

EFFECTS OF THE OPERATIONS OF SHELL PETROLEUM DEVELOPMENT COMPANY ON SOCIO-ECONOMIC ACTIVITIES IN ABIA AND IMO STATES OF NIGERIA

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ABSTRACT

The oil exploration and production of Shell Petroleum Development Company (SPDC) in Abia and Imo States and its attendant consequences ranging from water pollution, soil degradation to deforestation have combined with the inadequate government regulations of the operations of multinational companies in Nigeria, to impoverished the people of these States, resulting in huge controversy for the past fifty-five years on the desirability or otherwise of the oil operations among indigenes of the oil-producing areas of the two States. The oil resources from these communities have failed to transform the states into high plains of development because of the myriad of vested interests associated with the production and distribution of proceeds among various stakeholders. The theoretical framework was based on the theory of imperialism. Data were obtained through secondary and primary sources. The findings revealed that the analysis of issues and challenges facing SPDC areas of operations is the failure to ensure sustainability to the people in Abia and Imo States. The study recommends that the government should as a matter of urgency increase its budgetary allocations to the environmental sector of the economy to ensure the environmental sustainability of Abia and Imo States in particular and Nigeria in general

Keywords:

Socio-economic impact, Sustainable Development, Social Responsibility, Environment, Oil Exploration and Production

INTRODUCTION

The origin of multinational companies dates back to the early 15th and 16th centuries when European business companies began to move to different parts of the globe (Akanegbu, 2014; Awolusi, 2012; Awolusi, 2012b). Since the mid-1970s, multinational corporations have rapidly expanded their business activities worldwide through foreign direct investment. The history of MNCs in developing countries is marked by its origin in policies of imperialism and colonialism. As a result, European countries needed a market for surplus products and places to access cheap raw materials and labor; Africa, in particular Nigeria, became an obvious destination. These powerful conglomerates dominated the Nigerian economy after her independence, especially in the early 70s, with the discovery of oil in commercial quantity. As a developing country, these MNCs were mainly in the core sectors of oil and gas, banking and manufacturing, automobile, companies mineral exploration, among others (Ake, 1978).

These corporations have contributed to the development of the Nigerian economy, as demonstrated by their activities in Nigeria. Consequently, the landscape of the Nigerian economy was dominated by MNCs like Toyota Motors, Lever brothers, the United African Company (UAC), Coca-Cola, Mobil Oil, Shell BP to mention but a few. These companies are very wealthy in all aspects, because of the money they make in Nigeria. Nigeria, for example, is one of the world's biggest oil producers, accounting for over 90 per cent of its revenue. Nigeria's oil industry plays a vital role in sustaining the country and drives not only the economic and developmental activities of Nigeria but socio-political life as well. The oil industry has been commonly represented as the live wire of the nation, and this account for the literature that abounds in Nigeria with its position and significance. Nigerians, however, have only a limited share of the country's oil wealth, and this pattern needs to be reversed urgently compared to what these multinationals are repatriating to their parent companies. Nigeria's intense reliance on the crude oil sector has caused economic structural difficulties, as crude oil earnings fluctuate amidst price patterns (Aigbedion and Iyayi, 2007:10).

The search for crude oil in Nigeria began in the first decade of the 20th century, in 1903, 11 years before the amalgamation of Nigeria. In Bayelsa, Oloibiri was the first place that oil was found in commercial quantities and, indeed, the first place from which the product was exported (Akpan, 2004). Subsequently, oil was discovered in commercial quantities in many other areas, including Ukwa West LGA of Abia State, the only local government producing oil in the State in 1958, while in Imo State, oil exploration and production began in 1965 with Shell Petroleum Development Company of Nigeria (SPDC 2009). Since the discovery of crude oil and natural gas (NGG) in Ukwa West, Oguta and Ohaji/Egbema LGAs in the 1960s, the socio-economic and political well-being of the local people has deteriorated. This is mainly due to environmental degradation caused by unregulated and abusive oil and gas exploration and production activities, coupled with inept political will and persistent corruption, which have contributed to endemic poverty and unmet development objectives.

Environmental degradation, resulting from the total dependence of the rural population on unsustainable agriculture, fisheries, forestry and wildlife exploitation, depletion of renewable resources and oil pollution, has seriously threatened Abia and the Imo States. These are irreversible consequences of prolonged dependence on the natural resources of the region by the indigenous population and the nation. Conservation must, however, begin with human considerations before it can succeed. Environmental conservation and economic

development in these States depend on the flow of federal funding and goodwill to the States, as well as an improved understanding, the occurrence of oil and its peoples (Ugochukwu, 2008). To date, however, the historical background and human dimensions of the unrest in Abia and Imo States have not been sufficiently highlighted in the search for lasting peace in the oil-producing communities.

Despite the enormous natural and human resources base, the potential of the States for sustainable development remains unfulfilled. Their future is threatened by environmental degradation and deteriorating economic conditions that are not addressed by current policies and actions that negatively affect their livelihoods (O'Rourke and Connolly, 2003). Fifty years of oil development have not brought significant benefits to the member States. Re-use decisions are driven by lack of development, poor healthcare and social facilities, stagnant agricultural productivity and rapid population growth (Nwankwo and Irechukwu, 1981).

In the last fifty-five years, Abia and Imo States have experienced increased activities in oil exploration and production, refining, and product marketing operations (Adiele, 2019). The production and exportation of crude oil overtook agriculture and the export of agricultural produce as the chief income earner and the mainstay of the Nigerian economy. Ukwia West, the only oil-producing area in Abia State, produces 205,000 bpd of crude oil and gas production of 190mmscf/d from SPDC (SPDC, 2018). Oguta and Ohaji/Egbema, the two oil-producing local government areas in Imo State, produce 428,214 bpd of crude oil and gas production of 362mmscf/d from SPDC (SPDC, 2018). Despite the production capacity of oil and gas from both States, indigenous people of the States are impoverished due to the environmental impact of oil production and lack of adequate regulations on multinational companies, as they become more vulnerable to food shortages, health hazards, land loss, pollution, forced migration and unemployment, destruction of wildlife biodiversity, loss of fertility among others (Adiele, 2019).

The exploration of oil in Nigeria and the oil-producing areas of Abia and Imo States, in particular, have envisaged numerous challenges. These States have unfortunately been grappled with livelihood challenges since Shell began production operations in their domains in the late 1950s. These environments have been negatively affected by oil and gas production operations, and their livelihoods disrupted and disorganized (Osuji and Nwoye, 2007). The mangrove and rainforests that have direct relevance on their livelihood are gradually but steadily being decimated, agricultural lands and water bodies, particularly rivers, streams, and ponds have been contaminated by frequent oil spills and gas flares leading to high rate of poverty, hunger, unemployment, underdevelopment, low life expectancy, low food production, lack of basic social infrastructure, among others (Nodu and Ohimain, 2014).

Despite the high rate of unemployment in Abia and Imo States, only a few are employed in Shell. Indigenes do not occupy key managerial positions in the corporations on the excuse that the host States citizens typically lack required educational qualification for such positions, exacerbating unemployment problems in the host States. The problem of the host States is further compounded by the regulatory agencies in Nigeria, such as the Department of Petroleum Resources (DPR), Federal Environmental Protection Agency (FEPA) that rely on oil firms for logistics to carry out their jobs, meaning that MNCs are beyond national control. It should be noted that records indicated the existence of well over twenty-five major environmental laws in the country; unfortunately, none of these laws is fully implemented or enforced (Adiele, 2019). Even the interventionist agencies of the States, such as the Niger Delta Development Commission (NDDC) has not improved the conditions of living

in both States because of widespread corruption in the polity. Trapped between a vicious global corporation (Shell) and government inadequacies, the result has been the prevalence of crimes such as mass killings, prostitution, kidnapping, armed robbery, the break-up of marriages and drug abuse, among other horrendous acts being committed by the unemployed youths and sometimes some Shell staff too (Adiele, 2019). It is based on these identified problems in Abia and Imo States that this study tends to evaluate the resultant consequences of the exploration, exploitation, and subsequent production in these areas as well as to proffer necessary recommendations for enhanced mitigation measures on the social environment in Abia and Imo States.

LITERATURE REVIEW

The effects of the activities of multinational enterprises need no further emphasis, as it is an open secret that after several years of independence, African countries have not recorded any significant improvement in their economies.

According to Izunwa (2005), most of these economies are monoculture and vertically integrated with the parent industries of the neo-colonials themselves. This trend constitutes part of economic globalization that is focused on profit-making by Multinational corporations (MNCs) at all costs.

Kumar (2015) noted that in the current competitive level of the global economy, MNCs play an indispensable role, especially in an emerging economy like Nigeria, where the oil sector is crowded with multinational companies from Europe and America that are responsible for prospecting and extraction of crude for export. It is against this background that Ugwu (2010) stated that Multinational enterprises have been used as a foreign policy instrument of their home governments to the disadvantage of the host country's socio-economic development. While Uzor (2009), Ugwu (2008), and Tunde (2011), argued that Multi-National Corporations provide finance for investment, employment, train, and help youths of the host country to acquire skills and technology as well as contribute to government revenue through taxes, fixed royalties, and fees.

Nwankwo (2004) posits that MNCs operation generally have had adverse effects on the economies of their host States, transfers capital resources from the capital-rich nations of Africa and capital-poor nations of the 'South' to capital-rich countries of the 'North' through such devices as transfer pricing, over-invoicing of imports, under-invoicing of exports and overpricing of technology. The so-called technologies the MNCs transfer to host third world countries argues Eze (2011), Rawlings (2007) Onimode and Adeniran (1983) are obsolete, overpriced, inappropriate, create enclave economies and inconsistent with the factor endowment of host States. The MNCs operating in African nations offer bribes to engage in illegal political activities and are instruments of exploitation by the imperialists and the intensification of the contraction of underdevelopment in Africa. Eluka, Ndubuisi, and Anekwe (2016) in their assessment of the effect of multinational corporations on the Nigerian economy revealed that Multinational corporations have not done much to the Nigerian economy, rather, they served as agents of imperialism in terms of profit repatriation, environmental degradation, bribery and corruption which has a negative effect on the sustainable development of their host countries.

Sustainability is a feature of dynamic systems that maintain themselves over time; it is not a fixed endpoint that can be defined. Environmental sustainability refers to the long-term maintenance of valued environmental resources in a changing human context. The best way to define and measure sustainability from an environmental point of view is to focus on the depletion of natural resources and whether current rates of resource used, can be sustained in the distant future (Goldemberg, 2000). The overarching importance of sustainable development is geared towards improving the quality of life in all its ramifications, provided that environmentally sound policies are pursued vigorously and adhered to by society.

The World Commission on Environment and Development (WCED, 1987) defined sustainable development as “a development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” Theoretically, the long-term result of environmental degradation would result in local environments that are no longer capable of sustaining human populations. Such degradation on a global scale could, if not addressed, mean the extinction of humanity. In the short term, environmental degradation leads to declining living standards, the extinction of large numbers of species, human health problems, conflict, sometimes violence between groups fighting for dwindling resources, water scarcity and many other major problems, all of which are evident in the Niger Delta region of Nigeria.

The issue of sustainable development in Nigeria is still a long way off, although most of the foundations have been laid by government, for example: the establishment of local Agenda 21 committees at the federal and state levels; inauguration of Environmental Action Plan committees at all levels of government; being a signatory to the Kyoto Protocol and other international Treaties involved in environmental management; upgrading an environmental agency (Federal Environmental Protection Agency – FEPA) into a full-fledge ministry (Federal Ministry of Environment – FMENV); introduction of poverty eradication programs; and the commitment of the government to investing in environmental management strategies. Nigeria will start reaping the dividends of sustainable development only when the above programs and strategies are fully implemented (FG/UNDP, 2012)

The interdependencies of the elements of the world’s cultural, environmental and social justice call for new ways of thinking and acting that will fully build a future in which human society and nature coexist with mutual benefits and eradicate poverty and the exploitation of natural resources. Sustainable development includes enhancing the quality of life of all the world’s people, without increasing the use of our natural resources beyond the Earth’s potential.

However, some scholars have different opinions. They argued that multinational corporations are helping to create job opportunities for host country citizens (Tirimba and Macharia, 2014). They also proposed that multinationals reduce the technological know-how of the host country by transferring knowledge from expatriate workers to local employees. Similarly, multinational advocates argued that multinational corporations act as engines of development for their host communities (Roach, 2007). Although critics admit that MNCs are actually destroying jobs because they employ capital-intensive technologies for third world countries, among others. They can not be blamed for all the woes of developing countries because of their inept leadership, corruption, institutional and structural deficiencies that have negatively affected their countries. This study adopts the theoretical design of the research, and the data were collected from secondary and primary sources relevant to the subject.

CONCEPTUAL DISCOURSE

Multinational Corporations

Multinational corporations (MNCs) are vital weapons for fighting underdevelopment as well as engines of development that contribute to the growth of a nation. MNCs are seen as companies that own and manage a business in two or more countries. They are also business conglomerates that have companies whose parent headquarters are located in developed countries and subsidiary operations in a number of other countries (Andabai, 2010). Hennart (2008), defines MNCs in a different way by envisaging it as a privately owned institution devised to organize, through employment contracts, interdependencies between individuals located in more than one country.

Socio-Economic Development

Development is the capacity for self-sustaining growth, an increased capacity to produce ties with the prevailing relations of production (Rodney, 1972). According to Drewnowski (1966), development is a process of qualitative change and quantitative growth of the social and economic reality that we can call either society or economy. In recent years, development programming has been focused on the overriding issues of equity and equality in the distribution of the gains from development efforts. These include access to land and water resources, agricultural inputs and services, including extension and research facilities, and participatory development strategies to tackle rural poverty, with social equity and civil participation viewed as essential to well-rounded socio-economic development (UNDP, 2006). This relatively new orientation has produced concepts such as 'people-oriented development', 'participatory development' and 'sustainable human development. Bellu (2011) defines socio-economic development as a process of quantitative, qualitative and structural changes that are a result of actions of subjects taken within a social (economic) practice.

THEORETICAL FRAMEWORK OF ANALYSIS

The study adopted the theory of imperialism, mainly developed by Lenin (1914) and others. These scholars associate imperialism with colonialism, neo-colonialism, and capitalism. One of the basic features of imperialism is "the formation of international capitalist monopolies that shared the world with one another" (Lenin, 1914). The theory of imperialism of Lenin is the basis of much of contemporary analysis of the interaction between the Third World and advanced capitalist countries, which exposes the evil nature of contemporary imperialism and encourages local production in Africa, Asia and Latin America spheres. In imperialism, the rise of the monopoly changed the relationship between the advanced capitalist nations and the rest of the world and qualitatively changed the nature of capitalism in the advanced countries. Thus, Lenin offers a more detailed definition of imperialism when he says: "Imperialism is capitalism at that stage of development in which monopoly domination and finance capital have been established; in which the export of capital has acquired considerable importance; in which the division of the world among the international trusts has begun; in which the division of all the territories of imperialism has begun."

In Nigeria, the giant multinationals are the basic unit of imperialism in its neo-colonial stage. The analysis of these 'monopoly sharks' is critical to the understanding of the mechanism through which the third world countries particularly Abia and Imo States are exploited, manipulated and perpetuated into the 'collective wretched of the earth.' The multinational agents of Imperialism have generated and perpetuated intractable problems of mass poverty, stifling foreign domination, savage exploitation, open starvation, debilitating disease, pervasive illiteracy, widening inequality, irrational waste, cultural degradation and environmental degradation to Abia, Imo and Nigeria at large. Similarly, a gradual persistent decline in agricultural production that has led these oil-producing areas into frustrated expectations dashed ambitions and unprecedented restiveness (Adiele, 2019).

The exploitative tendencies of these MNCs found their ways in Abia and Imo States as natural resources found in these States meant for developmental goals are not productively utilized due to de-capitalization of the economy in the form of profit repatriation. This is why the MNCs are referred to as agents of capital flight because they hardly support local economic developments. For instance, SPDC started drilling in Abia and Imo States of Nigeria in 1958/65 respectively but established a programme of assistance in 1980, after 23years of acute exploitation of their resources. More so, multinational agents of imperialism also encourage all forms of corrupt practices, which perpetuated underdevelopment in these oil-producing areas using local dominant classes. The activities of these imperialist forces are the major source of pollution in these States as locals observe visible gas oozing from oil production sites because of the pipelines situated in the midst of the villages. The land is polluted, water and air polluted and the life expectancy of men in these areas is below 50years. In January 2017, there was black soot everywhere in Ukwu West and its neighbours, people were inhaling it, imagine the effect of carbon with haemoglobin in the blood, forming carbon dioxide haemoglobin which is irreversible causing respiratory problems in these areas (Adiele, 2019).

The weakness of this theory is that there is no clear cut solution for the third world countries particularly Nigeria to delink the relationship from these exploiting States and institutions such as Britain, Japan, USA and the MNCs. Although, the theory encourages local production in Africa, Asia and the Latin American spheres. The study concludes that the production of crude oil (domestic consumption and export) despite its positive effect on the growth of the Nigerian economy has not significantly improved the growth of the economy, due to many factors like the activities of MNCs and poor administration.

AN OVERVIEW OF THE STUDY AREAS: ABIA AND IMO STATES

Abia State

Abia state is located in the eastern part of Nigeria. The capital is Umuahia, and the major commercial city is Aba, formerly the outpost of the British colonial government in the region. Abia State was founded in 1991 from Imo State (Hoiberg and Dale, 2010). It is one of the constituent states of the Niger Delta. Abia state, which is approximately 6,320 square kilometres, is bounded to the north and northeast by the States of Anambra, Enugu and Ebonyi; to the west by Imo State; to the east and southeast by Cross River and Akwa Ibom; and to the south by Rivers State. The southern part of the State is located in the riverine part of Nigeria. It is a low-lying tropical rainforest with some oil palm brush; the southern part has heavy rainfall of about 2,400 millimetres per year and is particularly intense between the months of April and October. The rest of the State is

moderately high in plain and wooded savannah (Hoiberg and Dale, 2010). The most important rivers in the State of Abia are the Imo and Aba rivers, which flow through the State of Akwa Ibom into the Atlantic Ocean. The State lies at approximate latitudes 4° 40' and 6° 14' North and 7° 10' and 8° East, with a landmass of approximately 5,200 square kilometres and a population of almost 2.2 million (NPC, 2006). Abia State is one of the most densely populated States in Nigeria. The State is divided into 17 Local Government Areas, each with an administrative headquarters.

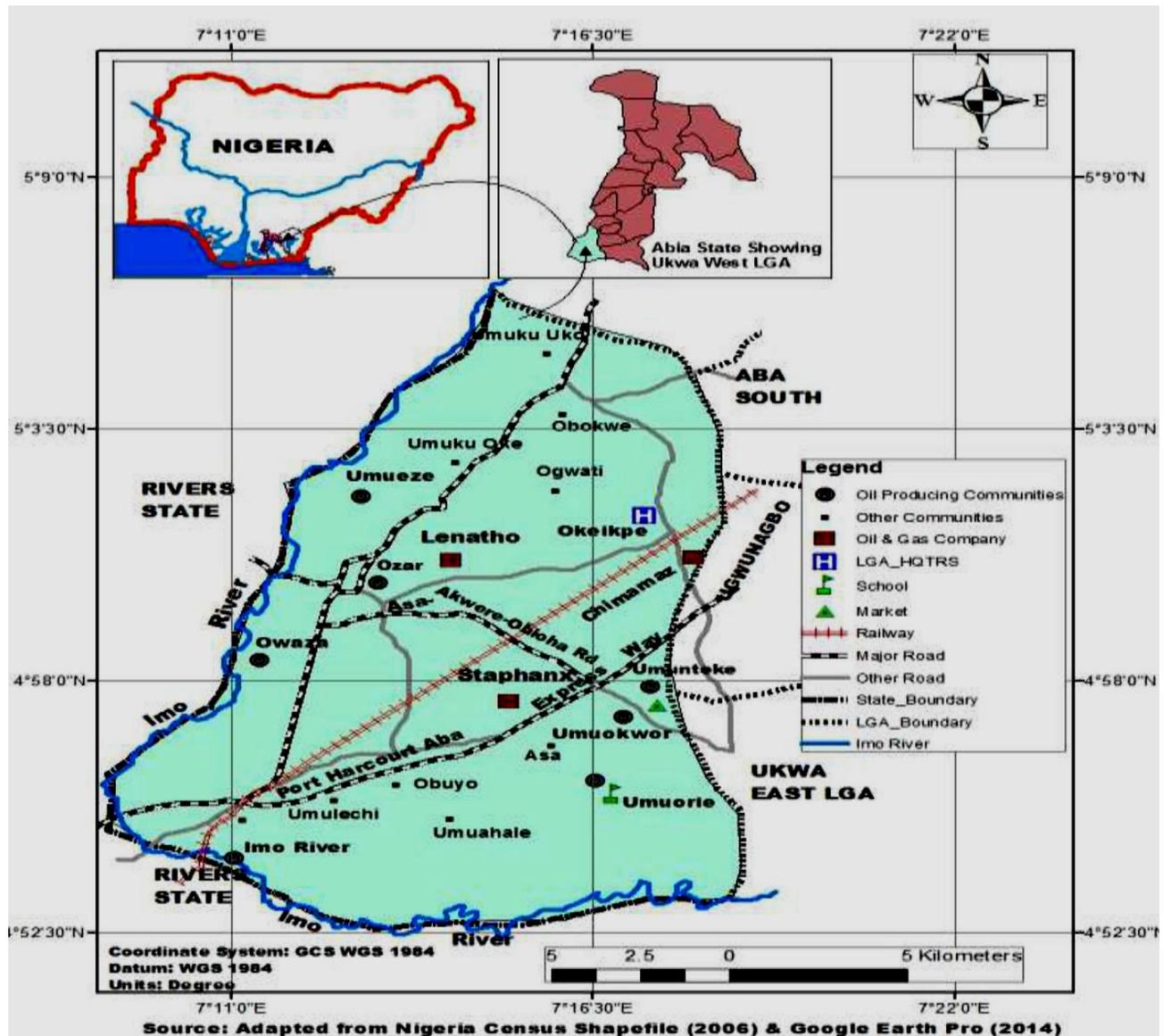
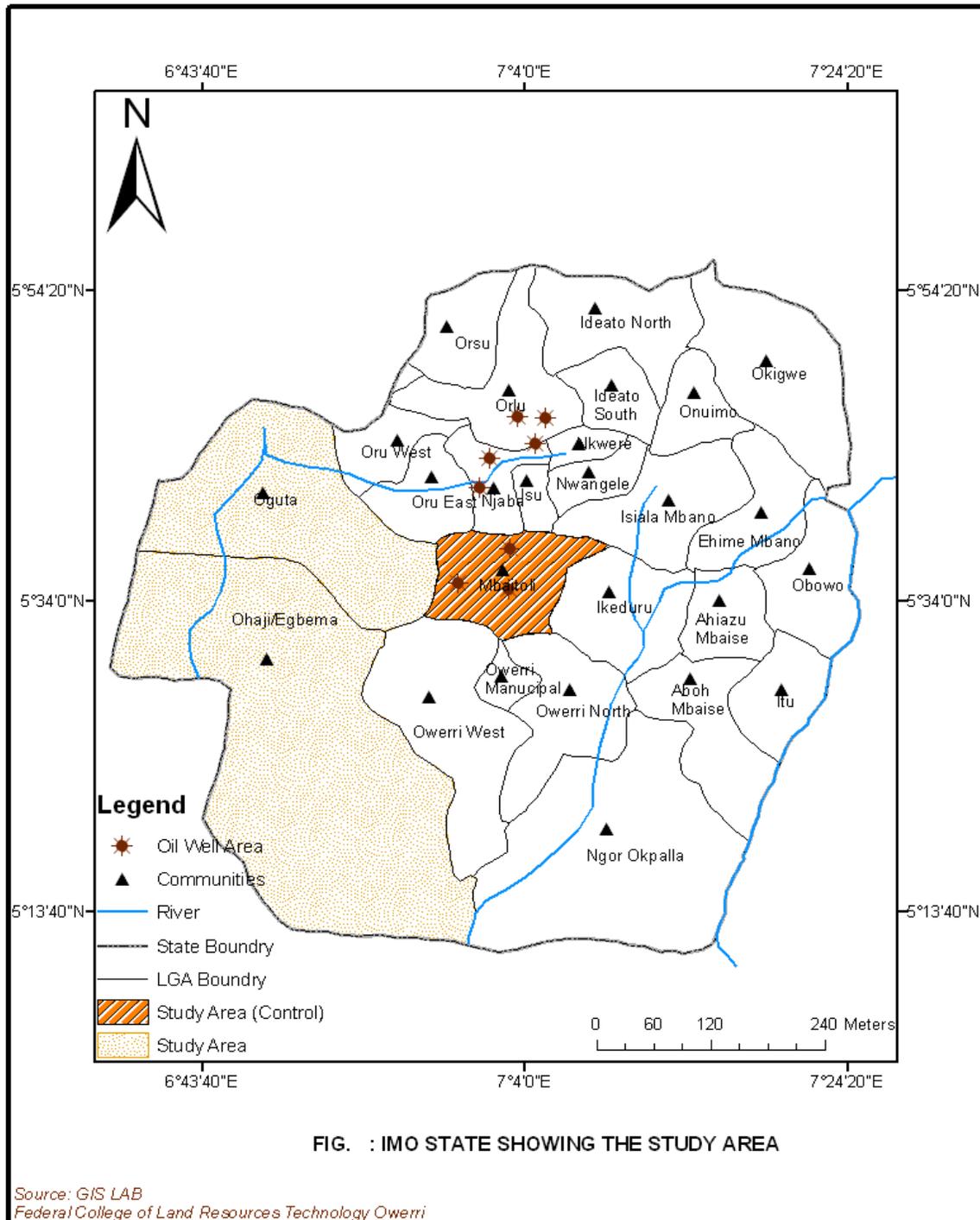


Figure. 1: Map of Abia State, showing study

Imo State

Imo State is strategically located in the heart of the nine Eastern states of Nigeria. It lies between latitude 6° 41' N & 7° 10' N and longitude 8° 10' E & 9° 40' E of the equator. It covers an area of 5,100 sq km (Imo State Ministry of Land and

Survey, 2009). According to the 2006 population census figures, it has a population of 3,927,563. The State is made up of 27 local Government areas. The oil wells in the study area are located some 25km southwest of Owerri in Imo State and about 80km northeast of Port Harcourt. The project field covers a total area of 10km x 7.5km (about 75 square kilometres). The geographical location of the oil wells falls within 6° 47'43.81E, 5° 20'58.21N and 6° 50'39.61E, 5° 22'10.61 coordinates.



Map of Imo State, showing the study area

Figure 2:

SHELL PETROLEUM DEVELOPMENT COMPANY AND SOCIO-ECONOMIC DEVELOPMENT IN ABIA AND IMO STATES

Since Nigeria's independence from its colonial masters (Britain) in 1960, MNCs have played a role in the country's economic development. Over the years, SPDC has launched a number of social development programs in these areas. In reality, these efforts have never gone beyond addressing the immediate demands expressed in the people's agitation for the employment of their youths in the company as casual workers, the building of markets and town hall, post office, among others.

Meanwhile, Abia and Imo States communities have remained grossly pauperized amidst the immense oil wealth owing to systematic disequilibrium in the production exchange relationship between the State, the SPDC and the people (Adiele, 2019). The plight of households in the oil and gas-bearing/producing communities of Ukwa West, Oguta and Ohaji/Egbema is pathetic given the fact that the enormous revenues the Nigerian State and SPDC derived from hydrocarbon deposits found in these communities are not reflected and seen in the socio-economic development of these communities and promises made to these oil-producing areas by SPDC on the inception of oil exploration. This study, therefore, presents the analysis of the issues and challenges facing SPDC areas of operations by failing to ensure sustainability to the people.

Environmental Pollution

The hazardous environmental practices of the operations of SPDC in Abia and Imo States include oil spillage, gas flaring, land deforestation and pipeline vandalism, among others. Oil exploration and its wealth generation for the country are not without its negative impacts on the socio-economic development of the country, especially in Abia and Imo States where the oil exploration is carried out.

In fact, environmental experts have identified oil spillage as a major variable that has had a negative impact on communities in oil-producing areas. Records showed that a total of 2,796 incidents of oil spills occurred in Abia State between 2007 and 2017 (NNPC, 2018). According to these experts, the situation has resulted in 2,105,393 barrels of oil spilling into the environment. Abia and Imo States are the shadows of their former self, as the farming that used to be the mainstay of the community's economy has been paralyzed, farmlands destroyed, fishing activities grounded and aquatic life virtually castrated by many years of oil exploration and production resulting in water, food and environmental poisoning that led to ill health and death (Adiele, 2019).

From 2007 to 2015, twenty incidents of oil spill were recorded in Egbema (Abbey and Anthony, 2017), which was the most profound and adverse impact of oil pollution in Egbema with far-reaching implications on all other aspects of its traditional lifestyles and livelihoods leading to a total loss of biodiversity and destruction of habitats largely due to soil degradation. At the same time, Oguta Local Government has recorded seventy-eight incidents of oil spillage from sabotage from 2007 to 2017

with 6850 barrels lost as pollution to the environment. The most notorious was the oil spill incident (no. 956314) of 7th April 2013 that covered an area of 795m at 12 Oguta-Egbema pipelines at Opuoma Oguta leading to loss of lives and property in the oil communities (DPR, 2018).

Besides oil spills as a source of environmental degradation in Abia and Imo States, gas flaring stands out as another major source. Gas flaring has also been identified as having a disastrous impact on agriculture. Although Shell is aware of all these environmental hazards of their operations in the oil-producing communities, they still opt for flaring, not because of its effectiveness in yielding good results but because it is by far the cheapest alternative, howbeit to the detriment of the people. Taking a case study on Ozar Ukwu an oil-bearing community in Ukwu West where SPDC has four existing virgin oil and gas wells, owing to non-commencement of operation but using horizontal drilling method to operate in order to deprive the people adequate compensation (Adiele, 2019). Their oil locations have remained thickly bushy for more than thirty years. Regrettably, the community has suffered a heavy loss due to inability of the operating company to consider cleaning up their locations which contain vast land of 3.5 acres, worn-out BAB wires, dilapidated signpost and a wide square cemented pit containing big oil wellhead.

Socio-Economic Effects

The SPDC has attracted some positive and negative economic impacts in Ukwu West, Oguta and Ohaji/Egbema LGAs of Abia and Imo States. This is based on a perception that the potential positive effects of SPDC (development, technological transfer, skill upgrading, capital, educational supports, employment, infrastructure and scholarships) generally will outweigh its negative effects (income inequality, environmental degradation, profit repatriation and unemployment among others) (Adiele, 2019).

Lack of Political Will

The oil multinationals take advantage of the naivety, lack of political will and corruption of the government to breach with impunity most memorandum of understanding (MoU) signed with oil-bearing/producing communities of Abia and Imo States (Adiele, 2019). Additionally, in May 2011, there was oil spillage that destroyed a lot of farmlands in this oil-producing communities, SPDC wanted to pay the owners of the farms for damages, but it was the traditional chiefs that collected the money from the bank and denied them the compensation. The problem of divide and rule tactics by SPDC caused tussles among the four traditional rulers in Abia States, in July 2002. One of the traditional rulers was hacked to death and dumped inside a well, and the reason is not farfetched from the above. More so, the project of steady power supply from Afam gas plant to Ukwu West was distorted by liaison officers from SPDC that approached some of the traditional rulers to sink a deal to replace the project with the provision of generator instead of execution of the project as agreed. This means that SPDC should not take the whole blame, but our leaders too are also the culprits. It is obvious in these communities that Shell has not been fair in some of its dealings, but all blame cannot be put on Shell because subventions and other allocations are given to the communities, but their chiefs and political leaders do not use these monies judiciously to the benefit of the communities.

Livelihood

The communities suffer social, economic, health, as well as administrative neglect, crumbling social infrastructural facilities, high unemployment, social deprivation, abject poverty and banks are not situated within the rural areas of Ukwa West, Oguta and Ohaji/Egbema, limiting economic activities. The communities provide cheap casual labour services to the SPDC in their various communities. They work longer than the normal working hours, yet are paid peanuts. Some carry out all sorts of farming activities for others and yet have no access to the products, and remain dependent on others for survival. This results in low income which they spend largely on household food items, yet cannot afford the needed food for the household. This is because of lack of economic power. The rural poor are not given equal opportunity to participate in the decision making process which should take the form of bottom-up approach; rather, the reverse is the case. The crisis in these communities became worse from the 1990s till today, leading to social vices such as Osisikankwu kidnapping saga of 2009-2010 in Ukwa West, Abia State among others, leading to increasing crime rate in Abia and Imo States which is inimical to the economic growth and development.

Effects on Cultural Heritage

The forces of oil exploration deeply affected the social, moral, linguistic, religious, and cultural dimensions of people's lives in Abia and Imo States. The activities of SPDC have also affected the cultural institutions, leading to cultural dependency. The effect of the activities of SPDC on the culture of Ukwa West, Oguta and Ohaji/Egbema has detrimental consequences for the local communities. During their process of oil exploration, they shoot dynamites and sometimes in this process destroy our shrines, and when the priests go to them, they only give them goat to sacrifice in order to appease their gods (Grant, 2019).

In essence, the cultural identity of the people in Ukwa West, Oguta and Ohaji/Egbema communities is in jeopardy, as the quest for basic sustenance has changed some girls and women from these communities and led them into prostitution. Young women and girls sit idle in their compounds during the day and were seen in the evening dressed in jeans, pants and strapless tops, soliciting for oil workers at the oil location/quarters. Corroborating the above narrative, "Ekine (1999:2) confirmed, "prostitution is on the increase and that in the Niger Delta, many towns and villages have seen an influx of male workers from other parts of Nigeria as well as a large expatriate community."

Effect on Agricultural Production

The oil economy has not brought prosperity, better living conditions, government attention and development to Ukwa West, Oguta and Ohaji/Egbema communities, as SPDC has caused severe environmental degradation, land deforestation, systematic disequilibrium in the production exchange relationship and also using horizontal drilling methods to avoid adequate compensation to the oil-bearing/producing communities. Over 90% of these communities are peasant farmers, who lack the capacity to achieve high productivity which disinherited and dislocated the local people who are dependent on the primary economies of farming, fishing and hunting. They depend solely on their environment which made them seemingly inseparable from their lands and waters such that any activity, policy or arrangement that will take away or snatch these lands or waters

away from them without alternatives is considered death sentence or life imprisonment (Adiele, 2019). However, the value of economic resources lost due to decades of environmental degradation in these States is quite unquantifiable, in view of the 1978 Land Use Act and the Petroleum Act which nationalized all lands in Nigeria, has alienated the people of Ukwa West, Oguta and Ohaji/Egbema communities from their farmlands. Consequently, the people lost the ownership of their lands and the ecosystem, which is their means/source of livelihood, to the activities of SPDC. The communities used to be net food suppliers, now reportedly buy 80% of their food which is an indication of economic deterioration and poverty.

Employment Opportunities in Abia and Imo States

The major problems in the oil-producing areas are lack of adequate employment opportunities. Unemployment and underemployment impact negatively on the household economy of these areas since an inadequate income cannot take care of household needs. In the oil-producing areas of Ukwa West, Oguta and Ohaji/Egbema, unemployment among secondary school leavers is high. SPDC and its contractor companies hardly recruit the young school leavers as casual workers since the foremen already got their labourers from the cities. At Oguta and Ohaji/Egbema local government areas of Imo State, for instance, each of the Local Government had over 200 secondary school leavers with about 15 in each, proceeding for further studies in 2018. Out of the rest who did not migrate to the cities, none was employed by Shell in that year, in spite of the fact that it began new exploration works in the area (Adiele, 2019).

THE ROLE OF SPDC AND NIGERIA GOVERNMENT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) IN ABIA AND IMO STATES

The oil and gas sector of Nigeria has been beset by a lot of problems not limited to violence, kidnappings, eco-terrorism, and maladministration, amongst others. One-way of curing the inherent problems is the use of CSR by many oil multinationals operating in Nigeria, particularly SPDC in Abia and Imo States. This article focuses on the SPDC operating in Abia and Imo States and investigates whether their variants of CSR practice in the oil-bearing and producing areas of these States have had negative or positive impacts especially with their contributions to Abia and Imo State's economy. However, the modern manifestation of CSR is a Western influence or imposed concept. CSR is more prominent or pronounced in the developed world (Visser, Maflen, Pohl & Tolhurst, 2010; Muthuri, 2012, 2013).

In Nigeria, Phillips, (2006:23) argued that the motivation for CSR comes from the institutional failure of the government, unlike in USA and Europe, where government pressure on MNCs has gone a long way in shaping CSR initiatives. An obvious example is the recent British Petroleum (BP) oil spill in the Gulf of Mexico in the USA. The response of the American governments to the disaster led BP to make arrangements for substantial compensation to the affected people. Amaeshi, Adi, Ogbechie and Amao (2006) have argued that the Nigerian conception of CSR is remarkably different from the Western version. CSR initiatives in Nigeria may include the building of hospitals, schools, markets and provision of pipe-borne water amongst others (Amaeshiet et al., 2006). Edoho (2008), Frynas (2009), Akpan (2006), Tuodolo (2007, 2009) and others have argued that the CSR process in Nigeria is not far-reaching or deeply entrenched. Thus, it has been contended that some of these CSR initiatives are not carried out on a coherent basis and not always sustained (Amaeshiet, 2006). Arguably, despite the adoption of various CSR mechanisms by oil companies in

Nigeria, the oil-producing communities “have received a proportionately low amount of benefit compared to the high social and environmental costs of extractive activities” (Lisk, Besada and Martin, 2013: 20). Notwithstanding the minimal contributions of CSR to oil-producing communities in Abia and Imo States, many communities still suffer from various ills including gas flaring, oil spillage and violence amongst others.

The Nigerian government is a signatory to some international agreements that espouses the philosophy of CSR activities such as Nigeria Extractive Industries Transparency Initiative (NEITI). It aims at promoting transparency and accountability in payments made by extractive corporations to government and government agents, and it has been domesticated into Nigerian law. Thus, NEITI has not achieved much in the Nigerian oil and gas industry, particularly SPDC in Abia and Imo States. Corruption in the oil and gas industry, lack of political will on the part of the government to implement the NEITI amongst other inherent difficulties have accentuated the conundrum. However, the Nigerian government has been blamed for the parlous state of the regulatory framework with regards to MNCs. Idemudia (2010a) posits that the structural and systemic deficiencies inherent in CSR practices limit the effectiveness of CSR as a vehicle for conflict prevention and reduction in the oil-producing areas. Thus, the nature of the Nigerian economy and problems of the Nigerian state, in addition “to the contested nature of CSR have prevented the Nigerian government from providing an enabling environment for CSR, which together with oil companies’ failures, undermine the possibility of corporate social development in these States”.

SPDC and Nigerian State have over the years embarked on several programmes on social development in Abia and Imo States as part of their CSR. However, SPDC justifies her below-average performance in transforming the fortunes of these communities by referring to the insincerity of the State that gets the lion share of the oil proceeds. The oil multinationals breach with impunity most General memoranda of understanding (GMoU) signed with oil-bearing communities. The SPDC entered into MoU with two Ukwa West oil-producing communities, Owoza in 1958 and Umorie in 1962 respectively. In 2013, SPDC commenced the implementation of the GMoU with the communities with an enshrined yearly payment of one hundred and sixty-three million, four hundred and eighty-eight thousand, eight hundred and fifty-one naira (#163,488,851:00) plus 5% of peace bonus (#8,174,442.55) (Adiele, 2019). The SPDC implementation of its own GMoU has been in breach of the payment scheduled as shown below:

Table 1: SPDC BREACH OF GMoU TO THE ABIA STATE OIL PRODUCING COMMUNITIES FROM 2013-2017

YEAR	AMOUNT YEARLY (163,488,851:00)	PAYMENT STATUS	5% PEACE BONUS (8,174,442.55)	TOTAL OUTSTANDING PAYMENTS
2013	163,488,851.00	Full payment	-----	
2014	163,488,851.00	Full payment	-----	
2015	-----	No payment	-----	
2016	-----	No payment	-----	
2017	163,488,851.00	Full payment	-----	
Outstanding payment	326,977,702.00		40,872, 212.75	367,849,914.75

Source; Adiele, 2019

The SPDC made yearly payment of 163,488,851.00 for 2013, 2014 and 2017, leaving outstanding payment of 3,26977,702.00 for 2015, 2016 and peace bonus of 40,872,212.75 for 5years which amounted to 367,849,914.75. Although SPDC breached the contract, the payments made by SPDC to the oil-producing communities of Abia State was not visible, as the indigenes do not feel the impact because the leaders misused the money (Onwubuiko, 2018).

From the foregoing, there is a systematic disequilibrium in the production exchange relationship between the Nigerian State, SPDC and the people of Abia and Imo States. However, the whole blame should not go to SPDC alone but also to the local dominant classes because of a low level of accountability of oil revenues to these communities, that is, reparations made by SPDC to the oil-producing communities of Abia and Imo States. The traditional rulers and community liaison officers are in control of the oil revenue, and they spend them principally to satisfy personal ends rather than public interest (Adiele, 2019). It was also established that the local government chairman misappropriated the tenancy fee paid by SPDC to the local government to the detriment of indigenes.

One way of remedying the inherent deficiencies in CSR practices in Abia and Imo States should be a useful framework of collaboration and partnerships amongst corporations, government, and indigenes to establish, create innovative mechanisms for addressing existing governance flaws (Adiele 2019). A major weakness in the CSR initiatives is that there appears to be no apparent networking with local communities in the delivery of CSR activities in Abia and Imo States, i.e. bottom-up approach. Thus, the contention of this article is that the corporate social responsibility provided by SPDC is inadequate in Abia and Imo States. In respect of the training acquisition programmes, it was confirmed that they are not far-reaching. Arguably, many host communities and youths are not involved in the training schemes. Also, it appears that women who constitute a sizeable part of the population are neglected in the training schemes. Promotion and protection of human rights of the local communities in the activities of the SPDC are neglected in their code of conduct.

CONCLUSION AND RECOMMENDATIONS

This study confirmed that the ecologically unfriendly activities of the MNCs engaged in oil exploration by SPDC in Abia and Imo States have led to environmental degradation of these oil-producing areas which has, in turn, resulted in acute poverty in both states. The major occupations of these areas, farming, fishing and hunting been decimated, leadership, and the corrupt practices of local chiefs has also been a significant problem in these areas. This paper sets out guidelines and strategies for achieving the policy objective of sustainable development. In this light, strict compliance by oil companies and allied companies operating in the country with Nigeria's environmental legislation should be ensured.

The study recommends that:

1. There should be a quick and timely intervention in terms of recovery and remediation after an oil spill.
2. The CSR of SPDC should take the form of a bottom-up approach in order to meet the needs of the people.
3. Community leaders should fashion out modalities to strengthen their culture by improving on the proper accountability of reparations made by SPDC to their people.

4. In order to ensure the environmental sustainability of Abia and Imo States and Nigeria in general, the government should increase its budgetary allocations to the environmental sector of the economy as a matter of urgency.
5. An excellent legal framework should be put in place to regulate oil operations in the country. Oil companies should not dictate to the government; rather, they should be subjected to the laws of the country.
6. Efforts should be made to harness other resources in order to diversify the economy for alternative energy supplies like solar, biomass, wind and coal.

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