

SOCIO-ECONOMIC IMPACT OF OIL AND GAS EXPLORATION IN OLOGBO COMMUNITY, IKPOBA-OKHA LOCAL GOVERNMENT AREA, EDO STATE, NIGERIA.

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Abstract

The study examined the socio-economic impact of oil and gas exploration in Ologbo community in Ikpoba-Okha Local Government Area of Edo State. Ecological system theory was adopted as theoretical framework. The cross-sectional survey design was adopted for the study. Respondents were sampled for the study using stratified sampling techniques. The study adopts both quantitative and qualitative method of data collection. Finding from the study revealed that the activities of the oil exploring companies in Ologbo Community have caused environmental degradation and disempowering of the people because of uninterrupted gas flaring and oil spillage. The study recommends the adoption of environmental-friendly exploration approach in addressing the attendant negative impact of oil and gas exploration on the environment and the economic life of the people.

Keywords: Socio-economic impact, oil and gas exploration, Ologbo community, environmental pollution, sustainable development.

Introduction

Human beings from time immemorial depends on the environment for sustenance, hence it is often times considered as the global life support that encompasses the biosphere that all living organisms draws their existence, produce, distribute, consume and other economic activities exist within. In carrying out some of these activities on the environment, some are deemed detrimental while others are man and environmentally friendly. Asuka (2010), observed that since Shell struck the first oil well in Oloibiri in the Eastern Niger Delta in 1956, the oil producing communities have known only poverty misery and sorrow. Oil which pollutes farmlands, fishing streams and ponds and the indiscriminate flaring of gas which poisons the air they breathe are the brutal fact of their daily lives. Collaborating, Ama-Ogbari (2014), noted that the continual depletion and degeneration of the once rich Niger Delta environment occasioned by the processes of the exploration and exploitation of crude oil had further aggregated the plight of the Niger Deltans. Man damages the environment either intentionally by design or unintentionally by accident. Whatever the sources of damages, man is usually at the receiving end and the one bearing the brunt. The day-to-day damages and the deterioration of the environment ultimately pose a devastating threat to man and other living species (Kunle and Wale 2006).

The issue of environmental degradation in the Niger Delta Region is topical and of serious concern to the people of the region. This is so because, the people believed that the activities of the multi-national oil companies exploration in the region is doing them more harm than good. Oil exploration and exploitation in the Niger Delta Region which began in the 1950s is posing a lot of environmental challenges which is also threatening the socio-economic activities of the people. Despite the huge contribution of this region to the resource of the country, the people continue to agitate for neglect and marginalization by the Federal Government of Nigeria. The Niger Delta's potential for sustainable development remains unfulfilled. Today, the area is increasingly threatened by environmental degradation and worsening economic conditions. It is believed that over ten (10%) percent of the Niger Delta's mangrove forest has been lost to deforestation triggered by the exploration and production activities of big time oil companies.

Despite the positive impacts of oil and gas exploration in Nigeria, certain aftermath of oil and gas exploration activities remains very worrisome. This worry emanates from the inept attitude of oil prospecting industries and the Nigerian government to effectively utilize resources accruing from the oil producing communities to develop the area and enhance their socio-economic status. The Nigerian state has benefited immensely from petroleum since it was discovered in commercial quantity in 1956. It is believed that oil which was first discovered in 1956 and first exported in 1958 accounts for more than 90 percent of Nigeria exports by value and about 80 percent of Government revenue, while the overall contribution of the oil sector to the national economy has grown from an insignificant 0.1 percent in 1959 to 87 percent in 1976 (CBN, 2000). As at the year 2000, oil and gas exports accounted for more than 98 percent of export earnings and about 83 percent of Federal Government revenue, as well as generating more than 40 percent of its GDP. It also provided 95 percent of foreign exchange, and about 65 percent of government budgetary revenues, yet the area responsible for the nation's development are left out in any meaningful development projects, and are perpetually left in abject poverty, underdevelopment and deprivation (Omorede, 2014). Based on the foregoing, this paper examines the socio-cultural impact of oil and gas exploration in Ologbo Community, Ikpoba-Okha Local Government Area of Edo State.

Statement of the Problem

The activities of oil companies in the exploration of oil and gas remain a problematic one among the oil bearing communities. This is due to the negative impact it has and still having on the economy and the environment of the oil bearing communities. The Niger Delta is home to an extraordinary variety of people, mostly fishers and farmers with a history of rich cultural heritage. However, the region is suffering from devastating oil pollution. The socio-economic and environmental costs of oil production can be extensive, these range from the distribution of wildlife, biodiversity loss, air and water pollution, degradation of farmland and damage to aquatic ecosystems.

Oil and gas exploration is increasing the rate of environmental degradation and is perpetuating food insecurity as a result of death of fish and crops as well as loss of farmlands and viable rivers for fishing activities leading to loss of livelihood. Ekpu (2007), to observed that as expected, the oil industry grew in relevance and revenue but this growth came with a price; the waters of the region, the Niger Delta Region, were polluted, the farmland were

destroyed and the air fouled and the people impoverished. No noticeable improvement took place in the region and the people commenced a regime of agitation. The degradation and devastation of the soil of the oil bearing communities and its environment started in the mid 20th century. Ugochukwu (2001) as cited by Asuka (2010) revealed that beginning in the 1950s, petroleum production operations has caused devastating pollution to the Niger Delta because of uninterrupted gas flaring and oil spillage. These operations have essentially caused degradation to the environment within an extremely fragile ecosystem and destroyed the traditional livelihoods of the Niger Delta. Environmental pollutions and its effects are seen as a source of suffering, death, hunger and poverty in the Niger Delta Region and oil and gas bearing communities in particular. The waters and rivers are polluted, contaminating the people's drinking water, terminating fishing business and killing all the fishes and depriving them of game and crops.

Etekpe (2007), opined that the devastating socio-economic consequences of the activities of MNOC's on the farmlands, crops, economic trees, creeks, lakes and fishing equipment is such that the people can no longer engage in productive farming, fishing and hunting as they use to do. This hardship faced by the people of the oil and gas bearing communities in the Niger Delta Region, is what is causing various agitations and calls for resource control among the people.

Objectives of the Study

The main objective of the study is to examine the socio-economic impact of oil and gas exploration in Ologbo Community in Ikpoba-Okha Local Government Area of Edo State. The specific objectives were to:

1. To determine the impact of oil and gas exploration on the socio-economic activities in Ologbo Community.
2. To examine the extent of environmental degradation in Ologbo Community.

Review of Related Literature

Socio-Economic Impacts of Oil and Gas Exploration

The issue of environmental degradation in the entire Niger Delta Region remains topical and at the front burner at every fora and public discourse. The environmental problems or challenges are attributed to the exploration of oil and gas in the region which is considered to be the source of poverty and deprivation among the people of this oil rich region. The activities of the multinational oil exploration and exploitation companies is rendering the environment unviable for serious economic activities, such as farming, fishing and several other activities previously carried out by the people before the advent of oil and gas exploration. The perceived challenges are deemed to have serious impact on the economy and the environment of the people.

Okechukwu (2006), observed that one of the most glaring paradoxes of the petro-state in Nigeria is the level of poverty in the Niger Delta, which is the source of the country's oil wealth. He posited that without doubt, Niger Delta's poverty is in part the consequence of oil production, especially its environmental consequences, which have destroyed livelihoods by destroying farmland and fishing waters. The numerous negative environmental impacts of crude oil mining and refining are well known. Pollution arising from oil spillage destroys

marine life and crops, makes water unsuitable for fishing and renders many hectares of farmland unusable. Flaring gas in the vicinity of human dwelling and high pressure oil pipeline that form a mesh across farm lands are conducive to acid rains, deforestation and wildlife.

Environmental degradation in Niger Delta region caused by the oil and gas companies activities, remain a source of worries to various stakeholders in the region. These activities in the rural communities have virtually degraded the environment and economically disempowered the people. It is instructive to note that oil companies not only need to construct roads, canals, oil fields, and flow stations, but also need to lay pipes to connect their main operational areas. These activities not only destroy the ecosystem and thus the natural balance but equally devastate farmland, fishing ponds or grounds, and others. It is an acknowledgeable fact that the noise and spillages from the oil fields, pipelines and flow stations in the region further pollute the environment and adversely affect the productivity of farmers and fishermen. These further result in economic disempowerment, marginalization and poverty among the people.

Environmental Degradation

The exploration of oil and gas in the Niger Delta region remains a major source of environmental degradation. Causing the deterioration of the environment through depletion of resources such as air, water and soil, the destruction of ecosystems, habitat destruction, the extinction of wildlife, and pollution. It is considered an undesirable change in the environment.

Asuka (2010) in his contribution observed that the production process of the onshore and offshore oil has resulted in the pollution of the Land, water and air of the People. According to him, the pollution of the land and water appears to have immediate negative impact on the economy of the people, making the environment on which they depend for livelihood incapable of supporting their existence.

Environmental degradation is one of the largest threats that are being looked at in the world today. Environmental degradation is the disintegration of the earth or deterioration of the environment through consumption of assets, air, water and soil, the destruction of environments and the eradication of wildlife. It is characterized as any change or aggravation to nature's turf seem to be pernicious or undesirable ([http://www.conserveenergyfuture.com-causes and effects of environmental degradation](http://www.conserveenergyfuture.com-causes-and-effects-of-environmental-degradation)).

Asuka (2010) also add that claims for damages resulting from oil pollution or environmental degradation are not paid and they later become legal issues between oil companies and the communities, if by chance they meet again. Where claims for damages are to be paid, it will make in a way that the community members will regard the amounts as an insult on their intelligence.

Theoretical Framework

This study was anchored on ecological systems theory.

This theory was propounded by Urie Bronfenbrenner in 1979. The theory commonly referred to as the ecological/systems framework identifies five environmental systems with which an individual or a group of people interacts. The five environmental structures show how environment variously determines what happens to humans and how they behave. These environmental structures are: micro system, mesosystem, exosystem, macrosystem, and chrono system.

Based on the micro system, the oil exploration company and the government are the institutions and groups that most immediately and directly impact the socio-economic lives of the people of Ologbo Community. Just as there are interconnections and interactions the components of the micro system as embodied by the ecosystem, that is how the relationship between the people of Ologbo Community interaction with the activities of the oil companies. In the exosystem which involves links between a social setting in which the individual does not have an active role and the individual's immediate context. In similar vein, the people of Ologbo Community do not participate in the activities of the oil companies, and they are at the receiving end of the exploration of oil and gas in their community. Hence, oil spills occur and gas is being flared by the oil company, the socio-economic life of the people are impacted upon. This might leads to loss of source of livelihood, health issues, and social conflict increase conflicts.

The macrosystem describes the culture in which individuals live. Cultural contexts include developing and industrialized countries, socioeconomic status, poverty, and ethnicity. The people of Ologbo Community and the oil company are all part of a large socio-economic context. This is a context of seemingly oppressive oil exploration activities that have been damaging the both social and economic life of the people, in the face of marginal help and support even from the oil company and the government. Just as the macrosystem evolves over time, because each successive generation may change the macrosystem, leading to their development in a unique macrosystem, that is how the socio-economic context may change if the gas flaring is stopped and the adequate cleanup is done immediately following oil spillage. With the chronosystem, which involves the patterning of environmental events and transitions over the life course, as well as sociohistorical circumstances, the actions and inactions of the government, regulatory, agencies, and advocacy groups could either sustain the suffering of the people from the impact of oil and gas exploration or put an end to the suffering.

Methodology

The cross-sectional survey design was adopted for the study. The location of the study was Ologbo Community in Ikpoba-Okha Local Government Area of Edo State. It is an oil producing Community and houses a gas plant operated by the Nigeria National Petroleum Development Cooperation and some other petroleum facilities. The study population comprised of farmers, fishermen, women and youths, from 18 years and above. The study used stratified sampling method to select respondents across different categories. The study used a combination of both quantitative and qualitative method of data collection. Data analysis was done using simple percentage and frequency distribution table, while the

qualitative data was analyzed through content analysis and verbatim quotations by the research participants to bring out some cogent point.

Findings and Discussion

Study Objective 1: To Determine the impact of Oil and Gas Exploration on the Socio-Economic activities of the people

Table 2: Impact of Oil and gas exploration on economic life

Variables	Frequency (n = 240)	Percentage
Unemployment		
Very large extent	168	70.0
Large extent	48	20.0
Small extent	24	10.0
No extent	-	-
Loss of Livelihood		
Very large extent	192	80.0
Large extent	48	20.0
Small extent	-	-
No extent	-	-
Reduced fish catch from lakes,swamps-pools and ponds		
Very large	192	80.0
Large extent	48	20.0
Small extent	-	-
No extent	-	-

Source: Field Survey, 2019.

The table above revealed that 70.0 percent of respondent opined that unemployment as an impact of oil and gas exploration on economic life was to a very large extent; only 20% opined that it was to a large extent; while 10% noted that unemployment was to a small extent. A total of 80% of respondents affirmed that loss of livelihood was to a very large extent; while 20% of them opined that it was to a large extent. On the issue of reduced fish catch from lakes, swamps-pools and ponds, 80% of respondents affirmed that it was to a very large extent while 20% opined that it was to a large extent. Some of the IDI respondents stated thus:

Oil have destroyed our traditional farming industry and this will definitely lead to mass unemployment on the people of Ologbo Community. IDI/F/Farmer/2019.

Another respondent had this to say:

Ologbo people are mainly fishermen and farmers and they are no longer able to carry on with their profession, due to oil spillage IDI/M/Youth/2019.

The result affirm the findings of Okechukwu (2006) who posited that without doubt the Niger Delta's poverty is in part the consequences of oil production. Especially its environmental consequences which have destroyed livelihoods by destroying farmland and fishing waters.

Study Objective 2: To examine the extent of environmental degradation in the area
Extent of environmental degradation damage to the land.

Variables	Frequency (n = 240)	Percentage
Polluting the soil		
Very large extent	240	100.0
Large extent	-	-
Small extent	-	-
No extent	-	-
Loss of landscape/aesthetic degradation; biodiversity loss (wildlife, agro-diversity)		
Very large extent	192	80.0
Large extent	48	20.0
Small extent	-	-
No extent	-	-
Oil spills		
Very large	192	80.0
Large extent	48	20.0
Small extent	-	-
No extent	-	-

Source: Field Survey, 2019

Data on the table above reviewed that a total of 100% of respondents noted that soil pollution was to a very large extent. Furthermore, 80% of respondents asserted that loss of landscape/aesthetic degradation as well as loss of biodiversity was to a very large extent; while 20% opined that loss of landscape and biodiversity was to a large extent. In the same vein, 80% of respondents affirmed that oil spills was to a very large extent; while 20% were of the view that oil spills was to a large extent. Consequently, with the prevalence soil pollution, eroded biodiversity and landscape and worsened by endemic oil spills, the environment is totally rendered inhospitable. The responses from some IDI respondent are presented below:

In my own opinion, I think our waters and rivers are polluted exposing our people to all types of ailments occasioned by the absence of hospital and health centres. IDI/M/Fisherman/2019.

Another respondent stated that:

In my own view, I think the high rate of unemployment, loss of livelihood, coupled with reduced fish prospect lead to crime. IDI/M/Farmer/2019.

The result is supported with the findings of Asuka (2010) who stated that the pollution of the land and water appears to have immediate impact on the economy of the people making the environment on which they depend for livelihood incapable of supporting their existence.

Conclusion

The high incidences of unemployment, loss of livelihood and reduced fishing prospects due to oil and gas exploration activities in Ologbo Community have inevitably created breeding grounds for socio-economic tension among others to thrive. Also, oil and gas exploration, according to the available data, has to a substantial degree led to the erosion of traditional values, displacement from ancestral lands and ultimately loss of landscape and sense of place. The result of these has been the heightened tension and aggressiveness against the multinational corporations, oil workers and even indigenes who appear to be stooges in the hands of these agencies and governmental authorities.

Recommendations

Based on the findings which emerged in the course of this study, the following recommendations are made:

1. The host communities and the oil companies should have an interactive forum where grievances and expectations are aired. The resolutions from such fora should be implemented with utmost transparency and sincerity.
2. The adoption of environmental-friendly technologies and methods of exploration, enforceable by necessary government policies would go a long way in addressing the attendant negative impact of oil and gas exploration on the environment and the economic life of the people.
3. Relevant authorities involved need to demonstrate a high level of commitment beyond making promises, and clean up the areas affected by oil spills, in order to retain the original owners of the land in their places of birth. This will enhance the preservation of cultural values and traditions of indigenes.
4. As part of their corporate social responsibility, the oil companies should set up mini water treatment plants in their host communities.

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