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Examining Available Petroleum Development Benefits and Challenges Incidental to Oil Exploration in Some Oil Producing Communities in Akwa Ibom State, Nigeria.

by

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Abstract

This study examined available petroleum development benefits incidental to oil exploration in some oil producing communities in Akwa Ibom State, Nigeria. Systematic random sampling procedure was adopted to obtain data from some communities in three local government areas of Esit Eket, Ibeno and Eastern Obolo using 400 respondents obtained from the Taro Yamane formula for sample sizes. Data was obtained through interviews and direct observation and subjected to simple percentages while statistical methods such as line graph, frequency table, Bar and Pie charts as well as tables were employed to summarize and display information. Findings suggested that the infrastructure provided by the oil companies were many with School/Educational facilities and Potable water in the lead. Findings also indicated that the most important source of credit for the respondents was from relations, implying that families whose members are working in the oil multinationals benefited indirectly from the oil companies by accessing credits from the relations. This was seconded by Banks. Under the infrastructural development variables, only water projects and education facilities were found. Provision of alternative good roads listed as one of the expectations was not seen as benefits in the area. It was recommended that the oil companies carry out a re-appraisal of their community developmental efforts in order to ensure that only projects that are directly relevant to the needs of the host communities are executed as part of the companies' CSR efforts.

Key words: Petroleum, Development Benefits, Oil Exploration, Communities.

1) Introduction

The emergence of the petroleum industry in Nigeria and its subsequent social, political, and economic impacts on the state-community relationship has been well documented (Frynas, 2000; Omoweh, 2005). Idemudia (2010) had identified two broader literature related to this field. The first is the early 1970s debate over whether the Nigerian

state is simply a tool of foreign capital or it is an autonomous actor. The second relevant aspect of the broader literature is the understanding of the Nigerian state as a mono-commodity rentier state since the 1990s. The rentier nature of the Nigerian economy is manifested in the fact that oil rent does not only predominate, it is also largely external in origin. The consequence of this rentier economy is that it fosters a rentier mentality that affects both the nature of the state and its role in society. For instance, drawing on this rentier context, the resource curse literature has demonstrated how oil has hindered democracy in Nigeria (Ross, 2001), fostered a predatory state and poor governance (Moore, 2004), generated social conflict (Idemudia and Ite, 2006), and fostered poor economic development (Karl, 1997). Oil companies have responded to these challenges by accepting social responsibility and demonstrating their commitments to CSR by increasing community development spending. According to Moon (2001), such non-profit engagements by businesses offer an opportunity to demonstrate the substance of their social responsibility.

The Federal Government of Nigeria's (FGN) response to the demand for community development and compensation for the negative effects of oil extraction in the Niger Delta has generally been through the creation of new institutions and the occasional marginal increase in oil revenue allocated to the region, as was done with the three % increase in 1992 and 13 percent increase in derivation fund in 2000. Over the past few decades, the Niger Delta has received various forms of developmental attention. In 1960, the Federal government of Nigeria set up the Niger Delta Development Board (NDDDB) based on Sir Henry Willink's Commission report, which specifically recommended special developmental attention for the region. This was before crude oil became the mainstay of the Nigerian economy. The NDDDB could not, however, make any significant developmental impacts on the region as it did not reflect Willink's dream of serving as a special developmental agency for the Niger Delta. When oil started dictating the pace of Nigeria's economy, there was growing consciousness among the people leading to more agitation that the commission's recommendations be fully implemented. Consequently, a Presidential Task Force was set up which devoted 1.5 % of the Federation Account to the development of the Niger Delta Region (NDDC, 2001). When the then Babangida administration realized the 1.5 % special account did not make any meaningful impact (mostly owing to the clear instances of restiveness in the region), it set up the Belgore Commission to, among other things, identify the root causes of the incessant clashes and disaffection in the oil region as well as suggesting the best way forward. The Commission's recommendations led to the setting up of the Oil Mineral producing Area Development Commission (OMPADEC) in 1993. Though OMPADEC appeared better established than previous agencies, Akpan and Akpabio (2003) observed that its developmental impacts were not quite significant as the Commission suffered a number of fundamental developmental problems namely: a lack of a master plan that would define its developmental agenda and strategies; inadequate funding, official profligacy, and an unfavorable political climate. Furthermore, Frynas (2000) asserted that the NDDC was merely an exercise in public relations, while Omotola (2007) argued that OMPADEC was only a vehicle used to siphon money by the political elites and that, the NDDC has been unable to deliver on its developmental promise.

The failure of these intervention agencies worsened the economic and developmental problems in the region especially in the face of persistent degradation of the ecosystem as a result of oil exploration. As a consequence, and by 1998, the region

had become a much more volatile atmosphere characterized by protests, lawlessness, agitation and conflicts. In almost all cases, it is clear that intervention programmes for the development of the Niger Delta region have all been well conceived. However, the bulk of the problem of such agencies lies in implementation and financing. Additionally, the incidence of corruption, poor planning, limited capacity, bottleneck bureaucracies, elite capture of benefits, and limited community involvement has led many commentators to describe these governmental agencies as total failures. This explains the current state of restiveness as a consequent of lack of basic development infrastructures.

Tuodolo (2009) remarked that most of the benefits local communities enjoy from the CSR programme of Shell come at a great cost to the local communities. The author went further to elaborate that either by omission or commission, the activities of Shell and its processes of delivering its CSR programmes impact negatively on local communities, often outweighing the positive benefits CSR brings (Eweje, 2007 and Tuodolo, 2007). Bodo and David (2018) investigated community perspective to petroleum exploitation and pollution in Ogoni, Rivers State to determine the extent to which the pollution of the environment has affected the people's views of usefulness of the resources in their communities. The survey design method was employed. Purposive sampling technique was used to select 21 oil bearing communities from the four Local Government Areas (LGAs) of Ogoni land. The data was collected using interviews, focus group discussions, oral testimonies and questionnaires. Results showed that the majority of the people had not benefitted from the petroleum resources in their communities. It was reported that pollution had changed the people's views of the usefulness of petroleum resources, as they clearly see the resources in their communities as a curse. However, many communities believed that there was no sincerity on the part of their leaders, as the dividends claimed to be given by the multinational oil companies (MNOCs) for the welfare and benefit of the people were not visible. The study recommended that in order to change the perception of the people toward petroleum exploitation, the MNOCs should massively develop the host communities with basic social amenities and deal directly with the land owners whose portions of land are directly affected and not through the chiefs or the Community Based Organisations (CBOs)

In the Ghanaian context, Arthur & Amo-Fosu (2020) examined the balance of benefits and challenges associated with oil and gas exploitation. The study identified several environmental impacts in nearby communities, including low fish catch, loss of jobs and livelihoods, environmental degradation or pollution, and cultural change. However, the development of social amenities and increased income levels are also recognized as major benefits of oil and gas development. This indicates that oil communities may have mixed expectations, with both positive and negative outcomes.

Health risks are a significant concern associated with petroleum exploration and exploitation. These risks include incidents such as oil spills, which can have devastating impacts on health and the environment (Isibor *et al.*, 2020). Additionally, the health risks from environmental degradation in areas like the Niger Delta highlight the challenges faced by societies at risk and the exploitation of resources by international capital (Adekola *et al.*, 2016). Isibor *et al.* (2020) for instance reported the devastating impacts on health and the environment caused by petroleum activities. The authors observed that the economic benefits of petroleum may be outweighed by these impacts. The refining, transportation, storage, marketing, and use of petroleum products contribute to incidents such as oil spills in Nigeria.

Petroleum development, including oil and gas exploitation, has both benefits and challenges. The present work provides insights into the environmental, social, and health impacts of oil and gas exploitation in some communities of Akwa Ibom State, as well as the economic benefits it brings to communities as well as the challenges associated with these activities.

2) Study Area

Location and Aerial Extent: Akwa Ibom State is one of the States in the Niger Delta Region (Figs. 1.1) and it lies entirely on the coastal plain of Southern Nigeria with a landmass of 8,412 sq.km. As shown in Figure (1.1), there are 31 LGAs divided into three Senatorial Districts with Uyo as the State Capital. It is located between latitudes 4°30' and 5°30' N and longitude 7°30' and 8°15' E. The study area being the “core” oil producing Communities is bounded by Ikot Abasi, Mkpato Enin, Onna, Nsit Ubium, Eket, Okobo, Urue Offong Oruko and Mbo local government areas.

Relief and Drainage: Akwa Ibom State is drained by two major systems - the Kwa Iboe River and the Cross River systems. The Kwa Iboe River flows down the gentle sloping sandy plain in a fairly wide valley and well developed flood plain near Eket and a wide estuary at Ibeno, many of the tributaries are seasonal streams. Apart from the extreme north eastern corner of Obotme and around Itu where the terrain is intensely dissected, the landscape of the State consists of a generally low lying plain and riverine environment with no portion rising more than 175 meters above the sea level (Usono, 2010).

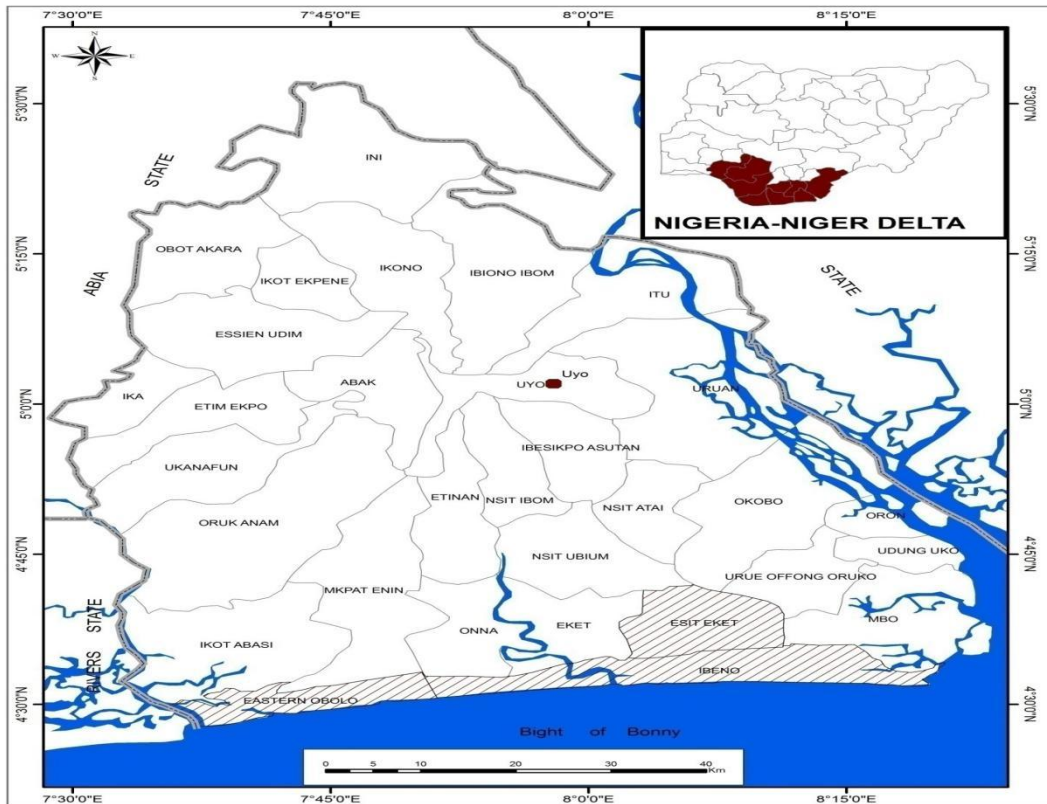


Fig. 1.1: Akwa Ibom Map [Insert Nigeria - Niger Delta] showing Study Area

Source: *Office of the State Surveyor General, Akwa Ibom State.*

Climate: The State is characterized by seasonality of climate in which wet season is followed by a dry season. Seasonal variation in the rainfall is mainly attributed to the two major air masses which influence the climate of the entire State. These are the moisture laden Tropical maritime air mass from the Atlantic Ocean and the dry Continental (CT) - air-mass, which comes from the Sahara Desert. The wet season begins in about March and continues through November (Udosen, 2008). A slight break of about two weeks occurs in August giving rise to a two-maximum regime in which the wettest months are July and September. The rainfall pattern is marked by heavy torrential storms of short duration but high intensity and destructive power. The relative humidity remains high all through the year except during the short harmattan spell.

The air temperatures within the study area are continually high and changes slightly within the year, the highest temperatures are recorded between February and March and the mean annual temperature ranges between 26°C and 28°C in the study area; lower temperature is due to the moderating effect of oceans.

Vegetation and Land Use: The vegetation of the study area is characterised by fresh water swamp forest, mangrove swamp forest and some patches of secondary forest. Variation in vegetation exists mainly due to variability in climate, geomorphology and soil (Ekanem, 2010). These factors interact to influence the distribution of vegetation.

Fresh Water Swamp Forest is largely found but not restricted to fresh water courses predominantly along the major systems that drain the area. Mangrove Swamp Forest is found along the coastal creeks and estuaries of the study area. It is dominated by varieties of red mangrove trees. The trees may be up to 50 metres in height with a girth of about 2.7metres (Areola, 1982). In many areas where mangroves are found in the study area, the vegetation has been reduced to dense thickets dominated by oil palm trees and lianas.

Secondary Forest: Much of what is today regarded as secondary forest was originally primary forest. The vegetation is made up of continuous canopy of trees. Secondary forest of Akwa Ibom State is predominantly found west of Kwa Iboe estuary extending through the shoreline 7km into inland. These comprises mosaic of primary and secondary forest, scrub and fields including areas of regular cultivations.

Mineral Resources: Peters (1989) stated that the major mineral resources of the area include gravel, claystones, limestones, natural gas, and large deposit of crude oil which is made possible by the mangrove swamp and recent alluvium which extend to the continental shelf of the southern part of the state.

Population: Akwa Ibom State recorded a total population of 3,920,208 (NPC, 2006), census figure and the population of the selected study area is approximately 156,725 with Eastern Obolo having the least number with 17,644 people, Ibeno, 75,380 people and Esit Eket, 63,701 people (NPC, 2006)

Socio-economic Activities: Though the mainstay of Akwa Ibom State economy is claimed to be the oil sector, yet it is the sector with the least number of employment. As such, the economy

Fig. 1.2

with a few functional industrial base. An insignificant population of the state are either civil or public servants employed in either the federal or state government ministries /departments.

3) **Materials and Methods**

The objectives of the research were achieved by interviewing a wide range of stakeholders, community opinion leaders, NGOs, etc. The reason behind this was to understand the communities' development needs in order of priorities, the stakeholders' assessment of existing social problems in the host communities and probably their opinion on present and preferred solution or interventions.

3.1 **Population and Sampling**

The study made use of the local government areas of Esit Eket, Ibeno and Eastern Obolo for sampling. These are the areas where most of the oil companies' processing plants and facilities are located and where many of its employees live and interact with members of the host communities. Altogether, there were 141 communities in the three local government areas. The sampling frame was then constructed from the list of 141 villages in the above-named three local government areas out of which 28 villages which account for 19.8% of the total population were selected for study using the systematic random sampling procedure. This sampling procedure was adopted so as to give each community a fair chance of being selected (Figure 3.1).

3.2 **Determination of the Sample Size:**

From the 1991 Population and Housing Census on Community (Locality) basis, the selection of the 28 communities was based on the population growth rate of 3.4% per annum (NPC, 2009), for 2010 using the 1991 population figures as the base year. This was projected using the geometric growth models.

The main justification for this method is that, it involves relating the population at the time (T) to its population in order to estimate its future by using methods of differential equations. The geometric growth rate model takes the form:

$$P_{tt_n} = P_t (1 + r)^n, \text{ where}$$

P_{tt_n} is the population at the time, tt_n r is the growth rate per unit time and n , is the length of the interval for which the projection is made.

On the basis of this method, the total population of the 28 selected communities was projected at 123,480 persons (Table 3.1 a-c). The sample size was statistically determined using the Taro Yamane (1967) formula for a finite population as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n	=	Sample size;
N	=	the finite population;
e	=	Level of significance (or limit of tolerable error);
I	=	Unity (a constant).
Where: N	=	123,480

$$e = 0.05$$

Substituting in the above formula:

$$\begin{aligned} n &= \frac{123,480}{1 + 123,480(0.05)^2} \\ &= \frac{123,480}{1 + 308.7} \\ &= \frac{123,480}{309.7} \\ &= \frac{123,480}{309} \\ &= 399.611 \\ &\approx \underline{\underline{400}} \end{aligned}$$

In order to administer the 400 copies of the questionnaire designed for the study, systematic random sampling procedure was employed in each of the sampled villages. An average of 14 number questionnaire was administered in each village,



Fig 1.2: Study Area showing Sampled Villages

Source: Office of the State Surveyor General, Akwa Ibom State

3.3 Data Acquisition:

For the purpose of this study, copies of the questionnaire and interview methods were used as means of gathering data. An analytical model was developed as a means of deriving the link between corporate responsibilities and development in the environment of the various host communities in Eastern Obolo, Ibena and Esit Eket local government

areas under study. Map of Akwa Ibom State showing study area was collected from the office of the State Surveyor General which shows villages/communities in each of the selected local government areas of the State.

Evidence presented in this study is drawn on findings from questionnaire and interviews conducted in host communities and with MOCs' partners. Local publications by MOC also served as a useful source of secondary data. The study also looks at the Community Development Partnership (CDPs) initiatives by Exxon Mobil, Total amongst others and their potentials in contributing to community development.

Data on Expectations: Data on expectations were obtained from the Memorandum of Understanding (MoU) of the selected oil producing communities in Akwa Ibom. Also, information on the MoU between the oil multinationals and the host communities were collected from the appropriate government agencies including Department of Petroleum Resources (DPR), NNPC and the various oil multinational companies.

Expectations indicators as contained in the MoU

1. Basic Infrastructural Development
 - * Provision of alternative good roads.
 - * Provision of modern educational facilities.
 - * Provision of portable water.
 - * Provision of modern and functional medical infrastructures/facilities
2. Youth Development/Empowerment.
 - * Empowerment of youth through skills acquisition, training and re-training and subsequent engagement
 - * Provision of employment to teaming youths.
 - * Total compliance to local content participation roles as contain in the Nigeria's Local Content Act
3. Environmental Protection
 - * Restoration of the ecosystem as well as aquatic system.
 - * Land reclamation.
 - * Minimise environmental pollution in the form of gas flaring, oil spillage, dredging, deforestation etc.

These indicators were measurably quantified using direct physical observations and enumerations.

Data on Benefits Delivery: Data on benefit deliveries was obtained from personal observation and investigation carried out by purposive sampling strategy whereby selected multinational's representatives were interviewed. Ministry of petroleum and natural resources were visited where information on MOCs CSR in host communities regarding benefits distribution in their respective areas of operations were obtained from selected personnel who are professionals in the research area. Community leaders were also interviewed to ascertain the level of benefit deliveries accruing to their communities.

A social survey was carried out in the sampled villages as specified in Tables 3.1-3.3 As said earlier; systematic random sampling procedure was applied to select the needed number of households based on the population of each village. In this case, the number of questionnaires administered in the sampled communities was directly proportional to the number of households in such communities as shown in Tables 3.1 to 3.3. To overcome

the anticipated problem of illiteracy and difficulties in understanding some issues, trained field assistants were utilized for the activity. Altogether, 400 number questionnaires were utilized and the allocation proportional to the individual community population as shown in Table 3.1

Table 3.1(A): Distribution of Questionnaires in the Selected Communities of Esit Eket, Local Government Areas of Akwa Ibom State

ESIT EKET LOCAL GOVERNMENT AREA				
S/N	Community Name	2010 Population Projection	Estimated Household Number	No of Questionnaire Administered
1	Akpambiet	1,673	334	5
2	Edor Atai	3,177	635	10
3	Oniok Edor	3,209	641	10
4	Ekpene Obo	8,690	1738	28
5	Ikpa	5,611	1122	18
6	Uquo	11,540	2308	38
7	Akpautong	8,048	1609	26
8	Etebi Mbak Uyo	3,287	657	11
9	Ntak Inyang	2,300	460	8
10	Etebi IdungAssang	4,519	903	15
	Sub-Total	52,054	10,407	169

Table 3.1(B): Distribution of Questionnaires in the Selected Communities of Ibeno Local Government Areas of Akwa Ibom State

11	Upenekang	13,026	2605	42
12	Iwuoachang	9,422	1884	30
13	Atabrikang	1,607	321	5
14	Iwuo Okpom Opolom	2,966	593	10
15	OkoroUtip	2,311	462	8
16	Mkpanak	17,843	3568	58
17	Inua Eye tlkot	631	126	2
18	Akata	1,261	252	4
19	IwuoOkpom	1,236	247	4
	Sub-Total	53,782	10,058	174

Table 3.1(C): Distribution of Questionnaires in the Selected Communities of Eastern Obolo Local Government Areas of Akwa Ibom State

S/N	Community	2010 Population Projection	Estimated Household Number	No of Questionnaire Administered
20	Kampa	648	129	2
21	Okoroette	4,814	962	16
22	Okoromboho	1,758	351	6

23	Okoroitti	1,032	206	3
24	Iko Town	4,364	872	14
25	Atabrikang	730	146	2
26	Iko Ikpilaha	1,043	208	3
27	Emereoke I	968	193	3
28	Obianga	888	177	3
	Sub-Total	17,644	3,244	57
	Grand Total =	52,054 + 53,782 +17,644	10,407+10,058+3,244=23,709	169+174+57=400
		=123,480 People		Questionnaires

The estimated numbers of households (column 4 above) is based on Nigerian Population Commission data of 2006 which approved an average household size of five persons per household.

$$\text{i.e. No of household} = \frac{POP_n}{AHS} = \frac{\text{Population}}{\text{Average - Household - Size}}$$

Interviews and Direct Observations: Semi-structured interviews were carried out mostly with the head of sampled household and other range of stakeholders from the host communities. The interviews aimed at gaining insight into people's experiences and views of the various facets of community expectations and the extent of compliance by relevant parties. Systematic observations were also used in which the living conditions, relationships, power structures, state of the environment within each of the sampled host communities were observed and analysed. Notes of key ideas and observations were recorded and analysed.

The data collected from the field were subjected to simple percentage calculations for easy explanation. Statistical methods such as line graph, frequency table, Bar and Pie charts as well as tables were employed to summarize and display information for easy understanding.

4) Findings and Discussion

In order to achieve the aim of the study, descriptive analysis was performed on the relevant data as can be seen in Tables 4.1 to 4.7 and Fig.4.7 to 4.8 respectively.

Table 4.1: Descriptive Assessment of the awareness of the benefits derived from the oil production activities in Akwa Ibom State.

Response	Frequency	%
Yes	297	74.25
No	94	23.5
Undecided	9	2.25
Total	400	100

Source: *Field work.*

The Table 4.1 presents a descriptive analysis of the people's awareness of the benefit derived from the oil production activities by the community. From the analysis, it was observed that most people in the area affirmed their awareness of the benefits of the oil production activities to their community (74.25%), while few, did not affirm (23.5%). However, very few of them failed to respond to the item of the question (2.25%). The result therefore means that the oil companies in the study area have exercised their social

responsibilities to some extents but have not actually done enough to engender that sense of partnership or good neighbourliness.

Table 4.2: Descriptive statistics of the infrastructure provided by the oil companies in Akwa Ibom State

Responses	Frequency	%
Electricity	60	15.0
Potable water	76	19.0
Hospital/Health centre	71	17.75
School/Educational facilities	89	22.25
Assist. in agricultural production	7	1.75
Assistance towards solid waste mgt.	1	0.25
Road Rehabilitation/Construction	9	2.25
Erosion control and drainage	7	1.75
Donation of drugs and hospital equipment	2	0.5
Provision of books	1	0.25
Building of markets	1	0.25
NIL	76	19.0
Total	400	100

Source: *Field work*.

Table 4.2 presents the infrastructural facilities provided by the oil companies. From the assessment, it was discovered that the most infrastructural facilities provided had been that of school facilities (22.25%), this was seconded by potable water (19.0%). The third in the list is hospital/health centre (17.75%). The result of the analysis also presented electricity (15.0%) as the fourth one. The fifth one was Road rehabilitation (2.3%), while assistance in agricultural production and erosion control and drainage formed a tie of sixth position in the list with (1.75%). The seventh was donation of drugs and hospital equipment (0.5%), while assistance towards solid waste management, provision of books and building of markets formed a tie at the least position of eight (0.25%). However, 19% of the respondents failed to respond.

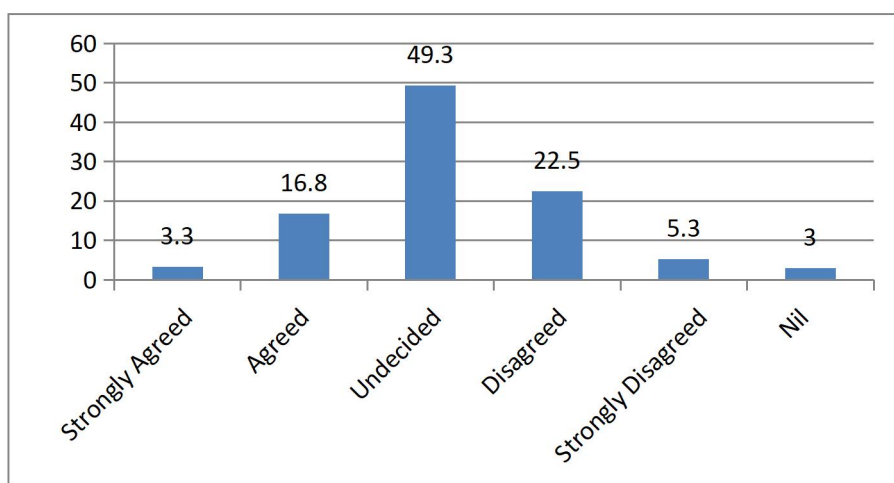


Fig. 4.1: The level of agreement of the people to the fact that the proceeds earned from oil resources by the government and the companies are used for the development of the area.

Source: Field work.

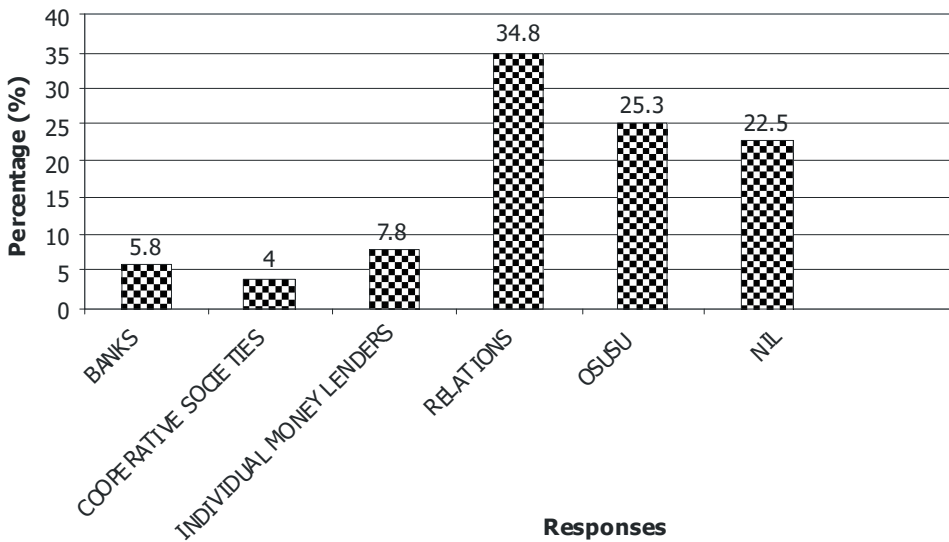


Fig. 4.2: 10: Bar chart showing the sources of credit existing in the Akwa Ibom State.

Source: Field work.

From the analysis in Fig. 4.1, it was observed that many people were undecided (49.25%) on whether the revenue that accrues from petroleum exploitation are used for the development of the host communities. When investigated further, it was generally agreed that since the evidence on ground is not so tangible, they could not agree or disagree to the fact in question. This was seconded by people who disagreed to the fact (22.5%). The third category of the people (16.75%) agreed that the government and the company have used the proceeds earned from the oil resources for the development of the area, while the fourth set of people strongly disagreed (5.25%) to this fact. The least set of the people strongly agreed (3.25%) to the fact that the government and the company have used the proceeds earned from the oil resources for the development of the area while 3% of the respondents failed to respond to the question.

It was necessary to find out the level of peoples wellbeing and socio-economic status as a result of the benefits derived from oil companies and government by the sampled oil communities.

Fig. 4.2 present information on the sources of credit in the study area. From the analysis it was observed that most sources of credit had been from relations (34.8%). This was seconded by Osusu (25.3%) while individual money lender is the third (7.8%), Banks were observed to be the fourth (5.8%), while the least one was cooperative society (4.0%). However, 22.5% of the respondents failed to respond to the question.

Table 4.3: Level of Accessibility to Credit Facilities by the Community People

Responses	Frequency	%
YES	203	50.75
NO	170	42.5
NIL	27	6.75
Total	400	100.0

Source: *Field work.*

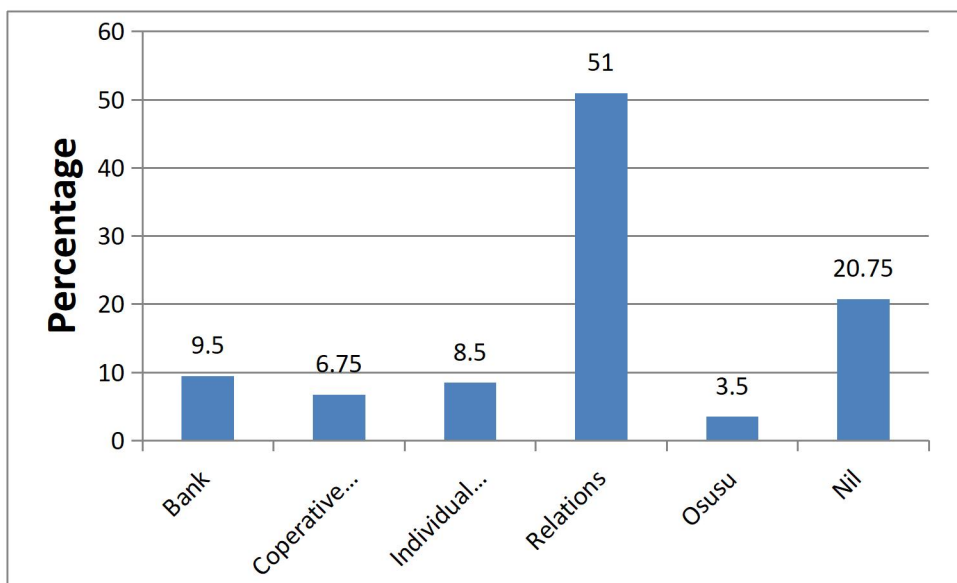


Fig. 4.3: Bar Chart showing the most important sources of credit in the core oil communities.

Source: *Field work.*

From Table 4.3 which presents the descriptive analysis of people's level of accessibility to credit facilities, it is shown that the most people (50.75%) affirmed to have access to credit facilities while 42.5% people did not affirm to this fact. The result also showed that 6.75% of the respondents did not respond to the question.

Fig. 4.3 presents the descriptive analysis of people's most important source of credit and indicates that 51.0% of the respondent's access credits from relations. This implied that those families whose members are working in the oil multinationals benefit indirectly from the oil companies by accessing credits from the relations who are oil workers. This was seconded by Banks (9.5%). On the issue of banks, further investigation suggested that lack of collateral security, poverty, and illiteracy rank high in inhibiting their chances of obtaining facilities. This is where oil multinational companies as good corporate citizens could come in to make micro credits available to people. The third source of credit was observed to be individual money lenders (8.5%). The fourth one was cooperative societies (6.75%), while the least one was *Osusu* (3.5%). The result also indicated that 20.75% of the respondents did not respond to the question.

Table 4.4: People's Awareness of Environmental Pollution in the Core Oil Communities

Responses	Frequency	%
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Yes	357	89.25
No	31	7.75
Don't know	4	1.00
Nil	8	2.0
Total	400	100

Source: *Field work*.

Table 4.4 indicates the perception of the peoples regarding the effect of environmental pollution in the area. The result showed that most people (89.3%) agreed to the fact that environmental pollution affects both living and non-living things while a few people (7.8%) disagreed to this. The result also showed that 1.1% of the respondents were neutral by choosing “don’t know”. Such pollutions assume different dimensions including but not limited to oil spillage, gas flaring, industrial waste, etc. The environmental pollution generally degrades the environment in many ways and therefore gives voice to the host communities for agitation which ultimately culminate in restiveness in most cases.

Due to the obvious cases of pollution associated with oil related activities, there was need to link such pollution and the ensuing environmental degradation to effects on income in the past five years. Under this, over 67% agreed that their incomes were affected. They argued that since oil spill and gas flaring affects the soil, vegetation and the weather in which their livelihoods depend, their income are invariably affected. Some explained further that many farmers toil all year round without commensurate yields.

Table 4.5: Effect of Oil activities on people income in the past five years

Responses	Frequency	%
Yes	269	67.25
No	101	25.25
Don't know	21	5.25
Nil	9	2.25
Total	400	100

Source: *Field work*.

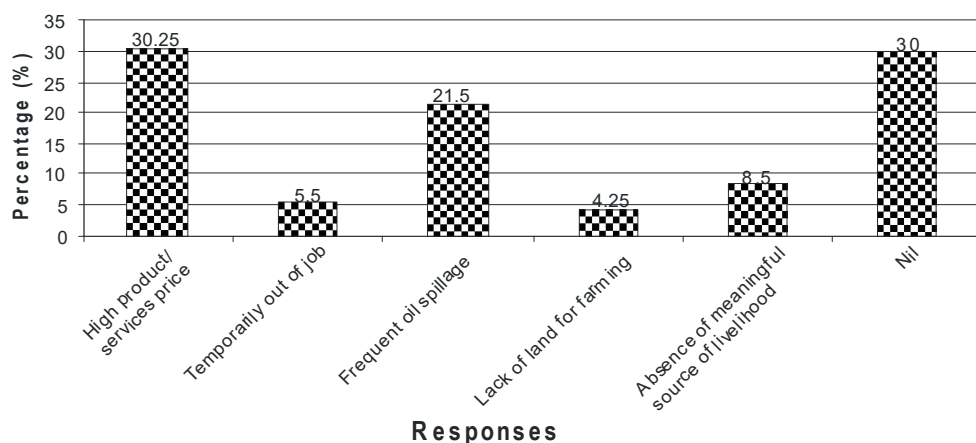


Fig.4.4: Bar chart showing the outstanding reason for the decline in people's income.

Source: *Field work*

Table 4.5 and Fig. 4.4 show the major reason for the decline in people's income. From the analysis it was observed that the most outstanding reason was high product/services (30.25%). This was seconded by frequent oil spillage (21.5%). Third on the list was absence of meaningful source of livelihood (8.5%) while the fourth one was temporary out of job (5.5%). Lack of land for farming (4.25%) proved to be the fifth and of course the least on the list. However, 30% of the respondents failed to respond to the question.

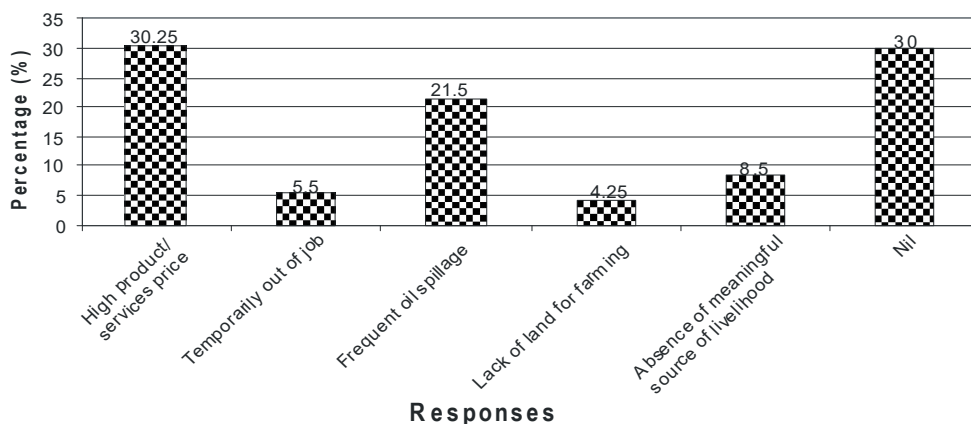
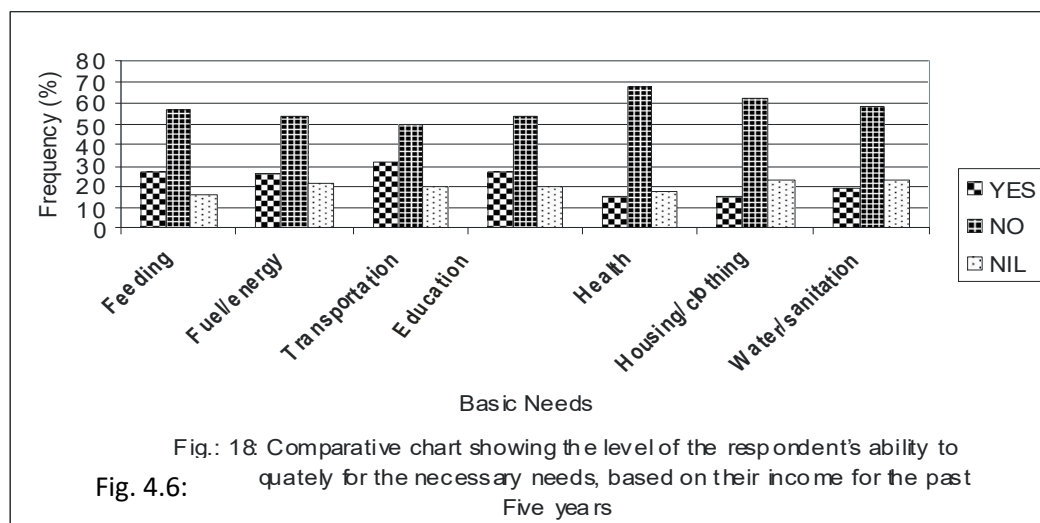


Fig.4.5: Bar chart showing the outstanding reason for the decline in people's income.

Source: *Field work*.

Table 4.6 and Fig. 4.7 the major reason for the decline in people's income. From the analysis it was observed that the most outstanding reason was high product/services (30.25%). This was seconded by frequent oil spillage (21.5%). Third in the list was absence of meaningful source of livelihood (8.5%) while the fourth one was temporary out of job (5.5%). Lack of land for farming (4.25%) proved to be the fifth and of course the least in the list. However, 30% of the respondents failed to respond to the question.

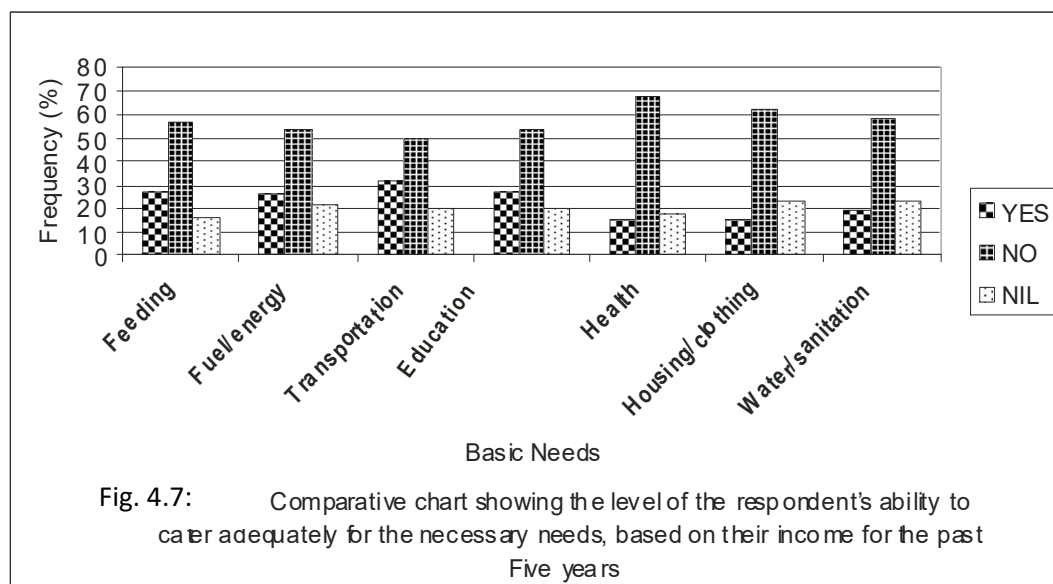


Source: *Field work.*

Fig. 4.6 present the capacity of the respondents to cater adequately for their basic needs based on the family income for the past five years. From the analysis, it was observed that most of the people (57.21%) were not able to cater adequately for their needs.

Further assessment of the data showed that, out of the seven basic needs of the respondents, the least met needs were health and housing/clothing (15.25%). This was seconded by water/sanitation (18.75%). Fuel/energy (26.0%) was observed as the third category of needs not adequately met. The fourth in the list was education (26.3%). The fifth need which was seen as a challenge to the people was feeding (27%) this was followed by transportation (31%).

Generally, it is clear that the host communities under review are aware of the benefits derived from the oil production activities in Akwa Ibom State. Also, the infrastructures provided by the oil companies in Akwa Ibom State are many with school/Educational facilities and Potable water in the lead. Such provision by the government of Akwa Ibom State does not necessarily represent benefits derived from petroleum activities. This is because the State government has as its duty to initiate developmental activities throughout the State whether the revenue accrues from petroleum activities or not. In terms of the oil multinational companies operating in the State, the earned revenues have not been sufficiently utilized for the development of the areas.



Source: *Field work.*

Fig. 4.7 present the capacity of the respondents to cater adequately for their basic needs based on the family income for the past five years. From the analysis, it was observed that most of the people (57.21%) were not able to cater adequately for their needs. Very few of them (22.79%) were able to cater for their needs.

Further assessment of the data showed that, out of the seven basic needs of the respondents, the least met needs were health and housing/clothing (15.25%). This was seconded by water/sanitation (18.75%). Fuel/energy (26.0%) was observed as the third category of needs not adequately met. The fourth in the list was education (26.3%). The fifth need which was seen as a challenge to the people was feeding (27%) this was followed by transportation (31%).

4.1: The Nature of the Relationship Existing Amongst Oil Multinationals, Government and the Oil Communities

The nature of the relationship existing among oil multinationals, related government agencies and the sampled host oil communities in the context of explorations and compliance to existing Memorandum of Understanding (MOUs), laws, regulations etc pertaining to petroleum resources were examined as is indicated in Fig. 4.8:

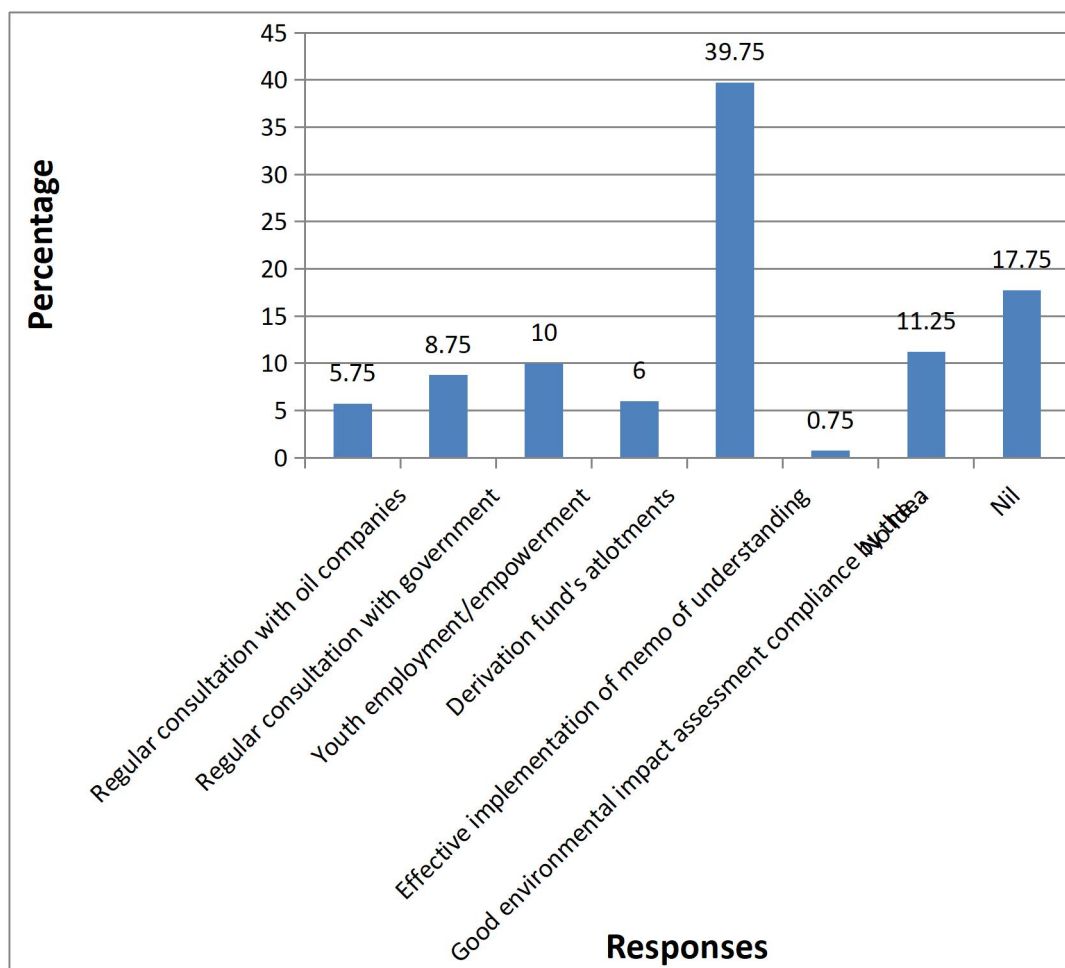


Fig. 4.8: Bar chart showing the methods to curb the high incidence of youth restiveness and intra/inter community strifes arising from oil production activities.

Source: *Field work*

From the analysis, it was observed that most people responded to effective implementation of the memorandum of understanding (39.8%) as a veritable panacea. This was followed by respondents who said “No Idea”. (11.25%). The third was youth employment (10.0%) while regular consultation with government (8.75%) was the fourth, Derivation fund allotments was the fifth (6.0%). The sixth in the list was regular consultation with the oil companies (5.75%) while the least one in the list was good environmental impact assessment compliance by the company (0.75%).

4.2 Major Challenges and Problems Associated with Infrastructural Development

The Table 5.9 presents the descriptive analysis of the level of awareness of the people as regards environmental Pollution arising from oil production activities.

Table 4.9: Descriptive analysis of the level of awareness of the people as regards environmental Pollution Arising from oil production activities.

Responses	Frequency	%
Yes	337	84.25
No	36	9.0
Don't know	3	0.75
Nil	24	6.0
Total	400	100.0

Source: *Field work.*

From the analysis, over 84% of the respondents were aware of the environmental pollution (84.25%) arising from oil production activities while 9% were not aware. Very few people (0.75%) were neutral in their response by choosing “don’t know”. However, 6% of the respondents failed to respond to the question.

Table 4.10: Environmental Pollution which the people were Familiar With

Responses	Frequency	%
Oil spillage	198	49.5
Water pollution	25	6.25
Air pollution	32	8.0
Deforestation	7	1.75
Soil pollution	17	4.25
Nil	121	30.25
Total	400	100

Source: *Field work.*

4.3 Effects of Oil Exploitation in the Study Area

a) Esit Eket LGA Study Area

In Esit Eket study area, focus group discussions and interviews were carried out with the communities on the effects of the activities of the oil multinationals and the result indicates a wide range of environmental issues. Such issues include gas flaring (Plate 16) which causes damage to roofs of buildings, noise pollution and spillage. It was gathered that there is inadequate appraisal of the activities to inform the communities of such environmental issues for precautionary measures. The community also remarked that there is inadequate offer of employment to the youths. The research also revealed that at Esit Eket, there are very few water projects coupled with serious environmental hazards ranging from inability to clean up oil spill from the environment. They further mentioned other issues including no roads and no compensation for spill. They further indicated that the gas flare destroys water sources and aquatic life, roofing and agricultural crops. On the other hand, they are of the opinion that the oil companies do well in terms of renovation of school buildings, health facilities, town halls, markets and other related things. They cited the following socio-economic benefits:

- i. Improvement of economic status of the host community
- ii. Training of indigenes by the companies.

An interview was conducted with Paramount Ruler of Esit Eket His Royal Majesty Edidem Ubong Peter Assam. The result indicated that 5 oil companies are operating in the area including Exxon Mobil, ALCON, Frontier Oil, Septa Energy and

COOKY. According to him, Exxon Mobil has implemented a total of 38 projects in Esit Eket. On oil spill cases in the area, the study revealed that a total of 10 oil spill cases have been recorded in the area with compensation paid was on only two of them. The paramount ruler was of the opinion that the relationship between the oil multinationals and the host communities is very cordial contrary to the opinion of the youths of the area. This was indeed a confirmation of the earlier assertion that most times, the oil multinationals have the habit of buying the heads of the communities they operate and abandon the others like the youths. Consequently, while the youths are lamenting, the paramount ruler even remarked that the oil companies renovated his palace amongst other things.

Basic Infrastructural Development Benefits in Esit Eket LGA

Under the infrastructural development variables, only water projects and education facilities were found at Esit Eket LGA. Provision of alternative good roads listed as one of the expectations was not seen as benefits in the area. Plates 3 to 6 indicate this.



Plate I: Focus Group Discussion with the Youth Leaders in Esit Eket LGA.

Source: Field work



Plate III: Water Project Executed by Mobil Producing Nigeria at Urua Okok, Esit Eket.

Source: Field work



Plate IV: Portable Water Points Provided by Mobil Producing Nigeria at Urua Okok, Esit Eket.

Source: Field work



Plate V: Construction of 4 Classroom Blocks at Government Primary School, Etebi 1, Esit Eket (Source: Field work, 2010)

Youth Development/Empowerment

Under youth development and empowerment, only health facilities have been provided as benefits. Empowerment of youth through skills acquisition, training and re-training and subsequent engagement and the provision of employment to teaming youths were not recorded as the youths lamented bitterly their neglect by the oil multinationals. Plates 7 and 8 show health related facilities provided by the company.



Plate VII: Construction of Primary Health Centre at Ekpenedi by Mobil Producing Nigeria, Esit Eket LGA. Source: Field work



Plate VIII: Primary Health Centre under Construction at Ekpenedi, Esit Eket LGA. Source: Field work

b) Ibeno LGA Study Area

In Ibeno Study area, it was gathered that ExxonMobil started operations in 1970, the same year Shell Petroleum arrived Eastern Obolo. The company actually started operation in 1971. The study indicated that the company rejected several calls to provide portable water to the communities citing poor nature of the soil as a major challenge. Another excuse is that since the sharing formula between the company and NNPC was 40%-60%, they could not provide such facilities with the 40% proceed. As in the other areas, there were cases of oil spill without clean up. They also stressed that the extent of pollution

causes death to the indigenes. Finally, they responded that the extent of damage to the aquatic life has led to the extinction of many fish species.

Under the infrastructural development variables, water, electricity projects and education facilities were found at Ibeno LGA. Provision of alternative good roads listed as one of the expectations was not seen as benefits in the area. Plates 9 to 11 indicate this.



Plate IX: Water Project Executed By Mobil Producing Nigeria at Mkpanak, Ibeno LGA.



Plate X: Portable Water Points Provided By Mobil Producing Nigeria in Ibeno LGA. *Source: Field work*



Plate XI: Electricity Project at Upenakang, Ibeno LGA. *Source: Field work.*



Plate XII: Primary Health Centre Facility at Mpanak, Ibeno LGA *Source: Field work.*

Youth Development/Empowerment

Under youth development and empowerment, only health facilities have been provided as benefits. Empowerment of youth through skills acquisition, training and re-training and subsequent engagement and the provision of employment to teaming youths were said to be skeletal as the youths lamented bitterly their neglect by the oil multinationals. Plates 12 show health related facilities provided by the company.

There are several cases of dilapidated infrastructure all over the landscape, even within the immediate environment of Exxon Mobil. Plates 13 to 15 indicate this.



Plate XIII: Portions of dilapidated road provided By Mobil Producing Nigeria in Ibena LGA. *Source: Field*



Plate XIV: Portion of dilapidated road provided By Mobil Producing Nigeria in Ibena LGA. *Source: Field work*



Plate XV Dilapidated state of road in provided By Mobil Producing Nigeria in Ibena LGA. *Source: Field work*



Plate XVI: Gas flaring by Exxon Mobil at Mkpanak, Ibena LGA. (*Source: Field work*)

c) Eastern Obolo Study Area

In Eastern Obolo study area, it was gathered that Shell Petroleum Development Company started operation in 1970 and up till now the area is still lagging in basic amenities. That at the moment, there was no workable safe water point in the area. The people drink from a dilapidated and contaminated borehole sunk by Shell Petroleum Development Company many years ago (Please see Plate 17). There is no record of scholarships in the area. It was also gathered that the company left Eastern Obolo with no benefits and the communities were disappointed till date.

Elf Oil is said to be present in Eastern Obolo but their operations are not so pronounced in the communities. They remarked that only one indigene of the area was employed by the company and he used that opportunity to influence the renovation/construction of six classroom blocks at the Community Secondary School, Iko Town. At Okorete the headquarters of Eastern Obolo, Total/Elf is constructing a library

complex. Another oil company AMNI AFREN Oil Company has awarded few scholarships to the indigenes of Eastern Obolo. At the moment, the company has just 5 indigenes in their employment list. They stressed that the activities of the oil company were offshore and that Edo Wik community receives direct impact from their activities. From the information gathered, a private oil refinery by HIRIF Oil is currently being constructed at Ekpetim community the immediate host community to HIRIF Oil which bought over the oil wells left by Shell Petroleum. The relationship between the host communities and the oil companies here was said to be cordial even as the host communities were still expecting benefits. As reported on Eastern Obolo, there were related environmental hazards in the area.

Basic Infrastructural Development Benefits in Eastern Obolo LGA

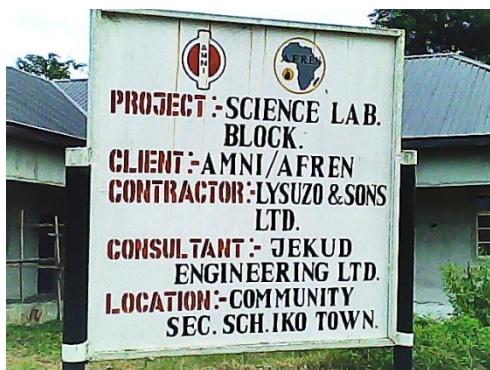


Plate XVII: Portable Water Points Provided By Shell in Eastern Obolo LGA. *Source:* Field work



Plate XVIII: Community road Provided By Shell in Eastern Obolo LGA. *Source:* Field work



Plate XX: Health Centre Provided by Total E&P Nigeria Ltd in Okoroette, Eastern Obolo LGA. (Source: Field work.



environmental responsibility, high standards of ethical behaviour, philanthropic consciousness, greater transparency, partnership with their host communities and accountability in the conduct of CSR in the areas. It is imperative that effective external regulation should be blended with conscious self-regulations.

It could also be necessary for the MOCs to adopt a bottom-up approach (Rural Participatory Approach) on its community development drives. This will ensure proper investigation into the relevant needs or expectations of the community, build local capacity, enhance confidence, build social capital and stimulate growth of the local economy, hence going a long way in meeting their avowed expectations and envisaged benefits from the MOCs.

The success of all these must be anchored on functional corporate governance in the environment and in relation to the level of developments. This is not an option. It is an obligation. Unarguably, the MOCs must co-operate with host communities to ensure an enduring co-existence and peaceful operations. Creating such a relationship would be a win-win situation for all stakeholders. Moreso, oil companies should avoid the building of highly electrified enclosed camps for their staff with all amenities and standard trappings of life while the communities live in squalor. This kind of situation creates disaffection and militancy as the host communities see such camps as creating two different worlds in the same area.

6) Conclusion and Recommendations

Generally, it is clear that the host communities under review are aware of the benefits derived from the oil production activities in Akwa Ibom State as indicated. Also, the infrastructures provided by the oil companies in Akwa Ibom State are many with school/Educational facilities and Potable water in the lead. Such provision by the government of Akwa Ibom State does not necessarily represent benefits derived from petroleum activities. This is because the State government has as its duty to initiate developmental activities throughout the State whether the revenue accrues from petroleum activities or not. In terms of the oil multinational companies operating in the State, the earned revenues have not been sufficiently utilized for the development of the areas.

There is average level of the extent of infrastructures/development projects and programmes provided from petroleum resources in the development of the areas however, the people are not satisfied with the type of infrastructures provided in the communities as over 75% percent affirmed this.

The major provider of the infrastructure is Akwa Ibom State government while companies (Mobil Producing Nigeria Unlimited and Elf Nig. Ltd supports and NDDC (Federal Government Agency) have also assisted in this direction.

On the benefits incidental to oil exploration, the community people under review are aware of the benefits and the infrastructures provided by the oil companies are many e.g. schools/educational facilities, portable water (table 4.6) are comparatively on the lead. Accordingly, proceeds earned from the oil resources by the government and the MOCs have not been significantly utilized for the development of the areas.

Evidently, multi-national oil companies' claim about community development efforts embarked upon as part of their CSR are undeniable. The findings however show the need for the oil companies to carry out a re-appraisal of their community developmental efforts in order to ensure that only projects that are directly relevant to the

needs of the host communities are executed as part of the companies' CSR efforts. They should be seen as economic power for broader social goals, and to demonstrate environmental responsibility, high standards of ethical behaviour, philanthropic consciousness, greater transparency, partnership with their host communities and accountability in the conduct of CSR in the areas. It is imperative that effective external regulation should be blended with conscious self-regulations. It was recommended that government, through her agencies such as Directorate of Petroleum Resources (DPR), should act as a driver to ensure that the expected benefits are delivered to the beneficiary host communities

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