

## **Oil And Underdevelopment Of Rural Communities In The Niger Delta**

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### **ABSTRACT**

**The paper examines the relationship between the oil industry and the under development of rural oil producing communities in the Niger Delta region of Nigeria. The discovery of crude oil and gas resources has generated environmental degradation and strife that has retarded the development of the region. It has brought in its wake negative development that has impacted negatively on the development of these rural communities. The activities of the oil industry have degraded the environment of these communities, decimating the flora and fauna, thereby crushing the livelihood of the people. In addition, the activities of the oil industry have engendered unprecedented violence conflict. It has led to killing and destruction of lives and property. Since conflict is antithetical to development, the widespread underdevelopment of rural oil producing communities is the result of the devastation of the environment and the violence conflict visited on the communities by the oil industry.**

**Keywords:** Environment, Oil Industry, Conflict, Underdevelopment and Degradation.

### **INTRODUCTION**

The issue of the environmental degradation and the largely underdeveloped state of the rural oil producing communities in the Niger Delta region of Nigeria has been well documented in various literatures. Consequently, a great deal of research literature has been written by scholars, opinion leaders and stakeholders to underscore the increasing level of deprivation induced by the activities of the oil industry in the rural communities in the region, which have become a recurring decimal in the Niger Delta.

There appears to be a consensus that in spite of the evident and abundant resources (including crude oil and gas, the wealth of the country which generate over 90% foreign exchange and 85% of government earnings), the Niger Delta region, the cash cow of the country paradoxically represents one of the extreme situations of poverty and underdevelopment, lacking in virtually all the indices

of development (Ibaba, 2005). The development has been largely attributed to the negative impact of the oil industry on the economy and the environment of the people.

Obviously, the rural oil producing communities in the region are experiencing increasing level of development crisis which now constitute part of the National question following persistent agitation by the People of area demanding for development, environment protection and fair share of the nation's wealth which is largely sourced from their area.

A school of thought which seemingly reflect the trend of opinion in the Niger Delta argued that the underdevelopment and the environmental degradation being experienced in the region is a logic outcome of the peculiar nature of Nigerian federalism which has been shaped by ethnic base political domination. Thus for instance Naanen (1995, pp: 46-78) attributed the poverty, underdevelopment, environmental abuse in rural oil producing communities to a number of factors which includes;

*Ethnic based political domination which is used to expropriate the resources of the oil communities for the dominant groups, and the alliance between the dominant groups, oil companies and state enterprises, which restricts the minorities access to the modern and more rewarding sectors of the economy.*

Similarly this view is also shared by Okoko and Nna (1997, p.46) who contended that "the plight of the oil producing area is a reflection of the political domination and economic marginalization by the major ethnic groups" which have inexorably led to the current high level of poverty and underdevelopment in the region.

A corollary of the above assertion is that oil multinational companies have in collusion with Federal Government through sub-standard environmental protection laws, undermined the local economies of the communities through oil based environmental degradation without the provision of viable alternative, (Naanen, 1995, pp.46-78).

Closely connected to this is the charge by the oil producing communities of criminal neglects and non-challance shown in the provision of development of infrastructure by the three tiers of government and the respective oil multinational companies.

Contributing further on the poverty and underdevelopment of rural oil producing communities in the Niger Delta region, the United States Senate Foreign Relations Committee reports entitled petroleum and poverty paradox states that ( cited in This Day Newspapers ,June 3,2013)

*Too often oil money that should go to a nations poor ends up in the pockets of the rich, or it may be squandered on grand palates and massive show cases projects instead of being invested productively.*

In response to the increasing level of deprivation and underdevelopment of the area as result of the negative impact of oil production, the federal government created the defunct OMPADE, the NDDC and later ministry of Niger Delta Affairs as major planks to bring the needed development and reduce abject poverty in the region.

Although 13% derivation has been set aside for the oil producing states since the return of democracy as enshrined in the 1998 constitution of the Federal Republic of Nigeria. But unfortunately the oil producing rural communities in the region have not felt the impact of the huge revenue accruing to the various State governments due to official corruption and management of funds.

Therefore five decades of oil production have yielded a lot for the Nigerian State and the multinational oil companies but it has generated crass poverty and underdevelopment through environmental pollution which has destroyed the people's livelihood, such as the pollution of marine life and farmlands.

The prevailing perception in the region is that, the oil industry has crushed the traditional occupations of the people such as farming and fishing, has induced cries and the people are being deprived of the benefits of oil and gas exploitation and which has consequently generated widespread poverty in the region.

Furthermore, the report of the Political Bureau set up by the federal military government in 1987 gave credence to the development of the rural oil producing communities induced by the activities of oil companies.

*Attention has been drawn to the very deplorable conditions of the oil producing communities throughout the country. In the Cross River for example, whole communities have been reduced to penury following the combined activities of oil prospecting and extracting companies (FGM, 1987)*

Another dimension of the underdevelopment of rural oil producing communities in the region is the violent conflict generated by the oil industry which has undermined development in the region. The oil industry is central to the widespread violence in the region. This crisis has pitched the oil companies, the host communities on one hand, the oil producing communities and the Nigerian state, and between and amongst oil producing on one hand in an endless conflict that undermines development. The conflict in the region has taken different dimension: kidnapping, large scale illegal bunkering, pipelines vandalization, rivalry between cult groups, communities' clashes, destruction of communities, killing etc.

The papers note the view that the contest to benefit adequately from oil and gas resources is the most fundamental causes of the conflicts in the region. Olokesusi cited in Ibaba (2005) indicated the paramount role of the oil industry in the conflict and observe that.

*In Nigeria, the oil petroleum industry has for long been plagued in these conflicts ..... these conflicts centre around..... Widespread environmental degradation attributable to petroleum activities; human displacement; inadequate compensation for losses imposed on the communities..... Inadequate community level involvement in project planning leading to alienation between the local population on the one hand and the oil companies and the state on the other.*

Nna (1998) also confirmed the above view that:

*The dominant form of crisis in the Niger Delta relates to the conflict between communities and the oil companies, communities and the state, inter-communities conflict..... or almost all of these derive from oil and its related activities.*

Also, the World Bank supports this assertion and noted in a 1985 report that:

*Conflict between stakeholders over resource rights and uses are endemic in the region. The most frequent and serious conflicts have pitted local communities against oil companies.....*

On the whole, the negative impact of the conflict on the oil producing rural communities has taken varied dimensions: displacement, and associated refuge problems, destruction of towns and village loss of lives and livelihood, and general state of security etc.

These are antithetical to development, therefore instead of bringing about development in the rural oil producing communities, the oil industry has underdeveloped the region through degradation of the environment and generation of crisis, which undermined development in the communities.

Therefore in this paper, our aim is to investigate the correlation between oil extraction and the underdevelopment of oil producing rural communities in the Niger Delta region of Nigerian.

### IMPACT OF THE OIL INDUSTRY ON THE ECONOMY AND ENVIRONMENT

**Table 1.9: The impact of the oil industry on the Niger Delta**

| ACTIVITY                                                                                      | IMPACT                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Exploration</b><br>(A) Geophysical Investigation.<br>(B) Geological Survey<br>(C) Drilling | Destruction of vegetation, farmlands, human settlement. Clearing agricultural land and the damaging soil<br>Disturbance of farm and flora habitat<br>Accumulation of toxic waste material with the effect of:<br>(i) Oil pollution of the land, sea or breaches<br>(ii) Pollution of underground water for plants                                                                                                                   |
| <b>Production processing</b><br>(A) Flat and tank forms<br>(B) Gas flaring                    | Land pollution from long term cumulative effects<br>Water and land pollution from sanitary waste, used lubrication oil and solid waste<br>i. Air pollution from gas and oil processing evaporation and flaring<br>ii. Killing of vegetation around the flare area<br>iii. Production of heat<br>iv. Suppressing the growth and flowering of some plants                                                                             |
| (C) Tanker loading location<br>(D) Storage depots<br>Transportation<br>(F) Refinery           | Spillage during loading operations with all its accompanying effects on the fauna and flora.<br>Land pollution from effluent waste and solid waste of chemical cans are drums for the establishment of the storage depots.<br>Destruction of farmlands and environmental sensitive areas.<br>Land pollution from effluent discharge which contains wide range organic pollutants such as phenol hydrogen, sulphide, ammonia and gas |

Source: Federal Ministry of Housing and Environment, 1993.

From the above table it's obvious that the oil industry has negative effect on the environment of the region and this has vitiated the once thriving local economy.

### **FISHING AND AGRICULTURE**

The major impact of oil-related environmental problems is the drastic decrease in the nutrient value of the soil, decrease in available land mass for cultivation (which has contributed to a decrease in the bush fallow period from 3 -5 years to one year in many communities), the destruction of food and cash crops, and marine life, which ultimately leads to a decline in agricultural output and its development (Ibaba, 2005).

Agriculture is fundamental to the development of rural communities, because it provides food, raw materials, employment, saving and capital for other businesses. Consequently, it is easy to see the link between the degradation of the environment through wanton oil spills and underdevelopment of the rural oil producing communities in the region.

Also of noteworthy is the destruction of aquatic life. Given that fishing constitutes the major occupation in many rural oil producing communities. In addition, about 80 percent of protein food in the local communities is sourced through fish.

Therefore, it implies that oil spillages have grave health implications. It is true that in many rural communities in the region, the polluted river water (which not only serves as fishing grounds but also as the only source of water for drinking and other domestic use) is the cause of certain diseases in these communities.

We can infer from the above that degradation of the environment by the oil industry exacerbates the health problem of the people. This compounds rural poverty, because poor health reduces productivity.

Apart from the negative environmental impact of the oil industry on the rural communities in the region, it has been acknowledged that the oil industry has brought about violent conflicts as a result of the agitation by the people of the region for development, environmental protection and a fair share of the nation's wealth, which is largely sourced from the region.

These conflicts have been blamed on a myriad of factors: land alienation, unfulfilled promise for compensation, political marginalization, degradation of the environment etc. Anikpo, (1998,P.7) is of the view that the nature of the conflicts makes these reasons too simplistic and opines that other factors must be identified with a view to giving a meaningful explanation to the conflicts.

He points at the oil industry, as the factor that should be examined further. This brings to the front burner the raging argument that exploration of oil resources is accountable for the conflict that has truncated development of the rural oil producing communities.

This argument can be approached from two planks. The first school of thought contends that the rural oil producing communities in the Niger Delta region, from whose land the wealth of the nation is extracted, are excluded from the oil wealth. To compound the plight of the people, the oil industry has rather stagnated the development of the rural communities. Brown (1998) corroborated this view point.

*The local economies of the communities have collapsed. And they are not integrated into the oil economy of Nigeria. The success of the oil economy has not promoted their own capacities, it has not promoted their own self-reliance, it has not promoted the social engine of the society, the pace of development has left them.*

Social scientists are of the view that the destruction of the hitherto thriving local economies of the rural communities in the region it has created the objective and subjective conditions which engender pervasive conflicts in the area. The conflicts that enveloped the rural communities are antithetical to genuine development.

The other position on the causes of violent conflict in the rural oil producing communities in region sharply disagrees with the earlier school of thought. Anikpo (1998,p.8) for instance, argues that the protesting youths, women etc. are actually pawns in the hands of the privileges class who use them to further their interest. Thus, the conflicts cannot be blamed on people becoming conscious of deprivation and as a result challenging their oppressors.

However, despite contrary views on the causes of conflicts in the Niger Delta Oil Producing Rural Communities, the reality is that the conflict in the region is attributable to the rise of consciousness, which is the ability of man to ideally reproduce in his mind and surrounding reality existing beyond and independent of him (Luckcs & George, 1968)

Furthermore, Marx (Luckcs & George, 1968) explained this with the concept of class struggle, the struggles between one class of exploiters and the oppressed. What can be deduced from the analysis is that contradiction (domination) inherent in a society engenders conflicts in oil producing rural communities and these conflicts have in turn truncated the development of these commodities because conflict is antithetical to development and that has bred widespread poverty in the region. According to Smith (1776):

*No society can surely be flourishing and happy of which by far the greater part of the numbers are poor and miserable.*

On the whole, the negative impact of the conflict on rural communities has taken varied dimensions, displacement, associated refugees problems, destructions of towns, village, and property, loss of lives and livelihood etc.

The analysis of the types of conflicts which have destroyed the rural communities as a consequent of the activities of the oil industry will enhance our understanding of the issue (Ibaba and Arugu 2013, P.35).

1. Intra and Inter Community conflicts are taken together because they have similar causes and characteristics. According to Ibaba and Arugu (2013,p35). The conflicts largely violent occur as a result of disputes between or among neighbouring communities and community. Factions such as Chiefs, Youths groups, etc. Common issues of contention include disagreement on land ownership between families, communities rightful occupant of chieftaincy stool, compensating and payment made by oil companies, headship of Community Development Committees (CDC) youth bodies, quest for oil company job and contracts etc.

2. Inter-Ethnic Conflict: Inter-ethnic conflict has characterized the oil producing rural communities in the region. The most pronounced cases are between Ijaw and Itsekiri, Urhobo and Itsekiri in Delta State, Ogoni and Okrika, Andoni and Ogoni in Rivers State and Ijaja and Ijaw in Ondo State (UNDP, 2006).
3. Community – Oil company Conflict. Ibaba and Arugu (2013) posited that conflicts between oil companies and oil producing rural communities dates back to the 1970s and manifest as litigations over destruction of property and payment of compensation, occupation and blockade of oil production and facilities and sites, sabotage of oil pipelines and facilities and kidnapping of oil companies personnel. On the whole dissatisfaction with the negative impact and benefit of oil production is the cause of conflict. The most notable case of community oil company conflicts was the total destruction of Umueche in Rivers State in 1990, which resulted to the death of 20 villagers and the destruction of 495 houses by the anti-riot (Mobile Police) invited by Shell Petroleum Development Company (SPDC) to intervene in the protest by the community.

### **OIL AND THE CHALLENGE TO RURAL DEVELOPMENT IN THE NIGER DELTA**

In our context, rural development connotes development of rural areas with a view to improving the quality of life of rural people. We can say rural development is a process that aims at improving the standard of living of the people living in the rural, whose mainstay are fishing and farming in the Niger Delta region.

Rural development can be further seen as overall development of rural areas to improve the quality of life of rural people. It is an integral process, which includes socio-economic, political and physical development of the poorer sections of the society. Rural development aims at helping rural people set the priorities in their own communities through effective and democratic bodies, by providing the local capacity, investment in basic infrastructure and social services.

According to Chambers (1974) rural development is a strategy to enable a specific group of people, poor rural women and men to gain for themselves and their children more of what they want and need. Therefore it involves helping the poorest among those who seek a livelihood in the rural areas to demand and control more of the benefits of rural development.

However, the incursion of the oil industry into the rural areas in the Niger Delta has destroyed the rural development efforts of the communities. The oil industry brought in its wake the pollution of the land, rivers, creeks, ponds, lakes, etc and also brought about unprecedented level of violence conflict in the rural area. These variables are antithetical to rural development. The impact of the oil industry has rather stagnated the development drive. Brown (1998) corroborated this view point:

*The local economies of the communities have collapse. And they are not integrated into the oil economy of Nigeria.....*

*The success of the oil economy has not promoted their own capacities, it has not promoted their own self reliance; it has not promoted the social engine of the society.....The pace of development has left them.*

The discourse on the impact of the oil industry on rural development in the Niger Delta is negative. This can be explained from the prospective that the oil industry has decimated the rural economy through wanton pollution of the environment and the introduction of violent conflict. In such situation, the people are poorer. As noted earlier, violent conflict is inherently destructive of the rural economy, given that it negates the four pillar of rural development, reduction of poverty, creation of wealth, environmental protection and enhancement of productive capability. Conflict situation as being witnessed in parts of Niger Delta in the past three decades undermines rural development efforts.

In many cases of violent conflict in rural communities in the region, the victims are displaced and therefore are forced to migrate to different locations. In such situation, they cannot engage in meaningful economic activities. According to Tamuno (2009), the rural economy is generally characterized by high dependence on agricultural activities: Farming/fishing, forestry etc. they cannot create and reduce poverty. Consequently, conflicts induced by the oil industry have further reinforced the condition of poverty in the area.

In addition, one of the evidence challenges of the oil industry on rural development in the region is that the result of many violent as being witnessed is that many people are killed in the process. It is human beings that create wealth and are the agents of development but in conflict situation when a large number of active men and women are consumed, wealth cannot be created and therefore development is retarded. It discourages investment. One of the immediate effects of conflicts is that it drives out investment. Conflict is antithetical to investment and business activities which can only thrive in a peaceful environment devoid of rancor. Conflict reduces security and increases risks for legitimate private local and foreign investment in the rural. It brutalizes communities and undermines social capital and trust (UNDP, 2000). The capacity of such conflict to undermine wealth creation is evidence. Conflict disrupts production and exchange value chain. For instance in Bayelsa State at the peak of the crisis in 2008, most companies pulled out of the state because of the increased insecurity to lives and property. In developing countries, it's the desire of every leader to attract investment either foreign or local, but when investment is driven out due to conflict, then wealth cannot be created, it has negative impact on rural communities.

Further, conflicts destroy infrastructure in rural communities, both social and economic institutions. In periods of violent conflict, nothing is spared on its way. Schools, hospitals, markets, roads, private residential buildings etc. are destroyed. These infrastructures are the engine of development but they are randomly destroyed during conflicts engendered by the oil industry in the region. For instance, during the conflicts in Pelemabiri, Beletiamia and Ewoama Communities in Bayelsa State, every infrastructure was destroyed. The United Nations Development Programme (UNDP) noted in the case of Beletiamia that is although the community was destroyed in the 1990s, the destruction was so intense that by 2005, "it was difficult to imagine that a town of several thousand people once existed there" (UNDP, 2006, P.115).

When the social infrastructure and economic institutions are destroyed in course of violent conflicts, wealth cannot be created given that it is social infrastructure and economic institutions that create wealth. It severely diminishes institution capacity to develop the rural areas.

It is evident that the oil industry destroys the environment through two ways. Firstly the wanton pollution of the environment, through gas flaring and oil spills has decimated the flora and fauna. Secondly, conflicts have led to Wanton destruction of pipelines and oil production facilities in the region. It's on record that most of the oil spillage recorded are due to sabotage by militia groups either fighting the oil companies or the Nigerian State. The Movement for Emancipation of Niger Delta (MEND) has been at the forefront of destroying oil pipelines and in the process degrades the environment. Further, this negates the objectives of rural development and has decimated the fauna and flora in the area, further exacerbating rural poverty.

In addition, conflict increase human insecurity, in periods of violent conflicts there is increase danger to life and more people are exposed to high risks that can lead to untimely death and serious injuries. In such a situation, there will be no impetus and incentive for the rural people to engage in meaningful economic activities. Therefore wealth cannot be created, the people lack the capacity to increase productivity and thus further reinforcing the vicious poverty cycle.

The above exposition deserve a reflection from the foregoing, using the four pillars of rural development, the creation of wealth, enhancement of production capabilities , reduction of poverty and environmental protection, the conflict and environmental degradation engendered by oil industry in the Niger Delta is indeed a negation of rural development in the region.

### **CONCLUSION**

From the foregoing analysis, the paper concluded that the oil industry has undermined rural development effort in the Niger delta region of Nigeria, with its negative consequences for the development of the region. This has led to environmental degradation and unending pervasive violence conflict unprecedented in the history of the region. This has retarded the development of rural oil producing communities in the region.

### **Recommendation**

Based on the findings of the paper, we recommend the followings

1. The employment of youths should be given attention by the oil producing companies in the host communities. This will go a long way to stem the tide of restiveness in these communities. Thus, mandatory employment quota of graduates and other category of unemployed youth should be reserved for oil producing communities in order to reduce unemployment and create a sense of belonging.
2. The enactment of a law to make oil companies to develop the oil producing communities, as a statutory obligation not as corporate social responsibility with sanctions for failure to adhere to the law.
3. The need to restructure the Nigerian federation to guarantee the ownership and control of resources by the federating units (states) as obtained in other federations like the U.S.A, Canada etc.
4. A law should be made, making it mandatory for oil producing companies to set aside certain percentage of their annual profit for the infrastructural development and other needs of the

oil producing communities, this will make them the oil producing communities, to have as sense of belonging.

5. A law should be made to compel oil producing companies to clean up spillage sites with a time frame given, and sanctions attached to it in case of failure to abide by the law.
6. The promotion of capacity building by the federal government and the oil companies in the communities through viable educational and technical training programme for oil producing communities.
7. Payment of compensation is one of the main sources of conflict between oil producing communities and oil companies. Therefore, a law should be passed, making it mandatory for oil companies to pay adequate compensation in line with current economic realities and compensation rates to be reviewed every year.

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