

## THE OPERATIONS OF INTERNATIONAL OIL CORPORATIONS AND WOMEN'S LIVELIHOOD IN NIGERIA

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### Abstract

The unearthing of crude oil in Nigeria and its subsequent effects on the nation's growth has further underpinned the contradictions of the "resource curse theory". This study aims at assessing the impact on the measures put in place by the international oil corporations (IOCs) on women livelihood in Ogulagha Island of Delta State, Nigeria. This paper reveals that the mitigation measures (skill acquisition, financial support, employment opportunities, provision of social amenities, regular clean up and provision adequate health facilities) put in place by IOCs have no significant impact on women livelihood in Ogulagha Island, Delta State of Nigeria. This paper recommends that more research that is context specific with one on one interviews need to be conducted to actually know which measures can enhance the women livelihood in Ogulagha Island of Delta State, Nigeria.

**Keywords:** Development, International Oil Corporations, Niger Delta, Nigeria, Women Livelihood

### 1. INTRODUCTION

Nigeria's discovery of crude oil further questions the "resource curse hypothesis" argument, which implies a negative disconnection between the abundance of natural resources and economic growth, that is, a scenario in which a particular region is rich in natural resources but, sadly, lacks the economic and social development that should be associated with that region (Amundsen, 2014).

Nigeria joined the list of oil producers in 1958 with the advent of commercial crude oil production by Shell Petroleum Development Company in Oloibiri, producing about 5,100 barrels per day (bpd) (Odupitan, 2017). The Niger Delta consists of nine states—Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers; the region is located in southern Nigeria and covers approximately 112,100 square kilometers, approximately 12 percent of the total area of the country. It is located on the Atlantic coast and bordered to the south by Cameroon, with an estimated population of more than 28 million, with 49% making up the female population (NPC, 2017). It is an area rich in immense oil deposits, where the Nigerian government has been producing and exporting petroleum in different amounts alongside international oil companies for about 59 years. Revenue from the output of crude oil since the 1960s is said to be valued at around \$600 billion (Boris, 2015). Nigeria has become a hub of international petroleum and gas investors since the early 1960s, One of the top oil and gas producers in the world. Nigeria is home to more than 80 oil and gas companies in its upstream market, including international oil companies (IOCs), indigenous oil companies (IndOCs), marginal-field operators (MFOs) and a national oil company (NOC). (Idowu et al., 2019).

Exploring and mining oil in the Niger Delta has resulted in considerable degradation of the environment resulting in loss of livelihoods, displacement of communities resulting in unprecedented deprivation and

poverty for the entire Niger Delta population, especially women. Oil spills and gas flares have provided major sources of disaster for the communities. While the spills happen every now and then, the flares are constant characteristics. The Niger Delta generates all of Nigeria's oil and gas on land as well as offshore, and the Nigerian economy's petroleum sector is the "cornerstone" of the Nigerian economy; It accounts for more than 90% of Nigeria's foreign exchange income and more than 80% of the total public income (Egbulonu & Eletuo, 2018).

The Niger Delta currently operates 606 oil fields, 355 of which are onshore, while the remaining 251 are offshore; 193 are currently in operation, while 23 have been shut down or abandoned due to poor prospects or complete well-drying (Chukwuemeka et al. 2017). Nigeria is now Africa's largest oil producer and the sixth largest oil producer in the world with a total production of 2,7 million barrels in 2017 (bbl / d). Nigeria's economy is heavily dependent on oil income, which accounts for 20% of GDP, 95% of foreign exchange earnings and 65% of budget revenue (Adedokun, 2018).

Nonetheless, despite the revenue generated by the region, the majority of the population of the Niger Delta live in poverty and the area is largely underdeveloped. A study conducted by the United Nations Development Program identified the area as suffering-"governmental incompetence, failure of public infrastructure and services, high unemployment, economic inequality, extreme poverty, poverty, poverty and chronic violence (Duru, 2014). The study also stated that most people in the Niger Delta do not have access to clean water, health care, sanitation, electricity and other basic facilities or social infrastructure, despite the huge revenue often generated from oil exploration, oil extraction and crude oil sales. Poverty and underdevelopment rates in the region are in contrast to the wealth generated by the discovery of crude oil, thus presenting the region as one of the most powerful and troubling examples of the theory of "resource curse" as described above (Duruji & Dibia, 2017: 63).

Livelihoods are complex and dynamic in the Niger Delta communities. The term "livelihood" encompasses the resources (natural, physical, human, financial and social capital) placed together to decide the existence of any person or family, the activities and access to them (through institutions and social relations) (Rhiney, 2017). It also requires these talents, resources (material and social) and livelihood activities (Tolkach & King, 2015). Livelihood is called sustainable if it can cope with and recover from stress and shocks while sustaining and enhancing its potential and resources now and in the future without growing the natural resource base (Tolkach & King, 2015).

Environmental pollution and seasonal energy cycles create conditions that create challenges in rural women's livelihoods leading to uncertainty (Kafumbata, et al., 2014). This is because women are the keystone in many households in the Niger Delta region. The consequences of environmental pollution caused by IOCs activities on the Niger Delta ecosystem as a result of continuous oil spills and gas flaring include pollution of fishing grounds, watercourses, rivers, agricultural land and air, food poisoning, loss of biodiversity, loss of health and subsequent death, while the effects of gas flares include destruction of fish stocks, deforestation (Albert, Amaratunga & Haigh, 2018).

Beginning from 1984, women started protesting and agitating for a better and safe environment devoid of pollution and its impact on their livelihood as caused by the operations of IOCs (Obi, 2014). Niger-Delta women started a mass public movement against the region's oil multinationals. The movement started in 1984 when Ogharefe women protested against the U.S. Pan Ocean (Obi, 2014).

The goals and demands of each women's demonstration were to get oil companies and government to make concrete efforts to improve and preserve climate, livelihoods and understand the role of women in politics (Ihayere, et al., 2014). They called for cultural, social and political empowerment as main variables in supporting and maintaining their livelihood, as well as for public facilities such as excellent highways, water, health and electricity (Ihayere, et al., 2014).

According to Ihayere (2014), in 1984 and 1986, 47 women mobilized and protested against petroleum firms in Warri – especially women from the Burutu Local Government Area under which Ogulagha Island falls. They requested compensation from the firms for land confiscated and pollution of the environment (Adeboboye, 2013). Again in 1999, the same protest and siege scenario was reiterated against Shell Development Company (SPDC), but this time against it. The most remarkable of all women's insurrection led by the region's Ijaws and Itsekiri groups took place against Chevron in 2002 and lasted ten days (Brisibe, 2015). If their demands were not met, women were threatening to strip naked – the most common and effective way to historically express their message, but an unprecedented move in the West. Women from the villages of Ilaje interrupted the events at the SPDC headquarters (Torulagha, 2017).

Women's requirements focused on the need to enhance their living circumstances, curtail health risks that are unique to women and girls connected with gas flaring / oil spillage — in the Niger Delta region, which caused health problems that led to enhanced maternal and child mortality, and miscarriages. Other problems raised included offering girl-child scholarships for formal or informal education or providing girls with socio-economic and political empowerment to make them economically productive and autonomous (Wilson, 2014).

Most of the problem women raised during these protests disclosed that women were not happy with the engagement of the IOCs at ameliorating the lives of indigenous people in the Niger Delta oil fields through their compensation methods, especially those linked to women's survival (Ekhaton, 2014). It is these issues and difficulties that women in the region face that required the motivation for this research, especially its effect on their livelihood. It became imperative to tackle crucial issues in the Niger Delta as women began to agitate for better conditions and livelihood (Adunbi, 2015). The urgency of addressing the problems in the Delta of Niger became more critical as females started to agitate for better circumstances and livelihood support (Adunbi, 2015). After Ken Saro-Wiwa was murdered by the military-led Junta of General Sani Abacha's government alongside the "Ogoni Nine" Starting in 1995 for agitating against the Niger Delta's marginalization and the underdeveloped state of the region due to the income from oil exploration; this need to address the effect of IOC operations on women's livelihoods has become critical sequel to the growing economic crisis in the Niger Delta, accentuated by the enhanced by the exploitation of oil and production of gas resulting from Nigeria's search for higher incomes and the search for higher profits by multinational oil companies (Ololade & Laws, 2016).

The outcome of the crisis was disastrous as the area continued to suffer tremendous contamination of the soil, air, and general destruction of its ecosystem. Exploration and pipeline network took on productive soil and was demolished by frequent oil spillage, polluting rivers and streams. The outcome was a prolonged economic crisis epitomized by the worsening of poverty, unemployment and starvation, all of which fuelled an atmosphere of rage, bitterness, frustration, tension and conflict between local people, the IOCs working in the region and the Nigerian government by extension (Okoro, 2017).

The oil and gas sector can be divided into three industries: upstream, midstream and downstream. The midstream industry links upstream and downstream industries and includes oil and gas transport and storage between upstream manufacturing activities and downstream refining and processing activities (Jafarinejad, 2016). The activities are further split into the following sub-operative classifications, according to Harraz (2016:6):

- Exploration — placement of hydrocarbons on land or underwater,
- Preparation for drilling— Preparation for drilling includes clearing land and building access roads, making water supplies nearby and drilling a water well, digging a drilling rock and mud reserve pit.
- Drilling: Drilling to access funds – this involves drilling the floor hole and cementing the container after hitting the pre-set depth so that it does not collapse, drilling starts in stages: drilling, running and cementing fresh containers, then drilling again, ensuring that they are at the right depth.
- Oil extraction: Place the pump on the wellhead and remove the drill. The pump is pushed up and down by the hydraulic mechanism, producing a suction that pulls oil through the tube. If the oil is too high, a second gap will be created by the injection of steam pressure. The steam water dilutes the oil and the pressure forces it up.
- Gas and oil output are obtained and transported to processing plants via pipelines or vessels. In the transport industry, petrol and natural gas are used as oil. Before being processed into goods or exported, oil can be stored in specially built tanks. Oil and gas can be used in electrical power generation as fuel. Oil and gas are shipped either as refined products or as crude oil to specialist tankers.
- Transport: Oil and gas are then transported via ship or pipeline to processing equipment.
- Market- at the gas dispense pump

During the above-mentioned processes from the way crude oil is explored to the point of sale, there are many accidental pollution caused by spillage and emissions of gaseous waste, resulting in environmental pollution and degradation that ultimately affect the livelihood of the region's inhabitants, particularly women's livelihood as the study focuses (Ofosu, 2017).

Issues such as how much oil exploration revenue to expand and improve the Niger Delta should be used,

employment by the IOCs for indigenous peoples of the Niger Delta, empowerment of women in terms of education and scholarships, provision of basic facilities and social infrastructure, and adequate environmental cleaning have been a continuous source of disputes. These conflicts have often resulted in the destruction and vandalization of oil facilities, the abduction of oil workers and the killings of government officials and militant insurgencies. (Yusuf, 2018).

Wilson (2014), argues that the effects of these IOC, government, and local disputes have disproportionately influenced females, resulting in a sequence of women's agitations. The resistance among females in the Niger Delta was accounted for by exploitation, inequality, social exclusion from the governance system, absence of empowerment and virtual absence of growth. This is because the activities of the IOCs impacted females whose local industries such as fishing and farming as sources of income. (Amusan & Olutola, 2017).

This study assessed the impact on the measures put in place by the international oil corporations (IOCs) on women livelihood in Ogulagha Island of Delta State, Nigeria.

## 2. RESEARCH METHODOLOGY

The study uses survey data collected in Ogulagha Island a small town in Burutu Local Government Area (LGA) of Delta State, Nigeria and it had a population of 15,799 women as at 2006 when the last official census was carried out (National Population Census, 2006). The cross-sectional research design was employed in the collection of survey data through questionnaire administration. The purpose of the survey was to collect data on the operations of international oil corporations and women's livelihood in Ogulagha Island of Delta State, Nigeria.

The samples consisted of 378 responses from Farmers, Traders and Civil Servants. The data were analyzed using regression analysis.

## 3. RESULTS

The hypothesis that guided this study was there is no significant impact on the measures put in place by IOCs on women livelihood in Ogulagha Island.

**Table 1: Impact of the mitigation measures put in place by IOCs on women livelihood in Ogulagha Island**

Mitigation Measures	R <sup>2</sup> -value	R <sup>2</sup> -value (%)	Extent of the impact	p-value	Significance
Skill acquisition	0.001	0.10	Very low extent	0.503	Not significant
Financial support for women	0.001	0.10	Very Low Extent	0.627	Not Significant
Employment opportunities	0.002	0.20	Very Low Extent	0.641	Not Significant
Provision of social amenities	0.008	0.80	Very Low Extent	0.098	Not Significant
Regular clean up	0.0002	0.020	Very Low Extent	0.826	Not Significant
Provision adequate health facilities	0.005	0.05	Very Low Extent	0.204	Not Significant
<b>Mitigation measures</b>	<b>0.026</b>	<b>2.60</b>	Very Low Extent	<b>0.202</b>	<b>Not Significant</b>

Source: Researcher Computations using SPSS version 22.0

Table 1 reveals the impact of the mitigation measures put in place by IOCs on women livelihood in Ogulagha Island, Delta State of Nigeria. The result shows that skill acquisition, financial support, employment opportunities, provision of social amenities, regular clean up and provision adequate health facilities

accounted for 0.10%, 0.10%, 0.20%, 0.80%, 0.02% and 0.05% of the variation in the livelihood of women in Ogulagha Island. Based on the very low value of the coefficient of determination, it can be concluded that all these mitigation measures to a low extent impact on the livelihood of women in Ogulagha Island. Result also reveals that the mitigations measures accounted for only 2.60% which implies that these mitigation measures to a very low extent impacted on the livelihood of women in the study area. Based on this result, the mitigation measures put in place by IOCs have no significant impact on women livelihood in Ogulagha Island, Delta State of Nigeria.

#### 4. DISCUSSION OF FINDINGS

This study examined the operations of International Oil Corporations (IOCs) and women livelihood in Ogulagha Island. The findings showed that the initiatives adopted by the IOCs and the government in Ogulagha Kingdom have no substantial impact on women's livelihood. The finding revealed F-calculated of 0.051 with a p-value of 0.822 ( $p > 0.05$ ). The probability value was greater than 0.05 which implies that there is no significant impact of the mitigation measures put in place by the International Oil Corporation on women livelihood in Ogulagha Island. This implies that these findings are against the assumptions that these measures can impact significantly on women livelihood in Ogulagha Island, Delta State of Nigeria.

#### 5. CONCLUSION

The study set out to assess the impact on the measures put in place by the international oil corporations (IOCs) on women livelihood in Ogulagha Island of Delta State, Nigeria. The study discovered that all the proposed measures put in place by the international oil corporations (IOCs) were not significantly impactful on women livelihood in Ogulagha Island of Delta State, Nigeria. This implies that more research that is context-specific with one on one interviews need to be conducted to know which measures can enhance the women livelihood in Ogulagha Kingdom of Delta State, Nigeria.

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