

## **Oil Multinationals and Education Development: Study of Public Secondary Schools in South West Local Government Area of Delta State**

<sup>1</sup>Dr. (Mrs.) Victoria C. Onyeike, <sup>2</sup>Lelekume Ebike Gabriella

*Department of Educational Management, Faculty of Education University of Port Harcourt. Nigeria.*

---

**Abstract:** *The role of oil multinationals to promote literacy level as well as provision of necessary infrastructure has been an issue of concern to South West Local government Area of Delta state. Therefore, this study sought the role of multinationals on the educational development in Warri South West Local Government Area of Delta state.*

*The descriptive research design was used for carrying out the research work. 240 participants that cut across students & parents were sampled. A self designed validated questionnaire was used to collect the data. Four (4) research questions were generated while data were analysed through descriptive statistics. The findings revealed that oil multinationals and host communities have cordial relationships, they built schools for communities where there are none, award scholarships to deserving students and provide infrastructure facilities, though not adequate.*

*The study concluded that oil multinationals contributed to education and infrastructure development within this operational area. It was recommended that oil multinationals should not relent in their assistance to host communities as it would promote cordial relationship. The government on their own should not abandon education literacy development for oil multinationals or communities alone. Both should work together to enhance literacy level of host communities.*

---

### **I. Introduction**

Decades of oil exploration by oil multinationals operating in the Niger Delta have resulted to alienation of the people from their land, which is the main source of their livelihood. These exploration activities has also led to serious environmental degradation and pollution. This dislocation of the basic economic life of the people calls for a compensatory remedial alternatives from oil companies to host communities.

They are expected to play major roles in their area of operation by improving the life's of the people in such areas like; providing education and infrastructural development. Because a without conducive and enabling environment, they cannot thrive or carry out their operational activities effectively.

The importance of education as a veritable tool for these economically disempowered people cannot be overstressed. This is based on the fact that education is a major force in economic, intellectual, social and cultural empowerment (Burch, 2006). It equips individual with the right knowledge in solving numerous problems experienced in the society. It is very vital because it will help in bridging the knowledge gaps which in turn produce manpower that will be required in the oil sector and the society in general. In many nations of the world, education has been a provider of dependable leverage for national development.

(<http://www.worldbank.org/disted/policy/national/leg-02.html>. Due to this education, development and training have continued to receive high priorities in national development.

Educational development therefore is the gradual and progressive improvement in the educational system of any society which will eventually lead to a reduction in the rate of illiteracy, backwardness, poverty, ignorance, disease etc. in the society. The educational development of any society results in the quantity and quality of man-power available to a nation.

The development of man takes him through several stages. We all might have one time or the encountered poverty in some areas of our lives. The poor of today can turn out to be the rich of tomorrow if given a sound background and which is education.

In support of education development by oil multinationals, Guwon (2000) maintains that oil companies should be aware that the consequences of their industrial activities bears heavily upon those who live in the immediate area of its operation. He is of the opinion that these companies should feel concerned about the immediate and remote process of their host communities due to their individual operations in their environment. Several communities where these operations are going on have lamented that the industrial activities of oil multinationals like Shell ELF, Agip, Chevron etc. have done a lot of damage to their ecological environment,

however, without a conducive and enabling environment they cannot thrive or carry out their operation effectively. This in most cases have metamorphosed into legal issues which is based on the legal obligations to provide compensation for claims for damage, encroachment on community land or water and right of access. The claims are often expressed in terms of the community having a “fair share” of the oil wealth derived from their land. The study therefore, investigated the role of oil multinationals in educational development in Warri South-West Local Government Area of Delta State.

### **The purpose of the study**

The main purpose of the study was to investigate the role of oil multinationals in education development of Delta State, specifically in Warri, South West Local Government and the objectives of the study include the following:

- 1) To determine the role of oil multinationals in maintaining cordial relationship with their host communities.
- 2) To find out the strategies that are employed by oil multinationals to reduce illiteracy level in their host communities.
- 3) To find out the necessary infrastructure that have been put in place by these companies for educational development.
- 4) To find out the level of provision of social amenities such as portable drinking water, electricity, recreational facilities etc.

## **II. Literature Review**

### **Oil Multinationals and Education Development**

Ojinaka (2001) described oil multinationals as corporate bodies with the sole responsibility of the upstream and downstream development and are also charged with the regulations and supervision of the refining of petroleum. While educational development can also be viewed as the gradual and progressive improvement in the educational system of any society (Agabi, 1999), which will also lead to a decrease in the rate of illiteracy, backwardness, poverty, ignorance and other vices bound in our society.

Educational development of any society results to improvement in the quality and quantity of manpower availability to a nation. It brings about enlightenment which could help the overall developments of society. Education and training are the main instruments available to oil multinational in preparing individuals in the host communities for a rapidly changing, increasing demanding world of work, and to improve their employability. Okeke (2006) stated that to the individuals, it will contribute to his development and his opportunity for self fulfillment.

In Nigeria, the multinational have made frantic effort in the development of the education sectors of their host communities yet much is still desired to be done. (Guwon, 2000) reported that oil multinationals usually award the contracts of construction of school classroom blocks to the indigenes of their host communities which most times are either executed poorly or not executed at all. Most times the traditional rulers of their host communities collect the money in cash meant for education projects, and divert it to their personal use.

In the same view, punch news paper of May 15<sup>th</sup> (2008) reported that the oil multinationals are paying attention to militants than community projects which in turn affects the attention needed in education development process. Bearing in mind that Niger Delta is the economic life wire of Nigeria there is need for oil multinationals to devise strategies to ensure sustainable grass roots economic and educational development. For this, Shell petroleum development company in its scholarships scheme programme awarded twenty three university scholarship to deserving Nigerian undergraduates. This scholarship which is awarded annually constitute Shells policy to encourage Nigerians to study petroleum and allied subjects, while awards in other areas are part of its effort to improve the percentage of skilled manpower especially in science related disciplines.

Also, NNPC/Chevron operates a joint venture scholarship programme which is for a minimum of four years, depending on the duration of the course of study. Other oil multinationals are also not left out in educational development of their host communities. In 2009, Shell awarded 2,730 secondary schools and 850 university scholarships in the Niger Delta region [www.shell.com](http://www.shell.com).

Oil Multinationals in the same vain also established post graduate scholarship which commenced from 2010/2011 academic year, giving 10 places to candidates from SPDC. Operational areas of Delta, Rivers and Bayelsa States for post graduate studies at three top British higher institution of learning. (Fabunmi, & Akinwumiju, 2002, & Fabunmi, 2004) revealed a strong relationship between investment in education and national development while Eresus (2003) opined that for oil multinationals to make meaningful impact to the educational development of their host communities more attention should be paid to the building of adequate classroom blocks, rehabilitating old buildings and equipping them with desks, chairs, tables, water, electricity

and well equipped state of the art libraries and laboratories. Also access roads to these schools should be of high priority.

### Research Questions

The following research questions were answered by the study.

- 1) What type of relationship exists between oil multinationals and their host communities?
- 2) What strategies are employed by oil multinationals in order to reduce illiteracy level of their host communities?
- 3) What are the necessary infrastructures been put in place for successful execution of educational development.
- 4) Has the educational programme executed contributed to the social, economic and political development of Delta State in particular.

### III. Methodology

The population of the study comprises of the 10 public secondary schools in Warri South West Local Government Area of Delta State, Nigeria. The questionnaire title “Role of oil multinationals Education Development Questionnaire (ROMEDQ) was the main instrument used for data collection. It contains 20 items which sought information on the variables such as level of literacy development, state of infrastructure, strategies employed in social, economic and political development. The instrument was both content and face validated through the assistance of experts in the field, of educational evaluation and management. While reliability was established through test-retest means. The reliability coefficient of 0.87 was obtained. The data collected was analyzed through the use of descriptive statistics comprising of frequency counts, percentages, mean and standard deviation.

### IV. Result and Discussion

**Research Question 1:** Type of relationship that exists between oil multinationals and their host communities.

**Table 3: Mean and S.D on type of relationship that exist between oil multinationals and their host communities**

S/N	Statement	SA	A	D	SD	Mean X	Std. Dev.
1.	Oil multinationals enjoy cordial relationship with host communities.	437 (43.7)	373 (37.3)	150 (15.0)	40 (4.0)	3.21	.84
2.	Host communities safeguard oil facilities	427 (42.7)	407 (40.7)	136 (13.6)	30 (3.0)	3.23	.80
3.	Oil multinationals often delegate their responsibilities to host communities	236 (23.6)	504 (50.5)	252 (25.2)	8 (0.8)	2.95	.73
4.	They are sorely responsible for the building of schools in their host communities	150 (15.2)	557 (55.7)	280 (28.0)	13 (1.3)	2.84	.68
5.	Education of the children of host communities is assured	430 (43.0)	343 (34.3)	120 (12.0)	107	3.10	.99

Table 1 reveals that oil multinationals remarkable enjoy cordial relationship with their host communities. This could be noticed in the responses of the respondents, for instance, they agreed that presently they enjoy good relationship, ( $\bar{x} = 3.21$ ), Host communities safeguard oil facilities located in their areas. ( $\bar{x} = 3.23$ ), it is not likely that they neglect their responsibilities to their host communities ( $\bar{x} = 2.95$ ), and education of the children of host communities is assured ( $\bar{x} = 3.10$ ). All these point to the fact that oil multinational and their hosts are not failing in their responsibilities to each other.

**Research Question 2:** Strategies employed by multinationals in order to reduce illiteracy level in host communities.

**Table 3: Mean and S.D on the strategies employed by multinationals in order to reduce illiteracy level in host communities**

S/N	Statement	SA	A	D	SD	Mean X	Std. Dev.
1.	Schools were built where there is none	327 (32.7)	330 (33.0)	307 (30.7)	36 (3.6)	2.95	.88
2.	The available schools were equipped with adequate furniture and learning materials for teachers and pupils	167 (16.7)	577 (57.7)	226 (26.6)	31 (3.1)	2.87	.90
3.	Scholarship were awarded to deserving children of their host communities	173 (17.3)	340 (34.0)	375 (37.5)	112 (11.2)	2.58	.90
4.	The classroom blocks built are in line with the enrolment	78 (7.8)	486 (48.6)	318 (31.8)	118 (11.8)	2.54	.95
5.	The libraries and laboratories are equipped with the state of the art facilities	206 (20.6)	452 (45.2)	266 (26.6)	97 (7.6)	2.65	.92

Table 2 shows that schools were build but not in line with present enrollment. For instance, only 65.7% of the respondents agreed that enough schools were built, which translates to a mean of 2.95 ie ( $\bar{x} = 2.95$ ), 74.4% ( $\bar{x} = 2.87$ ) agreed that the available schools were equipped with furniture and learning materials, 51, 65.4% ( $\bar{x} = 2.65$ ) agreed that there are libraries and science laboratories equipped with state of the act facilities, 51.3% ( $\bar{x} = 2.58$ ) agreed that scholarships are awarded to deserving children of their host communities while 60.7% ( $\bar{x} = 2.54$ ) agreed that the classrooms are in line with the number of students enrolled. Compared to the average responses the facilities are actually provided and made available but not adequate.

**Research Question 3:** Role of oil multinationals in the provision of adequate funds for infrastructural development.

**Table 3: Mean and S.D on the Provision of adequate fund for infrastructural development**

S/N	Statement	SA	A	D	SD	Mean X	Std. Dev.
1.	Oil companies provide adequate fund for construction of roads in host communities	380 (38.0)	480 (48.0)	102 (10.2)	38 (3.8)	3.60	8.5
2.	Gives money to communities to build town halls and recreational facilities for the youths	303 (30.3)	177 (17.7)	347 (34.7)	173 (17.3)	2.61	1.07
3.	The funds meant for execution of programmes is released as and when due	230 (23.0)	488 (48.8)	240 (24.0)	42 (4.2)	2.84	.84
4.	There is transparency in disbursement of funds to communities	167 (16.7)	270 (27.0)	43.3 (43.3)	130 (13.0)	2.41	.92
5.	The host communities are always short of fund in executing some projects.	147 (14.7)	237 (23.7)	370 (37.0)	246 (24.6)	3.10	.99

Table 3 reveals that although oil multinationals provide adequate funds to develop their host communities ( $\bar{x} = 3.60$ ), the fund are made available when needed ( $\bar{x} = 2.61$ ) but there is no transparency in the disbursement of funds to develop host communities ( $\bar{x} = 2.42$ ) and the communities some time execute some of the projects.

**Research Question 4:** Has the multinationals projects contributed to the social, economic and political development of host communities.

**Table 5: Mean and S.D on Multinationals contribution to social, economic and political development**

S/N	Statement	SA	A	D	SD	Mean X	Std. Dev.
1.	Oil multinationals educational programmes has contributed to peace and social harmony in the Niger Delta	317 (31.7)	563 (56.3)	87 (8.7)	33 (3.3)	3.16	.72
2.	Oil multinationals infrastructural development has improved the people awareness of host communities	360 (36.0)	533 (53.3)	190 (19.0)	17 (1.7)	3.04	.72
3.	Oil multinationals have improved human resource development in host communities.	483 (48.3)	367 (36.7)	133 (13.3)	17 (1.7)	3.32	.77
4.	It has improved the literacy level of their host communities.	463 (46.3)	333 (33.3)	100 (10.0)	104 (10.4)	3.16	.98

Table 5 reveals that oil multinationals have contributed to peace and social harmony ( $\bar{x} = 3.16$ ), they have also improved the political awareness of host communities ( $\bar{x} = 3.04$ ), it also enhance the human resource development ( $\bar{x} = 3.32$ ) and has also contributed immensely to the literacy level of host communities. ( $\bar{x} = 3.16$ ).

### V. Discussion of Findings

Four research questions were generated based on the literature reviewed. These questions led to the four findings discussed here.

The first research question: Is there any remarkable relationship that exist between multinationals and their host communities. This study found that there was a remarkable cordial relationship which translates to the host communities protecting facilities of oil multinationals located in this areas. Thus findings is corroborated by Hicks (2002) who reported that the relationship or interaction between organizations and their environment should be symbiotic and not parasitic. This signifies that oil companies should be concerned about the problems of the communities in their areas of operation. They should also bear in mind that their host communities suffer the terrible consequences of drilling and locating oil related industries in their environment. Golden (2002) in line with the above observation maintain that all industries should possess the ability to withstand the challenges of their environment. Therefore any organization that does not possesses this quality may be forced to discontinue goal attainment in their environment.

The findings also indicate that education of the children of host communities is also assured. It is in line with this that in 2007, Shell Petroleum Development Company awarded a total of about 3,689 scholarships to children of their host communities ([www.shell.nig.com](http://www.shell.nig.com)). This is aimed at equipping individuals with knowledge, skills and attitude that will enable them to live meaningful and fulfilling lives and contribute to the development of the society, it will also enable them to discharge their civil obligations in a competitive environment of the 21<sup>st</sup> century.

The second research question. “Strategies employed by multinationals to reduce literacy level”. Have necessary strategies been put in place for reduction of illiteracy? This findings reveals that schools built by multinationals were equipped with necessary facilities ranging from enough furniture, libraries and laboratories. In support of this Eresus (2001), reported that Shell built new classrooms, rehabilitated old buildings and equipped them with chairs and desks for students and teachers. (Idumange, 2001), in support of this also observed that oil multinationals award school block building contracts to indigenous contractors of host communities which in most times are never executed.

The third research question is “Is the provision of funds adequate for the educational development of host communities?” It was found that though oil multinationals have made remarkable impart in provision of funds for their development projects, but there seems to be no transparency in funds allocation. Oil multinationals are duly aware of their financial commitment to execute their programmes to their host communities and were ready to pay what it takes, but the means, through which it gets to those who will implement the projects, is full of fraud. The money that gets to the host communities is never adequate. Most of the projects planned for are not executed as stipulated. This has led to slow pace in development of education sector.

The fourth research question “Has the multinational projects contributed to social, economic and political development of host communities? This study revealed that development projects of oil multinationals

to host communities brought about social harmony, symbiotic relationship, democratic awareness and improved human resource development. This study is in line with the observation of Guwon (2000) who maintain that oil multinationals should bear the consequences of its industrial activities in their areas of operation. That means that they should equip the children of their host community's education with sellable skills, and attitudes that will enable them to live meaningful and fulfilled life in the society.

## **VI. Conclusion and Recommendations**

Based on the findings of this study, the following recommendations are made:

For better and effective implementation of projects in host communities, monitoring strategies should be put in place to achieve good results. There is need for provision of adequate and state of the art libraries, laboratories and instructional materials. From personal observation during the study, it appears that most libraries and laboratories are not well equipped. However, adequate provisions should be put in place for current library books, laboratory and other instructional materials. This will offer the pupils/students the opportunity to interact with such learning materials.

It is also pertinent that a reliable monitoring strategy should be instituted to follow up funds allocated for the execution of the projects as to ensure proper accountability and usage. From all indication, oil multinationals meant well with their education development projects for their host communities, but most times their intention are rendered meaningless because of fund embezzlement. When all these are taken care of oil multinationals will have more to offer host communities in terms of infrastructure and education development.

Based on the findings, the paper recommended that host communities and oil companies operating in their areas should direct more attention to monitoring and execution of development projects embarked upon. This will also enable them to reap the required and expected benefits.

## **References**

- [1] Adebola O.J. (2007). Perceived impact of Universal Basic Education on National development in Nigeria. *International journal of African and African American Studies*, 5(1), 48-58.
- [2] Eresus E. (2003). *Oil multinationals in Niger Delta*: Asaba, Ogwuam Publishers.
- [3] Guwon C. (2000). *Re-defining the role of oil multinational companies in Nigeria*. Warri jourin Global publication.
- [4] Ojinaka, C. M.C. (2001). *Introduction to principles of development*. Benin: Osas publishers.
- [5] Okeke, B.S. (2006). *Educational planning in Nigeria; Social process approach*. Akwa Ibom: Doomie publishers.
- [6] Shell Report (2004). *An annual publication of Shell community host magazine*. Asserted from [www.shell.com](http://www.shell.com)
- [7] Burch, B. (2006). *Education, Law and Social justice*. Netherland: Springer Publishers.
- [8] Fabunmi, M. (2004). *The relevance of Universal Basic Education to National development: A planning perspective*. In Fagbamiyi E.D. etal (eds). *Management of primary and secondary education in Nigeria*. Ibadan, Awe made industrial printers.
- [9] Federal Republic of Nigeria (2004). *National Policy on Education*, Lagos. NERDC <http://www.worldbank.org/disted/policy/national/leg-02.html>.
- [10] Fabunmi, M, Akinwunmiju, A & Uyanwa, C. N.(2004). *Planning Universal Basic Education for National development*. In Munisarey, A & Osokoya, I.O (eds) *Curriculum Development, the turn of the Century: the Nigerian Experience*, Ibadan Department of Teacher education, University of Ibadan, Nigeria.
- [11] Idumange, J. (2004). *Re-defining the role of oil multinational companies in Nigeria*. Jourin Global Publication. Delta State.