

Performance Analysis of Community Development Activities Of Two Multi-National Oil Companies In Rivers State, Southern Nigeria

Isife, B. I ; Albert, C.O. and Odua, I.N

Department of Agricultural and Applied Economics/Extension
Rivers State University of Science and Technology Port Harcourt, Nigeria
Corresponding: Author: benisife@yahoo.com

Abstract

A study was undertaken to analyse the involvement of two oil companies (NAOC and TOTAL E and P Nigeria Limited) in the development of their host communities in Ogba/Egbema/Ndoni Local Government Area of Rivers State, Nigeria. The study areas were purposively divided into four (4) zones and random sampling technique was used to selected eighty (80) farmers, fifty (50) extension workers and ten (10) administrative staff of the two oil companies that participated in the study. The respondents were interviewed, using a structured questionnaire, and data collected were analysed with percentages, mean scores and t-test. The study identified water scheme (90.0%), educational scholarships (82.5%) and rural electrification (80.0%) for NAOC and water scheme (75.0%), rural electrification (67.5%) and communication roads (57.5%) for TOTAL E and P as Community Development Programmes (CDPs) executed in the areas. Also, the study established that among all the CDPs implemented by these two companies, only pond fishing (2.74), water scheme (3.37) and road network (2.52) had a positive impact on the socio-economic lives of the people. Furthermore, it identified communication roads (3.17), rural electrification (3.21) and water scheme (3.38) as the effective CDPs in the study area. It was then recommended that NAOC and TOTAL E & P should actively involve the grassroot farmers/community representatives in their community needs identification, project selection and implementation to foster people oriented project development.

Keynote: Performance, Community Development Activities, Multi-national oil companies

1. Introduction

Before the crude oil exploration era, the traditional economy of the people of Ogba/Egbema/Ndoni Local Government Area (ONELGA) of Rivers State was predominantly agriculture (Ugorji, 2000). The incursion of multi-national oil companies into the area in 1962 changed the economic pattern of the people. There is therefore an abrupt change resulting from the exploration of crude oil resources by these multi-nationals, namely NAOC, TOTAL E and P Nigeria Limited, and SPDC, from local economy to an urban industrial economy (Obuzor, 1998). Ogba/Egbema/Ndoni local government area is acknowledged as the highest oil producing local government area in Nigeria (OMPADEC, 1994). Nigeria Agip Oil Company (NAOC) and TOTAL E and P Nigeria Limited (TotalFina Elf) have been operating for more than fifteen years in Rivers State (NAOC Report, 2004), and they account for a daily oil production quota of 100,000 and 133,000 barrels, respectively, per day (Agip, 1997, Total E and P, 1998). This means a huge revenue for the companies and the government, while the oil producing communities of ONELGA suffer hazards of oil spillages, pollution and other associated environmental problems. These people on whose land the oil mineral is pumped out are like strangers in their own land when it comes to sharing the benefits of oil revenue (Don, 2005). Most communities live in abject poverty, misery, diseases, squalor and ignorance. The low standard of living constitutes a serious threat to

the people in the land literally flowing with milk and honey (Don, 2005 and Saro-wiwa, 1995). The prospection for oil mineral impact directly on farmlands, residential areas, streams and rivers. This challenge has produced negative economic impact on farmlands which are predominantly the source of livelihood for the people.

Oil prospecting is a blessing to a nation but the need to consider its negative consequences is apparent. The gross costs imposed on the residents are not commensurate with the benefits they deprive from the use of these resources (Omuta, 1985). Despite the immediate response to the Federal Government of Nigeria's call on oil companies to assist in the development of their host communities and the quick response to implement Community Development Programmes in the areas where they operate, their host communities are yet to witness the impact of these developmental programmes. There is therefore, the need to appraise the community development programmes implemented by NAOC and TOTAL E and P and ascertain how they have affected or improved the lives of their host communities.

2. Purpose Of The Study

The broad objective of the study was to carry out a comparative study of Community Development Programmes of NAOC and TOTAL E and P Nigeria Limited in rural development. The specific objectives were to:

- identify the community development programmes implemented by NAOC and TOTAL E and P in the study area;
- examine the extent of Community Development Programmes on the socio-economic lives of the farmers/rural dwellers;
- ascertain the effectiveness of the two oil companies in the development of their host communities.

3. Research Methodology

Rivers State is one of the core Niger Delta States with twenty-three (23) Local Government Areas and Ogba/Egbema/Ndoni L.G.A is one of them, situated at the extreme north of the state. The study focused on the administrative staff of the community development departments of NAOC and TOTAL E and P, the agricultural extension workers of both companies and the farmers from the host communities. The study area was divided into four zones according to their ethnic groups and twenty (20) farmers were randomly selected from each zone. In the whole, eighty (80) farmers, fifty (50) extension workers and ten (10) administrative staff were randomly selected from the companies. A total of 140 respondents were surveyed with the aid of a structure questionnaire. Data collected were analysed with percentages, mean scores and student t-test.

4. Results And Discussion

Table 1: Community Development Programmes of NAOC and TOTAL E and P Nigeria Limited in the study area

Programmes	NAOC Staff N=30	Total E & P staff N=30	NAOC Farmers N=40	Total E&P Farmers N=40
Communication Road	25(83.3)	27(90.0)	30(25.0)	23(57.5)
Employment	28(93.3)	25(83.3)	9(22.5)	12(30.0)
Rural Electrification	27(90.0)	28(93.3)	32(80.0)	27(67.5)
Water Scheme	26(86.6)	24(80.0)	36(90.0)	30(75.0)
Health Care Services	23(76.6)	26(86.6)	7(17.5)	5(12.5)
Rural Industrial Development	28(93.3)	25(83.3)	6(15.0)	2(5.0)
Business Development	7(56.6)	20(66.6)	12(30.0)	3(7.5)
Educational Scholarships	28(93.3)	26(86.6)	33(82.5)	16(40.0)
Agricultural Development	27(90.0)	28(93.3)	11(27.5)	8(40.0)
Skill Development	25(83.3)	27(90.0)	5(12.5)	7(17.5)
Environmental Pollution Control	20(66.6)	25(83.3)	3(7.5)	2(5.0)
Educational Infrastructural Development	20(66.6)	28(93.3)	15(37.5)	11(27.5)

Multiple Responses Figures in parenthesis are in percentages

Table 1 indicates the various community development programmes packaged by NAOC and TOTAL E & P for the development of their host communities in Ogba/Egbema/Ndoni in Rivers State. The views of the administrative staff of NAOC and TOTAL E and P were different from the views of their host communities (farmers). For the farmers, the Community Development Programmes of NAOC laid more emphasis on water scheme (90.0), educational scholarships (82.5) and rural development (80.0), while TOTAL E and P emphasized more on electrification (67.5) and communication roads (57.5). But, for NAOC staff, they indicated that their companies' emphasis was on employment (93.3), educational scholarships (93.3) and rural industrial development (93.3), while TOTAL E and P staff stated that theirs focused more on rural electrification (93.3), agricultural development (93.3) and educational infrastructural development (93.3).

Table 2: Effectiveness of the Community Development Programmes of NAOC and Total E & P as viewed by their host communities

Programmes	NAOC N=40	Total E & P N=40	Average Score	Remarks
Communication Road	3.55	2.80	3.17	E
Employment	2.32	2.28	2.30	L.E
Rural Electrification	3.01	3.42	3.21	E
Water Scheme	3.25	3.52	3.38	E
Health Care Services	1.75	1.06	1.40	L.E
Rural Industrial Development	2.00	1.82	1.91	L.E
Business Development	1.22	1.45	1.33	L.E
Educational Scholarships	2.33	2.39	2.36	L.E
Agricultural Development	2.29	2.33	2.31	L.E
Skill Development	1.65	1.27	1.46	L.E
Environmental Pollution Control	2.10	2.22	2.16	L.E
Educational Infrastructural Development	2.40	2.27	2.33	L.E

Mean scores ≥ 2.50 Effective; < 2.50 Less effective

Table 2 shows the effectiveness of Community Development Programmes of NAOC and TOTAL E and P on their host communities. The result established that the Community Development Programmes that have affected the lives of their host communities were communication road (3.17), rural electrification (3.21) and water scheme (3.38), as they had mean scores above 2.50

Table 3: Performance ratings of the Community Development Programmes of NAOC and TOTAL E and P in ONELGA by farmers/communities

Programme	NAOC N=40	Total E & P N=40	Mean score	Remarks
Building of Schools	2.11	1.67	1.89	P
Building of Town Halls	1.99	2.26	2.12	P
Employment of Indigenes	2.15	2.42	2.28	P
Scholarship Award	2.00	1.88	1.94	P
Electricity Supply	2.45	2.36	2.40	P
Increased Crop Production	2.10	2.40	2.25	P
Environmental Pollution Control	1.22	1.00	1.11	P
Provision of Credit Facilities	2.40	2.27	2.33	P
Promoted Pond Fishing	3.00	2.48	2.74	G
Cultural Development	1.17	1.92	1.54	P

Skill Development	2.19	1.82	1.98	P
Health Care Services	2.24	2.01	2.12	P
Water Scheme	3.55	3.20	3.37	G
Road Network	2.51	2.53	2.52	G
Rural Industrial Development	2.00	1.02	1.51	P

Cult-off point = 2.50 (≥ 2.50 = Good, < 2.50 = poor)

Table 3 explains the performance ratings of the Community Development Programmes of NAOC and TOTAL E and P on the socio-economic lives of their host communities/farmers. The average scores show that only promoted pond fishing (2.74), water scheme (3.37) and road networks (2.52) had a good impact on the socio-economic lives of the people, while in the areas of environmental pollution control (1.11), rural industrial development (1.51) and cultural development 1.54 it was poor.

These results are in congruent with studies of Obuzor (1997), Don (2005) and Odua (2007) that the oil prospecting activities in most parts in Rivers State had negative socio-economic impacts on host communities.

Analysis was further carried out to ascertain if differences existed in the community development projects/programmes undertaken by the two oil companies in their host communities. Table 4 summarises the result of t-test analysis.

Table 4: Summary of T-test result on the Community Development Programmes undertaken by NAOC and TOTAL E and P

	N	Mean	S.D	d.f	f.ratio
NAOC	30	9	3034	58	2.94
TOTAL E&P	30	10	3033		t-table=1.67

$P < 0.05$

The results in table 4 shows that differences existed in the Community Development Projects/ Programmes implemented by the two oil companies in their host communities. The differences could be as a result of level of commitment in Corporate Social Responsibilities (CSR) of the companies within their areas of operation. Table 2 has already suggested that NAOC seemed to be more involved in Community Development Programmes than TOTAL E and P. In other words, NAOC is more community friendly than TOTAL E and P.

Conclusion

Results showed that the host communities of NAOC and TOTAL E and P were fairly developed. The community development packages were lofty ones and included rural electrification, water scheme and educational scholarships, but the environmental pollution control of the two companies was poor in the study areas and this has impacted negatively on the lives of their host communities. The two companies provided good portable water, roads and electricity for their host communities without giving priority to their source of livelihood which is their farmlands that has been destroyed by oil spillage. This has made community development programmes of the oil companies ineffective in the lives of their host communities.

Recommendations

Based on the results of the study, the following recommendations are suggested to improve the activities of the oil companies

1. NAOC and TOTAL E and P should ensure that the grassroots farmers – community representatives, are involved in their community need identification, project selection and implementation to foster people oriented project development.
2. Community development programmes should include regular workshops on leadership training for community leaders, youths, CDC's, chiefs and elders in order to expose them to appropriate and productive leadership styles of putting the progress of their community first.
3. NAOC and TOTAL E and P should ensure quick and proper response to environmental clean-up whenever the need arises, i.e., whenever there is oil spillage. This will help to reduce the degrading effect of oil on farmlands which are the sources of livelihood for the people.

References

- Don, A.O. (2005). *The Crisis in the Niger Delta, the Tasks and the mistakes of the Government*. Royal Destiny Communications (printing Divisions) Port Harcourt.
- NAOC (1997) Technical/Production Report Bulletin
- NAOC (2004) Community Development, News Bulletin, Vol. 13.
- Obuzor, I.C. (1998). *Economic Impact of Crude Oil Exploration on Farmlands in Ogba/Egbema/Ndoni Local Government Area of Rivers State*. B.Sc Project Report, University of Science and Technology, Port Harcourt, Rivers State.
- Odua, I.N. (2007). *Comparative Analysis of Community Development Programmes of Nigeria Agip Oil Company and Totalfinaelf Nigeria Limited in Ogba-Egbema-Ndoni Local Government Area of Rivers State*. M.Sc. Thesis, Department of Agricultural Economics and Extension, Rivers State University of Science and Technology, Port Harcourt, 96p.
- Omuta, G.E.O. (1983). *Petroleum Factor in Environmental Decay in Isoko LGA of Delta State, Nigeria*, - Geological Journal, Reodel Publishing Company, Dordrendt.
- Oil Mineral Producing Area Development Commission (1994) *Petroleum Exploration and Exploitation in Nigeria*. News Report Journal, Vol. 18.
- Saro-wiwa, K. (1995). *A Speech upon Winning the Goldman Environment Award, Smuggled out of Prison, Bori Camp*, Port Harcourt.
- Totalfinaelf (1998). *Extension Services in the Rural Communities of Egi*. Progress Report, Vol.1
- Ugorji, M.T. (2000). *The Political Economy of Ogba/Egbema/Ndoni people of Rivers State of Nigeria*. Canada, Mandyn University Press, pp 8-35.

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

CALL FOR PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There's no deadline for submission. **Prospective authors of IISTE journals can find the submission instruction on the following page:** <http://www.iiste.org/Journals/>

The IISTE editorial team promises to review and publish all the qualified submissions in a **fast** manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

