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# Multinational corporations' oil exploration, poverty and environmental degradation in the Niger Delta region of Nigeria

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***Abstract*---**In recent years, there has been much discussion and attention on the amount of poverty and environmental damage in Nigeria's Niger Delta area as a result of oil drilling by international oil firms. There is little doubt that the actions of international oil firms have caused significant harm to this region's oil producing areas. The ecological damage caused by oil exploration has rendered farming and fishing, which are the primary professions of this region's rural population, obsolete. Several years of oil exploration by major international oil firms, as well as the risks of spills and gas flaring that accompany it, have destroyed the region's ecosystem and left the town barren. As a result, this research investigates the effects of oil exploration on the inhabitants of the Niger Delta region. It also investigates the region's level of environmental deterioration and deplorable poverty. The study will also address the interconnectivity dynamics that exist between environmental degradation and poverty in Nigeria's Niger Delta area. In other words, the research investigates the extent to which oil exploration and environmental degradation are responsible for abject poverty and underdevelopment in Nigeria's Niger Delta area.

***Keywords*---**multinational corporations, oil exploration, poverty, environmental degradation, Niger Delta Region, Nigeria.

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**Introduction**

The Niger Delta is a 70,000-square-kilometer region in Nigeria made up of marshes and dry land. The region, which includes a variety of ecological zones such as coastal ridge barriers, mangrove swamps, freshwater swamps, woodlands, and lowland rain forests, is dominated by rural populations that rely exclusively on the natural environment for subsistence livelihoods. According to a UNDP report (2006), more than 70% of the world's population relies on the natural environment for a living. More than ten million people live in the region. Many Nigerians associate the Niger Delta with Nigeria's oil-producing regions. To put it another way, the Niger Delta comprises the states of Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo, and Rivers. The region is endowed with a plethora of human and physical resources, including the bulk of Nigeria's oil and gas deposits, decent agricultural lands, huge forests, outstanding fisheries, and a well-developed industrial base (Duru, 1999). Nigeria's Niger Delta area is rich in natural resources, with oil and gas accounting for more than 85 percent of the nation's GDP, 95 percent of the national budget, and more than 80 percent of the national wealth (Dokubo, 2004). Contrary to popular belief, the region remains the poorest, owing partly to the ideologically hostile extraction of oil and governmental policies that deprive the Niger Delta's indigenous peoples of their rights to these natural resources. Since the beginning of oil exploration some decades ago, it is claimed that the area has become the nation's breadwinner, accounting for more than 90 percent of the nation's export revenues since 1975.

The environmental damage caused by oil exploration has rendered farming and fishing, which are the primary professions of this region's rural population, obsolete. Pollution and continual gas flaring from oil prospecting and production have posed health risks and rendered fishing and other agricultural operations nearly impossible. In addition, major oil spills kill fish, ruin agricultural crops, and contaminate the environment, wreaking havoc on families and communities. According to the Department of Petroleum Resources, a total of 4,835 events resulted in the spilling of at least 2,446,322 barrels between 1976 and 1996. Several years of oil exploration and exploitation by international businesses, as well as the risks of spills and gas flaring that come with it, have destroyed the region's ecosystem and left the towns barren. Not only have farming and fishing, the primary professions of these primarily riverine communities, been destroyed, but their territories have also consistently lacked basic infrastructure and amenities such as power, roads, schools, hospitals, portable water, and so on.

Environmental deterioration is a key source of productivity loss in the region, and hence it is a present source of worry for people. This is the fundamental reason why the region's influence on exploration and exploitation cannot be exaggerated, since the prevalent perspective blames oil production and its associated repercussions for the region's diminishing productivity, which is dependent mostly on fisheries and other agricultural activities. This report contends that the environmentally unfavorable actions of multinational businesses involved in oil extraction have resulted in the environmental deterioration of the Niger-Delia area, leading to extreme poverty in the region. This study seeks to investigate the dynamics of this interconnection.

**Statement Of Problem**

Significant focus has been placed in continuing arguments over the Niger Delta area on the damage to the ecosystem and ecological balance caused by oil and gas exploration and extraction. People in the region firmly feel that the environmental crisis adds to social and economic hardship, aggravating the development scenario even further. Among the problems at risk are the absence of livelihoods, land scarcity, poverty, and the loss of fishing grounds. For many decades, Theoil and other multinational firms have operated with little development and environmental control to govern their actions. The Niger Delta's health statistics are poor and significantly behind the national average. Pollution and continual gas flaring from oil prospecting and production have caused health risks and made fishing and other farming operations nearly impossible. Water- borne infections, hunger, and inadequate sanitation all have a high mortality rate. Only roughly 20% to 24% of rural villages and fewer than 60% of urban populations in the region have access to clean drinking water (Eganr-1999).

The region's oil exploration and extraction, as well as the associated environmental degradation, have been more visible. It has been said that as a result of this oil exploration, the oil producing areas suffer severe harm. As a result, significant harm has been done to the aquatic and marine life of the towns. The region's oil corporations' corporate responsibility and operational standards are below globally acceptable norms. It is serious and sad that oil multinational businesses have conducted oil exploration and extraction for more than four decades without doinga normal environmental impact assessment. As previously stated, the ecologically unfavorable actions of oil multinational firms in the Niger Delta contribute to environmental deterioration, which leads to poverty. The dynamics of this interconnection are what we want to investigate in our work. In other words, the study will look into the relationship between oil exploration and environmental degradation in the Niger Delta region, as well as the relationship between social and economic underdevelopment in the region and environmental degradation, and the extent to which environmental degradation contributes to poverty in the region.

**Research Questions**

After considering the stated problems, the following questions are raised whichbecome the basis of this research;

- What is the relationship between oil exploration and the excruciating povertyindex in the Niger Delta region?
- What is the impact of oil exploration and environmental degradation on theeconomy and people of the Niger Delta region?

**Objective Of Study**

There is a lot of environmental literature, but most of the time, environmental concerns are handled as if they were isolated, overly technical, and specialized, with no linkage. It may suffice to state here that many environmental conferences and seminars, particularly those organized by the United Nations Environment Programmes (UNEP), the United Nations Conference on Human Environment and Development (UNCHED), and others, have all produced lengthy literature without outlining specific functional models to bring about environmental sanity. The installation of basic checks on multinational businesses' operations in the Niger Delta area, which have resulted in terrible environmental degradation in the region, is critical for the people of this region in particular and Nigerians in general. Based on the foregoing, we believe it is necessary to conduct this study in order to (1) investigate the link between oil exploration and the excruciating poverty index in the Niger Delta region; and (2) investigate the impact of oil exploration and environmental degradation on the economy and people of the Niger Delta region.

**Relevance Of Study**

The research assesses the extent of damage done to the environment in the Niger Delta area as a result of multinational businesses' oil exploration and extraction operations in that region. This research will add to the extensive body of knowledge on the operations of multinational firms operating in Nigeria's Niger Delta area. For a long time, residents in the Niger Delta area have had major environmental concerns that have not been addressed by either the government or multinational firms operating in their neighborhoods. As a result, research like this is required to bring the predicament of those communities in the Niger Delta to the attention of the broader public. This is consistent with the region's enormous potential for economic growth and sustainable development remaining untapped and its future being threatened by deteriorating socioeconomic and environmental circumstances that the government and international businesses are failing to address. This study's collection of political, historical, and ecological data will foster a lifelong understanding of the Niger-Delta and its inhabitants. The study will be valuable to policymakers since it will provide them with an unbiased appraisal as well as an epistemic analogue, allowing them to make rational decisions about oil exploration and development in the Niger Delta region. The study would also aid the Ministry of Niger Delta Affairs in developing policies to address environmental issues like water, soil, and air pollution. Finally, this study will serve as a resource for academics and researchers who wish to do research on this or comparable topics.

**Oil Exploration In The Niger Delta Region**

According to Azaiki (2003), the quest for crude oil in Nigeria began in 1908 when the Nigerian Bitumen Corporation, a German corporation, began prospecting in the Araromi area of Western Nigeria. The advent of the First World War in 1914 put an end to this company's pioneering endeavors. Shell Petroleum Development Company continued exploring for oil in the Niger Delta region. After nearly a half- century of investigation, the company discovered its first oil find in 1956 at Oloibiri in the Niger Delta area. Nigeria entered the oil production rankings in 1958 when the business discovered significant quantities of oil, producing around 5,100 barrels per day (bpd). Today, the oil sector is evident in the Niger Delta and controls a significant area of land. Shell Petroleum Development Corporation has a land area of more than 31,000 square kilometers (Aworawo, 2000). Thousands of kilometers of pipelines run through the area, interrupted by wells and flow stations. Much of the oil infrastructure in the Niger Delta area is placed near people's homes, crops, and water supplies (Taiwo, 1991).

After Shell British Petroleum found and drilled the oil at Oloibiri in 1958, exploration rights in onshore and offshore regions adjacent to the Niger Delta were eventually granted to other international firms, including Mobil, Chevron, Total, and others. According to Steve Azaiki, the Nigerian civil war delayed further exploration and production activity between 1967 and 1970. Total output from Nigeria's Niger Delta oil resources climbed from 308 million barrels in 1970 to 703,455 million barrels in 1991. Its output peaked in the 1980s, when total output reached 753.5 million barrels per annum (bpa), with 93 percent exported globally (Azaiki, 2003). Despite its enormous challenges of civil unrest, political instability, corruption, and bad governance, foreign oil corporations have traditionally viewed Nigeria as an appealing upstream investment location. Oil exploration has occurred in five main sedimentary basins: the Niger Delta, the Anambra Basin, the Benue Trough, the Chad Basin, and the Benin Basin. The Niger Delta, which covers the continental shelf and contains the majority of the proved and probable reserves, is the most promising basin. To date, all oil production has taken place in this basin.

**Multinational Corporations And Environmental Degradation In The Niger Delta Region Of Nigeria**

Although the majority of crude oil, Nigeria's main source of wealth, is sourced from the Niger Delta area, this region is among the most backward and politically disenfranchised in the country. Over 80% of Nigeria's income is derived from oil, which is pumped out of the Niger-Delta area in millions of barrels per day by global oil firms such as Shell, Chevron, Mobil, and others. Despite the abundance of natural riches, the indigenous inhabitants of this region remain impoverished, and their environment is filthy. Many people in this region still live in mud dwellings without electricity, drink unclean water from ponds and rivers, and live much below the subsistence level. They make a living by fishing, but oil spills have depleted local fish sources. The oil money derived from their land is divided between the Nigerian government and the oil firms, with little or no benefit to the locals. The government's part of the funds frequently ends up in the personal bank accounts of unscrupulous government officials. This explains why, in many cases, the government has always sided with international oil firms in clashes with host populations.

The World Bank undertook an assessment of the Niger Delta's environmental dangers in 1995. According to the study "Defining an Environmental Development Strategy for the Niger Delta" (World Bank Report, 1995), the region has been blessed with an abundance of physical and human resources, including the majority of Nigeria's oil and gas deposits, good agricultural land, extensive forest, excellent fishing, a developed industrial base, and a vibrant private sector," according to the study "Defining an Environmental Development Strategy for the Niger Delta." However, the region's enormous potential for economic growth and sustainable development remains untapped, and its future is jeopardized by deteriorating economic conditions that are not addressed by government policies and actions. According to the research, despite the massive oil deposits in the Niger Delta, the region remains impoverished, with an education level that is lower than the national average. According to the research, while 76% of Nigerian children attend primary school, attendance has declined in some sections of the Niger Delta. The presence of global oil businesses in this region does not indicate actual development; rather, they exist to maximize profit, as their primary aim is to profitably discover and extract crude oil. This viewpoint supports the ideas of Barnel and Muller (1974), who stated that "The unfortunate role of global corporations in perpetuating and increasing poverty around the world stems primarily from the unfortunate reality that global corporations and poor countries have different, if not conflicting, interests, priorities, and needs. The basic goal of the global firm is to maximize global profit."

Oil exploration and exploitation in the Niger Delta area have damaged the region's residents' sources of subsistence. Due to a lack of employment, many jobless teenagers have emigrated to towns and cities where they are not guaranteed to find work. The oil money is not invested in their communities or the cities around them; rather, it is routed to other big towns and cities outside the region or invested in infrastructure from which the region receives little benefit. The Nigerian government and international oil firms operating in the Niger Delta region have failed to accept that they are required to provide clean pipe-borne water, excellent roads, schools, and health care facilities to the inhabitants of this region in exchange for crude oil derived from there. Even when these facilities are supplied, they merely serve to enable community exploitation, as indicated by the development of access roads that connect their numerous oil and gas fields, rather than to develop the host towns (Azaiki, 2003).

**The Impact of Oil Exploration And Environmental Degradation On The Economy And Society Of The Niger Delta Region**

According to Otoabasi and Akpan, the quest for petroleum oil in Nigeria began in the first decade of the twentieth century, namely in 1903, eleven years before Nigeria's union. In 1953, the searchers declared "eureka-we have discovered it" in Ikot Akata, today's Akwa Ibom State. This was a triumphant scream upon the discovery of oil in Nigeria. Indeed, oil, which has altered Nigeria's socioeconomic landscape as well as Nigerians' mental patterns, was discovered in Akwa Ibom State. Oloibiri in Bayelsa State was the first spot where commercial quantities of oil were discovered, and it was also the first location from which the petroleum was shipped (Akpan, 2004). Ibaba claimed in his book "Understanding the Niger Delta Crisis" that while oil was discovered in substantial amounts in 1956, it wasn't until 1958 that commercial production began, with an output of around 5,100 barrels per day. According to him, at the height of the oil boom, this reached a peak of around 2.3 million barrels per day (Ibaba, 2001). According to available statistics, Nigeria possesses around 31.4 percent of Africa's proven reserves and approximately 1.97 percent of the world's reserves. Indeed, the oil sector has endowed the country with vast financial resources. Between 1980 and 1993, it was expected that oil sales would produce around 211.3 billion USD in federal government income.

This oil discovery, and the consequent income production for the government, is not without severe consequences for the country's socioeconomic growth, particularly in the Niger Delta area, where the oil exploration is taking place. Statistics on the Niger Delta clearly reveal that the oil business has had a more detrimental influence on rural populations than on metropolitan communities, where oil is produced in numerous dimensions. According to such research, as mentioned by Ibaba, *"The petroleum industry has for long been plagued by operational conflicts which centre around such concerns as widespread environmental degradation, human displacement, inadequate compensation for loses imposed in the oil producing communities and inadequate community level involvement which often leads to alienation between state and the indigenous population" (Ibaba, 2001: 25).*

Environmental experts have infact identified oil spillage as the major variable which have impacted negatively on the communities of the Niger Delta region. Records reveal that between 1976 and 1990 alone, a total of 2.7% oil spill incidents occurred in the country. According to these experts, the situation resulted in the spilling of 2,105,393 barrels of oil into the environment. The impact of these oil spills on the communities is varied and devastating. A mass of empirical evidence generated by scholars support this position. One of such studies has pointed out that:

*"Oloibiri is a shadow of its former self. Farmingwhich used to be the mainstay ofthe community's economy has been paralyzed as farmlands have been destroyed, fishingactivities grounded andaquatic life virtually castrated by many years of oil prospecting and exploration"(Ibada, 2001:12).*

The above statement implies that oil spills have undermined the basic foundation of the economies of the towns that host the oil sector. To put it another way, the oil firms have been blamed for the development issue. According to a UNDP assessment, more than 7,000 kilometers of pipelines and flow lines, as well as 275 flow stations, are managed by more than 13 oil corporations (UNDP Report, 2006). According to the aforementioned UNDP Report, the region's productive and environmental consequences are increasing on a daily basis. The oil sector occupies less than 5% of the land in the region, but the negative consequences of its operations are numerous and regional in scope. Apart from oil spills, which are a significant cause of environmental damage in the Niger Delta, gas flaring is another important source. The country's oil corporations burn over 80% of the gas.

Okoko has criticized the process of gas flaring employed by oil corporations operating in the Niger Delta region. He said that these businesses use "open-pipe flare," which is extremely harmful to the environment. There is no provision for pollution control in this technology. As a result, the flame is responsible for the greatest air pollution and annoyance (Okoko, 2002:21). Gas flaring has also been linked to a negative influence on agriculture. According to Ibaba's assessment on the environmental impact of gas flaring, there is a 100 percent decrease in the yield of all crops planted around 200 meters away from Izombe station (a flare site). There is a 10% decrease in agricultural yield around 600 meters away, and a 10% loss in crop output approximately one kilometer away. Economic trees, such as oil palm trees and cotton plants, have wilted as a result of the released gas (Ibaba, 2001: 28). Overall, oil drilling in the Niger Delta has put practically all elements ofthe region's communities in jeopardy.

**The Inextricable Link Between Environmental Degradation And Underdevelopment In The Niger Delta Region**

In his analysis of the Niger Delta's underdevelopment problem, Steve Azaiki raised the following issues: "Why has the Niger Delta remained undeveloped for decades, while contributing about 90% of the nation's wealth?" Why have people's lifestyles and living levels remained stagnant for decades? Is there evidence that communities and rural inhabitants in the Niger Delta are progressing out of thezone of underdevelopment? (Azaiki, 2003: 101).

In summarizing the replies to Azaiki's questions, several scholars and environmental professionals have connected the Niger Delta region's underdevelopment to oil extraction and environmental destruction. According to Onweh (1996), Shaw (1998), and Onyige (1996), the underdevelopment of oil- producing villages in the Niger Delta area is a direct result of oil exploration and environmental deterioration in the region. To them, underdevelopment is primarily defined as a lack of social amenities such as piped water, excellent roads, hospitals, schools, and job opportunities. Dum (1999: 40) agreed with the trio, stating that "experience in the area has shown that even when Shell provides these amenities, they only facilitate the exploitation of the communities, as evidenced in the construction of its access roads that link up its various oil and gas fields and not necessarily to develop the host communities." In a similar vein, Osaghe (1995) stated that neglect and underdevelopment are the fate of every community in the Niger Delta area as a result of oil exploration, which has resulted in negative environmental damage.

According to Azaiki (2003), some of the most important challenges impeding development in the Niger Delta area include floods, environmental degradation caused by oil leakage and gas flaring (which contribute to air and water pollution), and the devastation of natural vegetation and wild life. All of the aforementioned characteristics are direct outcomes of the region's oil development. Despite the fact that it is Nigeria's bread basket, the Niger Delta area remains undeveloped in many aspects. Whittington (2001:35) correctly highlighted the region's economic quandary when he noted that the oil region of Nigeria appears to be locked in a time warp, with little significant progress since oil was found 45 years ago. Away from the major cities, there is no real development, no roads, no power, no running water, and no phone service. " Underdevelopment is so severe in the region that the region's youth bear the brunt of the consequences. As a result, many of them have turned to militancy in order to draw national and worldwide attention to their situation. Despite the oil firms' promises to be active in the region's development, the reality is quite the opposite. Whittington observed that "the government and oil firms have benefited by hundreds of billions of dollars since oil was discovered, while most Nigerians residing in the oil producing zone are living in abject poverty." Unemployment is extremely high in the Niger Delta because oil corporations do not hire from the region that produces the oil, but rather from non-oil-producing parts of Nigeria.

In addition, concerns about underdevelopment and unemployment prompted members of the Akwa Ibom House of Assembly to protest Mobil Producing Company in May 2001. Mobil is the leading oil corporation in that section of the Niger Delta, with a significant presence in Eket. I'll end this section by bringing your attention to a remark made during the 1978 World Conference on Environment and Development. Participants at the meeting saw that "the environment and development are inextricably intertwined and cannot be addressed separately." They claim that "development cannot exist on a dwindling environmental resource base; the environment cannot be maintained if growth ignores the cost of environmental devastation. These issues cannot be traced individually by fragmented institutions and policies. They are intertwined ina complicated chain of cause and effect.

**Poverty In The Niger Delta Region**

Charles Booth characterized the poor in his 1880s study of London as "those livingin a battle to attain the basics of existence and make both ends meet." The very poor are defined as "those who live in a situation of chronic want." A poor individual suffers from poverty and social instability. Hunger, insufficient housing, a filthy environment, inadequate health facilities, unemployment, very low life expectancy, and illiteracy all combine to make life an awful hardship for the poor in any society. Poverty is pervasive and complicated. There are several causes. It cannot be weakened or removed with a single strategy. There must be a multifaceted strategy that is sustained and involves the commitment of the entire society. Poverty in Nigeria is one of the signs of the country's decades-long economic crisis, which has had ramifications for the people today. The failure of the post-colonial state, as well as the oil boom of the 1970s, which impacted the global oil market, have been collectively blamed for Nigeria's abysmal poverty.

Other causes that have contributed to the country's poverty are the high rate of unemployment, corruption and looting of the public purse by government officials, the high rate of inflation, and so on. Professor Charles Soludo remarked in 2004 that poverty has persisted in Nigeria, particularly since the 1980s, as a result of economic recession and mismanagement of state money by the governing class, both military and civilian. The inhabitants of the Niger Delta are frequently destitute and pauperized in the midst of the painful poverty that Nigeria is experiencing. While researching the extent and types of poverty in the Niger Delta, According to Aworawo (2000), the Niger Delta's economic realities demonstrate indisputably that poverty is pervasivein the region. According to him, one of the indications of poverty in the region isthe frequent interruption of the people's traditional economy by the actions of international oil firms working there.

As a result, oil leakage frequently causes the contamination of coastal water, which provides fish for humans as well as the cessation of farming operations. Because of this form of economic incapacity, residents of the Niger Delta area now live in terrible health conditions and an environmentally dirty atmosphere, limiting their excellent level of living. Because of the economic and social repercussions of oilexploration in the Niger Delta area, the World Bank lamented in a 1995 study that, despite massive oil reserves, the Niger Delta remained impoverished. In the face of rapid population expansion and significant land restrictions, GNP per capita is less than the national average of US $280. In terms of living standards, the residents of the Niger Delta are among the poorest in Nigeria. According to Nwant (2002), 70% of the population still lives in a rural subsistence existence, which is characterized by a total lack of basic facilities like electricity, pipe-borne water, hospitals, proper housing, and motorable roads.

According to Osuntokun and Onosode (2000), oil has supported Nigeria's economic growth and increased the standard of life of other non-oil-producing areas at the expense of host communities whose natural resources are shipped overseas. Many Nigerian cities have sprung up as a result of the country's oil wealth, while towns and villages in the Niger Delta have become eyesores. Empirical data from earlier studies by researchers verifies the assumption that poverty is a severe economic and social concern in the Niger Delta. What is happening in the Niger Delta region is a clear demonstration that, despite decades of oil exploration in the region, the natives have become poorer and less empowered, contrary to what one would expect based on the experiences of oil countries such as Saudi Arabia and Venezuela, which have learned how to manage the excess wealth generated by oil. Crude oil, being a crucial commodity in this modern age, has ended up impoverishing certain nations, such as Nigeria, that areunable to handle the vast wealth it creates as a result of corruption, selfishness, and greed.

**Theoretical Framework**

The Dependency Theory will be used in this study to better understand the socioeconomic impact of oil exploration in the Niger Delta area as well as the environmental degradation caused by multinational oil firms' activities in this region.

**The Dependency Theory derives from Marxism**

Marxists contend that nations' riches and suffering are the outcomes of a global exploitation process. Third-world underdevelopment, according to the notion, is caused by unequal economic interactions between the affluent north and poor south, rather than cultural backwardness or low technical development. This is the phenomenon described by Andre Gunder Frank as "the development of underdevelopment." The country's problem is not a lack of technological know- how, cultural features favorable to growth, or contemporary institutions, but rather that it has been exploited by the international capitalist system and its particular imperialist agents, both at home and abroad. The penetration of the western capitalist style of operation into underdeveloped nations has resulted in what economists refer to as "growth without development,"as we see now in the Niger Delta region.

In this work, we define "reliance" as a scenario in which the economies of some nations are conditioned by the development and expansion of another economy to which the former is exposed. Dependency theory explains why third-world countries are undeveloped. The theory also focuses on explaining why Third World countries are economically dependent on affluent countries throughout the world. Some political scientists believe that reliance is the product of an unequal relationship in which the weaker party is dominated by the stronger. The idea explains why African countries, in particular, and the developing world in general, are undeveloped. Scholars of dependency theory argue that capitalism's penetration of Africa has resulted in metropolitan-satellite linkages. Johan Galtung's "Centre-Periphery" theory offers a valuable explanation of this topic. The developed states are represented by the center, while the undeveloped states are represented by the periphery. The centre-periphery concept focuses on the interdependence links that exist between the world's poor and wealthy countries. It is suggested that the current industrialized countries arrived at their current status as a result of satellite countries' underdevelopment. The basic line is that dependence theory places a premium on exploitation.

According to Gilpin (1987), the international capitalist economy has a hierarchical structure of dominance between the industrial core [centre] and the dependent periphery. According to the Dependency Theory's "Centre-Periphery" concept, the third world is impoverished because it has been systematically exploited. According to Gilpin, "the Third World's underdevelopment is functionally related to the development of the core, and the modern world system has allowed the advanced core to drain the periphery of its economic surplus, transferring wealth from the less developed capitalist economy through the mechanism of trade and investment" (Gilpin, 1987:62). Although we cannot understate the importance of multinational oil corporations in Nigeria's economy, given that the oil sector alone accounts for approximately 85 percent of the country's foreign income earnings, the Dependency Theory explains the relationship that exists between multinational corporations and the host communities of the Niger Delta. The Dependency Theory will help us comprehend why the oil multinational corporations create so much income from the Niger Delta area's resources for their parent businesses while the region suffers from chronic poverty and environmental degradation. This backs up Rodney's (1972: 29) claim that "there is an exploitation connection that permits capitalism parasites to get fat while impoverishing their dependents."

## Data Collection

Burch et al. (1975:4) define data as the raw elements from which completed items (information) are created. There are two key kinds of data gathering while doing research: primary and secondary forms of data collection. The data generated by the researcher is referred to as the primary source of data gathering. It can take several forms, including direct field measurement, personal observation, surveys, and so on. Secondary data sources are pieces of information that were formally documented prior to the research. Secondary sources are textbooks, journals, magazines, newspaper articles, the internet, and other written works related to the subject area of this study. These are examples of secondary sources. The benefit of secondary data is that it saves time and money by allowing for the intentional and random selection of recorded materials to examine the problem and test the hypothesis. Okorie (2010) (Okorie, 2010:56). This study relied heavily on secondary sources of data collection. The goal of this option is to assist the researcher in producing a fairly balanced report with little prejudice. The researcher was able to assess the current trend of thinking and work on the issue under examination by prominent academics thanks to the use of secondary sources of data collection.

**Data Presentation And Analysis**

This part of section three deals with data presentation and analysis based on the socio-economic effect of oil exploration and environmental degradation on the people of the Niger Delta region. The social and economic effects of oil exploration in the Niger Delta are shown in the following ways:

**High Rate Of Unemployment**

With the destruction of the main source of income and productive activities of the region, one of the economic concerns of the region is the resultant high rate of unemployment (Okon and Egbon, 1999). Most of the farm lands are destroyed and the rivers are polluted, leading to the death of fish, which has thrown most of the farmers and fishermen into confusion and joblessness. The table and the figure below show the unemployment rate in the region compared to the national average.

Table 1
Unemployment Rates by States in the Niger Delta

| States | Urban | Rural |
|---|---|---|
| Abia | 8.70 | 10.8 |
| Akwa Ibom | 29.8 | 37.1 |
| Bayelsa | 20.7 | 24.1 |
| Cross River | 7.30 | 18.3 |
| Delta | 23.5 | 19.0 |
| Edo | 24.0 | 11.8 |
| Imo | 23.8 | 32.8 |
| Ondo | 14.0 | 19.8 |
| Rivers | 27.5 | 35.2 |
| National Average | 19.2 | 23.2 |

Source: Federal Office of Statistical News, 2001

According to the following table and numbers, the core Niger Delta states of Akwa Ibom, Bayelsa, Delta, and Rivers have higher unemployment rates than the national average. The situation is significantly worse in rural regions where the majority of the population lives in riverine areas and the majority of oil exploration and production occurs in these states' rural districts. According to the data, the rural unemployment rate in Akwa Ibom, Bayelsa, and Rivers states is 37.1

percent, 24.1%, and 35.2 percent, respectively, compared to the national average of 23.2 percent. Poverty is the effect of such a widespread unemployment crisis.

**The Poverty Rate is Alarming**

There is a relationship between unemployment and poverty in the Niger Delta area, which is the country's principal source of foreign exchange revenues. Poverty is a major concern in the region, and it cannot be overstated. The environment and people's ways of living greatly accentuate and define the contextual meaning of poverty for a layperson. Poverty is becoming more prevalent in the region. Poverty has become a way of life in the region as a result of economic stagnation, unemployment, starvation, low quality of life, and an unhealthy environment.

Table 2
Incidence of Poverty in the Niger Delta in%

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 | Column 6 |
|---|---|---|---|---|---|
| STATES | 1980 | 1985 | 1992 | 19% | 2004 |
| Edo/Delta | 19.8 | 52.5 | 33.9 | 56.1 | 78.44 |
| C/River/ AkwaIbom | 10.2 | 49.9 | 45.5 | 66.9 | 41.61 |
| Imo/Abia | 14.2 | 33.1 | 49.9 | 56.2 | 49.66 |
| Ondo | 24.9 | 47.3 | 46.6 | 71.6 | 42.15 |
| Rivers/Ba yelsa | 7.2 | 44.4 | 43.4 | 44.3 | 49.07 |

Source: National Bureau of Statistics, 2004

According to the table above, the prevalence of poverty in Edo and Delta states climbed from 19.8 percent in 1980 to 52.4 percent in 1985. It then grew to 78.44 percent in 2004. The situation is nearly the same in other states. In the Cross River/Akwa Ibom States, for example, the figure grew from 10.2 percent in 1980 to 41.9 percent in 1985, more than three times the rise after five years. In the Imo/Abia States, the figure rose from 14.4 percent in 1980 to 33.1 percent in 1985, then to 49.9 percent and 56.2 percent, respectively, in 1992 and 1996. A detailed analysis of the chart indicates that the region's aggregate relative incidence of poverty is worrying and requires action. In a 2006 UNDP study, poverty in the region was defined as those who are unable to pay school fees for their children or satisfy basic necessities such as food, do not have farmland and are unable to produce effectively, and do not have a place to live. In another context, the study defines poverty in the region as being unwell and unable to see a doctor.

## Conclusion

In this research, we have highlighted the damage to the Niger Delta ecosystem as a result of decades of oil production as well as the deep changes that have had a negative impact on local livelihoods and social well-being. The ecosystem in the Niger Delta has deteriorated as a result of oil and gas exploration, resulting in air pollution, water pollution, and land degradation from oil spillage and gas flaring. We further claimed that such destructive operations on the ecosystems of the Niger Delta region's inhabitants, who rely on the environment for a living, have had a variety of cascading impacts on the population. These implications span from economic to social to health-related factors. According to the report, a number of social vices prevalent in the region are direct consequences of the economic ramifications brought about by oil activity. The region is confronted with a slew of environmental issues as well as a variety of socioeconomic restraints that make life difficult for the people who live there.

According to Eteng (1996), the negative impact of petroleum development on the Niger Delta region's ecosystem has resulted in severe land degradation, rapid agricultural decline, fisheries depletion, rampant and destructive oil spillages, continuous gas flaring, and toxic water contamination, among other things. This research established that multinational oil firms' oil exploration and exploitation in the Niger Delta area had wreaked havoc on the region's population since 1958, when commercial amounts of oil were found. The most serious disadvantage of this exploration and utilization is environmental destruction. This problem is evident in situations of water pollution, air pollution, soil degradation, deforestation, and atmospheric changes, among other things, the impacts of which on the region's production and health requirements cannot be assessed. Indeed, the cumulative impact of these issues, which are the product of mismanagement and negligence on the part of the Nigerian government and oil multinational firms, has resulted in poverty.

## Recommendations

The Niger Delta's oil and gas production offers both benefits and drawbacks. While the Federal Government, the rest of Nigeria, and the oil multinational companies appear to have enjoyed greater rewards, the oil and gas producing communities of the Niger Delta area have experienced more difficulties than blessings. Following that, the report argues for best practices in the exploitation of oil resources, as well as environmental concerns based on the principles of sustainable development. International organizations and institutions should join forces with Nigerian civil society to demand a safe environment for oil exploration and extraction. This is especially true considering that the environmental catastrophes caused by the oil sector in the Niger Delta do not just harm Nigeria; they also contribute to global disasters, particularly in the areas of global warming and ozone depletion.

We also advocate an integrated strategy, which is a blend of different development plans based on the effects of oil production in the region. This necessitates the construction of a community-based integrated strategy, which necessitates the collaborative committed efforts of the government, oil multinational firms, and other stakeholders. Government institutions and development interventionist agencies should expedite the process of environmental remediation and ecosystem restoration as soon as possible; strict environmental standards for air, land, and water pollution should be enforced; the Environmental Protection Agency should be strengthened for this task; and there should be a legislative framework and institutions in place to address specific complaints such as oil pollution and gas flaring.

A periodic National Assessment Survey is required to assess the level of poverty in the Niger Delta area. Evidence from such surveys' quantitative and qualitative assessments may then be utilized to inform development programs. The Federal Government must always prioritize an equal share of the oil wealth. Again, because all of the difficulties connected with oil and gas development, from environmental deterioration to the loss of agriculture and marine life, are primarily borne by the region's rural residents, basic facilities for them must be prioritized. As a result, the research suggests that the following development activities be oriented towards rural people: provisions for health and medical services, water supply, energy supply, education, and the construction of decent roads.

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