

Appraisal on Local Content Policy and Sustainable Indigenous Human Capital Development in Nigerian Agip Oil Company (NAOC) In Rivers State

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ABSTRACT

This study is an appraisal of local content policy and sustainable indigenous human capacity development in Nigerian Agip Oil Company. The study adopted four (4) research questions and objectives, as well as four hypotheses. The survey research design was used, with a sample size of 249. The stratified sampling and snowballing sampling were used as sampling techniques method. Data instrument was questionnaire. Hence, the data was analyzed quantitatively. However, simple percentages, mean and standard deviations as well as t-test were used to analyze the quantitative data. The findings showed that there was high level of implementation of the Local Content Policy by NAOC; it showed that there was high level of technical training for Indigenous Staff in Nigerian Agip Oil Company; that more Nigerians are heading managerial positions in NAOC which were previously being occupied by foreigners. Other findings showed that lack of political will, Socioeconomic factors, low level of enforcement of legislation and method of implementation were the challenges that frustrated the implementation of Local Content Act in Nigerian Agip Oil Company in Rivers State. The study amongst others recommended that indigenous people should actively partake in the monitoring process of employment and contracts as this will lead to an increased level of compliance by the Oil and Gas sectors.

KEYWORDS: Local Content Policy, Sustainable Development, Indigenous Human Capacity

INTRODUCTION

Crude oil resources and gas has become the country's economic dependence. Scholars such as Agosto (2003) and Atakpu (2002) pointed that the significance of oil and gas industry to Nigeria economy cannot be overemphasized. Despite this gift of nature, the country is still backwards in terms of human and infrastructural development. Warner's (2007) posit a syndrome called "resource curse", he explained resource curse in relation to oil resource, and lamented that most oil-rich countries have failed to transform their resource into higher living standards and economic sustainability. In a study by Heum et al (2003) cited Ngbuelo (2021) articulated that the Nigeria petroleum industry lacks adequate locally trained experts and skilled manpower that the Nigeria was dominated by foreign workers who generated more jobs for their brothers in the oil sector

because local oil companies were alleged to comprise of less-skilled employees.

Fajana (2005) revealed that the oil and gas sector generates almost 95% of total revenue and 80% of Nigeria's national income. Regrettably, the sector has been dominated by foreign investors which domiciled there companies in the oil and gas sector from outside Nigeria, including equipment used. In the view of Onimode (1983), posited that personnel are imported from Asia and European nations; he added that they are obdurate to sustain transparency in their mode of operation and use of global best practices that would have boosted the efficacy of the industry.

The issue of Local Content is no longer a new issue in our society. Hence, the legal commitment which had transformed in line with recent Local Content Act

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seems to be new. The Nigeria Content Act came into existence in April 2010, as it was signed into law. The legal backing given was to tackle the challenges of lack of full indigenous participation in the sector by Nigerian citizens. According to an NNPC report (2000), it specifies that seventy five percent of supervisory staff, managerial and professionals in the oil and gas sector should be Nigerians. Therefore the Content Act should give leverage to indigenous entrepreneurs to actively participate in the sector.

Hence, Ihua (2010) in Nbguelo (2021) posited that the presence of the local content Act has led to increase in human resource increase in human resource profile of indigenous oil companies. He affirmed that the total skilled workforce was 1,283 in 2006 and in 2010 has risen to 2,735 Nigerians which is approximately 47% increase were experienced in the oil business. He concluded that the local content Act is positively contributing to human capital development in the Nigeria oil and gas industry. Hence, the policy has also promoted local participation in the industry

Local Content Act was enacted as a working policy by Nigerian government. It was policy extrapolation of other developing countries who had related natural resource in building their local economies. The act is geared towards indigenization, which guarantees opportunities to the indigenous companies to actively participate in the oil and gas industry. The policy check is to control capital flight. Chukwu (2018) and Elem and Emeodu (2020) revealed that capital flight retrogress development of a nation. Hence, it is not healthy in the developmental race of the third world nations. It is as a result of this that the Local Content Act encourages the need for human capital development of Nigerians by increasingly employing indigenous manpower/workforce to the oil and gas sector in Nigeria, so as to promote economic growth and development. The emergence of the “Act” has contributed to more opportunities for the indigenous people to participate effectively in oil and gas sector. Given this backdrop, the researcher focused his search light on appraisal of local content policy and sustainable human capacity development in Nigeria AgipOil Company in Rivers State.

Statement of the Problem

Nigeria spends about 10 – 12 billion US Dollar to sustain the oil and gas sector each year to enable them render quality services to her nation. The huge sum of fund released by Nigerian government, majority of the funds are taken abroad while little amount are spent in Nigeria. The huge amount of money sent abroad is due to the claim on the purchase of equipment by the sector, leading to available job

opportunity to the foreigners as against the Nigerians who are supposed to benefit more (Nbguelo, 2021)). For his part, Remlogan (2009) argues that less than 5% of goods and services used in the petroleum industry are sourced locally while about 95% of the yearly expenditure of about 8 billion US dollars goes out of the country through technical services and goods procured outside Nigeria. These factors are reasons given for the enactment of the Nigerian Local Content Act 2010.

Ovadia (2012) study on local content and natural resource government in Nigeria, succinctly put that Local Content Policy will help in providing the needed condition for the improvement of Nigerians in the sector. In a weaker side of it, he lamented that indigenous elites will take-over the benefit of the content and the implication is that the less privilege Nigerians cannot have access to fit in and tap from the contents. According to Obi (2008) whose study was on Local Content in Nigeria, lamented that Local Content Policy may likely fail because of lack of commitment to implement the policy. Warner (2007) pointed that the policy cannot achieve its aim because the policy is institutionally weak. Reacting on this, Ogbeifun (2007) stated that many companies in Nigeria involved in oil and gas businesses are owned by foreigners and some multinational companies uses the local people to get the contract.

Unam (2015) in a study, local content policy, human capital development and sustainable performance in the Nigerian oil & gas industry, examined the extent to which the local content policy has impacted on human capital development and sustainable business performance in the oil and gas sector. The findings show that local content policy had achieved significant success in enhancing the development of human capital which in turn positively influenced business performance of indigenous companies in the oil gas industry in Nigeria. Study by Olakunle (2017) on Nigerian oil and gas industry Content Development Acts and perceived performance impact, revealed that the local content was enacted in 2010 to support local firms and improves the company’s performance. The findings shows that the outcomes have potential implications for positive social change through improved implementation strategies to achieve the objectives of the act.

However, the study found that local value created in the Nigeria oil industry as a consequence of local content policy is lower than the expected target. It recommended that the implementation of the policy needs to be closely monitored to ensure its efficacy towards increasing economic development. Despite the fore-going, many oil and gas companies operating

in our country have welcomed the policy aspiration of Local Content Act through establishing units that addresses Local Content development. Given the availability of studies by scholars on Local Content Act in Nigeria, the researcher will contribute empirically on what has been in existence, by addressing issues on the level of implementations and challenges that affect the effective implementation of the local content act in Rivers State. Therefore, the following research questions were put forth as guides.

1. What is the level of implementation of the Local Content Policy by Nigerian Agip Oil Company as correlate to indigenous human capacity development in Rivers State?
2. What is the level of technical training for indigenous staff and how durable is such training in Nigerian Agip Oil Company?
3. What are the challenges that frustrate the successful implementation of Local Content Act in Nigerian Agip Oil Company?
4. Are there indigenous people heading vital managerial positions since the introduction of the Nigerian Content Act?

Objectives of the Study

The study was guided by the following objectives

1. To investigate the level of implementation of the Local Content Policy by Nigerian Agip Oil Company as correlate to indigenous human capacity development in Rivers State.
2. To examine the level of technical training for indigenous staff and how durable are such training in Nigerian Agip Oil Company.
3. To identify the challenges that can frustrate the successful implementation of the Local Content Act in Nigerian Agip Oil Company.
4. To investigate if more indigenous people are heading vital managerial positions in Nigerian Agip Oil Company.

Hypotheses

1. The more the level of implementation of Local Content Act by Nigerian Agip Oil Company, the lessit correlates to indigenous human capacity development in Rivers State.
2. The more technical training acquired by Nigerian contractors, the less indigenous human capacity increase in Nigerian Agip Oil Company in Rivers State.
3. The more indigenous workers heading vital managerial position in Nigerian Agip Oil Company, the less chances of sustainable indigenous human capital development.

Study Location

Given the difficulty of covering the entire Oil Companies in Rivers State, the study was restricted to one oil-producing company in Rivers State, which is the Nigerian Agip Oil Company (NAOC). Rivers State as a location area of the Nigerian Agip Oil Company (NAOC) is among the 36 states in Nigeria. Rivers State came into existence under Decree No. 14 of 1967 by the General Yakubu Gowon administration on the 27th of May 1967. The state was made up of provinces from the former eastern region of Nigeria. Rivers State has a total area of 11,077 km² (4,277 mi²), with an estimated population of 7,043,800 people in 2015 (<https://www.citypopulation.de/php/nigeria-admin>). Rivers State is located in the delta region (South-South Zone) of Southern Nigeria. Rivers State is constrained on the North by Anambra, Imo, and the Abia States; the South by the Atlantic Ocean, the West by Bayelsa and Delta States; and the East by Akwalbom State. Rivers State has a topography of the fairly flat plain caught in a web of 72 rivers, creeks, and tributaries, creating what Okonny (2002, p.18) denotes to it as 'a water environment'. Foremost of these rivers include New Calabar, Orashi, Bonny, Sombreiro, St. Bartholomew and Santa Barbara. There exists a balance between the sea and the land as Okonny (2002) noted that "the sea is either gaining on the landmass or the land is gaining on the sea." At present, Rivers State is one of the oil and gas-bearing states of Nigeria. Rivers State is among the states in the Niger Delta region that has highly concentrated drilling and oil production activities. The state is the heart of Nigeria's hydrocarbon industry and is responsible for over 48 percent of crude oil produced onshore, and almost 100 percent of the gas currently being exported to several countries in liquid form" (Rivers State Government Bulletin, 2003).

Methodology

This work is survey research. The work used primary source (questionnaire) and secondary sources of data to collect information from the respondents such as published and unpublished materials. Hence, the population of Nigerian Agip Oil Company is put at 5,000 staff. According to NAOC Human Resources Unit (2013) the population is clustered as follow: 1145 direct contract Staff, 1655 staff and third party contract staff consist of 2200 staff. Given 249 sample size, 80 respondents were for direct contract staff, 90 respondents were actual staff and 79 for third party contract staff. Hence, the strata were arranged accordingly as follows: direct contract staff, actual staff and third party contract staff. From these strata, the quota sampling technique was used to estimate figures to each stratum. Therefore, 80 for direct

contract staff, 90 for actual staff and 79 for third-party contract staff. After this, the snowball sampling technique was used to reach the respondents through the help of research assistants. The collected data

were analyzed using simple percentages for bio data, standard deviation for research questions and t-test statistical tool was used to test the hypotheses at 0.005 level of significance.

Data Analysis and Results

Research Question 1: What is the level of implementation of the Local Content Policy by Nigerian Agip Oil Company?

Table 1: Mean and Standard Deviation scores on the staff of NAOC on the level of implementation of the Local Content Policy by NAOC

S/N	Questionnaire Items	NO	MEAN	SD	REMARK
1	Scholarships for higher education are frequently awarded to indigenes by NAOC.	249	3.75	0.53	Accepted
2	Capacity building through improved leadership development training and improved administration training by staff has improved over the years in NAOC.	249	3.44	0.63	Accepted
3	NAOC is frequently training its staff on financial management, marketing, as well as, legal matter to improve their knowledge.	249	3.48	0.62	Accepted
4	Are more indigenous contractors increasingly being engaged by oil companies in the NAOC compared to foreign contractors?	249	3.40	0.91	Accepted
5	More jobs have been created for Nigerians through the award of contracts to indigenous contractors in NAOC.	249	3.60	0.92	Accepted
6	There is an increased level of employment of indigenous employees as well as their training to operate sensitive sectors of the NAOC.	249	3.25	0.84	Accepted
	GRAND MEAN		3.48	0.74	Accepted

Source: Fieldwork (2021).

The above table shows score on staff of NAOC on the level of implementation of the Local Content Policy by NAOC Nigeria. Therefore, item 1 had a mean and standard deviation scores of (M=3.75 & SD=0.53). Item 2 had mean and standard deviation scores of (M=3.44 & SD=0.63). Furthermore, item 3 had mean and standard deviation scores of (M=3.48 & SD=0.62). Also, item 4 had mean and standard deviation scores of (M=3.40 & SD=0.91). Item 4 had mean and standard deviation scores of (M=3.60 & SD=0.92). Furthermore, item 5 had mean and standard deviation scores of (M=3.25 & SD=0.84). Therefore, the mean and SD scores shows that all the items are homogenous and are in support that staff of NAOC has high level of implementation of the Local Content Policy.

Research Question 2: What is the level of technical training for Indigenous Staff and how durable is such training in Nigerian Agip Oil Company?

Table 2 Mean and Standard Deviation scores for level of technical training for Indigenous Staff and how durable is such training in Nigerian Agip Oil Company

S/N	Questionnaire Items	NO	MEAN	SD	REMARK
7	Technical manpower development training of staff of NAOC as well as Nigerians is periodically embarked upon over the years.	249	3.48	0.62	Accepted
8	Staff of NAOC and a few members of their host communities are frequently sent to learn engineering skills, advance knowledge and operational techniques.	249	3.12	0.64	Accepted
9	Nigerians are constantly sent for training to know and upgrade their knowledge in repair and maintenance of oil and gas engineering facilities.	249	3.00	0.74	Accepted
10	Staff of NAOC who have successfully undergone technical training are allowed to practicalize their knowledge in the company and promoted to man such areas.	249	3.43	0.71	Accepted
11	Infrastructural development of NAOC and facility upgrades, are currently done by local contractors.	249	3.25	0.67	Accepted
	Grand Mean		3.25	0.68	Accepted

Source: Fieldwork (2021).

The table above shows scores for level of technical training for Indigenous Staff and how durable such training is in Nigerian Agip Oil Company. Therefore, item 7 had mean and standard deviation scores of (M=3.48 & SD=0.62). Item 8 had mean and standard deviation scores of (M=3.12 & SD=0.64). Furthermore, item 9 had mean and standard deviation scores of (M=3.00 & SD=0.74). Also, item 10 had mean and standard deviation scores of (M=3.43 & SD=0.71). Finally, item 11 had a mean and standard deviation scores of (M=3.25 & SD=0.67). By implication, the mean scores show that all the items are in support that there is a high level of technical training for Indigenous Staff in Nigerian Agip Oil Company

Research Question 3: What are the challenges that frustrate the successful implementation of Local Content Act in Nigerian Agip Oil Company?

Table 3: Mean and Standard Deviation scores on the staff of NAOC on the challenges confronting the successful implementation of the Local Content Act.

S/N	Questionnaire Items	NO	MEAN	SD	REMARK
12	Lack of political will is a vital challenge confronting the successful implementation of the Local Content Act in NAOC.	249	3.24	0.66	Accepted
13	Socio-factors constitute the major impediments to the successful implementation of the local content Act in NAOC.	249	3.14	0.65	Accepted
14	Low level of enforcement of legal legislation is the main challenge confronting the successful implementation of local content act by NAOC.	249	3.17	0.50	Accepted
15	Method of implementation of the Local Content Act adopted by NAOC hampers the implementation of the act.	249	3.27	0.60	Accepted
	Grand Mean		3.20	0.60	Accepted

Source: Fieldwork (2021).

The table above, shows scores on the challenges that frustrate the successful implementation of Local Content Act in Nigerian Agip Oil Company. Therefore, item 12 had mean and standard deviation scores of (M=3.24 & SD=0.66). Item 13 had mean and standard deviation scores of (M=3.14 & SD=0.65). Item 14 had mean and standard deviation scores of (M=3.17 & SD=0.50). Furthermore, item 15 had mean and standard deviation scores of (M=3.27 & SD=0.60). Given the scores, it shows that all the items support that lack of political will, Socio-factors, low level of enforcement of legislation and method of implementation are the challenges that frustrate the successful implementation of Local Content Act in Nigerian AGIP Oil Company. Thus, all the reactions gave an impression that the respondents are homogenous in their response.

Research Question 4: Are there more indigenous people heading vital managerial positions since the introduction of the Nigerian Content Act?

Table 4: Mean and Standard Deviation scores of staff of NAOC on managerial position are controlled by Nigerians since the introduction of the Nigerian Content Act.

S/N	QUESTIONNAIRE ITEMS	NO	MEAN	SD	REMARK
16	Positions of General manager, human resources, finance; as well as engineering which were previous occupied by foreigners in your company are now being headed by Nigerians.	249	3.39	0.53	Accepted
17	Position of production manager in your company which was previously headed by foreigners in the past is now a Nigerian.	249	3.54	0.61	Accepted
18	Position of Engineering Manager in your company which was previously a foreigner is now being given to a Nigerian	249	3.35	0.50	Accepted
19	Position of MD/Country chair that the foreigners occupy in your company is now being occupied by a Nigerian.	249	3.47	0.51	Accepted
20	Position of Reservoir Manager Development in your company that the foreigners head is now being occupied by Nigerians.	249	3.43	0.53	Accepted
	Grand Mean		3.43	0.53	Accepted

Source: Fieldwork (2021).

The table above, it presents that more indigenous people are heading vital managerial positions since the introduction of the Nigerian Content Act. Therefore, item 16 had a mean and standard deviation scores of (M=3.39 & SD=0.53). Item 17 had mean and standard deviation scores of (M=3.54 & SD=0.61). Item 18 had mean and standard deviation scores of (M=3.35 & SD=0.50). Also, Item 19 had mean and standard deviation

scores of (M=3.47 & SD=0.51). Finally, item 20 had mean and standard deviation scores of (M=3.43 & SD=0.53). Given these scores, it indicates that more Nigerians are heading managerial positions in NAOC which were previously being occupied by foreigners.

Test of Hypotheses

Hypothesis 1: The more the level of implementation of Local Content Act by Nigerian Agip Oil Company, the less it correlates to indigenous human capacity development in Rivers State.

Table 5: T-test analysis of the implementation of Local Content Act by Nigerian Agip Oil Company and indigenous human capacity development

Variable	N	Mean	SD	Standard error	DF	Calculated t-value	Critical t-value	Remark
Male	170	3.45	.05851	0.0600	247	3.860	3.523	Significant
Female	79	3.36	.42304	0.3265				

Source: Fieldwork (2021).

The table shows that the calculated t-value is 3.860; while the critical t-value is 3.523 at 0.05 level of significant and at 247 degree of freedom. Since the calculated t-value is greater than the critical t-value, it means that the more the level of implementation of Local Content Act by Nigerian Agip Oil Company, the more it correlates to indigenous human capacity development in Rivers State. Hence, the null hypothesis is rejected. The alternate hypothesis is hereby accepted. This result means that the more the level of implementation of Local Content Act by Nigerian Agip Oil Company, the more it correlates to indigenous human capacity development in Rivers State.

Hypothesis 2: The more technical training acquired by Nigerian contractors, the less indigenous human capacity increase in Nigerian Agip Oil Company in Rivers State.

Table 6: T-test analysis of technical training acquired by Nigerian contractors and capacity increase in Nigerian Agip Oil Company in Rivers State

Variable	N	Mean	SD	Standard error	DF	Calculated t-value	Critical t-value	Remark
Male	170	3.53	.17818	0.01957	247	11.857	10.611	Significant
Female	79	3.23	.26301	0.02131				

Source: Research Fieldwork (2021).

The table shows that the calculated t-value is 11.857 while the critical t-value is 10.611 at 0.05 level of significance and at 247 degrees of freedom. Since the calculated t-value is greater than the critical t-value at 0.05 level of significance, the null hypothesis that the more technical training acquired by Nigerian contractors, the less indigenous human capacity increase in Nigerian Agip Oil Company in Rivers State, is hereby rejected. This indicates that the alternate hypothesis is therefore accepted and means that the more technical training acquired by Nigerian contractors, the more indigenous human capacity increase in Nigerian Agip Oil Company in Rivers State.

Hypothesis 3: The more indigenous workers heading vital managerial position in Nigerian Agip Oil Company, the less chances of sustainable indigenous human capital development.

Table 7: T-test analysis of indigenous workers heading vital managerial position and chances of sustainable indigenous human capital development

Variable	N	Mean	SD	Standard error	DF	Calculated t-value	Critical t-value	Remark
Male	170	3.4682	.12233	.00825	247	12.467	10.632	Significant
Female	79	3.1285	.30858	.02300				

Source: Research Fieldwork (2021).

The table shows that the calculated t-value is 12.467, while the critical t-value is 10.632 at 0.05 level of significance and at 247 degrees of freedom. Since the calculated t-value is greater than the critical t-value at 0.05 level of significance, the null hypothesis that "The more the indigenous workers are heading vital managerial position in Nigerian Agip Oil Company and fewer chances of sustainable indigenous human capital development is rejected. This result shows that the alternate hypothesis is accepted. This result means that the more indigenous workers are heading vital managerial positions in Nigerian Agip Oil Company, the more chances of sustainable indigenous human capital development.

Discussion of findings

Findings of the study revealed that staff are undergoing training in various capacities. Scholarships are being awarded to indigenes too. The findings showed that the level of implementation of the local content by NAOC is higher since the Act was enacted. These findings further buttress the fact that indeed the multinationals are beginning to set up Local content implementation in policy of the federal government of Nigeria. Indigenous contractors are being engaged now more than ever before and this has brought about employment opportunities. This was supported by Hadiza(2013) who pointed that “*Overcoming exclusion of the member of the host communities has been achieved by embarking on community development projects rather than community assistance projects*”. Equally, the above findings are in line with the recommendations of Momoh (2013) in furtherance of this findings, we discovered that the NAOC with the following achievement that has been made in the following areas, human capacity development, infrastructural development, technological transfer, technological transfer, indigenous access ownership. However, the first test of hypothesis adopted the alternate hypothesis. It follows that the more the level of implementation of Local Content Act by Nigerian Agip Oil Company, the more it correlates to indigenous human capacity development in Rivers State. This finding correlates to Ovadia (2013) who pointed that:

if more is done in Nigeria in terms of implementation of the Local Content Act, we can create more jobs for our people, can retain more capacity and more spending in the country, and there will be more impact from the oil and gas industry on the GDP of the country... it will translate and create a linkage to other sectors of the economy and the transferability of the capabilities that are created in the oil and gas industry will begin to impact deeply on the entire National economy.

The implication of this is that Local Content has immense potential to transform the Nigerian economy. By creating jobs and substituting the importation of goods and services within the country. Hence, Nigerian content if allowed in the country can avoid the so-called “resource curse” and reduced capitalist development of the oil and gas sector.

From the findings in the analyses of research question two, the study provided an answer to the question that: one can establish the level of technical training for Indigenous Staff in Nigerian Agip Oil Company? Again, the test of hypothesis two shows that there is a significant relationship between technical training

acquired by Nigerian contractors and capacity increase in Nigerian Agip Oil Company The available statistical tool has been able to help in understanding the past behaviour on local content by multinationals and in determining the rate of growth and the extent and direction of periodic fluctuations. This continuous implementation of local content act has helped to increase the level of skills acquired by indigenous contractors. In fact, the entire process of skill acquisition is largely dependent upon forecasts which in turn are made possible by the analysis of past performances on local content Act implementation. Thus, the study shows that technical manpower development training of staff of NAOC, as well as Nigerians, are periodically embarked upon over the years. Base on the findings, it shows that staff of NAOC and a few members of their host communities are frequently sent to learn engineering skills, advanced knowledge and operational techniques. Furthermore, the findings prove that Nigerians are constantly sent for training to know and upgrade their knowledge in repair and maintenance of oil and gas engineering facilities. Again, in NAOC, Staff who has successfully undergone technical training is allowed to practicalize their knowledge in the company and are promoted to manage such areas. Finally, the findings revealed that the Infrastructural development of NAOC and facility upgrades are currently done by Nigerian contractors. All these were achievable because of the level of training embarked by staff, hence, they are given durable or sustainable positions due to such skills acquired. Thus, the findings are in line with the finding in PTDJ (2013), .as well as section 30 of the Act which states that: where Nigerians are not employed because of their lack of training, the operator shall ensure, to the satisfaction of the Board, that every reasonable effort is made within a reasonable time to supply such training locally or elsewhere and such effort and the procedure for its execution shall be contained in the operators B and T Plan (NCDB, 2010)”.

Thirdly, the findings highlighted the answer to research question three. It revealed the following as the challenges that frustrate the successful implementation of Local Content Act in Nigerian Agip Oil Company: Lack of political will, Socio-factors, Low level of enforcement of legal legislation and the method of implementation of the Local Content Act as adopted by NAOC. Reacting to a low level of enabling law or Low level of enforcement of legal legislation, Jude, and Ernest, (2014) were of the view that NNPC, or the NCDMB that replaced it, has not been able to attain its local content targets not necessarily because of lack of enabling laws to enforce... it is inherent in state. Nigeria is indeed an

oil rentier state. The *retiarism* of the Nigerian state has created a number of consequences, namely a weak administrative capacity or inefficient bureaucracy and a rentier class, imbued with a rentier mentality as well as docile, parasitic, corrupt and complacent political leadership. The end is that it created inefficient state agencies with institutional weaknesses.

Furthermore, with the signing of the Local Content into law in 2010, there has been a progressive increase as revealed by our findings. Speaking on the achievement so far, Ovidia (2014) noted that there is reason to be proud of the achievements of the Local Content so far and to be optimistic about the future. He noted that among the major accomplishments was recognition of the importance of Nigeria's contents among IOCs and openness to switch to local service providers. Reflecting on this note a former group managing director (GMD) of NNPC named Kupolokun noted that "The major thing now is that you can no longer ignore it. It has become something that everyone now knows everyone in the industry must think about our goals in terms of local goods and services. While this is a notable accomplishment, there are many challenges still to be overcome (Ovidia 2014).

Furthermore, with the establishment of the Nigerian Content Development Monitoring Board (NCDMB) as the main regulatory body in the implementation of local content policy, a lot still needs to be done with respect to creating policies that will lead to inter-sectoral linkages from the proper implementations of the policy. This will lead to a spillover effect which will create employment and generate income to boost the local economy. It is important to note that specific institutional constraints and the degree to which this affects managerial decision to fully implement the local content act go a long way to determine success rate in terms of the number of Nigerians that are represented the business value chain of NAOC. Similarly, the same can be said for the agencies enforcing the Local Content Act. For instance, the Nigerian Local Content Monitoring Board (NLCMB) is also constrained by its own internal challenges such as the level of corruption within the agency which makes it easy for the companies to go unsanctioned even when they violate the basic provisions of the Act.

Finally, the result reveals that many indigenous people/Nigerians are heading vital managerial positions in NAOC. Although these findings truly show that since the enactment of the Local Content Act, more Nigerians have occupied key managerial positions and this is proven by the majority of the

respondents who strongly agree to this question. Thus, the study revealed that various Managerial Positions are occupied by Nigerians in NAOC, such as GM Nigeria Operations, Manager Production, Reservoir Manager, GM Human Resources, Manager Engineering, MD/Country chair, GM well Engineering, Manager Development, GM Finance, and HR Manager Nigeria (NAOC personnel records 2014). An extrapolation from the findings shows that since the enactment of the Nigerian Local Content Act in 2010, the above outlined managerial positions that were previously held by expatriates are now being headed by Nigerians in line with section 31(1) of the Act which allows for a succession plan for any positions not held by Nigerians and such plan allows Nigerians to under-study each incumbent expatriate for a maximum period of four years. The study equally discovered that NAOC has now given out these positions to Nigerians.

Conclusion

An extrapolation from the findings in the study, it became clear that the NAOC oil sector that was studied, has significantly improved in terms of the implementation of the local content act. Thus, this has led to advancement in the realization of the primary policy thrust of the Local Content Act. However, the current study has revealed that to achieve the basic tenets of local content policies, it will need important support from major industry players or owners in Nigeria. Drawing from the Brazilian experience, it revealed that the local content act needs measurement, implementation, enforcement as well as engagement of all key personalities that are operating in the oil and gas sector and beyond. Therefore, if a pleasant relationship is created with the multinational Oil and Gas Company in Nigeria, or if the local content act is effectively implemented in tandem with the policy objectives, it will be a major benefit to the indigenous people of Rivers State and Nigeria. Considerably, there is certainty or reliable evidence emanating from the findings of this study which proved that local content act implementation is an important approach towards ensuring sustainable human capital development in Nigeria and beyond.

Recommendations

Based on the findings of this study, the researcher put forth the following recommendations as the way forward to enhance Local Content Act policy to ensure the improvement or sustainability of human capital development in Rivers State and Nigeria.

1. Need for effective implementation of LCA: to ensure effective implementation of the local content policy, it is imperative that multinational companies operating in Nigeria should a matter of

urgency continuously give more scholarship for higher education to Nigerian indigenes, ensuring capacity building through staff training, giving more contracts and employments to Nigerians. This will help to secure more hope with the high claims that guarantee the efficacy of the local content act achievement.

2. Furthermore, the NOAC and other multinationals should carry out technical training of the indigenous staff. This can be achieved through periodic technical manpower development, opportunities for staff to operate in the area they are trained and also ensuring infrastructural development, as well as facilities upgrade, be carried out by local contractors.
3. The study recommends that indigenous people should actively partake in the monitoring process of employment and contracts. When this is actualized, it will lead to an increased level of compliance in the oil and gas sectors. To achieve this, there is a need for a quality implementation approach.
4. There is a need for the government to give support to indigenous companies through the means of funding and tax reduction.

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