

# **DIJAH**

**Dynamic International Journal of Arts and Humanities: Department of History and Diplomatic Studies, Ignatius Ajuru University of Education Rumuolumeni, Port Harcourt, Rivers State**

**Volume 1, Number 1, 2021**

**ISSN: 2814-0907**

## **An Evaluation of International Oil Companies (IOC's) Attempts to Develop the Niger Delta Region since the 1970's**

Dr Nwachukwu, Felix Okechukwu , Department Of History and  
International Relations, Abia State University, Uturu.

&

Dr. Agomuo, Kevin Obinna, Department of History and  
International Relations, Abia State University, Uturu.

### **Abstract**

This paper is an assessment of international oil companies' contributions in the development of Niger Delta region. It provides evident steps taking by international oil companies in Nigeria towards the development of Niger Delta region. The paper adopts both primary and secondary sources, using content analysis and in line with historical research methodology, this paper evaluates the contributions of International Oil Companies in the attempts to develop the Niger Delta Region of Nigeria. The approach taken by oil companies have evolved from an initial focus on corporate philanthropy to a more

sustainable and long-term strategy with increasing emphasis on community development involvement. It is observed that International Oil Companies have invested extensively towards the development of the Niger Delta Region in particular. This paper presents case studies on the contributions of the International Oil Companies, as well as general commentary on other oil corporations operating in Nigeria in relation to their community development activities. It concludes that, to some extents, the problem of underdevelopment in the Niger Delta is not a responsibility of the IOC's alone and went further to list existing selected developmental programs of International Oil Companies in the Niger Delta, financial contributions the oil companies have made to the region as well as International Oil Company community relations impact on Niger Delta Region.

**Keywords:** Niger Delta; International Oil Companies; Oil Producing Communities; Development;

## **Introduction**

International Oil Companies constitute the wealthiest and most powerful corporations in the world. Between them, they control most of the earth's proven and potential oil reserves, and have power over the upstream and downstream sectors of global oil industry.<sup>1</sup> According to the website of shell, ExxonMobil and Chevron Texaco, in 2003 they reported net incomes valued at \$12 699 billion<sup>2</sup> \$21 510 billion Exxonmobil, 'Exxon Mobil corporation Net',<sup>3</sup> and \$7.2 billion Chevron Texaco, '2003, One of the Best Years Ever',<sup>4</sup> respectively. Therefore in today's world, international oil companies have, through mergers, become more powerful mega corporations with greater control over all aspects of global oil industry. Thus, in a rentier country such as Nigeria in particular, which depends greatly more on oil revenue than on taxes from citizens, it has proven nearly impossible for Niger Delta communities to hold only the Federal Government accountable for their local development. Suffice to say, from 1970, the dynamics of Nigeria's economy changed as a result of the activities of the International Oil Companies, as average oil production extracted from the Niger Delta rose to 1.08million barrels per day, heralding a new era of Crude-driven government earnings. Despite the rise in oil production, Crude prices at \$3.407 in 1970; oil revenue was a mere 26.2% of total \$3.407 federally-collected revenue, which rose from N448.8mn in 1970 to N1.4bn as at 1972.<sup>5</sup> In 1973 for example, the start of the Arab Oil Crisis made the price of Crude

quadruple, from \$4.73 in 1973 to \$12.21 per barrel in 1975. By the end of 1975, it was evident that Nigeria was willing to let Crude take the lead, with Oil accounting for 77.5% of Government revenue. According to a Central Bank Report, the influence of this hitherto relatively insignificant hydrocarbon resource suddenly grew within a decade, as global interest in the oil and gas sector skyrocketed.<sup>6</sup> Thus the aspiration for greater “resource control” is often channeled into expectations that oil companies should provide public goods and economic opportunity directly to communities in order to gain a social license to operate.

The objective of this study is that International Oil Companies have not only made surplus income from Nigeria, where they are doing businesses, but that International Oil Companies have also invested extensively towards the development of the Niger Delta in particular. Under the year 2000 Memorandum of Understanding signed by the Joint Ventures and the Federal Government, the participating companies pay the central government a Petroleum Profit Tax of 85 percent and royalties between 16.35 and 20 percent of the official selling price. The non-NNPC shareholders are also guaranteed a minimum fixed margin of \$2.50 per barrel. For example, the Shell Petroleum Development Company (SPDC) calculates that on a barrel of oil priced at \$60 the government receives 95 percent of the returns in the form of taxes, royalties and equity share.<sup>7</sup>

As elsewhere, oil companies in the Niger Delta are businesses, and their main concern is to make a profit from the

extraction of oil and gas. Corporate social and environmental responsibility can be seen as an investment in their future operations and a means of acquiring a local “social license to operate.” As in many countries, International oil companies in Nigerian and other private firms are only expected to make an active contribution to local communities, not as a mandatory duty. Although according to Frynas, Corporate responsibility is understood not as philanthropy, but as an obligation and one of the costs of doing business,<sup>8</sup> in the case of the Niger Delta, International Oil Companies in a bid to complement efforts of government, they also provide adequately for the security and development of citizens.<sup>9</sup> Find below, selected examples of strategic corporate development partnerships provided by international oil companies, government agencies and development partners directed at the development of the Niger Delta Region.

#### **Developmental Projects and Programs of International Oil Companies**

Table 1. List of existing selected developmental programs of IOC's, Federal Government and Partners.

Company	Partners	Year	Location	Project Description
NAOC	International Institute for Tropical Agriculture (IITA); other Nigerian Agricultural Research Institutes; State Governments; Central Bank (loans);Ngo: Community Development Foundation.	1987 ongoing	Bayelsa, Rivers, Delta states (14 locations)	Green River Project (GRP) A sustainable integrated food production system: land management; high yield, disease-resistant seed varieties; fish farming; co-operatives; micro-credit; and food processing centers. Burma Rice Farm Project: Bayelsa In 2000, the project expanded into the swamp areas of Bayelsa

				State for large-scale rice-production.
Chevron CNL	USAID (GDA)	2009	Community clusters served by Regional Development Councils (RDC's)	Advocacy, Awareness, and Civic Empowerment program. Strengthening the governance, LGA engagement, and effectiveness of the RDCs managing GMOU trusts.
EXXONMOBIL (MPNU) \$50m	UNDP- \$20m; Akwa-Ibom State - \$15m	2002	14 communities in Akwa-Ibom near Eket terminal	Integrated Community Development Project Included a variety of local initiatives such as commercial rice farming. Not all have been completed.
EXXONMOBIL (Mobil Liquefied Petroleum Gas Plant); Nigerian Liquefied Natural Gas (NLNG); Shell (SPDC)	Merck Sharp and Dohme; Bonny Kingdom; USG; PEPFAR	2006	Bonny Island. Rivers State hosts the Shell Bonny Export Terminal, the Mobil LPG plant, and the NLNG Plant.	Ibani-se HIV/AIDS Initiative The public-private partnership provides education about transmission and prevention, as well as anti-retroviral treatment. The initiative is strongly supported by a local committee of leaders and community members.
Frontier Oil and Gas and Gulf of Guinea Energy	Pro-Natural Intl Nigeria	2007	Eket and Esit Eket Local Governments, Akwa-Ibom State	Eket Community Development Foundation Esit Eket Community Development Foundation Initial PRAs, institutionalization, and planning phases completed.

IOC's	Federal Government: National Youth Service Corps (NYSC)	1980's onward	Operating areas	NYSC is a mandatory one-year youth service required of all university graduates. IOCs sponsored youth corps to teach science, math, and other technical subjects in local secondary schools.
SHELL (SPDC) \$7.5m (Follow-on 7.5m)	USAID(GDA) -- \$2.5m IITA—\$1.3m in-kind (Follow-on: USAID \$2.5m)	2003 – 2009 (Follow-on extended to 2012)	Operating areas	Cassava Enterprise Development Program Seeks to increase economic opportunities of cassava farmers across the Niger Delta through competitive production, processing, marketing, and enterprise development. Follow-on to 2012 will include fish farming.
SHELL (SPDC) \$14m	UNDP \$4m	2004	Regional. Focus: Rivers, Bayelsa, Delta States	Integrated Regional Development Support to democratic governance, poverty reduction, HIV/AIDS, energy and environment, and gender. Niger Delta Human Development Report (UNDP 2006)

The exploitation of oil industry is done under a Joint Venture Agreement between the International Oil Companies and the

Nigerian government. It was formerly 60% for Nigeria and 40% for the multinational corporations.<sup>11</sup> However, in pursuit of an agenda to achieve technological transfer, impact the host communities positively and to build local capacity for operations in the Oil and Gas Sector, the Federal Government on 12th December, 2003, presented its economic reforms agenda as it relates to the transformation of the oil and gas industry. One of the main objectives of the agenda was the quick transformation of Nigerian Petroleum Development Company (NPDC) a subsidiary of NNPC to an efficient and virile Company. Towards the realization of this goal, Chevron Nigeria Limited (CNL) and Shell Petroleum Development Company (SPDC) were selected to operate now under a 57% for Nigeria and 43% for the oil companies.<sup>12</sup>

The multinationals receive a share of 43% of crude oil production per day. For example, 95% of Shell Petroleum Development Company's revenue after cost, an estimated \$7.34 billion in 2010, flows through to the government via Nigerian National Petroleum Corporation (NNPC) and Shell Petroleum Development Company (SPDC). The remainder is shared between Shell and the other Shell Petroleum Development Company (SPDC) partners. In addition, Mutiu Sunmonu, stated that SPDC paid some \$31 billion in taxes to the Nigerian government between 2006 and 2010, while its offshore subsidiary Shell Nigeria Exploration Petroleum Company (SNEPCo) paid roughly \$3.8 billion in federal taxes during the same period.<sup>13</sup> In November



2003, Shell entered into a memorandum of understanding (MOU) with United States Agency for International Development (USAID) to develop projects in the Niger Delta.<sup>14</sup> This is a \$20 million Nigerian Development Programme with Shell contributing \$15 million over the next five years to the partnership and USAID contributing \$5 million.<sup>15</sup> Sir Philip Watts, former Chairman of the Committee of Managing Directors of the Royal Dutch/Shell Group of Companies, on the day of the announcement of the partnership stated:

Shell already spends about \$60 million annually in the Niger Delta on its well-established social investment program. I am proud that Shell will now be able to extend this important work with this partnership with USAID. I am confident that our program together will make a significant contribution to socio-economic development in Nigeria and in the Niger Delta in particular.<sup>16</sup>

Another area the International Oil Companies have contributed towards the development of the Niger region is in the area of agriculture. Shell introduced the Cassava Enterprise Development Project (CEDP), CEDP is an initiative whose goal is to provide income for cassava farmers in eleven Nigerian states by increasing production, expanding post-harvest, value added processing, and identifying commercial markets for cassava.<sup>17</sup> The initial funding under this MOU of \$3 million in addition to the USAID Nigerian Mission's investment of \$1.2million to CEDP for 2003 is already funded.<sup>18</sup>

## International Oil Companies' in Nigeria

Among the international oil companies operating in Nigeria are the following;

Table 2. Major Oil and Gas Companies in the Niger Delta

Major (Entry)/ Production	Operator/ Est. Av.	Principal companies	Operations and Community Footprint	History: Status of Shut-Ins as of January 2008 (bpd)
EXXONMOBIL ExxonMobil (1955) 620,000 bpd		Mobil Producing Nigeria Unlimited (JV-MPNU) Esso Exploration and Production Nigeria Limited (PSC - EEPNL)	No onshore Production. Produces around 720,000 barrels a day of crude, condensate, and natural gas liquids from 90 Offshore wells Near offshore: Qua Iboe platform Communities: Eket and Akwa Ibom LGAs Deep offshore: Erha, Usan, Boli, etc.	Nil
ROYAL DUTCH/SHELL (1937) 510,000 bpd NLNG: Processes 3 BCFD 18 of gas		Shell Petroleum Development Company (JV-SPDC) Shell Nigeria Exploration And	Produces around 630,000 barrels a day of crude, condensate, natural gas liquids	<b>Onshore:</b> Forcados 280,000 since Feb. 2006

	Production Company (PSC-SNEPCO) Nigeria Liquefied Natural Gas (JV-NLNG)	(drop from 1 million in April 2006) Onshore: SPDC: Production area of 31, 000 km2 in Abia, Akwa Ibom, Bayelsa, Delta, Edo, Imo, Rivers Communities: 1,200 Near Offshore: eafield Bonga: Deep Offshore NLNG Communities: Bonny Island, Finima	<b>EA:</b> Shallow offshore SNEPCO 115,000 from Feb. 2006 Bonga Deep offshore <b>Field:</b> 19 June 2008: failed men D attack
CHEVRON (1961) Merged with Texaco in 2001 500,000 bpd	CHEVRON Nigeria, Limited (JV-CNL), and Texaco Overseas Petroleum Co, Nigeria (JV-TOPCON) PSC: Chevron Agbami	One-third of operations are onshore. First offshore discoveries in 1963 Onshore: Bayelsa, Delta, Edo, Ondo, Rivers Communities: 425 Deep Offshore: Agbami field began July 2008	Escravos (chevron) 70,000 since 2003 Pennington (Texaco) 20,000 since mid-2007
TOTAL (ELF) (1962—as ELF) Total merged with ELF in 2000 300,000 bpd	Totale & P Nigeria Limited (JV-TEPNG) Formerly: Elf Petroleum Nigeria Limited (EPNL) Total Upstream Petroleum Nigeria Ltd. (JV- TUPNI)	Onshore communities: Delta: 7, Rivers: 14 Coastline Rivers: 4 LGAs, Pipeline communities: Akwa Ibom: 20 Offshore: fields Amenam/Kpono Deep offshore: Akpo, Usan fields	Affected by shut-ins of partner projects
ENI S.P.A (AGIP) (1962) 150,000 bpd	Nigerian Agip Oil Company (JV-NAOC), a subsidiary	Onshore: Four fields in Bayelsa, Rivers,	40,000 as of April 2007
	of Eni Other: Nig. Agip Energy and Natural Resources (PSC- AENR) and Nig. Agip Exploration (PSC- NAE)	Delta, Imo, and offshore fields. Participates Communities: 300 Offshore: AENR, NAE	

**Source:**<sup>19</sup> P. Francis, D. Lapin and P. Rossiasco, 2011, 84 -85.

Shell, Mobil, American Chevron, Agip, Total-Elf, and Texaco are a few of the major oil companies in partnership with the Nigerian National Petroleum Corporation (NNPC). Prior to the 1990s, an indigene of Ikwere in River State, Chima Amasiri, accepted that,

International Oil Companies development assistance programmes already existed, but were for the most part rooted in the immediate needs of the business, for example, providing scholarships, a selfish driven form of road construction and employment of local hired labour.<sup>20</sup>

Heightened security threats in the region from the 1990s onwards have pushed oil companies to constantly re-evaluate both community development and security strategies<sup>21</sup>

An independent opinion poll survey undertaken in 2009 showed that communities in the Niger Delta prefer to manage their development through community-driven structures that assure community-based planning and greater local empowerment.<sup>22</sup> Thus in 2004, sequel to the devastating “Warri Wars” in Delta State, and serious losses in oil production, Chevron adapted the sort after bottom-up, community-driven approach to a new model that established regional trusts covered by the multi-community agreements known as “Global Memoranda of Understanding”. These structures created federations of communities that focused efforts on coordinating projects to meet long-term goals. The Company established eight federations on an ethnic basis managed by “Regional Development Councils” covering 850,000 people in

425 communities in five states.<sup>23</sup> Similarly, Shell realizing the efficiency of the model, announced in 2006 plans for 67 similar structures clustering 1,200 communities under “Community Development Boards.”<sup>24</sup>

In 1996, chevron allocated about \$3m to community projects. By 2007, its social investment rose to \$26m for its own development projects and \$30m as statutory payment to the NDDC (chevron 2007). A typical community trust under the chevron GMOU model is likely to receive as much as \$2.5m a year in funds placed under management by the local regional Development council.<sup>25</sup> for Shell Company, the total spent on community development by companies operated by Shell in 1996 was around \$22m. By 2006, Shell companies were contributing \$53m to fund their own community projects and \$76m as a statutory 3% payment to the NDDC contributions in 2009 were \$58m and \$157m respectively, with an additional \$45m paid to the Nigeria education Fund. In 2009, the oil industry collectively contributed \$300m to the NDDC,<sup>26</sup> and with increased production following the amnesty this figure has risen fairly.

The oil producing communities observation is that the International Oil Companies should play a more essential role in the development of the Niger Delta, and that it is still their duty to remediate their environment and develop their host communities for the purposes of social responsibilities, reparations, as well as economic and political stabilization in the interest of further development.<sup>27</sup> But against this perception, the International Oil

Companies have come out to say that environmental pollution in the region is not entirely their cause, according to Mutiu Sunmonu, “Seventy-five percent of oil spill incidents have been caused by third-party interference such as sabotage and oil theft, however; a large majority are the result of oil theft and piracy, according to Shell, “The bulk of the spills in the Delta are due to criminal acts,”.<sup>28</sup>

We are committed to cleaning up the spill related to our facilities regardless of the cause. Our quality of clean up is very high, and it is in accordance with very strict government regulations and Shell standards, which are comparable to other places in Europe and America. We have always achieved our goal of restoring impacted sites to their natural state in the fastest possible way and by so doing we are able to minimize impact on local livelihoods.<sup>29</sup>

For the emphasis, at some point, the International Oil Companies have argued that the responsibility of developing the Niger Delta Communities lay entirely with the Federal Government to which they regularly pay royalties, rents and other impositions as and when due.<sup>30</sup> Despite the above observation, International Oil Companies have been committed to the suggestions as encapsulated in the Niger Delta Development Survey (NDES) 1997 Report, which in the circumstance remains that the principle of participation rather than dictation should be pursued as a way to achieving the development needs of the

region<sup>31</sup> and not that the International oil companies were defaulting in responsibility to either the government or the oil producing communities. It promotes that the Companies alongside with Government and Communities should provide basic infrastructure, education, employment, and work with the locals (not just their community leaders) to develop new initiatives and businesses to replace lost farming and fishing. Consequently, the Niger Delta Development Commission Act, provides that 3 percent of the operating budgets of the oil and gas producing companies be dedicated for the financing of the Commissions development activities,<sup>32</sup> And to this extent, the table below explains the International Oil Companies remarkable contribution towards the development of the Niger Delta region between 2007 up to 2011.

### **Revenue Sources Summary of International Oil Companies**

Table 3. Revenue Sources Summary from Oil Companies to NDDC, 2007-2011.

Year	Oil companies
2007	40,531,352,200
2008	43,942,473,000
2009	89,927,822,349
2010	89,773,376,789
2011	111,576,195,210
Total	336,202,993,848

**Source:** NEITI SIAO 2013 Report on Revenues, Deductions, and Analysis of Disbursement and Utilization of Funds of the Federal Beneficiary Agencies 2007 –2011 –Niger Delta Development Commission (NDDC) Confidential,<sup>33</sup> 15.

From the data provided, the oil companies contributed 62.6 percent of the cost towards the development of the Niger Delta (which should amount to three percent of their annual budgets. In 2007, the breakdown of receipts from International Oil Companies contributions towards Niger Delta Development indicates that SPDC contributed 28.4 percent that is, NGN11.503 billion while Exxon Mobil contributed 15.2 percent that is, NGN6.15 billion; both Chevron and Addax contributed 11.3 percents each that is, NGN4.56 billion respectively. The least contribution came from NPDC with 0.1 percent that is, NGN48.472 million. In addition, other unidentified contributions from sundry oil companies accounted for 2.6 percent that is, NGN1.066 billion.<sup>34</sup>

For 2008, the analysis of contributions from oil and gas companies indicates that Shell Petroleum Development Company (SPDC) contributed 27.29 percent that is, NGN11.991 billion while SNEPCO contributed 14.77 percent that is, NGN6.49 billion; Exxon Mobil accounted for 13.25 percent that is, NGN5.821 billion. Chevron contributed 10.68 percent that is, NGN4.694 billion. The least contribution came from OMEL with 0.07 percent that is, NGN30.579 million. Also, the number of companies that contributed in 2008 increased to 15 from the 13 contributors in 2007.<sup>35</sup> Similarly, the oil companies contributed 63.5 percent in 2009 for the development of the Niger Delta which ought to be three percent of their annual budgets. The contributions from oil and gas companies in 2009 indicated that Exxon Mobil contributed 33.26 percent that is, NGN29.908 billion while SPDC contributed



14.75 percent that is, NGN13.260 billion; Total Fina Elf accounted for 14.62 percent that is, NGN13.146 billion, the Chevron contributed 9.74 percent that is, NGN8.761 billion. The least contribution came from Dubril Oil with 0.002 percent (that is, NGN2.168 million).<sup>36</sup>

International Oil Companies investment into the Niger Delta for the year 2010, saw improved receipts from the oil and gas companies directed towards the Niger Delta for the development projects in the region accounting for NGN89.773 billion amounting to 66.5 percent of the annual budget of the NDDC. For example, the receipts from oil and gas companies indicated that Exxon Mobil contributed 20.18 percent that is, NGN18.118 billion while SPDC contributed 18 percent that is, NGN16.596 billion; Total Fina Elf accounted for 17.49 percent that is, NGN15.705 billion, the Chevron contributed 13 percent that is, NGN12.140 billion. The least contribution came from Texaco Oil Coy. with 0.02 percent that is, NGN17.896 million. In addition, other unidentified contributions from sundry oil companies accounted for 1.09 percent that is, NGN980.344 million<sup>37</sup>. In 2011, the bulk of the funds budgeted for the developmental projects in the Niger Delta region did not come from the Federal Government, but came from the International Oil companies. For example, the oil companies contributed 66.5 percent of the total fund paid to the Niger Delta Development Commission (NDDC) in 2011 while the Federal Government only contributed 33.5%. The receipts from the oil and gas companies made available for the development of

the Niger Delta accounted for NGN111.576 billion<sup>38</sup> and the breakdown in accordance to individual contributions from the International Oil Companies were as follows;

### **Community Relations Efforts of IOC's**

The coming of the oil industry has impacted the local economy of the oil producing communities in community relations effort, even though their contributions are downplayed. For example international relations manager Shell Petroleum Development Company Alice Ajeh explained,

SPDC alone invested over \$197 billion between 1970 and 2000 in corporate social responsibility and federal taxes. In addition, Shell contributes to the Nigerian economy by generating revenues for government as well as paying taxes and royalties. Shell companies in Nigeria pay a statutory contribution to a regional developmental agency- the Niger Delta Development Commission (NDDC)- to develop the Niger Delta. Also Shell companies in Nigeria have employed over 6,000 direct employees and contractors among which 90% are Nigerians. Many of the projects of our companies have created tens of thousands more jobs in the Niger Delta.<sup>39</sup>

The international oil companies operating in the region confirm to have formal structures through which their relations with local communities are addressed. Especially for the leading oil firm 'Shell Petroleum Development Company', official policy is that contacts with the oil producing communities are conducted

through Community Relations Committees, consisting of the chiefs, elders and “representatives of groups”<sup>40</sup> For instance, 'Shell companies take a constructive interest in social matters which may not be directly related to the business' and 'provide full relevant information about their activities to legitimately interested parties subject to any overriding considerations of business confidentiality and cost.'<sup>41</sup>

On the part of Chevron, the company commits itself to be “Better than the Best,” a philosophy which means, amongst other things, that “communities welcome us.” Chevron companies stated aim is to “Communicate openly with the public regarding possible impact of our business on them or the environment,”<sup>42</sup> In essence, oil companies depending on the company have formal ways of building relations with local communities. Nick Wood, vice president of CX Upstream International, confirmed by, saying that

SPDC has a community contracting department that has helped create business opportunities worth tens of millions of dollars for local companies in the Niger Delta.<sup>43</sup>

Similarly, Eze Amb (DR) G.B Odum accounts that in the Niger Delta,

There is evidence to show that contact exists between oil producing communities through their community relations committees, consisting usually the community traditional ruler or chief, elders and representatives of youths”.<sup>44</sup>

Shell also claims that “many SPDC employees are themselves members of communities in the oil producing regions, where they live and work. SPDC is therefore aware of the problems affecting the communities of the Niger Delta.”<sup>45</sup> According to SPDC, there are more than forty community liaison officers established by the company aimed at stepping up efforts to improve relations with communities, which resulted in a drop in the volume of oil of which the delivery was deferred due to community disturbances, from 6.6 million barrels in 1995 to 1.1 million barrels in 1996; the length of days taken to resolve community disturbances fell from seventeen days in 1995 to five days in 1996.<sup>46</sup>

According to Mutiu Sunmonu,

In and outside Niger Delta where public infrastructure and services are badly lacking, Shell Petroleum Development Company has often stepped in and acted in lieu of government. We have a strong focus on community development. SPDC's community development focus has shifted in recent years, he continued. In the past we were heavily involved in the provision of infrastructure in the communities. We were building roads, schools, clinics and providing portable water. Though these are typical areas for government intervention, we stepped into the gap to help in improving the standard of living of local communities.<sup>47</sup>

Likewise, social development Manager SNEPCO Gloria Udoh

explained that

Shell along with development partners is presently helping in addressing community needs. Our Specific community development programs include our micro credit scheme and health scheme. We have about 27 clinics across the Niger Delta and also a major supporter of education of young children, with over 17,000 children on Shell scholarship at any point in time. Since 1999, Shell companies in Nigeria had trained some 10,900 service providers in general contracting, developed eight local dredging companies, awarded over a 900 United Kingdom scholarships and trained more than 3,000 people in entrepreneurship, scaffolding, project management, welding, catering, and other v o c a t i o n s . In 2010 SPDC and SNEPCo provided more than \$22.85 million of a total \$71 million to local community projects in the Niger Delta. We are encouraging the community to own and drive development themselves while we provide financial assistance to them and technical assistance through development NGOs.<sup>48</sup>

Mobil Producing Nigeria Unlimited Community Public Relations Office Lagos corroborates that,

Mobil cares for all its publics, particularly the Communities, asserts that they have had an enviable and unrivalled policy on community relations for several years of its operation in Nigeria.<sup>49</sup>

Mobil says it has public relations committees in all of the four communities closest to its operations in, Esit Eket, Onna, Ibeno all in Akwa Ibom and Bonny). Speaking further, the company explained that “the committee members were elected by their respective communities who in turn were responsible for sampling opinions from their communities to determine what development projects are expected and executed based on our community relations budget.”<sup>50</sup>

Osagie, was quick to state that,

Agents of some oil companies who are saddled with responsibility to develop our communities in connivance with our representatives in the community deny the people of projects which the community needs by sharing the money meant for these projects. Attempts by our community to reach the oil companies are in most cases frustrated by our own people who after betraying us make it difficult to gain audience from the oil company.<sup>51</sup>

In another interview with Uduak Etim,

He, indicated that truly Mobil Oil Producing agreed and executed some developmental projects for their community, and that they preferred to provide, negotiate and award such projects to persons best known to them behind the communities, and that in their own case in Eket, a badly rehabilitated road was done, but did not last for lack of drainages etc.<sup>52</sup>

Correspondingly, other Oil Companies such as Agip, Elf,

Adax Oil Company and Total Upstream all claim to have created the positions of Community Relationship Officers, who are not only their permanent staff from oil producing communities, but with proven experiences having interacted with these communities for several years.<sup>53</sup> In this presentation, Elf succinctly maintains that its community relations policy “meets the fundamental basis for enabling work environment by:

- (i) being proactive
- (ii) identifying with the needs and aspirations of host communities i.e. the provision of socio-economic infrastructure;
- (iii) being conscious of the need to protect environment;
- (iv) close collaboration with government agencies, community leaders, youth organizations, etc;
- (v) engages in dialogue.<sup>54</sup>

## **Recommendations**

The Niger Delta region today is a place of discouraged expectations and entrenched suspicion where extraordinary restiveness at times erupts in bloodshed. Lengthy years of disregard and conflict have fostered a siege attitude, especially among the elders and youths who feel they are damned to a future with no hope. Thus, for development to be meaningful here, with people centered and sustainable goals, this paper proposes a six point human development agenda: promotion of peace and the foundation for peace and development, make local governance effective and responsive to the needs of the people, improve and

diversify the economy of the region from oil, promote social inclusion and improve access to social services, promote environmental sustainability as well as the means of supportable livelihoods and build supportable partnership with the International Oil Companies and government for the advancement of human development in the Niger Delta region.

## **Conclusion**

Conclusively, there are therefore evidences to prove that International Oil Companies are committed to the development of the Niger Delta region as seen in several areas of support and investment. This is even as they do not agree that the development of the region is their primary duty. This chapter illustrates the approach taken by oil companies in addressing the development challenges in the Niger Delta. It is found in this study that it has evolved from an initial focus on corporate philanthropy to a more sustainable and long-term strategy with increasing emphasis on community development involvement resulting from the demands on them. This chapter also listed existing selected developmental programs of International Oil Companies in the Niger Delta, financial contributions the oil companies have made to the region as well as International Oil Company community relations impact in Niger Delta Region.



## Endnotes

- 1 C. Obi, *The Oil Paradox: Reflections on the Violent Dynamics of Petrol-Politics and Mis-governance in Nigeria's Niger Delta*, Africa Institute of South Africa, Occasional Paper No. 73. 2004, 8.
- 2 Shell Corporation, 'Key Features of the Year 2003', <http://www.shell.comhome/framework?> retrieved October 7, 2017.
- 3 <http://www.exxonmobil.com/corporate.com>, retrieved October 7, 2017
- 4 <http://www.chevrontexaco.com/news/press>, retrieved October 7, 2017.
- 5 Central Bank of Nigeria 1972, Report.
- 6 Central Bank of Nigeria 1976, Report.
- 7 Shell Annual Report 2007: People and the Environment.” Shell Petroleum Development Company, Nigeria Ltd., Lagos, Nigeria. 11.
- 8 J.G. Frynas, “The False Development Promise of Corporate Social Responsibility: Evidence from Multinational Oil Companies.” *International Affairs* 81 (3): 581–598. 2005, 582.
- 9 J. G. Frynas, <http://www.blackwell-synergy.com/doi/pdf/10.1111/j.1468-2346.2005.00470.x>, retrieved august 16, 2018.
- 10 NAOC. 2010. “Nigeria: Our Initiatives.” Nigerian Agip Oil Company. [http://www.eni.com/en\\_IT/eni-world/nigeria/local-development/local-development.shtml](http://www.eni.com/en_IT/eni-world/nigeria/local-development/local-development.shtml). Retrieved august 16, 2018
- 11 A. Abubakar, (2012) International oil companies receive a share of 43% of Nigeria's crude oil production per day. Retrieved from <http://www.dailytrust.com.ng/index.php?>, retrieved Aug 29, 2017
- 12 <http://www.napims.nnpcgroup.com/aboutus/napimsnews/tabid/245/articletype/articleview/articleid/240/nnpc-as-an-operator-in-the-joint-venture-arrangement-the-npdpc-perspective.aspx> ,retrieved august 16, 2018
- 13 Interview with Mutiu Sunmonu, Managing Director, Shell Petroleum Development Company, Nigeria. Lekki Peninsula,

Lagos. 8th July, 2018.

14 USAID, Nigeria Country Strategic Plan 2004-2009 23 (n.d.).

15 Press Release, USAID, USAID and Shell Form Partnership to Launch \$20Million Nigerian Development Program, Nov. 14, 2003.

16 Available at <http://www.usaid.gov/ng/pressrelease.htm> retrieved Jan. 28, 2018.

17 <http://www.usaid.gov/ng/pressrelease.htm> retrieved Jan. 28, 2018.

18 <http://www.usaid.gov/ng/pressrelease.htm> retrieved Jan. 28, 2018.

19 P. Francis, D. Lapin and P. Rossiasco, Securing Development and Peace in the Niger Delta , (Washington DC: The Woodrow Wilson International Center for Scholars, Africa Program 2011), 84-85

20 Interview with Chima Amasiri, retired civil servant, age 73, River State Government, January, 2017.

21 K. Omeje, "Petro business and Security Threats in the Niger Delta, Nigeria." Current Sociology. Vol. 54 (3): 2006, p. 481.

22 NOI Polls. 2009. "Niger Delta Survey 2009: Unmasking the Lingering Crisis." Abuja, Nigeria.

23 Chevron. 2006 Report. "Investing In Human Energy: 2006 Corporate Responsibility Report." Chevron Corporation, San Remo, California. <http://commdev.org/content/document/detail/980/>. Retrieved Oct 1, 2017

24 Mutiu Sunmonu. Shell Nigeria Briefing at the World Bank, 6 May 2010. The SPDC strategy began in Rivers and Bayelsa States with 21 agreements in operation, 11 to be implemented in 2010, and eventually extending to Delta and other states.

25 Chevron. 2011. "Nigeria Fact Sheet." Chevron Corporation, San Remo, California. <http://www.chevron.com/documents/pdf/nigeriafactsheet.pdf>. Retrieved Oct 1, 2017

26 Mutiu Sunmonu, Shell Nigeria Briefing at the World Bank, 2010.

27 Interview with Evelyn Obot, Age 48, Fashion Designer, Eket, Akwa Ibom State. Oct, 2017.

- 28 Interview with Mutiu Sunmonu, Managing Director, Shell Petroleum Development Company, Nigeria. Lekki Peninsula, Lagos. 8th July, 2018.
- 29 Interview with Mutiu Sunmonu, Managing Director, Shell Petroleum Development Company, Nigeria. Lekki Peninsula, Lagos. 8th July, 2018
- 30 Tekena N. Tamuno, *Oil Wars in the Niger Delta 1849-2009*, (Ibandan: Stirlin-Horden Publishers, 2011), 23
- 31 Niger Delta Development Survey (NDES) 1997 Report.
- 32 Niger Delta Development Commission (NDDC) Act 2000.
- 33 NEITI SIAO 2013 Report on Revenues, Deductions, and Analysis of Disbursement and Utilization of Funds of the Federal Beneficiary Agencies 2007 –2011 –Niger Delta Development Commission (NDDC) Confidential, 15.
- 34 NEITI SIAO 2013 Report, 17-18.
- 35 NEITI SIAO 2013 Report, 21.
- 36 NEITI SIAO 2013 Report, 22.
- 37 NEITI SIAO 2013 Report on Revenues, Deductions, and Analysis of Disbursement and Utilization of Funds of the Federal Beneficiary Agencies 2007 –2011 –Niger Delta Development Commission (NDDC) Confidential, 24-25.
- 38 NEITI SIAO 2013 Report, 26.
- 39 Interview with Alice Ajeh, International Relations Manager Shell Petroleum Development Company, Port Harcourt, River State, April 2018.
- 40 SPDC, PAGE Fact Book, 1993 section 3.1.
- 41 Royal Dutch/Shell Group of Companies, *Statement of General Business Principles* (London and The Hague: Shell, March 1997).
- 42 Chevron, *The Chevron Way*, (San Fransisco: Chevron, 1995).
- 43 Interview with Nick Wood, Vice President, CX Upstream International, and Oil Servicing Company, Warri, Delta State, April 2018.
- 44 Interview with Odum G.B, Igwugwu 1 Nyenwe-Eli/Paramount Ruler of Oginigba Community, Obio Akpor, River State.
- 45 Shell International Petroleum Company, *Operations in Nigeria* (London: May 1994).

- 46 SPDC, People and the Environment: Annual Report 1996; Human Rights Watch meeting with SPDC, Port Harcourt, July 28, 1997.
- 47 Interview with Mutiu Sunmonu, Managing Director, Shell Petroleum Development Company, Nigeria. Lekki Peninsula, Lagos. 8th July, 2018.
- 48 Interview with Gloria Udoh, Social Development Manager Shell Nigeria Exploring Company, Port Harcourt, River State, April 2018
- 49 Interview with Cassandra Okon, Assistant Head Public Relations Mobil Producing Nigeria Unlimited, Eket, Akwa Ibom, December 5, 2017.
- 50 Interview with Cassandra Okon, Assistant Head Public Relations Mobil Producing Nigeria Unlimited, Eket, Akwa Ibom, December 5, 2017
- 51 Interview with Osagie Ehemu, Building Contractor/Transporter, age 63, Warri Delta State, December 2017
- 52 Interview with Uduak Etim, Community Leader, Eket Community, age 59, Akwa Ibom State. September 12, 2017.
- 53 Human Rights Watch interviews, July 8, 1997; Martin Usenekong, "Dilemma of Public Relations Committees,' pioneer (Uyo), Feb 13, 1998
- 54 Elf Petroleum Nigeria Ltd Letter to Human Rights Watch, May 8, 1998.