *Private Guards Act* stipulates that the training syllabus and instruction notes of a PSC must be approved by the Minister of Internal Affairs. In practice, however, there are no required standards of training in the sector, and as a result, the quality and extent of the training vary considerably. While most companies provide some form of training and instruction (some to a very high standard), others place guards on duty with little or no knowledge of basic security provision. There are also companies that offer training on a commercial basis, such as TransWorld Security's School of Management and Security, which runs an extensive range of courses in safety and security, but overall both the duration and standard of training is left to the individual company.

### ***Wages and Working Conditions***

Given the high level of unemployment in Nigeria, there is a ready supply of available labour. Many guards are highly qualified, with higher education or university degrees, while others have little formal education. Many also have previous experience in the police or military. As in so many countries, wages and working conditions in the private security sector are generally low and often exploitive, making the retention of a qualified and committed guard force difficult. Many companies complain of a low level of commitment from guards, of theft and a generally low level of service. Guards, on the other hand, report that wages are very low, frequently not paid on time, and of long shifts and minimal benefits.

The minimum wage in Nigeria is currently 6,000 Naira a month. Given the vast number of private security companies in the country, it is very difficult to generalise about wages in the sector. Broadly, pay scales range from N6,000 at the lower end to N100,000 per month for the top-ranking supervisors. In Lagos, N15,000 appears to be an approximate average wage. A significant number of companies, however, pay well below these levels, and guards are frequently paid late, or not at all. As a rule, wages and working conditions tend to be best within the larger, more professionally run PSCs, and lowest among the unregistered firms. A common practice is to pay guards according to the value of individual contracts, so that in effect guards at the same level and with the same experience earn different wages depending on where the company deploys them. This leads to dissatisfaction and tension within the guard force, and is often recognised as a problem for motivation and commitment by the companies themselves. Sufficient remuneration for the employees is a key condition for a more efficient, committed and reliable private security service, yet the highly competitive nature of the sector as well as the ready supply of labour in Nigeria seem to mitigate against this.

### **Monitoring and Review**

There appears to be little monitoring of standards in the sector. Licences have to be renewed by written application to the Ministry of Internal Affairs every second year, but apart from this, there is little regulation or oversight of the quality of service, standards and training. Many companies continue to operate without a licence, a problem that is recognised by the legitimate companies and the various industry associations, but not acted upon by the Ministry.

The main exception to the relative lack of monitoring and review is the frequent inspections and audits of international private security companies by various Ministries, including Labour, Immigration and Internal Affairs, as well as the State Security Service (SSS). These checks ensure compliance with Nigeria's labour and immigration laws, including review of the proportion of Nigerians employed in relation to expatriates. However, there also appears to be an element of harassment and corruption to these inspections; directors of one international security company have more than once been detained while the SSS searched office files and documents, without finding anything amiss. Such occurrences significantly complicate the operating environment for international PSCs, and there is suspicion that these inspections are on occasions instigated by unfounded allegations and complaints by local companies hostile to international competition.

### **Industry Associations**

There are currently at least five separate private security associations in Nigeria. The oldest of these is the Nigerian Chapter of the American Society for Industrial Security (ASIS), a global organisation supporting industry standards and focusing in particular on training and education. National associations include the National Professional Security Association (NPSA), the Society of Security Practitioners of Nigeria (SSPN), the Security and Safety Association of Nigeria (SSAN) and the Association of Private Security Practitioners in Nigeria (APSPN).

The latter association was founded in April 2004, in direct response to the government's decision to increase the licence fees for guarding companies. The three other national associations were all founded in 2002, largely in response to the arrival of Gray Security in the country. The Society of Security Practitioners of Nigeria (SSPN) presently appears to be one of the more active associations, with approximately 200 members (consisting of both individuals and companies) and holding regular monthly meetings. The NPSA is also fairly visible and vocal in arguing for increased professionalisation of the industry.<sup>5</sup> The SSAN currently has a smaller membership of 12, but the aim is to have three chapters, in Abuja, Lagos and Port Harcourt respectively.

The arrival of an international company in Nigeria in 2002 was presented by many local PSCs as a threat to national security and a contravention of the *Private Guards Act*, which stipulates that all PSCs must be wholly Nigerian-owned. A key aim of the SSPN and SSAN is to oppose and limit the activities of what they perceive as 'foreign' firms in

<sup>5</sup> NPSA published the study *Industrial Security in Nigeria. Challenges and Prospects for the 21<sup>st</sup> Century*.

Nigeria. While the initial hostility to international involvement has subsided somewhat, and it is clear that international PSCs operate within Nigerian law, it is fair to say that the leadership of these two associations remain hostile to what they describe as “foreign infiltration”. While this opposition is formulated and expressed in political and legal terms, it is clearly also underpinned by commercial, competitive pressures. OSL entered the Nigerian market through a major, nation-wide contract with Nigerian Breweries, and subsequently took on several contracts with banks and industries, before signing an extensive contract with ChevronTexaco, thus acquiring several valuable and sought-after clients and a substantial share of the security market.

Local companies fear the competition from international PSCs, which provide high levels of professionalism and often have access to superior resources and technology and hence, as one local company director put it, “get all the plum contracts”. According to the chairman of SSPN, ‘foreign’ PSCs should not be allowed an operational role in Nigeria, but should act only as technical partners to national business, in a support and advice capacity. That said, it must be stressed that the international companies in the country are Nigerian-owned, and operate through different management agreements with international companies. They thus operate within the law and stipulations of the *Private Guards Act*.

The various industry associations also seek to promote higher standards and new legislation to regulate the sector. The existence of large numbers of unlicensed companies is recognised as a major problem, and there is considerable concern to cleanse the sector of what are commonly referred to as ‘quacks’. In particular, the industry associations would like to see the establishment of a private security regulatory authority to ensure a tighter regulation of the sector, including the establishment of guidelines and standards for training, wages and working conditions. Similarly, the associations express concern over the lack of adequate databases to check the criminal records of potential guards, as well as the absence of any database listing guards who have previously been dismissed for misconduct by other companies. Another lobbying issue is the right of PSCs to bear arms, and at least two of the industry associations are of the opinion that the private security sector should be allowed to provide an armed service. So far, lobbying to this effect has found little favour with the federal government. It should also be stressed that there is no uniform opinion on this issue among the companies and many fear that a move towards firearms would inevitably lead to a dangerous increase in arms in society, and to greater insecurity due to the lack of regulation and training within the sector. Many international clients, including oil companies, are also opposed to any move towards arming the sector, a position that is reinforced by the oil companies’ endorsement of the Voluntary Principles on Security and Human Rights.

Finally it should be recognised that to a significant extent the number and diversity of industry associations in Nigeria is representative of a multitude of competitive struggles within the sector, including the right to represent the sector to government authorities, and to advance particular interests in the process. Past industry associations have been numerous and short lived, and the sector’s persistent inability to speak through one association likely weakens its impact and effectiveness vis-à-vis legislators and regulators.

## Public Policing and Private Security

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As noted above, the *Private Guards Act* of 1986 prohibits private security companies from carrying firearms. Private security companies are nevertheless able to provide an armed component to their services through various arrangements with the Nigerian Police, and most PSCs of any size and standard have a number of Mobile Police officers (MoPol) permanently seconded to their operations. This has resulted in a general 'privatisation' of the public security forces, seen both in the day to day operations of PSCs and more extensively in the security operations in the oil sector.

### ***Private Security and the MoPol***

Given the generally high level of violence and insecurity in Nigeria, most leading PSCs find it necessary to offer armed protection for certain key contracts, as well as the possibility of armed response in cases of emergency. In order to be allocated Mobile Police, PSCs must apply to the Inspector General of the Police for a specific number of officers, which they can then utilise for guarding at key locations, armed response, CIT, escort services, etc. MoPol officers are equipped with fully automatic weapons, usually AK-47s or FNs.

Most PSCs regard the secondment of MoPol officers as a necessary, but expensive arrangement. The exact costs are difficult to establish, as no receipts are given and prices also appear to vary somewhat between companies and contracts. Various reports put approximate costs as follows: the initial permission from the Inspector General to utilise MoPol officers costs approximately N120,000, followed by a monthly fee of N50,000 each to the Unit and Station Commander respectively. In addition, each officer costs N2,000 per 12 hour shift (paid to the Unit commander), plus a N300 supplement for food. As a result of these charges, only the higher-end companies can afford to hire MoPol officers.

The reliance on MoPol for armed private security services raises a number of operational and ethical challenges. As mentioned above, the MoPol has often been accused of using undue force, and whilst in the employ of PSCs the exact division of authority between private security guards and the police is difficult to establish definitively. While the PSC supervisor is in principle responsible for operations in relation to clients, the police remain answerable to their commander and retain legal authority. As one commander interviewed was eager to emphasise, "the police do not take orders from anyone. We run our own operations". Although many PSCs commend the MoPol for their professionalism, this is a source of tension and concern and the ability of PSCs to manage police officers depends to a large extent on informal arrangements and their capacity to develop well-integrated procedures, joint training, and close operational coordination with the MoPol.

### ***The Privatisation of Public Policing in the Oil Sector***

The security of the oil industry is vital for the Nigerian economy. In recent years, this situation has become progressively more unstable and the operations of the oil companies more insecure. The conflicts in the Delta are numerous and complex, involving multiple political and economic agendas and actors. The oil companies, and their installations and employees, are at the centre of these conflicts for a number of reasons. Oil production has sometimes caused environmental damage and social dislocation, leading to protest and discontent among the effected local communities who reap few benefits and whose share of oil-based revenues has for decades been eroded by the federal government. Over the years, the activities and practices of the oil companies have also contributed to inter-communal conflict, as payments for land rent, compensations or other company benefits such as development programmes and social funds have become spoils to be fought over. Excluded from access to oil wealth, attacks on the companies and their property have becomes a prime source of income – for example through crude oil theft and intentional pipeline damage in order to get subsequent contracts for the repair and guarding of pipelines, or in order to receive compensation for oil spills. Moreover, the oil companies are targeted because of their perceived direct connections to and collusion with the Nigerian state, and they are often seen as the main point of pressure through which an unresponsive government might be influenced.

In recent years, these dynamics have been intensified by illegal oil bunkering. This has become a huge enterprise, with Shell alone estimating a loss of 2.6 million barrels a year, the equivalent of \$441 million a year in future revenues. It is often speculated that these operations are connected to political elites and to the security forces, as well as to international criminal networks. What is certain, is that illegal bunkering has given rise to heavily armed militias capable of posing direct threats to oil operations and with the capability of resisting the government's armed interventions.

The security situation in the Delta is currently such that many of the activities associated with oil extraction take place in enclaves; operations behind layers of barbed wire, staff inside gated compounds, transports with armed escorts. Other aspects of oil extraction and production are spread across thousands of square kilometers in the mangrove swamps and creeks of the Delta, and are practically impossible to secure. To date, the oil companies have relied to a large extent on public security forces for their protection, but this is increasingly supplemented by the use of PSCs, particularly for guarding and risk analysis. The oil industry represents a growing market for international private security companies in Nigeria, providing, in the words of one oil company director, a more professional and disciplined guard force that can act as "a buffer" between the state security forces and the oil companies. For the PSCs, however, integration into a network of security frequently perceived by local communities as oppressive may come to pose particular difficulties and challenges.

The privatisation of public policing organisations is more extensive in the oil industry than in any other part of Nigerian society and economy. Virtually all levels of public force, including the military, have been integrated into the day-to-day security arrangements of the oil industry to a degree where it is often difficult to determine where public policing ends and private security begins. The most obvious example of this privatisation of public policing involves the Supernumary or 'Spy' police - officers recruited and trained by the Nigerian Police Force at the request of the oil companies and deployed as an unarmed security force (used primarily for manned guarding) under the direct pay and control of the companies. The numbers are extensive: Shell alone has 1,200 Spy police at its operations, including an intelligence unit, while ExxonMobile deploys between 700-1,000 and ChevronTexaco approximately 250.

As the security situation in the Niger Delta has worsened over the past decade, the companies have also integrated armed components of the public police directly into their operations. These range from armed officers of the Nigerian Police Force, who also act as dog handlers in many operations, to the more heavily armed, paramilitary MoPol. Again, the numbers are considerable, with Shell utilising approximately 600 Police and MoPol officers in its operations. Unlike the Spy police, the oil companies do not have direct control over these police forces. While operational authority is in the hands of a senior company security official and police officers are instructed to comply with the oil company's 'guidelines for the use of force' or 'code of conduct', the Police have their own commanders and supervisors and receive their orders within this line of command.

Military forces, or Government Security Forces (GSF), are also increasingly used to protect oil operations, often defined as national key assets. Most commonly, this is as a supplement to the levels of security discussed previously. GSF are allocated directly to the companies, who pay an administrative fee to the commanders and a direct stipend, as well as food and accommodation, to the soldiers. The oil companies also frequently supply and maintain the equipment, vehicles, and boats of the GSF. In highly conflictual situations, the companies use GSF more directly to provide guarding at sites, such as flowstations and terminals, and the Navy is also used to supply operations in the swamp and offshore. As the situation in the Delta has deteriorated in the last few years, the number of GSF has increased and Shell, for example, now has a total of 700 Army and Navy personnel deployed at its various locations.

### ***PSCs in the Oil Sector***

Increasingly, the oil companies are supplementing their use of public security forces with the services of PSCs. Many companies utilise a combination of Spy and PSCs for guarding, and there is also an expanding use of security consultants from global firms such as Control Risks International, ArmorGroup, and Group4Securicor, who are embedded in the companies' security structures. The most extensive PSC involvement in Nigeria's oil sector is OSL's contract with Chevron Nigeria Ltd. (CNL), one of Group4Securicor's biggest contracts on the African continent. OSL took over the

Chevron contract in October 2002, replacing a number of local companies that had previously provided manned guarding alongside the Spy police. While the initial contract was for guarding at CNL's headquarters in Lagos, the two logistical bases in Port Harcourt and Warri, as well as the operational base in Escravos, OSL's engagement with Chevron has since expanded significantly beyond more traditional guarding activities.

Most notably, OSL now plays a central role in providing marine security for CNL. OSL is responsible for daily routine patrols both offshore and in the surrounding Swamp's creeks and rivers, and boats also provide escort and protection for supply vessels, drilling rigs and work barges. In addition, Fast Response Craft are deployable at short notice in emergency cases. A satellite tracking system allows the OSL control room to follow the boats' movement through the narrow waterways around Escravos. In total, OSL provides a security force of 920 persons for CNL. These operations are integrated with a small number of Spy police, as well as with MoPol and GSF forces. Since OSL took over responsibility for CNL's security, the number of incidents and security breaches has decreased considerably.

OSL's involvement in maritime security provides an interesting illustration of the merger of public and private security forces in the protection of oil extraction. While OSL Mariners (usually ex-Navy personnel) operate and command the boats, each patrol vessel includes a contingent of Navy officers. In day-to-day operations, the OSL Mariner is in control of the vessel, but authority passes to the senior GSF officer at the point when a 'life threatening situation' develops. While the division of labour and authority between OSL and the GSF is in principle clearly outlined, the definition of 'a life threatening situation' is not necessarily straightforward. The GSF retain ultimate authority, but they are to a significant extent embedded within structures and procedures developed by OSL and CNL. According to some observers and sources in the oil industry, the use of OSL's extensive international security expertise and resources have helped to discipline and professionalise the GSF, by subjecting them to the control and influence of private international security experts.

At the same time, it is important to recognise that through such close co-operation with GSF, private security companies may risk becoming involved in the complex political struggles of the Delta and subjected to similar pressures and criticisms as the oil companies. The oil companies recognise that in their reliance on the GSF they are walking a very difficult line, and that armed security is probably the most difficult issue they confront. By relying on forces that they cannot fully control, and whose record of frequent abuse and ill-discipline is well documented, oil companies have become part of local political struggles. Local communities make little or no distinction between oil companies and the public security forces used to protect their operations, a fact that is widely acknowledged by critics as well as by the oil companies themselves. As such, the oil companies have long been accused by critics of being accessories to (and even instigators of) state political violence in the Delta. As PSCs become increasingly incorporated into these security structures, they too may find themselves embedded in complex local struggles for access to resources and face accusations of being complicit in the use of force, rather than simply protecting the assets of oil companies. Even more strikingly, the integration of state

forces into the private security structures of PSCs may make them prey to the potential charge of directly supporting the activities of the GSF and the MoPol.

To be sure, this is not to suggest that transnational companies should attempt to pursue their operations without security, as the risks to employees and equipment are currently very real, with frequent kidnappings and damage to company assets. Nor is it to question the contributions that OSL and other international PSCs have made to their clients' security in the Delta. However, it is important to recognise that the extension of the role of private security in the Delta, along side the parallel privatisation of public forces, presents a series of challenges, while at the same time offering the possibility for a more professionalised security structure.

## Future Considerations

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### ***Industry Standards and Regulatory Issues***

There is a clearly expressed view across the private security industry in Nigeria that overall standards and procedures are in need of improvement and that a higher quality service is desirable. In a highly competitive market, this is however difficult to achieve, as contracts are frequently won and lost by undercutting competitors' bids. As a direct result, guards are often very poorly paid, and service and standards remain low in large parts of the sector. The various industry associations in Nigeria are currently calling for tighter regulation, the imposition of sector wide standards for training, as well as a minimum wage. In particular, the industry associations are keen to ensure that the sector is rid of so-called 'quacks', that is, companies operating without licences, and without regard to standards and basic security principles. It is a frequently expressed hope that a new regulatory authority responsible for the oversight and regulation of PSCs will be set up within the next few years. However, given the current inability of the Ministry of Internal Affairs to adequately regulate the sector, and frequent charges that regulatory initiatives are too often linked to particular competitive interests in the industry, a degree of skepticism is warranted concerning the effectiveness and accountability of any new authority or initiative. In the absence of effective regulation, improvement of standards is most likely to occur as a result of increased competition. The pressures for higher standards is a sign that a gradual, if highly selective, professionalisation of the sector is underway, spearheaded by a few leading companies. To the extent that competitive pressures force an increasing number of companies to conform to higher standards, the quality of service may increase over time.

Another aspect of the industry associations' effort to instigate new legislation is increased pressure for the arming of private security companies. According to the SSPN and SSAN, PSCs are currently prevented from doing their jobs properly, as unarmed guards frequently confront armed criminals. Both associations regard this as a hindrance to the provision of security, and currently lobby the Federal Government for a change to this aspect of the *Private Guards Act*. Such pressures might gain renewed force if the provision of MoPol armed response services by a few leading companies succeed in limiting the share of the residential market for the lower-end, manned guarding companies. Crucially, any move towards arming the private security sector is likely to be detrimental in the absence of an effective regulatory framework, and it is important to stress that many industry participants as well as major clients are strongly opposed to any such legislative change, arguing that it would be seriously detrimental to the general security situation in the country.

### ***The Private Use of Public Policing***

The question posed by private security everywhere is particularly acute in Nigeria, given the extensive privatisation of public security: if security becomes a private service, what happens to the idea that it is a public good? This is intensified in a situation where public agents such as the MoPol are used to provide security for those who can pay, while at the same time providing little security to other elements of society, frequently acting as agents of insecurity through extortive roadblocks, etc. to supplement low wages. This is not, to be clear, a consequence of private security alone, but the outcome of the structure of security and inequality that characterises Nigerian society as a whole. Nigerian society is over-policed and under-secured: the problem is not a lack of public security personnel, but the existence of a security structure that contributes as much to insecurity as to public order. Because of the inadequacy of public policing, private security is hired by virtually anyone who can afford it. For the individual public security officer, on the other hand, secondment to 'private duties' is financially rewarding.

The close co-operation between public policing and private security also poses difficult challenges for PSCs. While PSCs are the primary operational actors, the MoPol and/or GSF retain public authority and are answerable only to their own commanders. The ability of the PSCs to determine how, for example, a rapid armed response situation is to be handled accordingly relies to a large extent on their ability to exercise informal control over the MoPol and/or GSF. Given the latter's reputation for a readiness to resort to force, this raises difficult ethical issues, particularly for international companies with high operational standards and corporate images stressing responsibility and human rights. These issues are likely to intensify if armed response becomes prominent, and will certainly merit careful consideration.

### ***Security and Conflict in the Delta***

The deteriorating security situation in the Niger Delta is likely to ensure a continued and expanding role for private security companies. While the provision of security for the oil industry is clearly essential for the Nigerian economy, as well as for the companies themselves, it is important to note that the fundamental causes of conflicts and insecurity in the Delta cannot be resolved by security professionals, but requires instead a political solution. In this regard, there are some limited grounds for optimism. Following decades of resistance and criticism, as well as rising costs to their operations, many oil companies are gradually placing re-oriented development initiatives and improved community relations at the centre of their security strategies. Similarly, the return to democracy in Nigeria may over time improve the situation and allow local communities a greater say in the exploration and use of oil resources - although as of yet there are few signs of positive change in policies towards the Delta communities or in the 'politics of plunder' more generally. Only 13 percent of oil revenues are directed back to the communities in the Delta and the new Niger Delta Development Commission has still to prove its effectiveness. As such, Karl Maier's description of Nigeria as a country where the population "live in a

criminally mismanaged corporation where the bosses are armed and have barricaded themselves inside the company safe", still captures the political landscape.<sup>6</sup> Until these larger, underlying political causes of the conflicts have been resolved, the Nigerian state will need the continued services of international private companies to ensure its own survival in the face domestic resistance, and this might involve international PSCs in increasingly dangerous, as well as complex political and ethical situations.

<sup>6</sup> K. Maier (2000) *This House has Fallen*, (London), p.xxiii.

This report is the second in the series, and is part of *The Globalisation of Private Security* research project. The project examines the development and dynamics of the global private security sector, and the impact of private security on security provision, social cohesion and stability, and political legitimacy in the developing world, focusing on Kenya, Nigeria, Sierra Leone and South Africa. For further information, please contact Dr. Rita Abrahamsen ([rra@aber.ac.uk](mailto:rra@aber.ac.uk)) or Dr. Michael Williams ([mjw@aber.ac.uk](mailto:mjw@aber.ac.uk)).

The Department of International Politics at the University of Wales, Aberystwyth was established in 1919 and is the oldest department of its kind in the world. One of the largest Departments of international politics in Europe, it currently numbers 53 staff, with 600 undergraduate students and 150 postgraduates. The Department was awarded a top 6-star rating in the latest UK Research Assessment Exercise. Further information is available at [www.aber.ac.uk/interpol](http://www.aber.ac.uk/interpol).

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