

Impact of Nigeria's Liquefied Natural Gas (NLNG) Social Responsibility Projects In Gbarain And Ekpetiama Host Communities In The Niger Delta

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Abstract

The study examined the socioeconomic impact of Nigeria's Liquefied Natural Gas (NLNG) project in Gbarain and Ekpetiama communities in the Niger Delta region of Nigeria with a view to know the impact of the company's corporate social responsibilities projects executed in the area. A total of 331 questionnaires were administered in six communities and an emergent informal settlement. The cross tabulation and mean statistical tools were used to analyze data. The findings are that all communities in the area are impacted both positively and negatively as a result of the siting of the NLG project. It recommends that to mitigate some of the negative effects of the project and ensure harmony with the people, the company should consider consultations with the people to know their priority needs, which include provision of portable water, scholarships, skills acquisition, SMEs, employment, agricultural credit and infrastructural development schemes.

Key words: *Nigeria NLG Impact on host Communities*

I. Introduction

Industrialization brings about social, economic and structural change to communities through transformation of hitherto rural or agrarian societies into urban and/or industrial societies, and subsequent spring up of different ancillary firms/projects which affect the social well-being of the host communities (O'Sullivan & Sheffrin, 2003). For this and other perceived benefits many communities crave for the establishment of industries in their domain.

The World Development Report (2017) noted that non-renewable resources extracted by industries play dominant role in about 81 countries which account for about one-quarter of the world's GDP (World Bank, 2017). Despite the numerous and important resources found in their domain, nearly 70 percent of Third World nations' population experience extreme poverty. While many extractive industries come with increase in rent to the State with associated economic growth, many host communities are often less affected by these fortunes. Worse still, the operations of these industries often come with social, political, and economic consequences much of which are unfavourable to these communities. In many instances, these threaten the livelihood coping capacities of the very communities they express as being assisted to develop (Maconachie, Srinivasan & Menzies, 2015). Gbarain and Ekpetiama kingdoms hold sway in fishing and farming and so the rivers and lands, be they swamps or high lands are dear to their heart. The Nigeria Liquefied (natural) Gas project sited in the area has affected the communities in many respects through environmental degradation, presence of intimidating security operatives, provision of social infrastructure, forceful acquisition of lands, etc.

Extractive industries, unlike manufacturing firms due to economic reasons often choose to locate near source of raw material, and in this case the presence of commercial quantity of natural gas for liquefaction (Levitt, 2016). Thus, Gbarain and Ekpetiama area of the Niger Delta region was appropriate for natural gas liquefaction. This entails that the operators have moral obligation to enter into negotiations with the host communities who may have to dictate some of their pressing needs given the fact that they may have to forgo usage of some portions of their scarce but valuable lands, lakes and rivers temporarily or permanently. The study thus looks at the socio-economic impact of the presence of the Nigeria Liquefied Gas plant in the area in term of providing the people with needed social amenities.

Statement of the Problem

The discovery of oil at Etelebou in Gbarain came with high hopes that the area would experience increased development. As if this was not enough, Shell Petroleum Development Company (SPDC) in association with Nigerian National Petroleum Corporation (NNPC) established the NLG plant at Gbarantoru (Ekpetiama Kingdom). However, the series of legal battle for ownership of the land housing the LNG plant

between Gbarantoru (Ekpetiama clan) and Obunagha (Gbarain clan) went in favour of the latter. However, prior to the court judgments, the company had secured agreements to continue to provide succour to both pending the settlement of the dispute. The company has since completed construction and commenced operations extracting and transporting natural gas through gas pipelines to the Nigeria NLG export facility at Bonny in Rivers State. As it is almost usual in the operations of companies, their presence portends blessing and curse to the natives. The frequent oil and gas drilling, spillages, pipeline construction, demonstrations, inter and intra group community conflicts and failure to honour mutually negotiated agreements, and compulsory acquisition of farming and fishing lands/lakes were not welcome developments. Such companies in turn attract the location of ancillary service firms which sometimes give priority to host communities in terms of employment, infrastructural provisions and other empowerment projects. What could be the socio-economic impact of the Nigeria NLG project in the Gbarain and Ekpetiama communities of Yenagoa Local Government Area of Bayelsa State forms the need for the study. The paper highlights the challenges, feelings and perceptions of the people.

Objectives of the Study

The overriding objective of the study is to examine the impact of Nigeria Liquefied Gas (NLG) project's social responsibility to Gbarain and Ekpetiama host communities. The specific objectives include:

1. To examine the socio-economic impact of the Nigeria NLG project on the development of Gbarain and Ekpetiama host communities.
2. To find out the infrastructural development of Gbarain and Ekpetiama host communities.
3. To evaluate the leap in educational development since the arrival of Nigeria NLG project at Gbarain and Ekpetiama kingdoms.
4. To find out the challenges of the host communities with reference to the operations of Nigeria NLG project in Gbarain and Ekpetiama kingdoms.

Research Questions

1. What are the socio-economic effects of Nigeria LNG project to Gbarain and Ekpetiama host Communities?
2. What is impact of Nigeria LNG on the Infrastructural Development of Gbarain and Ekpetiama host Communities?
3. What is the impact of the Nigeria NLG Project on the educational development of Gbarain and Ekpetiama host Communities?
4. What challenges are associated with the presence of Nigeria NLG in Gbarain and Ekpetiama area?

II. Literature Review

Oil and gas exploration falls within the ambit of extractive industries, and often locate at sites close to source of raw materials (in this case, existence of natural gas) (Levitt, 2016). Rural settlements thus have become famous hosts to these industries, with their associated effects such as dust, wastes, pollutants and other socio-economic and health implications on surrounding communities. These communities in most cases have become victims of earlier neglect and so become vulnerable to many adverse effects of weather and man's inhumane activities (World Bank, 2014).

Aside from the vagaries of socio-economic losses suffered by communities, industries also bring about more opportunities such as increased employment, increase in sales of raw materials and finished goods. Others include development of social amenities, growth of subsidiary firms, such as hotels, catering houses, hospitals, recreational facilities and other service industries (Matthias, 2005; Akinwale, 2010; Ekpo, 2010).

On the other hand, existence of industries results in increase in prices of consumables, accommodation and services/charges becoming expensive. Crime rate also soar, particularly those against property and persons, such as kidnapping, robbery, pick-pocketing, murder, rape, commercial sex business, etc. (Ingiabuna, 2021).

Okoh and Ebi (2011) noted that growth of infrastructural investment contributes positively to economic growth and industrialization. But as the African Union (2011) asserted, provision of infrastructural facilities in Africa was twice expensive and would require nearly \$100m to soar up and maintain existing industries. The few infrastructures existing in rural communities surrounding industries are largely over stretched. Consumption often becoming higher than installed capacity in public utilities such as electricity and medical services, water supply, etc., and the presence of trucks occasioned by the needs of the firms often make the roads deplorable and short lived (Matthias, 2011, Ekpo, 2011).

Industries or companies are set up with clear objectives, which includes making profit. But the operations of these firms are within and around peoples' communities, with communities having high expectations that the industries would better their lot. Social responsibilities otherwise called corporate social

responsibilities are obligations organizations are expected to perform with a view to enhance the quality of life of the society where they operate (insighsuccess.com).

III. Methodology

The survey research design was chosen for the study because of its aptness (Anikpo, 1997). The survey method is generally exploratory and designed to measure specific research instruments to achieve desired goals. A purpose-made questionnaire was used to collect appropriate data from the respondents. The study engaged one indigenous field assistant each for Gbarain and Ekpetiama clans who assisted the researcher during fieldwork to administer the questionnaires. Seven communities were chosen for the study (Obunagha, Okolobiri, Agbia and Koroama) in Gbarain, and Gbarantoru, Akaibiri and Tombia in Ekpetiama), and 50 questionnaires were administered in each community. Secondary sources of data were gathered from the Nigeria NLG project office, the internet and other published documents/journals. The cross tabulation and mean statistical tools were employed in the analysis of data. A total of 331 questionnaires were administered to the residents of the area.

Study Area

Gbarain and Ekpetiama are two out of the seven kingdoms making Yenagoa Local Government Area. Others are: Epie, Atissa, Okordia, Zarama, and Biseni. The Ekpetiama Kingdom is made of seven autonomous communities of Tombia, Gbarantoru, Akaibiri, Agudama-Ekpetiama, Bumoundi, Bumoundi-Gbene, and Ikibiri. The Kingdom shares boundaries on the north with Gbarain and Kolokuma Kingdoms, on the south by Tarakiri, on the east by Epie and Atissa kingdoms, and on the West by Ogboin and Kolokuma kingdoms, all in Bayelsa State. On the other hand, Gbarain kingdom is made of Agbia, Nedugo, Ogboloma, Okolobiri, Obunagha, Koroama, Polaku, Asaingbene, and the cradle of the kingdom, Okotiana. It shares borders with Zarama, Epie, Kolokuma and Epetiamia kingdoms. Both clans share cultural affinity and practice fishing and farming as major occupations.

Our sample population comprises of all Gbarain and Ekpetiama residents, as well as service providers by the gate of the company. A sample size of 331 was intended to cover seven communities and the emergent informal settlement by the gate of the company.

IV. Data Analysis

Table 1: Demographic Variables of Respondents

S/N	Variables	Freq.	%	
1.	Sex	Male	219	68.16
		Female	112	33.84
2.	Age	18-30	173	52.27
		31-40	88	26.89
		41-50	53	16.01
		51 & above	16	4.83
3.	Marital Status	Single	132	39.88
		Married	167	50.45
		Separated/Divorced	23	6.95
		Widowed	09	2.72
4.	Education	No Formal Education	22	6.65
		Primary education	81	24.47
		Secondary education	159	48.04
		Tertiary education	69	20.85
5.	Occupation	Unemployed	67	20.24
		Self employed	75	22.66
		Private sector employee	61	18.43
		Civil servant	95	28.70
		Public servant	33	9.97
6.	Social Status	Ordinary citizen	201	60.73
		Community leader	27	8.15

	Chief	32	9.67
	Opinion Leaders	71	21.45

The demographic variables of respondents were 219 (68.16%) male and 112 (33.84%) female. The age brackets of respondents were 18-30 years 173 (52.27%) 31-40 (89 or 26.89%), 41-45 (53 or 16.01%), 41-50 (53 or 16.01%) and 51 and above years (16 or 4.83%). A total of 132 (39.88%) single, 167 (50.45%) married and 23 (6.95%) and 9 (2.72%) are separated/divorced, and widowed, respectively. Some 22 (6.65%) respondent had no formal education, 81 (24.47%) attended primary school, 159 (48.04%) attended secondary level schools, while 69 (20.85%) attended tertiary institutions. Similarly, 67 (20.24%) claim to be unemployed, 75 (22.66%) self-employed, 61 (18.43%) are employed in the private sector, 95 (28.70%) are civil servants, while 33 (9.97%) are public servants. On the social standing of respondents, 201 (60.73%) are ordinary citizens, 27 (8.15%) are community leaders, 32 (9.67%) are Chiefs, while 71 (21.45%) are opinion leaders.

Table 2: Impact of NLNG on the Socio-Economic Development of Gbarain and Ekpetaima Host Communities

S/N	Variables	N	X	Mean	Decision
1.	Increased employment opportunities in emerging firms	331	2.7	2.5	Accepted
2.	Reduced agricultural productivity through environmental degradation and loss of farm land	331	2.9	2.5	Accepted
3.	Spiraling increase in prices of agricultural products	331	3.2	2.5	Accepted
4.	Encourage resource mobilization skills by the people	331	2.3	2.5	Rejected
5.	Encourage the setting up of SMEs	331	2.3	2.5	Rejected
6.	Increased opportunities for sub-contracting/enterprise managing skills	331	2.8	2.5	Accepted
7.	Provision of foreign scholarships for indigenes	331	1.7	2.1	Rejected

The table 2 above shows that items 1, 2, 3 and 6 were accepted, while items 4, 5 and 6 were rejected. This indicates that the establishment of Nigeria LNG project at Obunagha brought about increased employment opportunities for host communities as well as others. It also came with increased opportunities for subcontracting jobs and acquisition of management skills for enterprises. The reduction of agricultural productivity resulting from environmental degradation was not in the interest of the host communities. On the other hand items 4, 5 and 6 were rejected because the activities of NLNG never encouraged resource mobilization nor small and medium enterprises (SMEs) development in host communities. They also failed in providing foreign scholarship. This is indicative of the fact that NLNG has not done well in the area of socio-economic development.

Table 3: Impact of NLNG on the Infrastructural Development of Gbarain and Ekpetaima Host Communities

S/N	Variables	N	X	Mean	Decision
1.	The NLNG Gbarain/Ekpetaima project has brought about increased quality of motorable roads	331	3.7	2.5	Accepted
2.	The NLNG project has brought about improved electricity supply in the area	331	2.7	2.5	Accepted
3.	The NLNG project provided improvement health facilities	331	2.4	2.5	Rejected
4.	The NLNG project provided better educational facilities	331	1.7	2.5	Rejected
5.	The existence of NLNG project brought about better communication facilities	331	1.8	2.5	Rejected
6.	NLNG project provided portable drinking water for communities	331	2.7	2.5	Accepted
7.	The NLNG has encouraged the construction of modern housing facilities in the area	331	3.2	2.5	Accepted
8.	The NLNG project procured public convenience facilities for communities	331	1.6	2.5	Rejected
9.	NLNG project supported the upgrade of recreational facilities(e.g. auditoria, football pitch, etc.) or sponsorship of social activities	331	1.7	2.5	Rejected

In table 3, items 1, 2, 6 and 7 were accepted, while items 3, 4, 5, 8, and 9 were rejected. As part of the company's social responsibility projects NLNG has constructed motorable roads and walkways as well as influenced the construction of modern housing facilities in the area. There is high influx of persons to the area to take advantage of the presence of electricity supply, better security, employment opportunities, and closeness to the industrial location. The company has also provided potable water supply to some communities in the area. It provides electricity supply to Obunagha and Gbarantoru communities directly from its gas turbine facility. However, there are yet no improved health and educational facilities, public conveniences nor recreational facilities whose provision can be attributed to NLNG. Thus, we can conclude that it has also not done fairly in its social responsibility to host communities in terms of infrastructural development.

Table 4: Impact of the NLNG Project on the educational development of Gbarain and Ekpetiama Host Communities

S/N	Variables	N	X	Mean	Remarks
1.	Improvement in educational attainment of the people	331	3.9	2.5	Accepted
2.	Increased investment in secondary and tertiary level education	331	3.7	2.5	Accepted
3.	Increase in Public/Private educational schools	331	3.2	2.5	Accepted
4.	Expansion of industrial skills/technical know-how	331	3.7	2.5	Accepted
5.	Increased scholarship/bursary scheme for graduate students	331	1.9	2.5	Rejected
6.	Increase in skill acquisition centres/ beneficiaries	331	1.7	2.5	Rejected
7.	Improved infrastructure in schools in the area	331	1.2	2.5	Rejected

Table 4 shows that NLNG presence in Gbarain and Ekpetiama clans have brought about better educational achievements amongst the people, as well as increased investment in secondary and tertiary level education and spring up of public/private educational institutions. However, NLNG's social responsibility packages has not increased scholarship/bursary for graduate students, nor skill acquisition centres/beneficiaries as well as improved infrastructure in schools in the area. NLNG is not responsible or the increase in public and private schools in the area, rather some entrepreneurs set up these schools to take advantage of the increased population and awareness of the importance of attaining western education.

Table 5: Challenges of LNG project to Host Communities

S/N	Variables	N	X	Mean	Remarks
1.	Increase in criminal activities (robberies/kidnapping/theft)	331	3.9	2.5	Accepted
2.	Increase in acid rain	331	2.7	2.5	Accepted
3.	High number of miscreants/commercial sex workers	331	3.0	2.5	Accepted
4.	Frequent number of military-civilian clashes	331	2.6	2.5	Accepted
5.	Forfeiture of farming/fishing grounds	331	3.7	2.5	Accepted
6.	Increased intra- and inter-community conflicts over land ownership	331	2.3	2.5	Rejected
7.	Increased emigration/urban lifestyle	331	2.6	2.5	Accepted

The establishment of Nigeria NLG project raised the hopes of many as well as increase in different types of criminal activities (Ingiabuna, 2020). These included armed robbery, kidnapping, car theft, and breaking and entering, etc. Also associated with the project is the large inflow of miscreants allegedly seeking for gainful employment but engage in different criminal activities, and commercial sex workers who now turn the emergent temporary settlement near the company gate into brothels. There is also the increase acid rain due to constant flaring of gas into the air, clashes between military guards and civilians, as well as forfeiture of the people's arable lands for farming and fishing to the company's operations. The study however, discovered that despite the fact that Obunagha and Gbarantoru have had long history of legal battle over the ownership of the portion of land housing the Nigeria NLG project, there are yet no known histories of hostilities between and amongst communities.

V. Discussion of Findings

The study examined the impact of social responsibility projects executed by the Nigeria Liquefied Natural Gas company in Gbarain and Eketiama communities. The study found that the company has fared well in some areas, while nothing tangible in other areas. It brought about increased employment opportunities due to its policy of first considering host communities applicants before other. Its activities negatively affected the fortunes of farmers and hence reduced yields due to damage to the ecosystem and loss of arable farmlands/fishing grounds. However, the spiraling increase in agricultural products meant that farmers would

earn extra gain, at the same time workers and other non-farmers would have to pay more for these products. The company's social responsibility programmes have not been adequate in the areas of SMEs support scheme, resource mobilization, scholarships. This position is in line with Ingiabuna (2021) who noted that industrialization brings about faster rate of development along with never envisaged negative tendencies such as increased crime rate.

NLNG has done fairly well in the construction of motorable roads, walkways, provision of electricity supply and potable water supply. It has however, not done well in the provision of healthcare and provisional of educational infrastructure, public conveniences and upgrade of construction of recreational facilities. NLNG's social responsibilities to host communities in infrastructural development is fairly commendable.

The study shows that while industrialization is associated with modernity and development, yet there are unanticipated problems that follow from it. These include increased rates of crimes, acid rain from gas flaring, increased number of miscreants and commercial sex workers, forfeiture of farmlands/fish farms for company's operations and the emigration of people of all walks of life to the area. The aforesaid notwithstanding, NLNG project in Obunagha has brought about better infrastructural facilities and faster development. This is in tandem with the position of Matthias, 2005; Akinwale, 2010; and Ekpo, 2010.

VI. Conclusion/Recommendations

Extractive industries wherever they existed come with both positive and negative impacts in their areas of operation. Thus, the Nigeria LNG is a mixed bag of blessings and curses – providing positive development on the one hand and negative implications on the other. The project has provided employment opportunities and contract jobs/enterprise management skills for the people, relatively constant electricity, motorable (mainly concrete) roads, and increased consciousness on the part of the people for Western education, etc., yet pollution, reduced agricultural productivity and loss of farmlands and fishing grounds, resultant increased in prices of agricultural products, increased crime rate, etc. were unenvisaged challenges. On the other hand, the much needed entrepreneurship skills and resource mobilization, promotion of SMEs, scholarship awards, healthcare provision, portable water supply, public conveniences, recreational and auditoria facilities were largely ignored. To mitigate some of the side-effects of the project and reduce tension and conflicts with host communities, there is need for a robust planning/consultation with the people on their felt/priority needs. These should include agricultural credit, Small and Medium Enterprises (SMEs), scholarship, portable water supply, skills acquisition and employment, as well as community infrastructural development schemes.

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