
IMPACT OF DANGOTE CEMENT COMPANY ON SOCIO-ECONOMIC DEVELOPMENT OF THE HOST COMMUNITIES IN GBOKO LOCAL GOVERNMENT AREA OF BENUE STATE NIGERIA

BENUE JOURNAL OF SOCIOLOGY Volume 11 Issue 2 December, 2024 ISSN: 2006- 0386 Department of Sociology Benue State University Pg 1151-168
--

Zaatyough, Angohol Joseph

Department of Sociology. University of Abuja- Nigeria

Dewua, Rhoda Ebi

Department of Sociology, Benue State University, Makurdi - Nigeria

Oragbai, Josephine Member

Department of Sociology,
Benue State University, Makurdi - Nigeria

Beeior, Chris Teryila

Department of Agric. Education,
College of Education, Oju, Benue State – Nigeria.

Abstract

This study assessed the Impact of Dangote Cement Company on Socio-economic development of host Communities in Gboko Local Government Area of Benue State. The specific objective of the study includes looking at the various ways the cement company impacted on host communities where it is hosted. The study used both primary and secondary sources of data in examination of the issues. Data was acquired through questionnaire and Key informant interview (KII). The sampled of 360 respondents using multiple sampling procedure. Data was analyzed using the triangulation of quantitative and qualitative data. The study found out that, though the Dangote Cement Company had provided some infrastructural supports to the host communities such as healthcare awareness campaign and free medical outreaches, employment opportunities, road maintenance, educational materials and scholarships for some selected members of the host communities, the interventions were inadequate and inconsistent with the company's CSR policy. Thus, socio – economic impact of the Company on the host communities was moderately significant. The study recommended that the Federal government through Bureau for Public Enterprises (BPE) in conjunction with the state governments should ensure Dangote Cement Company and other similar other similar organizations keep to the terms of engagement with regard to the social and economic benefits of the host communities.

Corresponding Author:

Zaatyough, Angohol Joseph

Keywords: Dangote Cement Company, Socio-economic development, Host Communities.

Introduction

Globally, industrialization has been a major driver of economic growth and development in many countries. The process of industrialization involves the transformation of an economy from a primarily agricultural one to a more industrialized one, with a greater emphasis on manufacturing and service industries which, are often associated with a range of benefits, including increased economic growth, improved living standards, and the creation of new job opportunities. To this ends, repeated calls had been made in both developed and developing countries in support of rural industries, especially, those using bulky materials found in rural environment. Examples of such include, iron smelting industries, cement factories, vegetables and fruit canning industries and so on (Balogun, 2016).

However, industrialization also has a range of negative impacts on the environment and on local communities (Bryant & Bailey, 2017). These impacts can include air and water pollution, the destruction of natural habitats and ecosystems, and the displacement of local communities (Environmental Protection Agency, 2020). In addition, industrialization can also have negative social impacts, including the disruption of traditional ways of life, the erosion of cultural heritage, and the exacerbation of social inequalities (Castles, 2017). Thus, the need to use resources sustainably, which entails producing and protecting the environment, especially, the ozone layer, the ecosystem and human habitations becomes very imperative.

In Nigeria, continuous industrial activities particularly in the cement industry, had led to significant environmental and socio-economic challenges. It could be noted that Nigeria's environment, both urban and rural, has suffered significant depletion of natural resources, leading to diminishing soil fertility, soil erosion, human displacement, extinction of land animals and aquatic species among several other environmental threats that are linked to industrialization. These challenges, according to Ujohet *al*(2014), come to play as a result of the increase in population and the corresponding commercial activities within the affected area.

One of the prime examples of an industrial facility that has had devastating impacts on the host communities is the Dangote Cement Company formerly known as Benue Cement Company (BCC), Gboko which was established in the late 1970s. According to Aondona (2020), Federal Government privatization program of 2000 surrendered BCC to Dangote Industries Plc who purchased larger part (65%) value in the company and assumed control over the administration of the company in 2004.

Despite its economic benefits, the factory's operations have led to environmental degradation, displacement of local communities, and disruption of traditional ways of life. Furthermore, the factory's presence has exacerbated social inequalities, poverty, and unemployment in the region. The economic impacts of the Dangote Cement Factory have also been significant. While the factory has created

some jobs, many of these positions are low-paying and offer poor working conditions. Additionally, the factory's presence has disrupted the local economy, with many small-scale businesses and farmers struggling to compete with the factory's large-scale operations. The problem is further compounded by the lack of effective regulatory frameworks and corporate social responsibility initiatives to mitigate the negative impacts of industrialization. As a result, the host communities are left to bear the brunt of the environmental and socio-economic costs of industrialization.

However, within the last three decades, global concerns accelerated the focus on anthropogenic activities that alter the natural environment during natural resources exploitation and the attendant impact on the physical and social environment. These concerns have translated into adoption of several initiatives at the global, national and local level that will ultimately engender environmental and social sustainability (Ujoh, *et al* 2014). This therefore, indicates that effective resource management and planning is required, to tackle the aforementioned problems which would bring about sustainable environmental/socio-cultural development. Fundamental to this course is the need for social stability, which is expected to drive development and environmental protection of host communities (Arimoro, *et al.*, 2002; Ujoh, *et al.*, 2010a; Ujoh *et al.*, 2011a).

In the light of the foregoing, this study focuses on investigating the impact of Dangote Cement Company on Socio-economic development of host communities in Mbayion, Gboko Local Government Area of Benue State, Nigeria.

Methods

The Dangote Cement Company is situated at Tse-kucha, Mbayion, Gboko Local Government Area of Benue State. The communities playing host to the company are the Tse-Kucha and Tse- Amua of Mbayion District in Gboko, Benue state. The coordinates of the production line is at 7° 24' 42.45" N and 8° 58' 31.28" E, at around 532 feet above mean sea level (Fig 3.1). The study area is situated in a sub-damp tropical locale with mean yearly temperature going from 23°C to 34°C, and is portrayed by two distinct seasons: the dry season happening between December and March; and stormy season happening between April and November. The mean annual precipitation is around 1,370mm. The typical breeze speed over the study region is around 1.50 m/s, while the typical encompassing air temperature is around 30°C (Ujoh *et al*, 2014b).

Agriculture is the main occupation of over 80% of the population in the area with an all-year farming system based on the cultivation of roots, tubers, grains and tree crops as well as livestock rearing and fish farming. Furthermore, some members of the population engage in other livelihood activities like petty trading, hairdressing, tailoring, catering, agribusinesses and roadside hawking etc. The area is richly endowed with both human and natural resources including minerals especially, limestone, which informed the siting of the cement company.

Although the total population of the study area according to **the Population Commission (2022 projected)** was 27,750 people but due to time and other resources

constraints, only 360 respondents were sampled using Taro Yamane's (1967) formula to represent the entire population in this study. The study employed both cluster, systematic and purposive sampling techniques to select respondents. Thus, the Tse – Kucha and Amua communities which host the cement factory formed the clusters of the study. A total of 360 households were systematically selected from the two communities and, in each household, one respondent, preferably, the head of the household was chosen.

Data for this study were sourced using semi-structured questionnaire (SSQ) and Key informant interview (KII) methods. The collected data were analyzed quantitatively and qualitatively. However, secondary data were collected using official documentation and on – line materials.

Results and discussions of findings

Sociodemographic Characteristics of Respondents

The sociodemographic characteristics of the respondents captured in this study include sex, marital status, age, occupation, educational attainment, and income.

Table 1: Socio-demographic Variables Distribution

Variables	Frequency (f) n = 302	Percent (%) % = 100
Sex		
Male	175	57.9
Female	127	42.1
Marital Status		
Single	9	3.0
Married	282	93.4
Divorced/Separated	4	1.3
Widowed	7	2.3
Age Category		
18 - 30 years	44	14.6
31 - 64 years	191	63.2
65 years and above	67	22.2
Educational Attainment		
Primary	65	21.5
Secondary	147	48.7
Tertiary	73	24.2
None	17	5.6
Occupation		
Civil servants	18	6.0
Traders	52	17.2
Famers	172	57.0
Artisans	60	19.8
Annual Income		
<50,000	104	34.4
51,000-100,000	100	33.1
101,000-150,00	53	17.6
151,000-200,000	45	14.9

Source: Field Survey, 2024

Table 1 presents data on various socio-demographic variables as they relate the respondents. In terms of the sex of respondents, the statistical data indicate that 175 (57.9%) respondents were male and 125(42.1%) respondents were female. Data on age also indicated that 44 (14.6%) respondents were within the age bracket of 18–30 years, 191 (63.2%) respondents were between 31 and 64 years, while 67 (22.2%) respondents were greater than 64 years.

In terms of marital status, data showed that 282 (93.4%) respondents were married, 9 (3.0%) respondents were single, 4(1.3%) respondents were separated and /

or divorced, and 7 (2.3%) respondents were widows had widowers. The study also found that 65 (21.5%) respondents acquired only primary education, 17 (5.6%) respondents had no formal education, 147 (48.7%) respondents acquired secondary education, and 73 (24.2%) respondents had tertiary education. Furthermore, the occupational distribution of the respondents depicts that 172 (57%) respondents were farmers, 60 (19.8%) respondents were artisans, 52 (17.2%) respondents were traders while, 18 (6%) respondents were core civil servants.

Finally, the annual income of the respondents, as depicted in Table 1, shows that 104 (34.4%) respondents earn less than NGN 51,000 annually, 100 (33.1%) respondents earn NGN 51,000 to 100,000 annually, 53 (17.6%) respondents earn NGN 101,000 to 150,000 annually, and 45 (14.9%) respondents earn NGN 151,000 to 200,000 annually.

Socio-economic impact analysis of Dangote Cement Company on host communities
Analysis in this section focuses on socio-economic impact of Dangote Cement Company on host communities.

Variables	Frequency (f)	Percent (%)
Agreed.	89	29.4
Strongly agreed.	130	43.4
Neutral	30	9.9
Disagreed	32	10.5
Strongly disagreed	21	6.9
Total	302	100

Source: Field Survey, 2023

Table 2 presents data on the socio-economic impact of Dangote Cement Company on host communities with a critical mean of 3.63 and composite mean of 3.91, which suggests that the respondents are, on average, leaning towards a positive response (i.e., agreed or strongly agreed). Majority of the respondents (43.4%) strongly agreed that their livelihood had improved as a result of the presence of Dangote Cement Company in their community.

Corroborating the findings from the survey, a 37 years old, male key informant from Tse-Amua maintained thus:

I have a feeling that there has been economic improvement of the people as a result of the activities of the Dangote cement company. The jobs it has provided for some of our members though low - profile; the business opportunities some of them now have certainly serve for an improved livelihood. So yes, Dangote Cement company's presence in our area is not a complete doom as far as economic grow this concerned (KII, 2024).

Furthermore, a 40 - year – old female respondent in Tse – Kucha Market

opined that:

The operations of the Dangote Cement Company had provided short – term unskilled and semi – skilled employment opportunities for our members even for some people in the community that did not have higher educational attainment. Our young men and women who could not get direct employment from the company, usually engage in small – scale businesses around the company to sell their goods and earn a living. As you can see, I used to make good sales here, without which, I would have found it difficult to assist my husband to train our children in school or cater for their basic human needs. Anytime the company stops its operations, we used to feel the impact on our businesses because our customers are mostly company workers and marketers (KII, 2024).

However, a 42-year-old, Male, key informant from Tse – Kucha also has this to say:

The Dangote company has cared less about our well – being as compare to the time that it was BCC. Though the Dangote company has provided some few amenities for our community and few job positions, they are not commensurate to the level of damages our communities had experienced over time as a result of the Company's operations. It is sad to let you know that; the cement dust contaminates our water bodies thereby, rendering them unusable especially for drinking and cooking purposes. It has also affected the production of our main cash crops including the perennial ones like mangoes, oranges and cashews, which used to be our major source of income. You will also see it yourself that the air around this area is not safe for our health but we have no choice, where can we go? Or what can we do? All these hazards have come to stay with us as result of the presence and operations of the Cement Company situated here. In short, the company has not done enough to improve our social and economic well – beings (KII, 2024).

The high proportion of respondents who agreed and strongly agreed that the company has improved their livelihood implies that the company might have contributed to income generation in the community. This is likely due to employment opportunities, both direct and indirect, created by the company. As a result, the company's presence might have helped in reducing poverty levels in the community, which is consistent with the notion that industrial activities can contribute to poverty reduction by creating employment opportunities and increasing household incomes.

However, it is worth noting that 10.5% of the respondents disagreed, and 6.9% strongly disagreed respectively, indicating that not all community members have benefited equally from the company's presence. This may indicate underlying issues of inequality and exclusion, which can perpetuate poverty and social unrest. Furthermore, the community's reliance on Dangote Cement Company as a source of employment and income as maintained by one of the key informants, may create

vulnerability to economic shocks if the company experiences downturns or ceases operations. This highlights the need for economic diversification to reduce dependence on a single industry.

Additionally, the cement industry is known to have environmental and health implications, such as air and water pollution, which may affect the community's quality of life and perpetuate health problems. Therefore, it is essential to address these concerns through effective regulations and standards that mitigate the negative impacts of the industry. To promote sustainable development and ensure that the community benefits from the company's presence, it is crucial to foster regular engagement between Dangote Cement Company, community leaders, and residents. This will help address concerns, share benefits, and promote local content and participation in the industry. By doing so, the company can contribute to the socio-economic development of the host communities while minimizing its negative impacts.

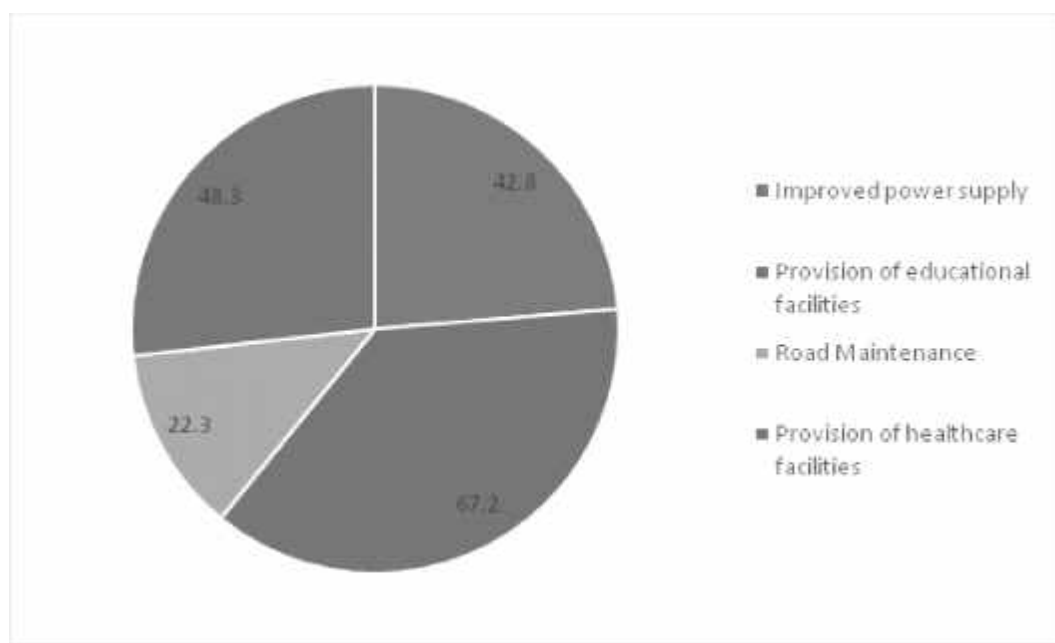


Figure 1: Percentage Infrastructural Facilities Provided by Dangote Cement Company

Further findings on the nature of infrastructural facilities provided by the Dangote Cement Company to host communities that might be linked to their socio-economic well-being indicated that the company had provided some educational facilities (67.2%), health care services (48.3%), electricity supply (42.8%) and had also helped in road maintenance (22.3%).

Corroborating the findings from field survey, a 51-year-old male key informant who doubled as a staff of the Dangote company maintained thus:

The company normally gives back to the host communities as a

commitment to her corporate social responsibilities (CSR). Most of the youths working in the company are members of the community, the company management have also contributed to educational and healthcare development by building facilities to that effect (KII, 2024).

However, a 30 – year – old key informant at Tse – Kucha community described the intervention of the company as “less effective, inconsistent and inconsequential. In the words of this respondent:

The interventions of Dangote cement company here do not target at our communities as primary beneficiaries, rather, the company itself is the direct beneficiary. Is it road, clinic or electricity? They are all to the company's benefit, not the community per se. In fact, if you look carefully, the company has not even provided for the damages it has caused on the road and even our health conditions. To me, Dangote company has not done enough in giving back to the communities, which it has so much exploited over some decades (KII, 2024).

The provision of infrastructural facilities by Dangote Cement Company to the host communities as displayed above might have yielded a positive impact on the socio-economic well-being, but majority of the respondents have expressed dissatisfaction with the company's socio-economic interventions. The data shows that only 67.2% of respondents acknowledged the provision of educational facilities, 48.3% recognized healthcare services, 42.8% acknowledged electricity supply, and 22.3% recognized road maintenance efforts. The composite mean score of 2.63 indicates a moderate level of dissatisfaction, while the standard deviation of 1.41 suggests significant variability in responses. These statistics suggest that while some community members appreciate the company's efforts, many others remain dissatisfied with the overall impact of Dangote Cement Company's interventions. Thus, there is still need for the company to improve, particularly in areas like healthcare services, electricity supply, supply of portable water, environmental management and road maintenance. To this regard, the company ought to consider prioritizing investments in these areas and engaging further with the community to better understand their needs and priorities.

In terms of healthcare services which is acknowledged as the most essential resource among humans, findings of the study further revealed that the company had intervened significantly in the provision of health facilities, free medical treatments and routine medical outreaches.

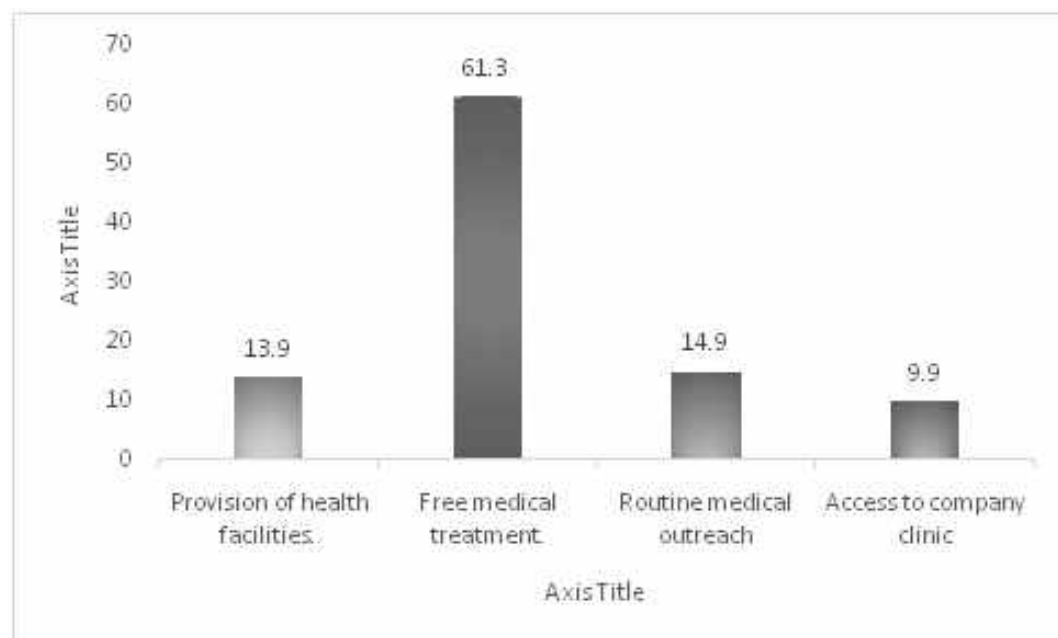


Figure 2: Provision of Health Care Services by Dangote Cement Company

Information in Figure 2 indicates that the provision of healthcare services by Dangote Cement Company has been found to be inadequate, as evidenced by the low percentages of respondents acknowledging various healthcare services. Specifically, the provision of health facilities was recognized by only 13.9% of respondents, indicating a significant gap in healthcare infrastructure. Furthermore, while 61.3% of respondents acknowledged free medical treatment, this percentage is somewhat offset by the low outcomes in other healthcare services, including routine medical outreach (14.9%) and access to the company's clinic (9.9%). The composite mean score of 2.49 and standard deviation of 1.63 indicate a moderately high level of dissatisfaction with the provision of healthcare services, suggesting that Dangote Cement Company's healthcare initiatives may not be meeting the needs of the host communities, hence, a need for improvement and expansion of these services.

Qualitative data gathered from the key informants also revealed that the company's intervention in the area of healthcare services had not significantly improved the health conditions of the host communities. According to a 32-year-old key informant:

The company had not been living up to our expectations as it used to be in the days of BCC. The planned interventions in the area of our health have not materialize yet. What I can say we about the company's health intervention is that it is promise or dream that has not been actualized. When the company upgraded its health facility, we thought it would serve both staff and the locals but it is otherwise. The company's health Centre is strictly for the company's workers only (KII, 2024).

In the light of the foregoing, it could be deduced therefore that the company had actually provided some infrastructural supports to the host communities in terms of healthcare awareness campaign and free medical outreaches, employment opportunities, road maintenance, provision of educational materials and scholarships for some selected members of the host communities but these interventions were adjudged by the majority of the respondents as inadequate and inconsistent with the company's CSR policy. Dangote Cement Company's corporate social responsibility efforts towards its host communities have been inadequate and insufficient, falling short of meeting the communities' needs and expectations. While the company has made some contributions to the communities, the provisions of infrastructural facilities, healthcare services, and other socio-economic benefits have been limited, inconsistent, and inconsequential, thereby undermining the company's socio – economic impacts.

Conclusion

This study was carried out to assess the impact of Dangote Cement Company on socio-economic development of host communities in Mbayion, Gboko Local Government area of the state. The study concludes that the socio-economic impact of Dangote Cement Company on its host communities is a complex phenomenon that warrants nuanced consideration. While the company's presence has contributed to income generation and poverty reduction through employment opportunities and increased household incomes, there are underlying issues of inequality and exclusion that need to be addressed. The disparities in respondents' perceptions of the company's impact, with 43.4% strongly agreeing that their livelihood had improved, while 10.5% disagreed and 6.9% strongly disagreed, highlight the need for a more equitable distribution of benefits.

The company's provision of infrastructural facilities, including educational facilities, healthcare services, electricity supply, and road maintenance, has been found to be inadequate, with mean scores indicating a moderate level of dissatisfaction. Specifically, the provision of healthcare services, which is a critical component of socio-economic development, has been particularly insufficient, with low percentages of respondents acknowledging various healthcare services. These findings underscore the need for the company to prioritize investments in these areas and engage further with the community to better understand their needs and priorities.

To promote sustainable development and ensure that the community benefits from the company's presence, it is crucial to foster regular engagement between Dangote Cement Company, community leaders, and residents. This engagement should focus on addressing the underlying issues of inequality and exclusion, improving the provision of infrastructural facilities, and enhancing the overall quality of life in the host communities. By adopting a more inclusive and sustainable approach to its operations, Dangote Cement Company can contribute to the socio-economic development of its host communities while minimizing its negative impacts.

Recommendations

The study recommends therefore that the Federal government through the Bureau for Public Enterprises (BPE) in conjunction with the state government should ensure that Dangote Cement Company Plc and other similar organizations keep to the terms of engagement from takeover (privatization) of the company with regard to the socio- economic benefits of the host communities, where the factory is sited- by meeting the world Bank acceptable standard as follows;

- Create skilled jobs such as electricians, mechanics, porters and drivers to the locals in the host communities where the factory is located;
- 1. Provides basic amenities such as electricity, pipe born water, and good roads in the rural communities hosting the factory;
- 2. Engage the host communities in welfare packages such as housing schemes, and soft loans to improve their livelihood;
- 3. Re-open the company clinic to the general public/ members of the host communities at affordable rate and should continue with the routine yearly medical outreach as when the company was BCC under the Benue State Government.
- 4. Expand the security network to cover the communities to give them a sense of belonging as in the case of BCC.

REFERENCES

- Akpen, E. (2020). *An Appraisal of the Socio-Economic Impact of Privatization on Rural Communities in Nigeria: A Focus on Benue Cement Company Gboko* (Dangote Cement Plc).
- Akpofure, E. (2017). The Impact of Dangote Cement Factory on the Environment and Livelihoods of Host Communities in Gboko, Benue State, Nigeria. *Journal of Sustainable Development*, 10(3), 1-12.
- Aondona, A.A. (2020). *An Appraisal of the Socio-economic impact of privatization on rural communities in Nigeria: A Focus on Benue Cement Company Gboko* (Dangote Cement PLC).
- Arimoro, F.O., Chukwujindu, M. A., & Benedicta, O. E (2002). *Effects of cassava effluent on Benthic macroinvertebrate Assemblages in a Tropical Stream in Southern Nigeria*. Published online: 23 Jul 2012
- Balogun, E. S. (2016). *An Assessment of the Impact of Obajana Cement factory on the Social- Economic Development of Obajana, Kogi State Nigeria*. Unpublished masters' thesis from the Department of Geography Amadu Bello University Zaria
- Bryant, R. L., & Bailey, S. (2017). *Third World Political Ecology*. Routledge.
- Castles, S. (2017). International Migration and the Nation-State. *Journal of Ethnic and Migration Studies*, 43(1), 3-15.
- Environmental Protection Agency. (2020). *Environmental Impact Assessment of the Dangote Cement Factory in Gboko, Benue State*.
- Ujoh, F. & Ujoh, F. T. (2014b). *Multi-temporal change detection at a limestone mining and cement production facility in Central Nigeria*. *American Journal of Environmental Protection* 2014;3(3):113121 Published online June 10, 2014 (<http://www.sciencepublishinggroup.com/j/ajep>) doi:10.11648/j.ajep.20140303.12
- Ujoh, F. Ifatimehin, O.O (2010a). *Understanding Urban Sprawl in the Federal Capital City, Abuja: Towards Sustainable Urbanization in Nigeria*. *Journal of Geography and Regional Planning*, May 2010. 3. (5):106-113
- Ujoh, F. & Ujoh, F.T. (2014a). *Appraisal of social and health impact of a cement plant at host communities in Yandev, Nigeria*. *Science Journal of Public Health*. Vol. 2, No. 4, pp. 275-283. DOI: 10.11648/j.sjph.20140204.15

Ujoh, F., Ifatimehin, O.O. & Kwabe, I.D. (2011a). Urban and Vegetation Cover loss in and around Nigeria's Federal Capital City. February 2011. 3(1):1-10

World Bank. (2019). World Development Indicators. World Bank Publications.