

## **The Impact of Petroleum Activities on the Socio–Economic Life of Resident Population of Uvwie Local Government Area of Delta State, Nigeria**

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**Abstract:** This study examined the impact of petroleum activities on the resident population of Uvwie Local Government Area of Delta state. It looked at its socio-economic implications on the people and its contributions to rural development. Survey research design was employed in gathering data while data analysis was done using frequency tables. It was found that 39% of the respondents rated the contributions of petroleum industries to development very highly. The petroleum industries initiated a lot of development programs which were highly accepted by the people. The area of controversy and challenges which exist between the oil producing communities of the L G A and petroleum industries is on the issue of compensation and the impact of their activities on climate, health and bio-diversity of the Uvwie environment. Among the recommendations is that the petroleum industries should step up the employment of indigenes and equally improve the provision of basic infrastructure.

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**Key words:** Petroleum • Benefits • Development • Uvwie community and economic impact

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### **INTRODUCTION**

Petroleum activities have now become the dominant factor in Nigeria's economy. The consumption of Energy in a country is a direct measure of its rate of economic development. Petroleum products are very substantial sources of energy in the world today and it therefore follows that the rate of growth of their consumption indicates the rates of a country's economic development [1-3]. For a long time now, petroleum activities have banished agricultural export to a position of inferiority [4]. The socio-economic benefit of petroleum to the Nigeria economic can only be fully appreciated when one realizes the dominant role it plays in our rural communities. Petroleum production and export is now the mainstay of Nigeria economy, providing almost 90% of our domestic earning [5]. Agriculture, which traditionally had been the mainstay of the economy from the early fifties and sixties, has been pushed to the background [6]. Petroleum is a mixture of hydrocarbon oil obtained from below the sub-surface. In Nigeria, it generally occurs at a depth below 1,500 meters. It is the raw material around which a chain of

commercial activities known as petroleum industries revolves. It is a major source of energy in the world today and has become the bedrock of main progress of civilization [7]. Oil prospecting began in Nigeria as far back as 1908 –in 1937, Shell D' Racy resumed oil prospecting in Nigeria. The Second World War interrupted activities. In 1956 oil was discovered in Niger-Delta area (Oloibiri in Bayelsa) after several years of search and an investment of over 30 million naira, Shell, started oil production and exportation from Oloibiri, field in 1956 [8].

Since then petroleum wells have been discovered by different petroleum industries operating in Nigeria with Shell Petroleum Development Company (SPDC) being the major operator. SPDC supports development and progress for communities in its areas of operation, working in partnership with the communities. The industry's social investment program dates back to the 1960's when it launched an agricultural initiative in the Ogoni Area of Rivers, Nigeria [9]. Government revenue from oil includes other sources besides direct crude sales. Various taxes are levied on oil companies such as the petroleum oil income

royalties, rents and excise duties on refining activities. This study seeks to investigate the impact of petroleum activities on the socioeconomic development of Uvwie local government area of Delta state, Nigeria.

### MATERIALS AND METHODS

This research work adopted survey research design which involved the use of questionnaires and interviews. The staff of Uvwie local government secretariat was particularly handy in generation of facts and opinion. The rest of the needed information/ data were elicited from three communities chosen of purpose because of their peculiarity in petroleum activities, they include Ekpan, Effurun and Osubi communities. A total of 234 responses were generated and analysed using simple parentage technique.

**The Study Area:** Uvwie is one of the Local Government Areas of Delta State, situated in western Niger Delta. It is located on lat. 5.15<sup>0N</sup> and 6<sup>0N</sup> and long 5.40<sup>0E</sup>. Its geographical coordinates are 0945<sup>0N</sup> and 0853<sup>0E</sup>.

**Presentation of Result:** The Degree of Contribution of Petroleum Industries in Rural Development.

The responses from Table 1 above shows that very great extent has 91 responses in Uvwie, it ranked the first position with 39%, 33% with great extent and 11% with moderate extent while very little extent has 17%.

From Table 2 above 77% of the sampled respondents confirmed that petroleum industries initiated development programs in their communities.

From Table 3, it is seen that oil producing communities embrace development programs of oil producing companies. It is equally shown that oil companies have contributed a lot to the development of the host communities (table 2) according to the Analysis, very great extent ranked first position with 39% moderate extent rank second with 33%. It is therefore confirmed that oil producing communities embraces development programs of oil production companies.

Petroleum producing companies have constituted a lot of problems to the environment of the host communities in Uvwie local government area. It has affected the climate, health, Bio-diversity and even the social organization of the communication. However, there are differences in the effects of the problem on the various environmental components of the host communities.

Table 1: The extent of contribution to Uvwie development by the petroleum industries.

Respondent	No of Repts	Percent	Rank
Very great extent	91	39	1 <sup>st</sup>
Great extent	77	33	2 <sup>nd</sup>
Moderate extent	9	11	4 <sup>th</sup>
Very little extent	14	17	3 <sup>rd</sup>
Total	234	100	

Table 2: Development programs initiated by the petroleum industries in Uvwie

Respondent	No. of Reponses	Percent	Rank
Yes	180	77%	1
No	54	23%	2
Total	234	100	

Table 3: The degree of acceptance of developmental programs of oil companies by the oil producing communities

Respondent	No. of Reponses	Percent	Rank
Very great extent	91	39	1
Great extent	9	11	4
Moderate Extent	77	33	2
Very little extent	14	17	3
Total	234	100	

Table 4: The area of problem between the petroleum producing industries and their host communities

Problem on	No. of Responses	Percentage	Rank
Climate	64	27.4	1
Compensation	57	24.0	3
Health	52	22.0	4
Bio-diversity	61	26.6	2
Total	234	100	

In the host communities, climate rank first position with 27.4%. On the one hand, the second position was occupied by Bio-diversity with 26.6% while the compensation fees rank the third position with 24% lastly Health stood at fourth position with 22%. All these sum up as the negative impact of petroleum activities on the environment of Uvwie L.G.A.

### RESULT AND DISCUSSION

This study revealed that petroleum industries contribute immensely to the development of Uvwie local government area as 39% and 33% of the respondents affirmed that petroleum industries contribute to a very great extent and to a great extent respectively to the development of the area. This goes in consonance with the general awareness of the socio-economic impact of petroleum industries in areas of operation in terms of provision of basic social and infrastructural facilities as roads, electricity, pipe borne water and hospitals plus employment opportunities.

The findings equally show that the petroleum industries initiated many development programmes as 77% of the respondents responded positively to this and equally, it is shown that the communities embrace these development programs.

There are equally areas of problems or conflict between the oil companies and the host communities of Uvwie L.G.A. This conflict areas connotes the negative impacts of the oil mining activities on the area. Chief among them is in the area of climate which occupies the first position with 27.4% followed by compensation fees 26.6% health risks 24% and bio-diversity 22%. These findings concur with Ofomata [3] who showed that petroleum activities equally impact negatively on the social and economic environment.

In general and specifically it is shown that petroleum industries render much benefits to the producing communities. It is therefore asserted that the benefits of the exploitation of rural petroleum activities should reflect in the practical indices of development that they enjoy.

**Recommendations:** Much more is still expected and desired in the area of infrastructural provision; the petroleum industries should therefore do more in this area and take more practical steps to step up employment provision for the indigenes.

The petroleum industries should equally undertake environmental impact assessment of their activities so as to plug in the necessary remediation measures to abate degrading of the area.

### CONCLUSION

From the evidence of the findings seen so far, it could be deduced that petroleum activities has contributed and has positive impact on the socio-economic development of Uvwie local government area of Delta state, Nigeria and has contributed immensely to infrastructural facilities, transportation and employment to aid the development of the area; however there is much room available for further enhancement of development activities in the area.

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