

**INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY  
PROGRAMMES OF MULTINATIONAL OIL CORPORATIONS  
ON HOST COMMUNITIES IN SOUTH-SOUTH, NIGERIA**

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## CERTIFICATION

I certify that this study was carried out by Mr. Onweazu Olufemi Okoji, (Matric No 65215)  
under my supervision, in the Department of Adult Education,  
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## **DEDICATION**

This thesis is dedicated to God Almighty, my parents, wife and children, Ebubechukwu and Ugochukwu.

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## ABSTRACT

The concept of Corporate Social Responsibility (CSR) embraces the notion that Multinational Oil Corporations (MNCs) have moral and ethical responsibilities to their host communities. Though past studies on Niger Delta are vast and have generally focused on the activities of MNCs, such as community development programmes, peace building, provision of infrastructural facilities, little attention has been paid to their CSR. The study, therefore, investigated the influence of CSR programmes (Poverty alleviation, vocational scheme, healthcare scheme, infrastructural provision, and peace building) of MNCs on the development of selected host communities in South-south, Nigeria.

The study adopted descriptive survey research design of *ex post facto study type*. Stratified random sampling technique was used to select 1126 residents from 12 host communities in Akwa Ibom (AI) and Rivers states (RS), the states were selected because the MNCs operate mainly in the states. Purposive sampling technique was used to select 50 officials each from Exxon Mobil and Total Exploration. The CSR Inventory ( $r = 0.74$ ) and Host Communities' Development Assessment Scale ( $r = 0.71$ ) were used. These were complemented with 24 sessions of Focus Group Discussions (FGDs) held with residents of the host communities. Four research questions and three hypotheses were answered and tested at 0.05 level of significance. Data were analysed using mean, t – test and Pearson's Product Moment Correlation. Qualitative data were content analysed

Poverty alleviation, vocational scheme, healthcare scheme, infrastructural provision, educational development and peace building programmes of the MNCs had a significant low relationship with development in the host communities ( $r = 0.019$ ;  $p < 0.05$ ). The relationship between each of the CSR programmes and development in the host communities were as follows: Poverty alleviation ( $r = -0.011$ ;  $p > 0.05$ ), vocational scheme ( $r = 0.005$ ;  $p > 0.05$ ), health care ( $r = -0.014$ ;  $p > 0.05$ ) infrastructure provision ( $r = 0.001$ ;  $p > 0.05$ ) educational development ( $r = 0.025$ ;  $p > 0.05$ ) and peace building ( $r = 0.029$ ;  $p > 0.05$ ). The Corporate Social Responsibility of MNCs conformed to the standards of CSR as follows: corporate integrity ( $\bar{X} = 3.67$ ), commitment ( $\bar{X} = 3.69$ ) and morality ( $\bar{X} = 3.23$ ). Significant difference was found between the impacts of the programmes in Rivers and Akwa Ibom States (Crit-  $t = 1.96$ ; Cal.  $t = 3.134$ ,  $df = 1126$ ;  $p < 0.05$ ). The CSR programmes impacted more on Rivers State in all the programmes than in Akwa Ibom State. The results of the CSR programmes of the MNC in the two states were as follows; Poverty alleviation, AI ( $\bar{X} = 12.4000$ ); RS ( $\bar{X} = 13.5389$ ). Vocational skills, AI ( $\bar{X} = 16.7625$ ); RS ( $\bar{X} = 19.4329$ ); Healthcare, AI ( $\bar{X} = 6.9089$ ); RS ( $\bar{X} = 7.3905$ ); Infrastructure, AI ( $\bar{X} = 5.6482$ ); RS ( $\bar{X} = 6.4346$ ); Educational development, AI ( $\bar{X} = 12.4161$ ); RS ( $\bar{X} = 14.1307$ ); Peace building, AI ( $\bar{X} = 3.8589$ ), RS ( $\bar{X} = 3.8993$ ).

The level of participation of host communities in the programmes of MNCs in South-south was low despite efforts of the corporations to improve their living conditions. Thus, for the programmes to be successful, the host communities should be involved in the planning and identification of priorities of needs before programmes execution.

**Keywords:** Corporate social responsibility, Multinational oil corporations, Intervention Programmes, South-south Nigeria, Niger Delta

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Study**

The South-South Nigeria region is inhabited by different ethnic groups, such as Ijaw, Itsekiri, Urhobo, Ibibio and Edo. It extends over a landmass of about 70,000 square kilometers, which translates to about 7.5 percent of Nigeria's total landmass and the coastline extends for 560 km, roughly two-thirds of the entire coastline of Nigeria (Niger Delta Development Commission, 2004). According to Eyinla and Ukpo (2006), this region has Nigeria's over 35 billion barrels of crude oil reserves and a large deposit of natural gas. The region also accounts for over 80 percent of Nigeria's Gross Domestic Product (GDP). Despite assets and abundant resources, the poverty level in the region is high with about 70 percent of the communities lacking access to clean water, passable roads, electricity supply, educational opportunities and other social amenities (Chukwuemeka, 2003). There are large number of dilapidated schools and the region suffers from severe environmental degradation due to oil production (Zandvliet & Pedro, 2002; NDDC, 2004).

To a considerable extent, the geographical location and the resources of the South-South region compelled the people to a monotheism traditional occupation of fishing and farming (Akinbami, 2008). With the heavy presence of the oil exploration activities of the multinational oil corporations (MNCs), the people's livelihood has been severely destroyed (Oruwari, 2006). Besides, Abdullahi (1994) asserts that as a result of the long neglect of the region by the Federal Government of Nigeria and the nonchalant attitude of the companies operating in the area, development is very slow.

The South-South region is seen as the most environmentally fragile part of Nigeria (Aina, 2007). It is also generally known that the presence of hydrocarbons, particularly gas and oil, has made this part of the country the neglected goose that lays the golden eggs ( Okoko, 1998). Although the region was reported by the World Bank in 1999 to have the agricultural potential of feeding the whole region (NDDC 2004), hunger

is widespread as a result of environmental pollution, which occurs as a result of oil exploration activities of the multinational oil corporations.

Further, Monsen (2000) posits that the discovery of oil in commercial quantity at Oloibiri, in the present Bayelsa State, in 1956 started a process of unbridled exploitation of natural resources, destruction of community livelihood support systems and communal disempowerment which left in its wake severe stress and underdevelopment on the environment and livelihood patterns of the indigenous population (Utting, 2003). The health of the inhabitants of the region has been visibly impaired by environmental degradation. The extraction and production of oil and gas by multinational oil corporations in collaboration with the Nigerian government has engendered not just neglect but has also forestalled access of local communities to farmlands and fishing grounds, as long stretches of thriving forest and arable lands are cut open to allow for laying of pipelines, transportation of crude oil from flow stations and rigs to export terminals, refineries and reservoirs (Akinbami, 2008).

Ejibunu (2007) contends that local communities' means of livelihood such as fishing, cassava and palm oil processing, orchard tending and non timber forest product gathering have experienced a devastating change. Deforestation, air and water pollution, desertification and loss of arable land have contributed to high rates of diseases and physical, mental and social ill-health (United State Energy Information Administration, 2007). Oil spills, either from pipelines which often cut directly through villages or from blowout at wellheads, are a major cause of pollution or ill-health among the people. There have been over 6,000 oil spills totaling over four million barrels between 1976 and 1996 (Akinbami, 2008). Many pipeline leakages might have been avoided if the pipelines were laid well below the ground as in other countries and if ageing or damaged sections were repaired. Ageing and poorly maintained infrastructure also contributed to pipeline fire and explosion. In 2006, over 400 people died in two pipeline explosions in Lagos, where leaking pipelines were left unrepaired and crowds of impoverished residents desperately scooped buckets of fuel to sell (Associated Press, 2006).

In June 2001, an oil spill occurred in the rural town of Igbodo. It was found that after a delay in cleanup efforts of at least three months, 15km of soil along the Calabar River were severely affected (Amnesty International, 2005). High levels of oil and

grease, laden with hydrocarbons, had damaged the soil, aquatic resources and the biodiversity of the area. Health impacts included respiratory and gastro-intestinal diseases as well as mental distress (Environmental Rights Action / Friends of the Earth –Nigeria, 2005). Thousands of toxins containing waste pits are suspected to be linked to rising cancer rates, while water-borne diseases such as cholera, typhoid and diarrhea from unsafe drinking water present challenges to local communities. Water stagnation has created breeding grounds for various waterborne diseases and its ideal habitats for disease-spreading mosquitoes (Amnesty International, 2005).

The Niger Delta region is Nigeria's economic heartbeat and is situated to the southern of the country (Darah, 2001). The region with crude oil endowment has become the mainstay of the Nigerian economy (Ekuerhare, 2002), the zone is also known for its gas, hydrocarbon and water resources. These rich natural endowments have observably not translated into concrete development for the region, rather, it has precipitated has a catalogue of human and infrastructural problems that have been largely unattended to while its resources are being exploited (Fubara, 2002). Consequently, the region is noted to be volatile to multinational oil corporations, especially in the oil industry, have suffered increased aggression from host communities for their perceived ethical insensitively towards alleviating the numerous problems of host communities. The situation is such that, according to Darah (2001), the multinational oil corporations are perceived to represent imperial terror against the region. They have over the years taken advantage of the ignorance of the people of the region. The Niger Delta Environmental Survey of 1997 indicates that the people are becoming increasingly enlightened about their rights as citizens they became aware of how much is derived from their communities as oil revenues by the government and the multinational oil corporations (Niger Delta Survey,1992).

However, Efemini (2002) asserts that the people of the Niger Delta are of the view that with the enormous wealth associated with their oil endowments, there is no justification for remaining at the present low level of development. Hence, the increasing demand by the people for a fair treatment towards the actualisation of their dreams of accelerated and sustainable development (Zalik, 2004). These demands have taken

several forms of agitations from non-violent to violent mass actions which have resulted in the disruptions of the operations of the MNCs (Asawo, 2011).

Over the years, the inhabitants saw the presence of the Multinational Oil Corporations and their activities as a curse rather than a blessing to the region (Frynas, 2005). However, the multinational oil corporations have claimed they have improved the welfare of the host communities through various intervention programmes. In 2002, Mobil Producing Nigeria facilitated the establishment of a Support and Training Entrepreneurship Programme Office in Eket, Akwa Ibom State (Exxon Mobil, 2003). Similarly, Mobil Producing Nigeria provided the funds, while Support and Training Entrepreneurship Programme assisted in building the capacities of potential beneficiaries. Mobil Producing Nigeria also claims supported education in its host communities via the construction and renovation of classroom blocks, the donation of science equipment and the provision of financial incentives for teachers that agree to teach in riverside areas (Exxon Mobil 2003). Other activities that form part of the Total Exploration and Production Nigeria Limited with NNPC joint venture's long term support for educational development include renovation and building of classroom blocks, technical workshops, donation of teachers' quarters, donation of computer equipment and electric power generators to universities, textbooks to secondary schools and donations to educational endowment funds (Touching Lives, 2004).

Multinational oil corporations have social responsibility to host communities to solve social and economic problems. The concept of corporate social responsibility (CSR) among the multinational oil corporations embraces the notion that these organisations have moral, ethical and philanthropic responsibilities in addition to their usual responsibility to earn a fair return as investors and comply with the law (Carrol & Bucholtz, 2003). It is required that they embrace a broad view of their responsibilities to include not only stockholders but also the stakeholders, the host communities inclusive. Corporate social responsibility is an admission that the conception of development, as mere economic growth without ethical responsibility to the larger society is wrong and can never translate into development in the real sense - sustainable development. Corporate social responsibility, therefore, refers to the "intelligent and objective concern for the welfare of the society that restrains individuals and corporate behaviour from

ultimately destructive activities, no matter how immediately profitable, and leads in the direction of positive contributions to human betterment, variously as the latter may be defined” (Andrews, 1991). While the advanced capitalist countries of the world have realised the failure of this unbridled capitalism and the need to realise sustainable development through the maintenance of corporate social responsibility, African countries are yet to recognise that sustainable development cannot be realised from the blind pursuit of material benefits without due consideration for the overall good of all the members of the global society (Owolabi & Owolabi, 2009).

The corporate social responsibility is closely related to the call in the 1960s and 1970s by civil rights movements and environmentalists as well as consumer societies for large scale business organisations to take on more responsibilities in host communities (Ogundele, 2001). It is based on the idea that corporate organizations should cease to cause societal problems and start to participate in solving societal problems. From this perspective, business organisations were expected to apart from paying attention to business-related responsibilities such as equal employment opportunities, product safety and the environment, they should also voluntarily participate in solving societal problems, whether they caused the problems or not. Corporate social responsibility requires that corporations should go beyond their economic and legal responsibilities, and embrace new responsibilities related to enhancing the society (Afinotan & Ojkoruru, 2009) .

This has provided a fertile ground for the debate that has sharpened the present direction now assumed by multinational oil corporations and host community relationship. Critics have argued that corporate social responsibility is a distraction to multinational oil corporations from meeting its primary goal of profit making. Thus, such responsibilities are seen as inefficient means of allocating scarce resources and that multinational oil corporations lack the legitimacy and competency to take on any such responsibility outside its primary area of expertise (Hassan, 2000). In contrast, proponents of corporate social responsibility have responded that the monumental increase in multinational oil corporations power, issues of ethics and the increasing inability of governments to meet their basic responsibilities to society as well as regulate

business activities have meant that the acceptance of corporate social responsibility by multinational oil corporations was both inevitable and a necessity (Moon, 2001).

The corporate response of the Multinational Oil Corporations to the socio-economic problems in Niger Delta, Nigeria could be properly explained through two major concepts, these are micro and macro corporate social responsibility. The Macro Corporate Social Responsibility response strategy of multinational oil corporations refers to indirect effects of sudden and steep rises in revenue for extractive industries for the host country and society, such as the effect of oil revenues on corruption, human rights controversies and lack of democratic progress in developing countries (Skjaerseth, Tangen, Swanson, Christiansen, Moe & Lunde, 2004). In contrast, micro corporate social responsibility encompasses the immediate effects of the intervention programmes of the multinational oil corporations on the local communities and these include employment of the host community members in their corporations and provision of basic infrastructural facilities in their areas of operations to improve living conditions.

The distinction between macro and micro corporate social responsibility is not clear-cut since local corporate responses, such as employment of local people or building of new schools, can produce significant results with possible gratification to the macro level. Nevertheless, there is a fundamental difference in the risk involved. Micro corporate social responsibility projects benefit both companies' reputation and community development. Whatever such project a multinational oil corporation decides to embark upon, it is obvious that the two strategies will benefit the oil corporations reputation and the development of the host communities. Notably, the major criterion used for analysing such corporate responses are the level and degree of commitment. Level of commitment refers to the extent oil corporations recognize and respond to demand for responsibility for developments on the macro level in host communities. Degree of commitment refers to the link between rhetoric's and realities (Skjaerseth et al, 2004).

In contrast, oil corporations' responses directed at the macro level, such as disclosure of investments in host countries, may expose companies to the risk of sanctions from host communities ( Ross, 2001). Level of commitment can be conceived

of as a socialisation process in which multinational oil corporations recognise their social roles (Rowland, 2001).

The intervention programmes of the Multinational Oil Corporations can also be better explained through the concept of corporate integrity. Jones and Pollitt (1995) posit that there are three dimensions of integrity in business life, these are the personal, the corporate and the macro-economic. It is thus appropriate to conceptualise integrity as an organisational level concept since organisations are engaged in a web of relationships with stakeholders and are therefore bound by the ensuing expectations and conceived standards of operation (Kaptein & Reenen, 2001). Integrity refers to strength, which involves a reputation for truthfulness, honesty and conscientiousness (Ahiauzu, 2003). This definition focuses on three fundamental features that determine the level of trustworthiness of individuals or organisations. Werhane and Freeman (1997), on conceptualizing integrity emphasise the quality of moral self-governance at individual and group level. Integrity is rooted in moral convictions (Ejiofor, 1987) and is very important for corporate success. Secretan (2001) posits that corporations that build their cultures around integrity are likely to achieve a quantum leap in effectiveness.

Thus, if the multinational oil corporations operating in South-South Nigeria follow the principle of corporate integrity construct, they will be able to reach out to the host communities in their area of operations and this will help them to maintain cordial relationship with the host communities.

For any multinational oil corporation that has attained moral maturity, its response to the expectations of its host community is not only determined by legal constraints or the desire to avoid sanctions. Neither is it solely determined by industry solidarity contract, but by a creative expression of self-discipline and self-control that is morally defined. Their approach to social responsibility is therefore anticipatory and preventive rather than reactive and retrospective (Ivancevich, Lorenzi, Skinner & Crosby, 1997). Integrity, which is bounded by justice, dependability, and morally justifiable principles and values (Ahiauzu, 2003), therefore influences the multinational oil corporations intervention to the developmental process in their host communities.

Literature on the Niger Delta and multinational oil corporations is vast and rich. It became clear that most of these have been written outside of the mainstream of the

intervention programmes of the corporate social responsibility of the multinational oil corporations to host communities in South-South Nigeria. Some of these dealt with the Niger Delta and multinational oil corporations (Frynas 2000; Onishi, 2002; Efemini,2005); the need for a meaningful development of the livelihood of the people (Ogbogbo, 2004; Okecha,2001; Idemudia & Ite 2006); the presence of multinational oil corporations and its consequence on the development of the area (Abdullahi,1994; Hutchful,1985; Ikporukpo, 2001). It also covered the activities of the Niger Delta Development Commission (Akinbami, 2008); the community development programmes of Shell Petroleum Development Corporations (Ezeokoli, 2008); Oil Company policies (Zandvliet & Pedro 2002); political economy of the control of the Transnational Oil Corporations (Owolabi, 2001) as well as the petro violence and partnership development in the region (Zalik, 2004); Industrial Relations in the oil Industry in Nigeria (Fajana, 2005).

Deducing from this, it is therefore evident that there is a dearth of literature and empirical studies on the corporate social responsibility of multinational oil corporations as an intervention strategy on the development of South-South, Nigeria. It is on the basis of this that this study, assess the intervention programmes of the corporate social responsibility programmes of the multinational oil corporations on selected host communities in South-South, Nigeria.

## **1.2 Statement of the Problem**

The communities in the South-South region of Nigeria are accusing the multinational oil corporations of neglect in their socio-economic development in spite of the immense oil wealth accruing from their vicinity. The communities decry not only the severe land degradation, increasing poverty, misery and violence, but also the absence of social services interventions such as schools, portable drinking water, electricity, medical care and roads provided by the multinational oil corporations. The scanty social infrastructures that are provided by the multinational oil corporations are forced on by agitators at the micro level and threat of sanction at the macro level. Succinctly, the argument is that the multinational oil corporations have not shown enough commitment, integrity and mutual maturity to the deplorable conditions of the host communities in the South-South region of Nigeria. The consequences of this, among other things, are the

growing insecurity of life and properties, youth restiveness, hostage taking, sabotage and accelerated pace of poverty in the region.

This, therefore, raises the following salient questions: how responsive, adequate, prompt and effective are the corporate social responsibility programmes of the multinational oil corporations to the host communities in the South-South region? Are the multinational oil corporations' corporate social responsibility programmes coming at regular intervals?" If yes, why then is the South-South region in such a deplorable condition? It is on this basis that this study, assess the influence of corporate social responsibility programmes of multinational oil corporations on host communities in South-south, Nigeria is being examined in this study.

### **1.3 Objectives of the Study**

The main objective of this study is to assess the intervention programmes of the multinational oil corporations to selected host communities in South-South Nigeria, while the specific objectives, among others are, to:

- Assess the extent at which the corporate social responsibility programmes of multinational oil corporations have enhanced the development of the host communities;
- Examine the extent to which the corporate social responsibility programmes of the multinational oil corporations have enhanced the process of peace building in the region;
- Determine the extent to which the corporate social responsibility programmes of the multinational oil corporations meet the fundamental felt-need principle of community development;
- Ascertain the degree to which the corporate social responsibility programmes of the multinational oil corporations conform to the standard of corporate integrity, commitment and moral maturity;
- Assess the attitude of the inhabitants about the effectiveness of the corporate social responsibility programmes of the multinational oil corporations in the host communities.
- Determine the factors that enhance host communities participation in corporate social responsibility programmes of multinational oil corporations.
- Examine the differences between the impacts of the corporate social responsibility programmes of the multinational oil corporations on the host communities in Akwa Ibom and Rivers State.

#### **1.4 Research Questions**

- RQ<sub>1</sub>) To what extent have the corporate social responsibility programmes of multinational oil corporations met the felt needs of the host communities?
- RQ<sub>2</sub>) To what extent do the corporate social responsibility programmes of multinational oil corporations conform with the corporate social responsibility international standard of corporate integrity, commitment and moral integrity, commitment and moral maturity?
- RQ<sub>3</sub>) What is the perception of the inhabitants about the effectiveness of the CSR programmes in their communities?
- RQ<sub>4</sub>) What is the level of inhabitants participation in the implementation of the corporate social responsibility programmes in the host communities?

#### **1.5 Significance of the Study**

The anticipated findings of this study is significant because it should assist development managers in the multinational oil corporations to understand better the dynamics that have affected the activities of their companies in the host communities. The expected findings should also provide insight into other approaches that could bridge the gap between the host communities and these oil companies. The expected result of this study would further add to the body of literature in the field of community development.

In addition, the expected findings should assist the officials of the multinational oil corporations to implement community development programmes that will help improve the standard of living of the people through vocational skill empowerment and the creation of employment opportunities .

This study is also important because the expected findings would assist the officials of the Multinational Oil Corporations to value the importance of socio-economic empowerment of the host communities. If the hosts are empowered through the Corporate Social Responsibility programmes, peaceful relationship will prevail between the host communities and the corporations.

Moreover, the findings of this study would help the Multinational Oil Corporations officials to implement development programmes that will be people-centered and designed specifically to meet the needs of the South-South indigenes, paying particular emphasis on those already displaced as a result of the oil exploration activities. This would help the indigenes to take an active role in decisions that affect their lives and also change the mindset and prevalence of the attitude of kidnappers and conflict escalators amongst the various groups operating in the region.

Finally, the study would show how multinational oil corporations implements their Corporate Social Responsibility programmes and how this should be tailored to the needs of the host communities

### **1.6 Scope of Study**

The study assessed the Corporate Social Responsibility programmes of multinational oil corporations to the host communities of the South-South, Nigeria. It covered the activities of Total Exploration & Production Nigeria Limited and Exxon Mobil Producing Nigeria Limited in the South-South Geo-political zone of Nigeria. The major reason for choosing these two multinational oil corporations is the fact that many researchers have not generally investigated their intervention programmes of corporate social responsibility to their host communities. Notably, the study was restricted to the corporate social responsibility programmes of Total E& P Nigeria Limited and Exxon Mobil Producing Nigeria Unlimited. The states were selected because oil exploration and production takes place extensively in the two states. Apart from this, the area is prone to environmental degradation and conflict which usually occur as a result of the oil exploration activities of the multinational oil corporations in the two states.

The study was delimited to six communities in each of the two states. In Akwa Ibom; Iwuochang, Esit Urua, Usung Inyang, Ebana, Upenekang and Mkanak. In Rivers State ; Akabta, Egita, Ibewa, Obite, Okarioma and Obiyebe were covered. The major reasons for choosing these communities is that these are the core areas where these two multinational oil corporations carry out their oil exploration activities.

### **1.7 Operational Definition of Terms**

The following terms are used operationally:

**Community Development:** It refers to those measures which enable people recognise their ability to identify problems and utilize the available resources to earn and increase their income and build a better life for themselves. Typical examples are economic development and infrastructural development.

**Corporate Social Responsibility:** This refers to the duties such as provision of infrastructural facilities which the multinational oil corporations execute to improve the welfare of the people in their area of operations.

**Corporate Commitment:** This is a situation in which oil corporations focus on daily compliance with the myriad of rules, regulations and guidelines established by the government that will improve the welfare of the host communities.

**Corporate Integrity:** This is the quality of being honest and having strong moral principles. It is strongly connected with effectiveness in following necessary procedures to promote corporate governance.

**Corporate Maturity:** This describes an evolutionary improvement path from adhoc, immature processes with improved quality and effectiveness in the multinational oil corporations' social responsibility to the host communities.

**Development of Host Communities:** This refers to the extent which multinational oil corporations have enhanced the process of development of the host communities in terms of economic, infrastructure, educational, vocational skill and health needs.

**Macro-Corporate Social Responsibility:** These are the programmes which the multinational oil corporations execute towards the promotion of transparency, anti corruption, democratic development, human and social rights.

**Micro-Corporate Social Responsibility:** These are the programmes which the multinational oil corporations execute to promote their image, goodwill with the authorities and good relationship with the host communities. These include alleviation of poverty and infrastructural development.

**Principle of Community Development:** It refers to the usual stages that most communities go through during a versatile process of community development. These are identification of needs, participation, planning and execution of project.

## **CHAPTER - TWO**

### **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

The review of related literature is sub – classified into the following sub headings.

- Multinational Oil Corporations and Corporate Social Responsibility
- Multinational Oil Corporations and Development in South- South, Nigeria
- Multinational Oil Corporations and Infrastructural Development
- Multinational Oil Corporations and Socio-Economic Development
- Multinational Oil Corporations and Citizen Participation
- Multinational Oil Corporations and Peace Building
- Multinational Oil Corporations and Environmental Effect of Oil Exploration

#### **2.1. Concept of Corporate Social Responsibility**

The concept of social responsibility as an important aspect of corporate organization's mission received a major impetus from Bowen (1989) who posits that Business firms' mission should not be exclusively economist but that the social implications of their decisions should be taken into cognisance. A related concept is social responsiveness suggested by Davis and Frederick (1984) which implies the ability of a corporation to relate its operations and policies to the social environment in ways that are mutually beneficial to the company and the society. According to Sklair (2001), the concept encompasses a broad range of activities that corporations may engage in with varying degrees of enthusiasm, to demonstrate that they are addressing important human rights, environmental, and labour issues – many of which have been brought to their attention by activist groups (Idemudia, 2005). As a means of mitigating the problems created by their oil exploration activities, the multinational oil corporations have embraced the principle of Corporate Social Responsibility. To this end, they have increased their community development programmes, (Owolabi, 2001). According to (Rowland 2001), Corporate Social Responsibility is a strategy for demonstrating good

faith, social legitimacy and a commitment that goes beyond the financial bottom line. Windsor (1989) explains that corporate citizenship is the extent to which corporations meet the economic, legal, ethical and discretionary responsibilities imposed on them by stake holders. It is now a model for multinational corporations in the 21<sup>st</sup> century.

Corporate social responsibility, therefore, refers to the “intelligent and objective concern for the welfare of the society that restrains individuals’ corporate behaviour from ultimately destructive activities, no matter how immediately profitable, and leads in the direction of positive contributions to human betterment, variously as the latter may be defined” (Andrews, 1991). While advanced capitalist countries of the world have realised the failure of unbridled capitalism and the need to realise sustainable development through maintenance of corporate social responsibility, African countries are yet to recognise that genuine development cannot be realised from the blind pursuit of material benefits without regard for the overall good of all members of the global society (Owolabi & Owolabi, 2009).

Corporate social responsibility is closely related to the call in the 1960s and 1970s by civil rights movements and environmentalists as well as consumer societies for large scale business organisations to take on greater responsibilities in host communities (Ogundele, 2001). It is based on the idea that corporate organizations should cease to cause societal problems and start to participate in solving them. In this perspective, business organizations were expected to; apart from paying attention to business related responsibilities such as equal employment opportunities, product safety and the environment, also voluntarily participate in solving societal problems, whether they caused the problems or not. Corporate social responsibility requires that corporations should go beyond their economic and legal responsibilities, and embrace new responsibilities related to enablement of society (Afinotan & Ojkoruru, 2009 pp195) .

Today, there is a growing perception among multinational corporations that sustainable business success cannot be achieved through maximising short-term profits, but efforts should be geared towards improvement of the welfare and social economic development of the people in their area of operations. There are arguments for and against corporate organisations’ involvement in social responsibilities. The arguments for,

however, out-number the arguments against. Koontz and Weihrich (1988) list 11 arguments in favour of social involvement of corporate organisations and seven arguments to the contrary. A major argument for corporate social responsibility is that the creation of a better social environment benefits society and business.

Society benefits through better economic conditions and employment opportunities, while corporate organisations gain from a better community, since the community is the source of its human and natural resources and the consumer of its products and services. In contrast, one of the arguments against states that the primary task of business is to maximise profit which can be achieved by strictly focusing on economic activities as social involvement could reduce economic efficiency of a corporate organisation. Any way the pendulum swings, the need for corporate organisations to be responsive to their social responsibilities should be considered a matter of great social importance.

## **2.2. Multinational Oil Corporations and Corporate Response Strategy**

The main perspective method for analysing corporate response strategies of multinational oil corporations to the agitations of the host communities are 'level of commitment' and 'degree of commitment'. Level of commitment refers to the extent to which corporations recognise and respond to demands for responsibility for developments on the macro level in host communities (Skjaerseth, Tangen, Swanson & Lunde 2004). Degree of commitment refers to the link between rhetoric and realities, which is corporate action. Level of commitment can be conceived of as a socialisation process in which corporations recognize their social role (Post & Altman, 1992). Three stages of socialisation were identified by Post et al 1992 these are; recognition of social concerns; consideration of the company's impact on society and positive reaction by incorporation of social goals into overall business strategies. These stages are in turn related to three managerial responses: corporate philanthropy, stylistic and process responses, and citizenship and coalitions.

It is possible that oil corporations incorporate social goals and respond managerially, but fail to live up to its standards and aspirations. This indicates that the degree of commitment is low. Implementation failure may be caused by inability of the oil corporations to follow through and failure to involve the host communities in the

identification of their felt needs (Idemudia, 2005). To some extent, implementation failure may simply reflect a certain type of rhetoric that hinges on longer-term ambitions and aspirations, whose conversion into tangible action is constrained by 'real-world' complexities. Nevertheless, and owing to the reputation risks facing companies that fail to live up to their aspirations and standards, we would in general expect some degree of consistency between words and actions. Strong language and mission statements will not only create expectations among the public at large, but also among employees and host communities (Skjaereth et al, 2004).

### **2.3. Corporate Social Responsibility of Multinational Oil Corporations and Ethical Foundation of Sustainable Development in South-South, Nigeria**

Development is regarded, not as mere economic transformation, but rather as improvement in all aspects of life, without compromising the rights of others to achieve same. It is in this respect that development is being seen as strongly related to democracy. The concept of developmental democracy has been coined to meet with this new aspiration. The concept refers to the strong relationship between the idea of development as improvement of human condition and the idea of democracy as involving the rights of the citizen to determine what constitutes genuine improvement of his condition. Democracy is indeed an ethical concept in the sense that it accepts that it is right and proper for all the citizens to participate in the process of development (Owolabi, 2001). In this respect, the idea of development can be sustainable only if the people who need it define their needs and are active participants in the process of meeting those needs.

In essence, sustainable development is attainable only if it is democratic, that is, if those who are the objects of development freely define what they consider as development. The idea of genuine development as one that is democratic clearly underscores its ethical essence. The good life, as the early Greeks defined development, is not only the satisfaction of the material needs but also the enhancement of the overall respect for the rights of all, which is the condition for the desired social order that is a necessity for the good life (Owolabi & Owolabi, 2009). Development as the good life involves material improvement but it also demands that such material benefits be enjoyed by all and not by a privileged few. It is in this respect that ethical consideration is an imperative for development. Thus, Ukwu (1990) asserts that if development is good, that

is if it is something that is universally desirable and if the proper focus of development must be the human beings who constitute not only the agents but also the beneficiaries of development, then it must be clearly seen to be involved with ethical concerns since the question of what is good for men has always belonged to the realm of ethical discourses.

The need for ethical consideration by multinational oil corporations is necessary because of the realisation that sustainable development cannot be attained without a development ethics guiding the development project. This imperative of “development ethics” has been strongly advocated for by many Third World scholars from the Latin American countries, Asia and, recently, Africa (Owolabi et al, 2009). Paradoxically, this is due to the fact that in these developing areas, the more the project of development is seriously pursued, the more we discover that we are moving far away from it. What is responsible for this inverse proportion between the rate of pursuing development and that of its realization? Goulet (1998) asserted that the development project is not getting results because we often neglect the ethical dimension of development.

Development ethics is an effort to rethink the idea of development within the context of the failure of the project. The failure of the project starts from the misconception that development is mere economic growth and that it is completely a morally neutral concept. The deconstructive project of these new development ethicists seeks to emphasize that the idea of development is ethical. It maintains also that the idea is not universal but relative to societal preferences and value system. In this respect, it is the societal value that determines the concepts of development.

Finally, the development ethicists also affirm that mere economic growth that fails to translate into the realization of the common good is not only unsustainable but a “de-development”, in the sense that the populace that needs the development cannot benefit from it (Owolabi et al, 2009).

#### **2.4. Concept of Corporate Integrity and Corporate Construct**

The concept of corporate integrity was defined by Brown (2005) as wholeness, consistency, relational awareness, inclusion, and as pursuing a worthwhile purpose. Thus, Integrity refers to the congruence between corporate rhetoric’s and action. Corporate integrity is then a system of internally consistent organisational framework of principles of ethical conduct (Ejiogu & Onyene, 2006). An organization is said to have integrity if

and when its operations consistently revolve round cherished core values of fairness, equity, transparency, accountability, responsiveness, responsibility, morality, and sincerity.

Brown (2005) maintains that the notion of integrity is a calling: a calling to relate, to include the community members in the formulation and execution of programmes affecting their welfare. It involves reaching out to others, encouraging them to express their values and deepest feelings, creating organisational niches that permit such expressions without fear of retaliation, being open and receptive to the diversity of viewpoints that may result from such dialogues, and working cooperatively to find ways of allowing a broader-than-usual panoply of values to be embedded in corporate policies and programmes (Friedman, 1981). It is about the increased involvement of corporations in ethics, social responsibility, and corporate citizenship. In analysing a corporation's integrity, various facets of the organisation's life must be scrutinised, including the cultural, the interpersonal, the organizational, the civic, and the environmental (Brown, 2005). A noticeable lack in the corporate system is that of what one might call "executive integrity" (Ejiogu et al, 2006). In another perspective, Srivastva (1989) describes corporate integrity as a social, interactive process that seeks new organizational ways to be responsible to the needs of others both inside and outside the organization. The multinational oil corporations lack personal and human values of incorporating host communities in the formulation and execution of programmes relating to their welfare.

Corporate integrity construct is drawn from the general meaning of integrity. Integrity refers to strength of trustworthiness of individuals or organizations (Asawo, 2011). Thus, Windsor (2001) opines that integrity emphasizes the quality of moral self-governance at both the individual and group level. Integrity is rooted in moral convictions and is very important for corporate success (Ejiofor, 1987). Secretan (2001) posits that corporations that build their cultures around integrity are likely to achieve a quantum leap in effectiveness. Such corporations are, in his view, encapsulated in 'corporate-wide truth-telling'. Several studies (Snell, 2000; Barrier, 1998; Snell and Tseng, 2002; Jennings and Entine, 1998) have analysed the prevailing business practices and the role of integrity-driven corporate culture in corporate success and have respectively made references to such terms as 'Moral Ethos', 'Business Ethics', 'Moral Atmosphere' and

‘Corporate Soul’. The import of these themes is basically the same as they all point to the efficacy of corporate integrity in securing public trust.

Corporate integrity can be viewed as referring to an institutionalised mindset that arises from a complex network of influences on the organisation and its members, which gives rise to a moral-driven organization that is characterised by corporate truth-telling, honesty, discipline, loyalty and self-control. This corporate mindset which determines the organisation’s moral judgment is developed through the normal phases of corporate maturation. Drawing from Kay’s (1970) analysis of Piaget’s phases of the development of moral judgment at the individual level, three important elements can be identified. These are morality of restraint, morality of corporation and creative morality. The third stage which is based on equity gives rise to moral autonomy and represents a moral judgment that is based not on conformity to immutable moral code (morality of restraint) or a social consensus (morality of corporation), but upon an individual’s consideration of the claims, needs, motives, intentions and ideals (Kay, 1970).

## **2.5. Multinational Oil Corporations Corporate Integrity and Compliance**

An organisation cannot be regarded as higher than its culture portrays since it projects its identity by its corporate culture. This implies that the ethical structures which an organisation develops over time serve as vehicles through which it communicates to stakeholders (Asawo, 2011). Thus, it is not only involved in the creation of a strong integrity capacity, but also in projecting its identity as that of a good corporate citizen. Good corporate citizenship is absolutely necessary for the sustenance of a healthy operating environment for MNOCs. This is because they are expected to operate within stipulated legal and ethical frameworks in order to avoid any negative moral tag that will erode a healthy corporate community relationship. Consequently, organisations will have to build integrity communication competence as a way to enhancing conflict management. Corporate integrity communication competence is the expertise level attained by an organization in effectively projecting its corporate integrity identity to its publics (Asawo, 2011). Corporate communication is a term that encompasses all the ways in which the organization communicates with its various stakeholders. Information management is therefore important for the development of corporate integrity communication competence (Secretan, 2001). Organisations can achieve this through a

well articulated corporate impression management mechanism. Most of the troubles Multinational Oil Corporations face in their business operations in the South-South, Nigeria are as a result of the negative impressions held of them by their host communities have about them.

An important strategy that can be adopted to corporate image and douse the tension that characterises company-community conflict is to enhance an organisation's communication competence (Ahiazu, 2005). This, however, requires a corporate social audit, which enables the organisation reposition itself to attract long-term goodwill. Social audit, in Browns (2005) view, is a systematic attempt to assess business performance in terms of social issues. Multinational Oil Corporations in the Niger Delta require goodwill to effectively manage the conflict in the oil industry.

The environmental harm must be connected to a substantive right in order to meet the requirements of International Human Rights Law; the law must therefore be evolved to include environmental protection as a measure to improve people's lives through preservation of the environment; an obligation for the international community. The central issues for achieving peace in the Niger Delta region are to strengthen the utilisation of available domestic laws, compliance with the universally acceptable human rights laws, and community involvement through autonomy in the management and control of local natural resources, promoting environmental and social justice for the people of the Niger Delta (Snell & Tseng 2002).

However, the importance of communication should not be underestimated in the corporate integrity construct. Stressing the importance of communication on corporate integrity, Fajana (2005) asserts that good communication convinces workers that they have an important stake in a company and thereby leads to increasing worker loyalty. An effective communication should be a two-way communication process whereby oil companies routinely involve the community in decision making processes that affect their communities and environment. People should be well informed and made to be involved in environmental impact assessment before major projects are carried out. The communities in turn should be structured in a way that would encourage a healthy relationship with oil companies.

## **2.6. Multinational Oil Corporations and Forms of Corporate Social Responsibility 1970 - 2000**

The modern multinational oil corporations have their roots in the East and West Indies traders of the mercantile era (UNCTAD, 2000:2). The term “multinational corporation” first appeared in 1960. Distinguishing between portfolio and direct investment, (Logsdon & Wood 2002) first used the term to refer to ‘such corporations that have their homes in one country but which operate and live under the laws of other countries as well’. Two major features are associated with MNCs: first, their activities involve more than one nation; second they are responsible for most foreign direct investment (FDI). Dunning (1996) opines that any corporation that engages in foreign direct investment and owns or controls value-adding activities in more than one country is a multinational corporation.

The period 1970 to 2000 saw an enormous growth of activity by multinational enterprises. While only 7,000 multinational corporations existed in 1970 (Kolodner, 1994:2), there were as many as 63,000 parent firms with around 690,000 foreign affiliates by the year 2000 (UNCTAD, 2000:37). Multinational corporations have been expanding not only numerically but also financially. Between 1990 and 2000, sales of the largest 100 multinational corporations increased from \$3.2 trillion to nearly \$8.4 trillion (World Resources Institute, 2003). The size and enormous economic power of multinational corporations means they have the capacity to influence development policy.

The observed strength of the bottom-up forms of multinational oil corporations to intervention programme is its ability to build local capacity and social capital, and stimulate the growth of local economy. This is particularly evident with regard to how Eastern Obolo Community Development Foundation implements its infrastructural provision projects. Unlike the traditional form to corporate social investment, where multinational oil corporations provide social infrastructure via contracts. Eastern Obolo Community Development Foundation requires communities to identify and prioritize community needs on the basis of axial community needs as opposed to individual community needs. This process invariably engenders communication, negotiations, trust

and relationship building among formerly competing communities for community development projects from multinational oil company. As a result, social capital is enhanced, a positive inter community relation is enshrined and high community expectations are effectively managed. Similarly, since projects were designed and implemented by the communities with the help of Pro Nigeria International Nigeria and Volunteer Service Organisation, the bulk of the financial investment in social infrastructure stays in the community. In addition, the unemployed community youth who participated in such projects get the opportunity not only to earn a living, but also to develop useful technical skills. For example, most of the N20 million spent by the foundation on infrastructure projects in 2004 was paid to local labourers, artisans and suppliers (EOCDF, 2004).

## **2.7. Approaches to Corporate Social Responsibility**

There are different forms of corporate social responsibility of multinational oil corporations. One of them is the classical theory stressing that the primary goal of corporations is to secure its shareholders' financial goals and to respond to their wishes relative to the corporations. On the other hand, the social activist theory holds that there exists a universal standard for determining responsible corporate conduct that is independent from the stockholders interest Barrier (1998); Ake (1999) and Cole (2004) contend that organisations can be encouraged in two major ways to be responsive to their social responsibilities. There is also a third approach by Ogundele (2001) which is a product of the Nigerian experience. The three forms will be discussed.

### **Laissez-faire or Voluntary Approach**

It was asserted by (Moon, 2001) that, an organisation's desire to discharge its social responsibility may be altruistic in nature or motivated by self - interest. Generally, a middle of the road approach is often preferred as a firm cannot afford to be totally motivated by either altruism or selfish interest.

• **State Intervention of the Force of Law Approach:** In this approach, Rosenfeld (2001) argues that the state may intervene through the enactment of certain regulations to compel organisations to fulfill their social responsibilities for the development of the community in which they operate.

• ***Coercive Approach by the Local Community:*** Monsen (2000) posits that in view of a government's inability to either coerce or persuade corporations operating in a particular locality to discharge their social responsibility in a commensurate measure to the damage wrecked on the environment, the inhabitants of such a community may adopt certain extra judicial strategies to ensure compliance. In the oil producing region of Nigeria, militant groups have emerged and their strategies range from kidnap of oil staff, incessant destruction of oil installations to forceful and physical occupation of the premises of multinational corporations located in the area. The discharge and non-discharge of social responsibility by corporate organisations involves some costs for the parties concerned, but the cost of non-discharge have been found to have tremendous negative impacts on the host community, which far outweighed the cost borne ( forceful stoppage of work, loss of man-hour, threat to life) by the organisation. As an illustration, can a host community be adequately compensated for the loss of means of livelihood, health hazards, death, destruction of natural resources of the forest and wildlife? Where such organisations appear to adhere, the cost analysis, as noted by Ogundele (2001), represents "surface" treatment of enormous responsibilities. He further explains that protection of life and properties, improves public image as well as future existence could be guaranteed organisations if they do not shirk their social responsibilities.

### **2.8. Concept of Community Development**

Community development combines the idea of community with development. community development relies on interaction between people and joint action, rather than individual activity – what some sociologists call "collective agency" (Flora and Flora,1993). "Development" is a process that increases choices. It means new options diversification, thinking about apparent issues differently and anticipating change (Christenson et.al., 1989). Development involves change, improvement and vitality – directed attempt to improve participation, flexibility, equity, attitudes, the function of institutions and the quality of life. It is the creation of wealth – wealth meaning the things people value (Shaffer, 1989). Putting the two terms together: community development means that a community itself engages in a process aimed at improving the social, economic and environmental situation of the community (Shaffer, 1989).

Community development improves the ability of communities to collectively make better decisions about the use of resources such as infrastructure, labour and knowledge.

Community development, as a concept, has been defined by various scholars, such definitions include the following;

Community development is a group of people in a community reaching a decision to initiate a social action process to change their economic, social, cultural and environmental situation (Christenson & Robinson, 1989). In another perspective, Biggs (1999) defined community development as a process where people are united with those of governmental authorities to improve the economic, social and cultural conditions of communities and communities are integrated into the life of the nation enabling them to contribute fully to national progress. Anyanwu, (1992) defines community as a group of people spread over different places, who can still be closely in touch and able to plan and act in concert. In this way, the community remains an area of social coherence and is based on locality and community sentiment. Chevalier (2001) view is tied to the notion of promoting community participation as a means of enhancing the development process.

## **2.9. Stages and Aspect of Engagement in Community Development**

The general stages in community development was explained by (Biggs,1999) These include;

- Communities need to have some of the key ingredients for a development process motivation, local leadership and a sense of ownership. Not all communities are interested in, or prepared for, undertaking a process of community development. At any one time, only a few communities may see the need, or have people motivated to organise and lead the community in development activities. Thus, a good leader who will motivate the entire community members to participate in the project will be needed at this stage.

- Community development processes develop from a situation where issues and concerns are very vital, people are concerned, enthusiastic, motivated or frustrated. Private troubles become public concerns as people share issues that matter to them individually. People may begin to see some advantages for them in community improvement, they may have altruistic feelings of contributing to the welfare of the whole community.

- A local leader, a local community group or several concerned citizens may galvanise community action. Input such as a visit by a community facilitator, hearing what another community has done, or a visit by local people to a conference may stimulate action. In prepared communities, even an impassioned speech may turn concern to action

- At this point, community representatives may invite a facilitator or resource person into the community to help with suggestions, information and the process . Some community members may have clear ideas of what is needed or what they want to do and others may simply want to do something to improve their community but are not sure what.

- After some initial organisation, a key step is activities to engage local people and give diverse range of citizens the opportunity to be involved. Engagement of people occurs throughout a community development process, but it is crucial to actively foster involvement early in the process.

## **2.10. Aspects of Engagement in Community Development Programmes**

Several important aspects of engagement in community development programmes as identified by Chevalier, (2001) include the following;

First, it involves understanding the existing concerns of community members. This means identifying what people have passion for, what they feel community issues are and how interested they are in being involved. Basic questions here are "What are your concerns?" "How would you like your community to be?" "Would you like to be involved?"

Second, it is important to ask citizens how they would like to participate, in many community efforts local leaders overlook this. They often choose participation opportunities that they are familiar with, often opting for traditional meetings and committees by default. Asking people how they would like to be involved and actively seeking alternative organisational arrangements and events that are fun and social will help people participate. Often, this leads to a judgement about how prepared the community is to conduct a development effort, and how people would like to plan the process.

Third, some community members may wish to pursue a particular idea they have passion for, such as a new business, streetscape or a shop local campaign. The process needs to allow these people to get started acting on the idea though not everyone may agree or it may not seem to be a priority. Passion drives community development and a balance must be struck between supporting passionate people and long term self examination and prioritisation. There are many techniques for engagement and issues identification. They include personal discussions, surveys, focus groups, public meetings, charrettes, community conversations and many more.

### **2.11. Development in the South-South, Nigeria 1957 - 2009**

Traditionally, development has meant the capacity of a national economy whose initial economic condition has been more or less static for a long time in order to generate and sustain an annual increase in its gross national product (Todaro & Smith, 2003). However, according to Todaro et al (2003), development refers to the multidimensional changes involving progress or improvements in structures, institutions, the general aspects of life of a given people; this entails the acceleration of economic growth, the decline of poverty, and the reduction of inequality. Development strategies have therefore usually focused on rapid industrialisation, often at the expense of agriculture and rural development. Prior to, during, and after independence, the agricultural industry in Nigeria was the backbone of the economy and a major employer of the active labour force (Akpajiak & Pyke, 2003). However, with the discovery of oil and the seemingly endless opportunities to join the ranks of the industrialised nations, hopes were raised for a bright future and agricultural activities were abandoned for the lure petrodollars (Joel, 2008). Development planning in Nigeria dates back to the formative 10-year development plan for 1946 to 1955 prepared by the Legislative Council of the colonial administration (UNDP, 2006).

Since the colonial era, policies and programmes within the national development plans have been formulated to address the minority status, agitations and perceived marginalisation of the people of the South-South. The Willinks Commission of Inquiry, in 1957, made the first major attempt to address these grievances. The commissions' report in 1958 states that "the needs of those who live in the creeks and swamps of the Niger Delta are very different from those of the interior" (UNDP, 2006). The commission

also noted that a government operating inland would find it difficult to concern itself with, or fully understand, the problems of a territory where communications are extremely difficult, building is so expensive and education so scanty; especially in a country that is unlikely to be developed. The commission concluded that a feeling of neglect and lack of understanding was widespread. This, unfortunately, is still the case today in the region (Joel, 2008).

In response to this report, the Niger Delta Development Board (NDDDB) was set up in 1961 (UNDP, 2006). The failure of the NDDDB to solve the problems highlighted in the Willinks report led to the setting up of agencies, such as the Niger Delta Basin Development Authority (NDBDA) in 1976 and the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992. These agencies also failed in their mandates. One of the main reasons given for the failure of the NDBDA was a result of organisational problems; none of the board members appointed by the federal government to run the Authority came from the Niger Delta. Also, it was felt that these agencies were used by the government for political gratification.

OMPADEC, established in July 1992, was given the statutory responsibility to receive and administer the monthly allocation of the Federation Account in accordance with the confirmed ratio of oil production in each state. This allocation was set aside for the rehabilitation of local indigenes displaced by exploration activities, the development of the mineral producing areas and for tackling ecological problems that have arisen from the exploration of oil minerals. The commission, noted for its extravagance and profligacy, did not make any meaningful impact on the lives and environment of the people of the Niger Delta (Joel, 2008). The Commission identified three main problems:

- There was no available data for planning purposes, such as the allocation of crude oil production quota for each state;
- The commission had no means to deal with the volume of demands at the time it folded up, OMPADEC owed its contractors billions of naira (the currency of Nigeria) and left the Niger Delta with numerous abandoned projects. These failures and problems highlight the need for capacity building in the Niger Delta. When President Olusegun Obasanjo came into power in 1999, his administration commissioned a new body, the Niger Delta Development Commission (NDDC) in December 2000, with the hope that it

would offer a lasting solution to the socio-economic problems of the Niger Delta. In order to achieve its mandate, the NDDC board identified key areas of focus:

- Development of social and physical infrastructure;
- Industrial and technological revival and prosperity;
- Economic development and environmental remediation and stability;
- Human developments.
- Pursuit of social and political stability

The need for a master plan as part of its overall strategy was identified and completed. In spite of its attempts to help catalyze economic and social development in the region, the NDDC has not made any positive impact on the people of the Niger Delta. It is facing some of the same funding problems that plagued OMPADEC and, as such, is widely perceived to be ineffective and opaque as a result of allegations of corruption and inefficiency (Joel, 2008). The fact that the local people had no say in determining its composition is seen as a glaring example of political exclusion. As far as ordinary people are concerned, the loyalty of the NDDC is not to the Niger Delta but to the federal government and the oil companies that provide the bulk of its budget. This has led to a heightened level of tension and conflicts among the indigenous communities, the state, and the multinational corporations.

### **2.12. Multinational Oil Corporations and Infrastructural Development**

Total Exploration and Production Nigeria Limited operates both onshore and offshore in Akwa Ibom and Rivers State. Total Exploration & Production Nigeria Limited, like most other multinational oil corporations, engages in Corporate Social Responsibility via corporate social investment in infrastructural provision such as the construction of market stalls in the Eleme - Alimini community, the construction and renovation of classroom blocks and the donation of Science equipment to Akabuka and Ogbogu communities in Rivers State. An early Total E & P Nigeria Limited partnership with the Rivers state Government provided health care delivery in the Erema community. Elf petroleum Nigeria Limited renovated and refurbished a health centres abandoned by Government and provided logistics and drugs for the health centres through the contractors. The Rivers State Health Management Board provided health personnel whose wages were supplemented by Elf Petroleum Nigeria Limited (Okafor, 2003).

In contrast, the top-down approach of Mobil Producing Nigeria or Shell Petroleum Development Corporation that still uses contractors for social infrastructure provision does not carry similar benefits. Instead, accusations that projects were either poorly implemented or were not implemented at all are still quite common and have partly been responsible for damaging Mobil Producing Nigeria and Shell Petroleum Development Corporation's development efforts (Akpan, 2006). The community development programme initiatives such as Mobil Producing Nigeria's agricultural partnership, the Ibom rice farm, have the potential to alleviate poverty by strengthening traditional sources of livelihood that are presently in decline partly due to oil production. Similarly, community development programme initiatives that focus on micro credit schemes, skill acquisition centres and investment in small and medium enterprises also have enormous potential to ameliorate poverty in host communities (Idemudia, 2004). In his contribution, Moon (2001) asserts that such non-profit engagement by the multinational oil corporations offers an opportunity for them to demonstrate the substance of their sociability. Initially, most Multinational oil corporations undertook such non-profit engagement directly and single-handedly, but recently the emphasis has shifted to the use of a partnership strategy to address issues of community development. According to (Ross, 2001), while multinational oil corporations now accept their social responsibilities to host communities, the needs of host communities are so large that they cannot all be satisfied (Onishi, 2002); hence, the need for partnerships.

Mobil Petroleum Development has four host communities in Akwa Ibom State, these are Onna, Eket, Ibeno and Esiri Eket. The bulk of Mobil Producing Nigeria Unlimited community development efforts are concentrated in these host communities. Corporate philanthropy and social investment traditionally were the main strategies employed by Mobil Producing Nigeria Unlimited to contribute to community development. Mobil Producing Nigeria's efforts in this regard were in the area of health care, education, road construction, electricity and water supply. It constructed and renovated health centres and donated medical equipment and medicines ( Hassan, 2000). It also supported education in its host communities via the construction and renovation of classroom blocks, donation of science equipment and the provision of financial incentives for teachers that agree to teach in riverrine areas ( Exxon Mobil 2003)

Mobil Producing Nigeria is the world's largest oil Multinational Corporation with operations in early 200 countries (Skjearseth et al 2004). In Nigeria, Mobil Producing Nigeria has three subsidiaries, these are Mobil Producing Nigeria, Mobil Oil Nigeria Plc and Esso Exploration and Producing Nigeria Limited. Mobil Producing Nigeria oil production is largely offshore, off the coast of Akwa Ibom and Rivers states. Mobil Producing Nigeria has four core host communities in Akwa Ibom state, which are Ibeno, Onna, Eket and Esiri Eket, the bulk of Mobil Producing Nigeria's community development efforts are concentrated in these host communities (Exxon Mobil, 2003). Corporate philanthropy and social investment traditionally were the main strategies employed by Mobil Producing Nigeria to contribute to community development. Mobil Producing Nigeria's efforts in this regard were in the areas of health care, education, road construction, electricity and water supply. It constructed and renovated health centres and donated medical equipment and medicines. It also supported education in its host communities via the construction and renovation of classroom blocks, the donation of science equipment and the provision of financial incentives for teachers that agree to teach in riverrine areas (Exxon Mobil 2003). However, in 2002, Mobil Producing Nigeria formally shifted its focus on community assistance initiatives from providing social infrastructure to local capacity building and economic empowerment. The shift in Mobil Producing Nigeria's emphasis in its community assistance projects was partly in response to local community demands, but also largely due to three main reasons (Idemudia,2005).

According to Mobil Producing Nigeria, the government now has the resources to build infrastructure through the establishment of Niger Delta Development Corporation to which Mobil Producing Nigeria contributes 3 billion naira per year (Exxon Mobil 2003). Second, Mobil Producing Nigeria does not have the resources or expertise to make development happen by itself; other organisations need to be enlisted to help. Third, true sustainable community development is based on the creation of wealth within communities and not on the redistribution of income, assets or gifts (Iheriohanma, 2005). Real economic growth is based on private investment and individual initiative (MPNCN, 2002a) Mobil Producing Nigeria's new emphasis on capacity building and economic empowerment made the forming of partnership imperative and partnership is the dominant strategy for managing issues of corporate-community relations. The partnership

may be strategic alliance (SA), programme partnership (PP) or programme implementation partnership (PIP). Strategic alliance and programme partnership offers the opportunity for interagency cooperation and joint funding while programme implementation partnership involves partners' delivery of these programmes on behalf of the companies (Frynas, 2000).

### **2.13. Infrastructural Development and Sustainable Development in South-South, Nigeria**

Infrastructures are crucial to the development process; the quantity and infrastructures available to the people can itself be a measure of development. More concretely however, the level of infrastructure and amenities available and functional in any area or community has direct implications on the quality of life and also influences other socio-cultural and economic variables in the area. The provision of and improvements on infrastructure are therefore, fundamental to achieving the vision for the development of any community, state, region or national space (Ojile, 2010). Generally, the available social development indicators in the Niger Delta region point to inadequate, unavailable and poor quality infrastructure and social services, from water to telecommunications. Water infrastructure stands out of all infrastructures, physical and social, as critical to the attainment of good quality life. Potable water supply is a function of adequate and accessible functional water infrastructure. Available data reveal that water, in majority of Niger Delta communities comes from unsafe supply facilities, including rivers, lakes or ponds, unprotected wells and boreholes. A safe and reliable water supply is currently available to only a small fraction of the population, approximately 8% of the population actually enjoys water supply in urban and rural centres, while only 3% of the population are actually served by the supply in rural villages (Ojile, 2010).

Road transportation in Nigeria covers the widest network and also provides the most flexible means of transport services (Ukwu, 1990). Rural infrastructure constitutes the substance of rural welfare and in the view of Idachaba (1985), efforts to improve the welfare of rural dwellers must go beyond the limited approach of raising per capital income through agricultural development and poverty alleviation programmes and also the provision of rural transport and other public amenities. Globally, poverty reduction

efforts in the rural communities is tied to rural transportation which remains the central goal of global development efforts. Even, in developed and underdeveloped countries, rural communities face acute transportation constraints which limit their ability to reduce poverty levels, access to healthcare delivery, education and good life. ( Akunya and Ihekweeme, 2010).

The importance of an enhanced transportation system in sustainable development of rural communities in the Niger Delta as pointed out by (Akunya et al, 2010), include the following;

- Enhanced transportation system will facilitate the smooth transportation of farm produce from rural communities to urban areas.
- It facilitates the free flow of information as well as the diffusion of innovation and the exchange of ideas which would lead to the introduction and adoption of new techniques capable of catalysing the mechanism for effective operation and management of rural resources.

In spite of the importance of good transportation as a catalyst to economic development in Nigeria, it is very ironical that many rural communities in the South South, still lack good access roads to link rural communities to urban areas in the region. It even becomes more difficult and at times impossible to reach some rural communities during the raining season due to the poor condition of the roads. In most cases, vehicles needed to transport farm produce and personnel involved in the distribution of personnel are not available (Akunya and Ihekweeme, 2010).

Road network is an infrastructure that is essential to the generation of economic growth and development in modern economies. The extent to which a nation's land mass is covered by road network is an index of the degree of mobility of people, goods and services within the country. Road construction and maintenance is a regular annual expenditure in nation's budget with no significant impact on the sustainable development of economy as most roads in the country remain in a state of despair (Olawole, Fadahunsi and Aloba, 2010). Detailed information about road network, volume of traffic, length of roads, accident rate, etc is a prerequisite for effective development of road network infrastructure in Nigeria. The application of geo information in the management of road

transport infrastructure is one possible area that has the potential to support the required data for effective development of road transport infrastructure (Olawole, et al 2010).

Poor maintenance practice and management systems are two main reasons for the failure of water infrastructures, many of the infrastructures perform badly because of the failure of project proposers to consult and have the supposed beneficiaries participate in choice, implementation and management of the infrastructures. Consequently, the felt needs of these communities are never properly assessed before the projects are put in place. Thus, more participatory planning approaches in the conception, planning, implementation and management of community infrastructural development projects is needed for effective performance of the infrastructural facilities in the Niger Delta region (Ojile, 2010).

The health condition of the people in the South-south has been severely affected by oil spills. An estimated 2.5 billion cubic foot of gas is burnt on a daily basis (Omuta, 2001). Soot, laden with harmful chemicals, drift to the ground, adversely affecting soil fertility. Acid rain reduces the life of the corrugated iron sheets used for roofing from twenty to five years. Many of the 250 or so toxic chemicals in the fumes and soot of the gas flares and produced in the burning of oil spills have been linked to respiratory disease and cancer. Flares from nearby oil plants have caused an epidemic of bronchitis in adults as well as asthma and blurred vision in children (Piller et al. 2007). Medical staff report treating patients with many ailments and illness as believed to be related to the products of the gas flares, including bronchial, chest, rheumatic and eye problems ( Quist – Arcon 2007). Gas flares and their soot contain toxic by products such as benzene, mercury and chromium, which contribute to lowering the immunity of community members, in particular children, making them more susceptible to diseases such as polio and measles (Piller, 2007).

Most Nigerians have lost faith in government run services, turning to various service providers including traditional healers, private pharmacists and an array of charlants who operate on a free for service basis (Hargreaves, 2002). A chronic shortage of drugs results in the purchase of drugs from private pharmacists and street vendors with little or no regulations. There is only one doctor for every 150,000 residents in the oil rich states like Bayelsa, Delta and Rivers (Zalik & Watts, 2006). A 2007 Human Right Watch

report on visits to primary health care centres in five local government areas in the Delta found that almost all lacked basic medicines, water and electricity. Some were housed in structures nearing the point of collapse, while many had been abandoned by demoralised staff (HRW, 2007).

In November 2005, Medecins Sans Frontiers had to end a malaria project in Bayelsa because local authorities were unwilling to improve health facilities and staffing. When funds are allocated to improve the provision of health care, as is the case with many development efforts in the Niger Delta, the money is diverted to other purposes or channeled into projects that were never executed (Zalik and Watts, 2006). Corruption and the theft of public funds have resulted in substandard public services, including barely functioning public health centres (Hargreaves, 2002). Low quality public health services, high user fees, shortage of drugs, equipment and personnel, combined with persistent unemployment and poverty rates, contribute to a crisis of affordability in terms of health – care access and status in Niger Delta (Chukwuani, 2006). Current donor driven vertical disease control initiatives have been criticised for setting targets driven by international agendas that adversely affect the development of local health systems. The state of health care in Nigeria has been worsened by many Nigerian doctors emigrating to North America and Europe. Nigeria is only one of ten countries where 50 percent of the population is unvaccinated (Schimmer and Ihekweazu, 2006).

A burgeoning epidemic of HIV/AIDS leaves over 3.5 million infected and without access to the most basic care. Nigeria is listed eighth on the World Health Organisation list of countries with excessive tuberculosis mortality and also has a major measles problem with an estimated 96,000 per year (UNAIDS, 2006). The Niger Delta is a malaria epidemic region, until the World Health Organisation's Roll Back Malaria campaign started in April, 2000, there had been no defined malaria control programme. Epidemics are swift, frequent and inevitably lead to high case mortality rates, most often among children (Chukwuani, 2006). Medecins Sans Frontiers that operates a surgical programme in Port Harcourt observed that over 25 percent of emergencies treated in May 2006 were for violence related injuries (MSF 2006). In August 2007, Port Harcourt and surrounding Niger Delta states experienced weeks of violence, resulting in the deaths of thousands of people.

#### **2.14. Multinational Oil Corporations and Infrastructural Development in South-South, Nigeria 1999 - 2010**

Successive mergers between Total and Petrofina in 1999 and between Total fina and Elf in 2000 made Total fina Elf the fourth largest multinational oil company in the world. On 6 May 2003, the group adopted the new name Total Exploration and Production Unlimited (Touching Lives, 2004). In Nigeria, Total has three subsidiaries: Elf Petroleum Nigeria Limited, Total Upstream Nigeria Limited and Total Liquefied Natural Gas Nigeria Limited. The communities on whose land Total Exploration and Production Unlimited has gas and oil wells in Rivers State are Akabukah, Amah, Erema, Elele Alimini, Obagi, Obite, Obiyebe, Oboburu, Ogbogu (Touching Lives, 2004). Total E& P Nigeria Limited renovated and refurbished a health center abandoned by the government and provided logistics and drugs for the health centre through contractors. The Rivers State Health Management Board provided health personnel, whose wages would be supplemented by Total E & P Nigeria Limited (Okafor 2003).

However, in 2002, Total E & P Nigeria Limited departed from its traditional approach to corporate community relations by jumpstarting its operation at its new offshore Amenam/Kpono oil field in Akwa Ibom state with the establishment of a corporate-community foundation in partnership with the NGO PNIN and its host communities in Eastern Obolo. There are two possible interrelated reasons for Total E & P Nigeria Limited change in approach. First, like most other multinational oil companies, investment in social infrastructure was meant to help secure a conducive environment for oil exploration. Despite a huge investment of roughly \$13.7 million in community causes from 1994 to 2000, corporate-community conflict was still on the increase with significant repercussions for the firm's operations. According to Okafor (2003), while Total E & P Nigeria Limited asserted that its community spending is in recognition of its citizenship responsibility, a more obvious deducible reason for such social investment was to ensure unhindered operation.

Second, the widespread acclaimed success of the first corporate-community development foundation in Akassa Bayelsa state in the Niger Delta, supported by Statoil and Chevron Texaco, facilitated inter - organisational relationship. Different multinational oil corporations have, as a result of the Akassa community development

foundation, sought to adapt the strategy for corporate social investment in their various host communities. Following a visit by Total E & P Nigeria Limited officials to Akassa, Total E& P Nigeria Limited engaged Pro Nigeria International to facilitate a reproduction of the model in Eastern Obolo and Opobo Nkoro (Touching Lives, 2004).

The partnership between Total E & P Nigeria Limited, Pro Nigeria International Nigeria, Volunteer Service Overseas and the Eastern Obolo communities established Eastern Obolo Community Development Foundation in December 2002. Elf Petroleum Nigeria Limited provides funding of \$350,000 per year, Pro Nigeria International Nigeria and Volunteer Service Organisation facilitate the activities of the foundation by building local capacity and providing technical support for the projects supported by the foundation. Community members were responsible for the management of the foundation and for the design, implementation and monitoring of community development projects. Hence, the foundation is largely community owned and centred and, therefore, adopts a bottom-up approach to community development. The foundation adopts a democratic strategy for relating with its constituent communities so as to ensure wide representation of the different groups, activities and people within the various communities. At the beginning of each year, members of the steering committee appointed by their different villages meet to set up a development plan in a workshop where community needs are identified and prioritised. These prioritised needs were based on axial needs and become the activities to be undertaken by the foundation for that year.

Other activities that form part of the joint venture's long term support for educational development include building and renovation of classroom blocks, technical workshops, teachers' quarters, donation of teachers' quarters, donation of computer equipment and electric power generators to universities, textbooks to secondary schools and donations to educational endowment fund (Touching Lives, 2004). Other important projects include building and equipping science laboratories among which is the one in Obagi which serves as a centre of excellence for the teaching and learning of science students within Rivers state. The community based National Youth Service Scheme (NYSC) where participants of the NYSC were selected and posted to teach science subjects, Mathematics and English language in rural communities was also instituted (Touching Lives, 2004). Furthermore, the Teachers' Enhancement Programme was

another community human development initiative aimed at attracting and retaining qualified teachers in the host communities. Under the planned scheme, the joint venture provided incentives packages to the teachers in community schools and equip their libraries with recommended textbooks to encourage the reading culture ( Touching Lives, 2004).

Moreover, another programme implementation partnership is in the area of health care delivery. Mobil Producing Nigeria partners with New Nigeria Foundation, an affiliate of Citizens International of Boston, United States, to prevent and treat malaria. In 2001, Mobil Producing Nigeria entered into an agreement with the New Nigeria Foundation to facilitate and promote community health services for sustainable development. Mobil Producing Nigeria provided the funds, while the New Nigeria Foundation implements the project on behalf of Mobil Producing Nigeria in 14 communities across Akwa Ibom and Rivers states. Funds provided by Mobil Producing Nigeria were paid into a drug revolving account on a quarterly basis and were managed by the Community Health Committee with the assistance of Non Governmental Organisation (MPNCN, 2002a).

Following the agreement, the New Nigeria Foundation engaged other local NGOs to facilitate the implementation of the projects, including Reproductive Health Service, Community Partnership for Development, Vanguard Network and the Foundation for Economic Research and Training (MPNCN 2004a). The programmes were jumpstarted by a community health needs assessment and the creation of a community health committee to ensure they serve the most important local needs and stay on track. This was followed by the training of local health personnel, supply of drugs, provision of potable water and a general upgrade of the community primary health system (MPNCN 2004a, 2002a).

These different partnership initiatives are expected to help Mobil Producing Nigeria make positive contribution and strengthen local communities (Exxon Mobil, 2003). This supposedly allows Mobil Producing Nigeria to draw on the resources and expertise of local and international developmental agencies to complement its efforts and, therefore, avoid criticisms that multinational oil corporations lack the soft skills for community development (Frynas, 2005). However, given that most of Mobil Producing

Nigeria's partnerships are not community driven, as communities are often not involved as direct partners but more often as benefactors rather than active participants, Mobil Producing Nigeria partnerships are thus largely top-down in nature (Ite, 2007).

However, Exxon Mobil Producing Nigeria Unlimited organised different programmes to eradicate malaria in 14 communities in Akwa Ibom state. The projects was a follow up to the already established Community Health Social Programme. Through this project, Exxon Mobil provided malaria testing kits to some communities in Ibno and Eket local government. The health programme also included netting of homes and fumigation of household and surrounding (Exxon Mobil, 2003). Apart from this, special training programmes were organised for laboratory technicians residing in the local government areas that the community health service programmes covered.

Corporate philanthropy and social investment were traditionally the main strategy employed by Exxon Mobil Producing Nigeria Unlimited to contribute to community development. MPN's efforts in this regard were in the area of health care, education, road construction, electricity and water supply (Idemudia, 2005). Mobil Producing Nigeria constructed and renovated health centres, donated medical equipment and medicine in Eket local government in Akwa Ibom state. Mobil Producing Nigeria Unlimited also supported education in its host communities through the construction and renovation of classroom blocks, the donation of science equipment and the provision of financial incentives to teachers that agree to teach in riverine areas (Exxon Mobil, 2003).

In 2002, the Nigeria National Petroleum Corporation and Total E & P Nigeria Unlimited, through their joint venture, sponsored community free health programmes at Abak in Akwa Ibom state and Opobo town in Rivers State. During the programme, patients including those from surrounding towns and villages, received free consultation, drugs and natural health education, natural supplements for infants and children, dental surgical and ophthalmic treatment. More than 6,000 patients benefited from the programme which was under the auspices of a NGO, about 12000 community members benefited from the programme (Touching Lives, 2004). Total Exploration & Production Nigeria Unlimited in partnership with Nigeria National Petroleum Corporation constructed a hospital that was valued at 58 million naira in Obagi community in Rivers State and they donated two ambulances. The NNPC/ Total Exploration / Nigeria National

Petroleum Corporation donated to Delta Manna Foundation in Delta state and Erema Hospital in Rivers state, for emergency health care delivery (Touching Lives, 2004).

The Egi electrification scheme was the most ambitious and comprehensive community development programme undertaken by the NNPC/ Total Exploration and Production Nigeria Unlimited joint venture in 2003. The objective of this project was to ensure steady and uninterrupted electricity supply to all communities within Egi land in Rivers state. Through the construction of a modern, independent power generation as well as a high tension and low tension network, this network supplies power to over 20 towns and villages in Egi land Rivers state (Touching Lives, 2004). The electrification scheme in Egi land was sub divided into three. Phase one of the project included expansion and activation of the electric network in Ibewa and Ede communities and the construction of a new electricity supply in Obukegi, Obigbor, Egita, Akabta, Obiozimini and Itu Ogba communities and they connected them to the national grid (Touching Lives, 2004). The phase two of the electrification project involved disconnection of existing national grid of the Power Holding Corporation of Nigeria (PHCN) power supply from the various sub-stations in Egi and routing the NEPA lines directly to the Egi turbo generation distribution station. The third phase of the project involved the construction, installation and commissioning of the independent power generation station. The station utilised gas produced from the Obagi field to generate electricity (Touching Lives, 2004).

In the area of water supply, Total Exploration and Production Unlimited also provided potable pipe borne water for its host communities. The water schemes, which are of World Health Organisation standards, are centrally located at Akabta, Akabuka, Amah, Erema, Obukegi, Obagi, Obite and Obiyebe (Touching Lives, 2004). Another demonstration of the joint venture's commitment to its neighbour is in modern roads development. The programme was aimed at opening communities to further development and economic empowerment (Touching Lives, 2004). Under Phase One of the project, 20km of the asphalted 6m wide road was constructed to link all communities in Egi from Erema through Obukegi, Akabta, Obiozimini and Obite. The project was completed in 2001. In 2001/ 2002, the second phase of this major road development, measuring about 25km, was constructed to link Akabuka to Obagi via Oboburu, Idu – Obosi – Ukwu, Idu Osobile (Touching Lives, 2004). Phase Three, which commenced in 2003, involved the

construction and rehabilitation of the internal roads of Obagi, Ogbogu, Erema, Obiyebe and Itu Ogba communities totaling about 25km, 6m wide. The road network was valued at more than \$2.4m ( Touching Lives, 2004).

In 1998 / 1999 academic year, the NNPC / Total E&P joint venture, introduced a national merit scholarship programme (Touching Lives, 2004), before then, the joint ventures scholarship scheme was restricted to the host communities. It was revealed in Total Touching Lives magazine that as the activities grew, it became necessary to extend the scope of the scholarship to cover brilliant Nigerian youths in other parts of the country. It was revealed further that under the community scholarship scheme as at the year 2004, 1427 beneficiaries benefited from the scheme at post primary school level. 1039 benefited at post secondary school level and to date, 10,000 community youths benefited from the programme (Touching Lives, 2004).

Another area where the Nigeria National Petroleum Corporation and Total Exploration and Production Unlimited joint venture has affected lives in Rivers State is in the provision of civic centres and community halls. The magnificent buildings erected for community use have provision for library, postal agency, guest rooms, beauty salons and large halls for social gatherings, town meetings, educational meetings and other purposes for public good (Touching Lives, 2004).

**Table 2.1 Beneficiaries of Total E&P Scholarship Programmes in South-South, Nigeria between 2001 and 2004**

COMMUNITY SCHOLARSHIP SCHEME (CURRENT)	STATES			
	A/IBOM	DELTA	RIVERS	TOTAL
Post Primary Scholarship	513	149	765	1427
Post Secondary Scholarship	350	124	565	1039
Post Graduate (Local)	30	10	32	72
Post Graduate (Foreign)	4	3	7	14

**Source:** Touching Lives (2004) Report on Corporate Social Responsibility of Total E&P Oil Corporations in Nigeria.

**2.15. Corporate Social Responsibility and Socio-Economic Innitiative Programmes of Multinational Oil Corporations in South-South, Nigeria**

The Integrated Community Development Project (ICDP) is one of Mobil Producing Nigeria's programmes partnership. The project was initiated by the Akwa Ibom state government (AKWSG) in April 2002 was launched the project with an endowment fund of N15 million. The United Nations Development Programme (UNDP)–Human Development Fund (HDF) pledged N20 million and Mobil Producing Nigeria donated N50million to the project. Integrated community development programme is based on a support agreement and memorandum of understanding signed by the various partners – Akwa Ibom State Government, Mobil Producing Nigeria, United Nations' Development Programme Human Development Fund which stipulate the roles and responsibilities of each partner. Mobil Producing Nigeria provides funds and participates in selecting the beneficiary communities. The Ministry of Economic Development, which is the representative of Akwa Ibom State Government, was responsible for project implementation, monitoring and evaluation. In addition, the ministry reports back to partners, while the community as a benefactor was consulted to ascertain its needs. Communities are also required as part of their contribution to donate land for the provision of social infrastructure and set up project management committees to ensure project sustainability and community ownership of projects. Other Mobil Producing Nigeria community development programme initiatives were mostly Programme Implementation Partnerships. The first of such partnerships was the agricultural partnership between Mobil Producing Nigeria, Akwa Ibom State Government and Midland Rice of Arkansas in the United States. The partnership established the Ibom rice farm in Ikot Ebidang village in Akwa Ibom state. While Mobil Producing Nigeria contributed \$5.5 million, Akwa Ibom State Government donated the 4,000 hectares of land where the project is located and Midland Rice is expected to bear the cost of running the rice farm and assume responsibility for the management of the project (MPNCN, 2004a).The project began in April 2001, when four staff members of the Akwa Ibom States Ministry of Agriculture were sponsored by Mobil Producing Nigeria for a six-month training course at Midland Rice facilities in the United States.

In December 2001, Mobil Producing Nigeria signed a support agreement with Midland Rice to financially support the agricultural project in the state (MPNCN 2004a). The Ibom rice project consists of three components, one is the farm field school, where

local farmers would be given practical training on modern farming techniques. The second is the rice milling plant and the third is the agricultural technology centre that would also serve as an avenue for technology transfer (MPNCN, 2004a)

In addition, there is a small poultry farm managed by Mobil Producing Nigeria. The key target groups are local farmers, unemployed youth and agricultural graduates who want to benefit from practical training (MPNCN, 2004a). The rice farm is expected to generate local employment when fully operational as well as produce rice for local consumption and export. However, up till today, the rice farm is not fully operational.

The second Programme Implementation Partnership is the Mobil Producing Nigeria /Support and Training Entrepreneurship Programme (STEP) and the Mobil Producing Nigeria/Growing Business Foundation partnerships. These partnerships were mutually reinforced as they were both geared toward poverty alleviation via capacity building and economic empowerment (Exxon Mobil, 2003). Support and Training Entrepreneurship Partnership is a micro enterprise development organisation run by the International Finance Corporation, which assists micro and small enterprises in the informal sector to grow and be integrated into the mainstream economy via capacity building. In December 2001, Mobil Producing Nigeria signed a support agreement with Growing Business Foundation. The foundation was charged with the responsibility of implementing programmes that cover agriculture, skill acquisition and a micro credit scheme, while Mobil Producing Nigeria provided the funds. In 2002, Mobil Producing Nigeria also facilitated the establishment of a Support and Training Entrepreneurship Programme office in Eket in Akwa Ibom state (Exxon Mobil, 2003). Similarly, Mobil Producing Nigeria provided the funds, while Support and Training Entrepreneurship Programme helps build the capacities of potential beneficiaries. However, Mobil Producing Nigeria recommended potential beneficiaries to Support Training Entrepreneurship Programme; the organisation in turn, would engage in capacity building and the training of potential beneficiaries in areas such as business entrepreneurship, management skills and record keeping. Successful candidates either managed their businesses or were recommended to Growing Business Foundation for loans. Growing Business Foundation subjects potential beneficiaries to a rigorous screening process before they qualify for loans (Idemudia & Ite 2006). The process involves group

formation by beneficiaries and credit evaluation. Integrated community development programme focuses on capacity building such as a micro credit scheme to boost small-scale enterprise in areas of agriculture, carpentry, hairdressing and other skills development. The project also involves the provision of social infrastructure such as tap water.

In the area of vocational skill development, since the programme started in the year 2001, about 600 youths from Akwa Ibom, Delta and Rivers states have benefited from the development programme where they learnt various trades ranging from welding and fabrication, carpentry, barbing and hair dressing, fashion designing, auto electrical and auto mechanic (Touching Lives, 2004). The objective of the scheme was to prepare the youths to contribute meaningfully to the growth and development of their communities through gainful self-employment in their various trades and in the long term developing them to develop others.

In the area of agricultural promotion, the oil palm productivity improvement programme which was started by Exxon Mobil in 2004 facilitated the establishment of palm oil cluster in Akwa Ibom. The project at inception carried out baseline studies, needs assessment and identified constraints of stakeholders along the oil palm chain in Akwa Ibom. It mobilised the stakeholders to develop specific activities to deal with the identified constraints. Project implementation involved training and capacity building for cluster leaders, oil palm farmers, nursery operators, processors, machine fabricators and input suppliers (Exxon Mobil, 2004). A Performance Monitoring and Evaluation Plan (PMP) was designed for effective periodic monitoring of activities being carried out. The project targeted some communities in the state; The Ikot Akpa Nkukuk communities in Ukanafun LGA and Ikot Oku Ikonno community in Uyo Local Government in Akwa Ibom.

Community business initiative and talent trading programme was established to create new approaches to income management and investment. Series of workshops were organized in partnership with Non Governmental Organizations which was aimed at developing managerial skills to manage business successfully. (Touching Lives, 2004). The Nigeria National Petroleum Corporations and Total Exploration and Production Unlimited provided the initial support base through take off grants for trainees of the skill

development programme. The objective was to explore the possibility of turning around the beneficiaries from total dependence on the corporations to investment creativity using the contracts and funds received from the company as a launching pad.

Determined to make a drastic change in the level of economic development in the communities, Total Exploration and Production Unlimited and Nigeria National Production Corporation joint venture constructed a number of modern markets to boost trade and commerce. The markets were located in Oboburu, Akabuka, Ogbogu, Obagi, Omoku and Elele Alimini in Emuoha Local Government area (Touching Lives, 2004). Apart from enhancing commercialization, these markets also provide avenues for cultural exchanges and harmony among community members.

In the area of agricultural promotion, Total Exploration & Production Unlimited has affected lives of the farmers positively through the establishment of a seed multiplication centre (SMC) at Oboburu community in Rivers state in 1994. (Touching Lives, 2004). The objective was to promote modern farming methods among the rural farmers and introduce more people into farming and fishing as opportunity for self employment and thus uplift the overall economic well being of the communities. So far a total of 8,047 farmers have benefited from this scheme through the provision of hybrid crop, fish and livestock species, improved farm inputs and technical advice. In addition, 2,015 small holder farmers in 21 communities were earmarked for various forms of agro technical assistance in the 2003 farming season (Touching Lives, 2004). Similarly, out of the total number of beneficiaries, 5314 farmers have established their own small holder seasonal, arable and tree crop farms, small ruminant (sheep and goats) farms and piggery. These small holders farms and the new one envisaged, constitute the core of the Total Exploration & Production Unlimited agricultural extension services in the host communities (Touching Lives, 2004). The extension services comprise, agricultural input distribution, method demonstration and technical advice given to farmers in the following communities; Obiyebe, Obite, Ogbogu, Oboburu, Akabuka, Erema, Obukegi, Ede, Ibewa, Obiozimini, Ohali – Elu, Akabta, Idu, Ubarama, Ubeta, Ihugbogo, Elele – Alimini and Elele – Okinali. These communities were further grouped into six zones with an agricultural extension officer attached per zone to bring the services close to farmers.

Pilot fish, poultry and piggery farms were established to take care of the training needs of intending farmers in these specialised areas while many farmers' cooperative societies have been formed as a result of Total Exploration & Production Unlimited intervention in this sector (Touching Lives, 2004). The corporation also introduced an agricultural micro credit scheme to financially empower enterprising farmers' cooperatives in the communities. The importance of this scheme is that it has led to a high level of awareness among the local farmers on the benefits of using improved high yielding inputs and modern methods of farming (Touching Lives, 2004).

**Table 2.2 Beneficiaries of Skills Development Programmes of Total E&P between 2001 and 2004 in South-South, Nigeria**

SKILLS DEVELOPMENT PROGRAMME					
STATES	Ist Batch of Trainees	2 <sup>nd</sup> Batch of Trainees	Completed Settled	Still On-Going	Total No. of Trainees
Delta	25	42	47	20	67
Rivers Akwa	100	198	269	29	298
Ibom	98	114	98	114	212

**Source:** Touching Lives (2004) Report on Corporate Social Responsibility of Total E&P Oil Corporations in Nigeria.

### **2.16. Corporate Social Responsibility and Citizen Participation in the Execution of the Intervention Projects**

The notion of popular participation and that of community participation are interlinked. Adekola (2004) points out that popular participation is concerned with broad issues of social development and the creation of opportunities for the involvement of people in the political, economic and social life of a nation. Mogulof (1989) states that participation is an act by which the citizen has the opportunity to influence the distribution of benefits or losses, which may be visited upon him or upon those people he represents. Ahiauzu, (2005) saw participation as the active process in which the community members participate in the initiation and implementation of decisions. Balouga (2009) asserted that participation is a process of playing active roles in community decisions, knowledge of local issues, related attempt to influence proposed

measures through independent and group actions, belonging to committees and making financial and other necessary contributions towards community programmes.

Adekola (2004) asserts that participation emphasises total control by community members. It de-emphasises, as a matter of importance, a lesser degree of Government or multinational oil corporations imposition of their intervention programmes for the people. This means all development efforts directed at the people or their living environment must be conceived, planned and implemented with deep involvement of the people for which such development activity is meant. Participation, according to Anyanwu (1981), involves self help, when people participate actively in their own affairs, they are helping themselves. The promotional values of citizen participation, according to Anyanwu (1986) are that participation enhances faith in the possibility of success in the execution of programmes designed for better living, it promotes faith in the ultimate satisfaction of personal and community motives, it is also seen as a catalyst by which human efforts could be directed towards coping with the increasing interchanges of energies and satisfaction which are central to the growth of the community and its people for which it gives a psychological satisfaction. The principle of participation, therefore, implies that the multinational oil corporations have to supply the necessary and needed stimuli for the success of their intervention programmes in the region. According to Paul (1987), the following serve as reasons why participation becomes necessary in the implementation of development programmes:

- More intervention programmes will be accomplished;
- Participation has intrinsic value among community members;
- It guarantees that a felt need is involved
- Participation leads to a sense of responsibility for the project.

Another important issue in participation is whether the level of community members' participation is tangible enough to influence the lives of the host communities or not. Ezeokoli (2008) points out that the multinational oil corporations should provide access for citizens to communicate their views whenever they implement intervention programmes for host community members. For the intervention programmes of the multinational oil corporations to be very effective, they need considerable interest and

commitment of the host community. The element of participation in a general conception according to Osuji (1991) involves:

- The citizens' participation in the mobilisation of resources and planning of projects to be undertaken.
- The host community's participation in the activities to implement and put the project in place.
- Community members' participation in identifying their own needs.

### **2.17. Merits of Host Communities Participation in the Intervention Programmes of Multinational Oil Corporations.**

The merits of participation as presented by Osuji (1991) include:

- The involvement of people in development activities taking place in their community is likely to result in better decisions. Thus, if the community members participate in the intervention programmes of the multinational oil corporations, this will play a vital role in bringing into public consciousness irrational and emotional, but useful elements which might not have been considered in the rational planning process.
- Participation serves as a vehicle for psychological satisfaction, motivation and mobilisation. If multinational oil corporations involve host communities in decisions concerning their well being, they will see themselves as having some control over their environment. This will in turn make it easier for local and even external human and material resources to be tapped, pooled and mobilised for development purposes
- Participation helps to empower communities by increasing their capacity to define, analysed and act on their own problem.

### **2.18 Participatory Approach to Community Development**

People's participation as a concept was formulated in the 1970s, in response to the growing awareness that the various approaches then employed for rural development, such as community development, integrated rural development or basic needs did not often lead to significant rural development and especially poverty reduction, largely, as was then thought, because there was little involvement in development projects of those undergoing development and particularly the poor (Guimaraes, 2009). An important milestone in people's participation in rural development was the World Conference on Agrarian Reform and Rural Development which took place in Rome declared

participation by rural people in the institutions that govern their lives ‘a basic human right’.

If rural development was to realise its potential, disadvantaged rural people had to be organized and actively involved in designing policies and programmes and in controlling social and economic institutions. WCARRD saw a close link between participation and voluntary, autonomous and democratic organisations representing the poor. It called on development agencies to work in close cooperation with organisations of intended beneficiaries, and proposed that assistance be enhanced through small farmers and peasant groups (Joshi & Moore, 2002)

With regard to rural development participation includes people's involvement in decision-making processes, in implementing programmes, their sharing in the benefits of development programmes and their involvement in efforts to evaluate such programmes (Dennis, 2001). Participation is concerned with the organised efforts to increase control over resources and regulative institutions in given social situations on the part of groups and movements of those hitherto excluded from such control (Piller, 2007). Participation can be seen as a process of empowerment of the deprived and the excluded. This view is based on the recognition of differences in political and economic power among different social groups and classes. Participation in this sense necessitates the creation of organisations of the poor which are democratic, independent and self-reliant (Ghai, 1990).

### **2.19 Scope and Applications of Participation to Rural Development**

Participation is, in practice used in various contexts and for different purposes. In the project cycle, the diagnosis of situations and problems, leading to project identification and formulation, is a field where the current trend is towards the use of various participatory approaches. Heck (2003) asserts that participatory research is to be included in any participatory project as it is indispensable first for the collection and analysis of the necessary information on the action areas and the disadvantaged people and second for project expansion and replication.

Other stages of the project cycle where participation is used include project planning and design decisions, project implementation, monitoring and evaluation. In addition to these forms of participation at the micro level of projects, participatory

approaches are also used at other levels. Participatory poverty assessments (PPAs) are designed to influence policy at the macro level, particularly in relation to development and poverty reduction strategies (Norton, Bird, Kakande & Turk 2001).

As a result of the role that it has played in spreading ideas of participation in rural development and in recent debates on participation, participatory rural appraisal (PRA) deserves to be mentioned especially. PRA has been described as a family of approaches, methods and behaviours that enable people express and analyse the realities of their lives and conditions, to plan what actions to take, and to monitor and evaluate the results. Its methods have evolved from Rapid Rural Appraisal (RRA). The difference is that PRA emphasises processes that empower local people, whereas RRA is mainly seen as a means for outsiders to gather information. The key elements of PRA are the methods used, and most importantly the behaviour and attitudes of those who facilitate it (Chambers & Blackburn, 1996).

Poverty and the powerlessness of the poor are central concerns of PRA. PRA uses a wide range of methods developed by practitioners specifically to help local people, rural and urban, many of whom are not literate express and share information, and also has several methods in common with RRA. Many of these methods are visual and they include participatory mapping and modelling, transect walks, flow diagrams, seasonal calendars and matrix scoring, institutional and analytical diagramming, all undertaken by local people.

The use of Participatory Rural Appraisal (PRA) has helped involve communities in various decisions concerning their development, including appraisal, planning, implementation, monitoring and evaluation. The 'developers' have also benefited from the interactions of PRA, in the sense that development practitioners have become more open to and respectful of local knowledge and more receptive to local priorities for research, action and policy. This will help development, research-oriented organisations and multinational oil corporations in South- South Nigeria move away from top-down, standardised procedures and towards a more open culture of learning (Guijt and Cornwall & Gavetta 1995).

## **2.20. The Stages and Components of Project Cycle**

The cycle that projects go through from initial conceptualisation to implementation and evaluation is called the project cycle. A development project sets out to meet a perceived need by a sequence of activities, which includes identification, preparation, appraisal, implementation and evaluation (Mohammad, 2010) . The stages and components of project cycle and their logical sequences is shown in the figure 2.1 below.

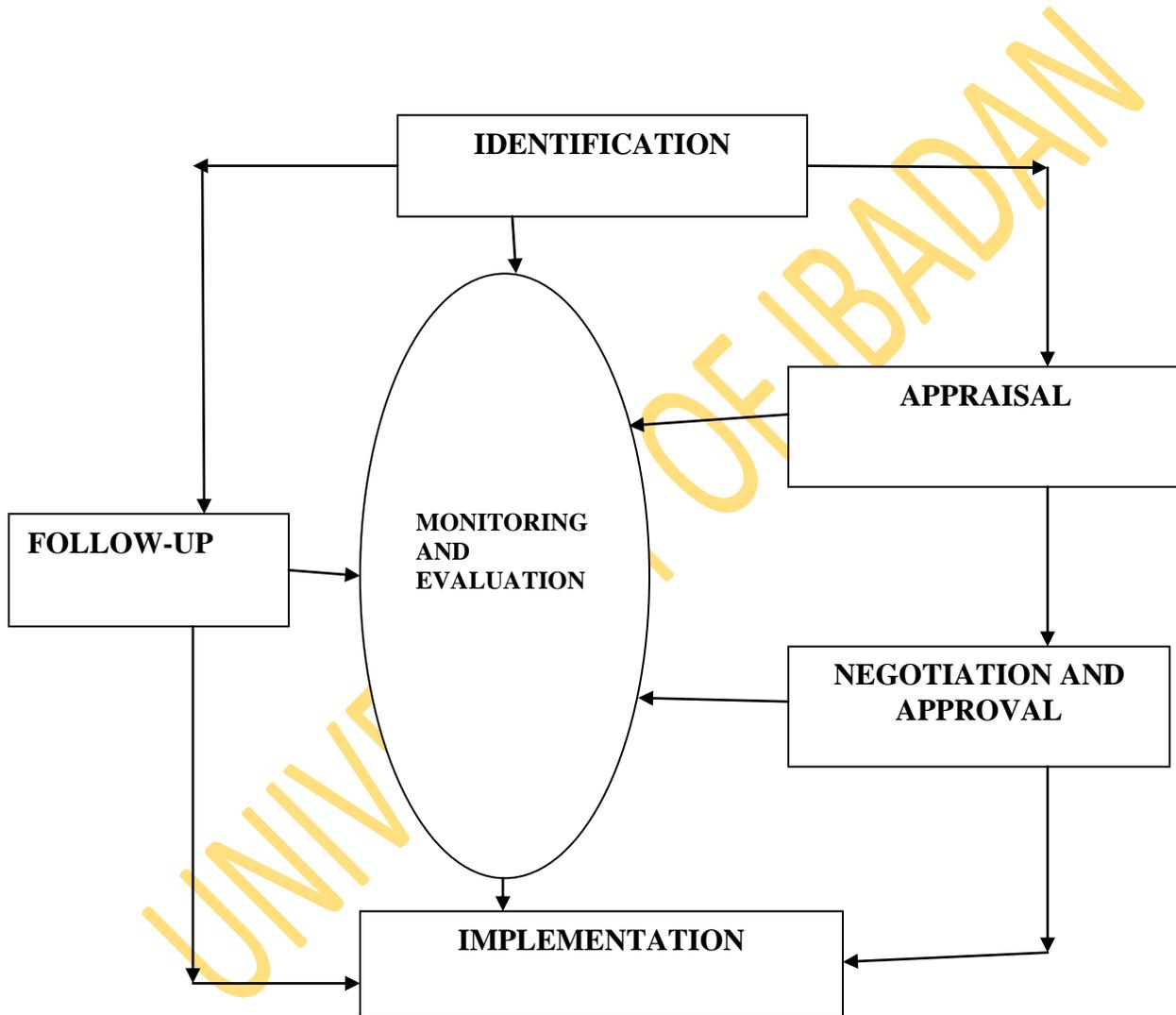


Fig 2.1 Project Cycle: The Six Phases, Adapted from Mohammed (2010)

### **Project Cycle: The Six Phases**

In the project cycle, identification of project ideas is very important to overcome problems or fulfill the development priorities in the context of local objectives. As the development projects affect the life of their participation in this stage is necessary. It is

the local people who knows the nature of their problem and the way of overcoming such problem. So project idea and possible solution must be emanated from initiative by local people (Mohammad, 2010).

Project appraisal and approval may only take place after the policy makers have accepted the project when the funding organisations get satisfied with the feasibility criteria, it is a very technical matter and participation of local people at this stage is not important (Mohammad, 2010).

Implementation is perhaps the most vital stage of the project cycle involving the procurement of equipment and resources, recruitment of personnel and allocation of tasks and resources within the project organisation. Under the project implementation plan, resources are mobilised, activities determined and control mechanism established so that the project inputs can produce outputs in order to achieve the project purpose (Mohammad,2010). Hence local people's participation at this stage is conducive to the successful operation of projects.

The purpose of monitoring and controlling a project is to evaluate performance by providing timely information and feedback to the management from all levels helping the project management achieve the target of the project (Mohammad, 2010).

The final stage in the project cycle is evaluation, which is enhanced by follow-up action. Evaluation may be done by different people, oil corporations and donors of the project on an ex-post basis to assess the performance of the project whether its stated objectives are achieved or not and to what extent (Mohammad, 2010). For the purpose of this study, host community participation in the programmes of the multinational oil corporations is at low ebb because of the little recognition given host communities and their leaders by the multinational oil corporations operating in South – South, Nigeria (Tawari & Davies, 2010).

## **2. 21. Multinational Oil Corporations and Peace Building in South-South Nigeria**

Conflict is an inherent dimension of human relations and an undercurrent of social relations (CASS, 2005). It is made pervasive to social relations by the problem of scarcity that requires cooperation for its resolution. Ross (2001) defines conflict as a relationship perceived by one or more concerned parties as a state of mind and a state of economic and political affairs characterised by disagreement, intense competition and mutual

hostility. Therefore, conflicts occur in a society when power, interests and values are distributed in a manner that makes certain groups feel constrained and discriminated against. From this definition, conflict is something that no human being or functioning organisation can escape since in any society, there are diverse human interests and needs, competing individual and group goals and different religious and social beliefs that are most times largely incompatible. Oruwari (2006) asserts that a properly managed conflict can lead to the resolution of fundamental disputes and where not well managed, it tends to aggravate divisions in the state and ultimately find expression in violent and destabilising social actions. Oruwari (2006) points out that as the South South region of Nigeria is the mainstay of Nigeria's foreign exchange earnings, the activities of oil and gas exploration and production companies and the forces that have aligned themselves within the Nigerian state with the multinational oil corporations are at the centre of the conflict and violence. Andrews (1991) describes clearly the key issues that the situation is clearly the result of the large years of internal colonialism brought to a head of by multinational oil corporations, which degrades the environment and demoralises the people. Local political institutions and culture have come under siege and the unemployed youth put aside the control of elders and traditional authorities that they see as ineffective against the external and internal agents

Poverty and conflict are often closely connected. Ekpeyong, Ukommi and Agha (2010) asserted that ethnic tensions continue to brew in different communities in the Niger Delta and in turn lead to escalating poverty. The move towards political liberation has allowed militants in the region to express their frustration in increasing violent ways. Thousands have died over the past years in clashes between different ethnic groups. Also a number of acts of sabotage, including kidnapping, hostage taking and vandalism have been carried out against the officials of the multinational oil corporations. The poverty of the host communities of these multinational oil corporations is associated with neglect, environmental degradation, unemployment and poor infrastructural development.

However, Uyigwe and Agho (2007) points out the following issues that usually trigger conflict in the region; One of the major sources of the conflict is based upon demand by the youths for employment or contracts and over the sharing of largesse from multinational oil corporations and their contracting firms. It is the norm that when the

contractors of the multinational oil corporations arrive in any village for construction or development activities, they seek recognition from the village chief. Subsequently, they may attempt to retain the support of the leaders by paying a monthly financial subvention or allocating jobs or contract to them. This is always the cause for disagreement and conflict between the elders and the youth who feel they are neither being considered nor heard.

Another source of conflict between the multinational oil corporations and the local population is the broken promises from the corporations. Uyigue & Agho (2007) opined that when Exxon Mobil Producing Nigeria Unlimited promised to install a gas turbine at Iwuochang community in Akwa Ibom state to give uninterrupted electricity supply to the whole community. Exxon Mobil did not fulfill this promise and conflict occurred. Hassan (2000) points out further that in resolving the conflict, community leaders endeavour to appease the restive youth to avoid escalation of hostilities. However, when these effort to resolve conflict fails, they invited the law enforcement agents to put an end to the conflict and this led to loss of lives.

However, Tuschl and Ejibunu (2007) also trace the frequent conflicts in Niger Delta to the following factors; Poverty / deprivation of the means of livelihood. The government of Nigeria has realised hundreds of billions of dollars of oil revenue in the last 40 years of oil production in Nigeria. Despite this huge amount of money, the local people remain in abject poverty and deprivation as they lack basic things of life like water and electricity. The region, according to Mukagbo (2004) is a region where time seems to have stood still and where people live in abject poverty, leaving them bitter and angry from not having benefited from the black gold that make Nigeria Africa's largest producer. Commenting further on the deprivation being faced by the people Mukagbo (2004) asserts that in Niger Delta, poverty pervades in the region, similar to what operates in refugee camps. Some leaders in the region claimed that poverty and deprivation are the reasons for agitation in the region.

The social and environmental cost of oil production have been very extensive, they include destruction of wildlife and biodiversity, loss of fertile land, pollution of air and drinking water, degradation of farmland and damage of ecosystems, all of which have caused serious health problems for the inhabitants of areas surrounding oil

production. Tuschl and Ejibunu (2007) assert that it is ironical that environmental regulations which are common practice in developed nations are often not followed due to lack of power, wealth and equity of the affected communities. As a result, multinational oil corporations often evacuate inhabitants from their homelands, further marginalising them. The consequence of this is the conflict and kidnapping of the officials of the multinational oil corporations.

Lack of development and unemployment constitute another factor responsible for conflict in the region. Whittington (2001) aptly describes the economic dilemma of the region when he states that the oil region in Nigeria seems to be stuck in a time warp, with little change since oil was discovered 45 years ago. He claims further that, there are no good roads, electricity, and no portable water. This explains why most youth usually resort to militancy in an effort to press home their demands. Despite all the claims by the oil corporations to be involved in the development of the region, it is to the contrary. Tuschl and Ejibunu (2007) claims that unemployment is very high among the people of the Niger Delta as the multinational oil corporations do not employ people from the region. The issues of underdevelopment and unemployment made members of the Akwa Ibom House of Assembly launch a protest march against Mobil Producing Company in May 2001.

Distortion in the social and economic fabric of the society often results in kidnapping and conflict in the region. According to Hutchful (1985), Shell and other multinational oil corporations perpetuated regional and class inequalities by creating oil colonies in local areas where oil executives live quite lavishly in comparison to the impoverished conditions of the local communities. Tuschl and Ejibunu (2007) opines that these structural changes in the economic life of the local communities has often degenerated into bitter conflicts as the issue of employment and participation in the oil industry has divided different sections of the communities, often along ethnic lines. Other structural effects of the oil industry are rural depopulation, disintegration of the peasantry and urban marginalisation.

Violation of human rights of the local populace can be cited as one of the factors responsible for the militancy in the region. Oil corporations have been very unkind to the people of the region. The human rights of the people are constantly violated by security

forces, at the behest of the corporations. Tuschl and Ejibunu (2007) point out further that in an attempt to suppress the Issac Boro rebellion in 1966, Nigerian troops terrorise the entire communities including raping of innocent women. Boro was considered to be a threat to the free exploitation of the petroleum resources in Niger Delta. In 1987, the Iko community in Akwa Ibom was extensively brutalized by a team of Nigerian Mobile Police Force, at the request of Shell. In 1992, at the insistence of Shell, some youth were killed in Bony during a peaceful demonstration against the activities of oil corporations in the region. Also, the Warri wars of 2003 were allegedly instigated by the activities of oil corporations and Nigeria Naval officers. The people of the region viewed all these as assault and marginalisation because they belonged to ethnic minority groups in Nigeria.

However, another reason that can be traced to Niger Delta crises, as pointed out by Tuschl and Ejibunu (2007), is the divide and rule tactics of some of oil giants operating in the region. The oil corporations, rather than involving themselves in the development of their area of operations prefer to give financial gains to some vocal local chiefs which usually result in crises. The crises that occurred in Rumuolemini, Rivers State on 1st July, 2007 was attributed to sharing of booties from oil corporations in the area. Those who were not favored caused confusion by attacking the oil corporations until their demands were met (Ejibunu, 2007).

### **2.22. Niger Delta Crises between 1990 and 2010**

As a result of the governments' interest in pecuniary gains and petrobusinesses substandard operational policy, there exist some unpalatable social consequences of climate change in Niger Delta communities. These consequences are the effects of the conditions on the people as well as their reactions. Similarly, with the indigenes of the region resolute in defending their environmental and human rights, even violently where necessary, there are some significant changes in the peoples' social life, consequential to the changes being experienced in their native homelands (Odoemena, 2011). Denial of benefits accruing from the natural resources of the Niger Delta and the destruction of its ecosystem have made the people advocate self determination, resource ownership and control – an off-shoot of the earlier agitations led by Isaac Adaka Boro and later, Kenule Saro-Wiwa. This political activism introduced by the two 'revolutionaries' made the people of Niger Delta aware that the government has alienated them from the oil wealth

(Ibaba, 2008). This resulted in a social breakdown, as evidenced by generalised lawlessness in the Niger Delta.

During periods of anomie or social breakdown, society loses its grip on the people who would wish to act according to their own dictates and not that of the collectivity. At a time like this, it is very easy to mobilise people into mass movements because they readily make themselves available. However, mass movements, which emerge under such circumstances, do not primarily aim at changing society but to escape from their perceived isolation. From this theoretical prism, people join social movements for the purpose of gaining a sense of belonging and significance, which the wider society denied them (Anele, 1999). These ultimately led to a new level of protest and agitations which have been popularised through various declarations like the Ogoni Bill of Rights (1990), the Kaiama Declaration (1998) of the Ijaw, the Resolutions of the First Urhobo Economic Summit (1998), the Bill of Rights of the Oron People (1999), the Akalaka Declaration (1999) and the Warri Accord (1999). In all these declarations, self-determination, resource ownership and control were cardinal objectives (Ogundele, 2001). Radical activism that followed these declarations metamorphosed into a resilient subculture of youth violence and rebellion, which are a clear signal of social disequilibrium (Jike, 2004:689). Such acts included the disruption of the activities of Petro businesses in the Niger Delta by different protesting interest groups, especially those of women and the youth which has witnessed intensification since the 1990s (Okonta & Douglas 2001).

This period between 1990 and 2009 also coincided with the emergence of different pressure groups such as the Movement for the Emancipation of the Niger Delta (MEND), Niger Delta People's Volunteer Force (NDPVF), the Egbesu Boys, Martyrs Brigade, Coalition of Militant Action in the Niger Delta, Niger Delta People's Salvation Front, Niger Delta Vigilante (NDV), Joint Revolutionary Council and Militant Camps Across the Niger Delta, amongst other less prominent ones. These groups were responsible for violent attacks against petro-businesses, destruction of oil facilities and installations as well as intimidation of oil workers to quit their jobs (Odoemena, 2011). Oil installations and pipelines belonging to the Nigeria National Petroleum Corporation (NNPC), the government-owned oil enterprise, were also targeted. This resulted in the loss of lives and properties. The State's response to this development has been with

further repression rather than dialogue and constructive management of the conflicts thus the Niger Delta struggles snowballed into another phase of kidnapping and hostage taking for huge ransoms (Odoemena, 2011)

Niger Delta militants introduced worrisome dimensions of kidnapping and hostage taking in 2006. On January 11 of that year, four oil workers, Mikko Nichevi (Bulgarian), Harry Ebanks (Honduras), Arnold Laundry (American) and Nigel Watson Clark (Briton), were kidnapped and taken hostage in Bayelsa state after the declaration of Operation Orido Danger by MEND (IHT, 2004). By December 2006, a total of 24 incidents, involving 118 hostages, were recorded (Ibaba, 2008). The issues of kidnapping and hostage taking have been an insalubrious phenomenon of the Niger Delta society. This is fore grounded by Kolawole (2007) who observes that kidnapping expatriates and toddlers may just be a child's play. Something more barbaric may be in the offing if solution is not sought as soon as possible. It is noteworthy that this ill wind has already blown to many other parts. Today, most parts of the country especially the Southeastern parts, have been grossly terrorised by the use of this new crime trend. Saliu et al (2007) persuasively argue that one might conceptualise youth violence, restiveness, and rebelliousness in the Niger Delta as various shades of reactions to a system that has fallen short of meeting the expectations of the youth. Due to this fact, conflicts occur as a response to the frustration over non-actualisation of set goals (Anikpo, 1998).

### **2.23. Effects of Niger Delta Crises on Socio-Economic Development in Nigeria**

The crises in Niger Delta region through the activities of different militants operating in the region have brought some negative impacts on oil and economic activities and on governance. Tuschl and Ejibunu (2007) point out the effects of such conflicts in Niger Delta as the following; the government of Nigeria depends solely on the earning derived from the sales of oil to be able to carry out their obligations. The crises which began in 2005 has at times forced oil production shutdown of up to 800,000 barrels per day, threatening the Nigerian government's plans to nearly double production to four million barrels a day by 2010. The crises is said to have cost the country an annual loss of 4.4 billion dollars (The Guardian, 2008). Experts predicted that if the crises continue, oil corporations operating in the region will be forced to leave, sending Nigeria's economy into a nose dive.

The Niger Delta crises, since they began have rippled across energy markets, contributing to higher prices and tighter supplies. Attacks on oil platforms in the region usually push oil prices higher. According to a report by International Herald Tribune, an attack by gunmen on a boat carrying oil workers to an offshore rig in the Delta on Friday, 8th June, June, 2007 pushed up prices by more than \$1.50, to \$63.38 per barrel. As the crises in the Niger Delta hamper operations of the oil corporations, some of them have started laying off their workers (Ibaba, 2008). Anglo / Dutch oil firm, Shell Development Corporations retrenched 3,500 workers in September, 2007. A similar action was taken in 2004 when about 1,500 Shell workers were retrenched. The idea was conceived in order to reduce operational cost, in view of the worsening security situation in the regions.

The people of Niger Delta region are highly dependent on their environment, land, water and forest for sustenance. They were attached to their environment and made their living from the exploitation of its resources as farmers, fishermen, hunters and forest product gatherers (Alamieyeseigha, 2005). As a result of environmental degradation and petrobusiness activities, the economic activities of the people were soon dislocated as the effects on farmlands, economic crops, creeks, lakes and rivers became so severe and devastating. Hence, the people could not engage in meaningful productive activities as they used to do (Uyigue & Agho, 2007; Alamieyeseigha, 2005). Due to this development, the dominant economic activity of the people has become traditional agrarian trading (Alamieyeseigha, 2005), while very few are employed in the industries and/or in the civil service. This impaired capacity of the people due to a degraded and devastated environment is a major cause of poverty in the region (Amnesty International, 2009; UNDP, 2006; Alamieyeseigha, 2005). Further, the cost of goods and services in the Niger Delta are quite high compared to other parts of the country because of the presence of petrobusiness activities, thereby birthing a high cost of living in the region (Odoemena, 2011). This is at the detriment of the local people because the more costly the prices of goods and services, the more such are removed from the reach of the local people who have been impoverished (Uyigue & Agho, 2007, Iyayi 2004).

An unfortunate aspect of this situation is the fact that Niger Delta indigenes are seldom employed by the petrobusinesses operating in the area, save for menial/low cadre positions. The Nigerian government has made trillions of dollars from oil revenue in the

last half a century of oil exploitation in the Niger Delta. Despite this huge amount of money and the seemingly inexhaustible resource potentials of the Niger Delta, the people of the region remain in abject poverty and deprivation of basic needs of life (Odoemena, 2011).

Change in means of livelihood from natural sectors to non-natural sectors due to the degraded and devastated environment has equally affected the people adversely. This has been especially in the agricultural and fishery sectors. Also, change in occupation has caused a high rate of rural urban migration, which has particularly affected the productive workforce, especially those of the youthful age group in the rural communities (Odoemena, 2011). The restiveness of the youth in the Niger Delta, has some consequences on the business sector as a good number of business firms in the area have stopped operations because of kidnapping, hostage taking and attack on oil installation (Ejibunu, 2007).

#### **2.24. Reactions of Nigerian Government to the Niger Delta Crises**

Due to the kind of wealth the oil sector produces and the unimpressive way its affairs have been handled over the years, the petroleum industry has become a perfect conduit for corrupt government officials of successive administrations and petrobusiness executives to enrich themselves. This has always been one of the grounds for the Niger Delta agitations. Regrettably, the official response of the government has been more repression of the agitators through the deployment of military troops and Mobile Police units with mortal instructions (Odoemena, 2011). Since the 1990s, many Delta communities have had military occupations just to secure the activities of petrobusinesses and combat youth militancy. The latest of these was the 2006 Joint Military Task Force (JTF) which was deployed to Rivers, Bayelsa and Delta states (Ejibunu, 2007). State violence in this context has been demonstrated in several forms: wanton killings, destruction of communities, abusive military occupation, and sexual abuses by government security operatives. One such case was that of Odi town near Port Harcourt in 2000. It is reliably reported that thousands of people were killed, while livestock, farms, public utilities and houses in the town were deliberately and totally destroyed and set ablaze by the rampaging Nigerian Army (ERA/FOE-Nigeria, 2002).

Another angle to this is the misuse and manipulation of rival gangs, known locally as ‘cults’, for selfish political and clandestine purposes. These cults have proven ties with political leaders in the Delta region who use them during elections to intimidate opponents and rig votes (Ross, 2001). The down turn of this arrangement has brought so much violence to the region. Abati (2007) points out that they are causing so much problems because they need to get even with the politicians who used them during the elections, only to get into office and ignore them.

### **2.25. Multinational Oil Corporations and Conflict Management**

The other side of conflict is peace. Laue (1991) defines peace as a process of continuous and constructive management of differences towards the goal of more mutually satisfying relations, the prevention of escalation of violence and the achievement of those conditions that exemplify the universal well being of human beings and their groups from the family to culture and the state. Efemini (2005) posits that peace is a dialectical concept that has character therefore, to understand the character of peace in the Niger Delta region, there is need for the multinational oil corporations to appreciate the political economy of oil production within the context of the Nigerian state. However a positive definition of peace transforms conflict resolution into a continuous peace building, peacemaking and peace keeping process to deal with social conflict and create socio economic and political conditions that guarantee social justice.

The attitude of the multinational oil corporations was therefore one in which they tried to respond only to what they regarded as their liabilities. Ogbogbo (2004) points out that the reactions of the multinational oil corporations to conflicts in the region were usually untimely. The problem of the communities was not regarded as the business of the multinational oil corporations that operate in the region. The multinational oil corporations expected the people to wait for the government to whom they had paid royalties. As observed by Babatunde (2010), The Shell Petroleum Development Corporations, Western Division Manager for community and environment department said “It is not really the business of a private company to develop these communities, so

when we get involved in infrastructural development, it is a complement to government efforts”.

However, over the years and as the impact of environmental degradation became more apparent, multinational oil corporations became a major target of discontent. As far as the people in the South-South are concerned, very little difference exists between multinational oil corporations and the Nigerian state (Ogbogbo, 2004). They are partners in the exploitation of the resources in the region. Studies have shown that as the spate of protest increased in the South-South, the multinational oil corporations became increasingly jittery. Their response to the host communities’ protests has been to directly invite the policemen to quell the protests and protect their staff and properties. Ogbogbo (2004) points out that the resort to the use of force via the police has often resulted in straining the relationship between the multinational oil corporations and their host communities. The resort to the police, army and navy to quell disturbances was a major strategy adopted by the multinational oil corporations.

Another reaction of the multinational oil corporations to the frequent agitations of the Niger Delta host communities was the change in emphasis from on shore exploration and production to off shore activities (Ogbogbo, 2004). Having suffered dislocation and disruptions in their on-shore oil stations, they began to focus more on off-shore drilling as it was believed that there would be minimal interference by the local people on the high seas. This is particularly the case with Mobil, most of whose oil wells are mainly offshore. The shift has led to the discoveries of giant oil wells in such places as Akpo, Erha and Bonga. These peak oil fields have significantly increased the country’s oil resources to about 160 trillion cubic feet of gas and 27 million barrels of oil (Zalik, 2004).

Another significant policy shift is in adopting an all inclusive stakeholders input in the development of the Niger Delta. The multinational oil corporations have become more responsive to the demand of their host communities. Ogbogbo (2004) asserted that unlike in the past when the multinational oil corporations cited one or two projects in their host communities without consulting the people, they now try to carry the host communities along. Moon (2001) asserted that the multinational oil corporations have resorted to the signing of memoranda of understanding with representatives of the

communities before the implementation of such intervention programmes. The new policy of reaching out to the communities and taking them as co- participants in the determination and execution of projects required by the region, has greatly facilitated by the establishment of community relations department in a number of multinational oil corporations. The department strategises on how to promote and maintain cordial relations between the multinational oil corporations and the host communities. As part of the increased sensitivity of the multinational oil corporations to their host communities' demands, job offer quota to indigenes of their host communities was introduced.

### **2.26. Corporate Social Responsibility as a Public Relations Concept**

Corporate Social Responsibility and Public Relations are so closely related that some writers use them interchangeably. They express the view that community relations is all about corporate social responsibility. Ajala (1993) observed corporate social responsibility as being all that Public Relations is all about, because multinational oil corporations involvement in the community is a natural part of successful business practice. Enemaku (2004) pointed out that available literature indicates that corporate social responsibility is at the heart of public relations and both are geared towards the establishment and sustenance of goodwill, mutual understanding and co- operations between an organization and its publics. Black (1997) expressed the conviction that public relations practice can be summarized under three headings, namely; positive steps to achieve goodwill, action to safeguard reputation and internal relationships. Secondly, it is equally important to look inward at the organizations to eliminate customs and practices which are likely to offend public opinion. Thirdly, public relations techniques should be used internally in order that the staff of the organization would be encouraged to align their own interest with those of Management. Enemaku (2004) pointed out that corporate social responsibility, as a public relations concept, is geared towards actualizing the public relations objectives of maintaining a conducive environment for business operations and contributing significantly to the development of the community within which the organization exists and from which it derives its sustenance.

Omole (2002) asserted that in the Nigerian oil industry, it is evident that the public relations, as well as the Corporate Social Responsibility discharged by the multinational oil corporations to their host communities, have not completely eliminated the basic problems of such communities, hence the persistent demand for more. The multinational oil corporations believe they are doing their best. Enemaku (2004) proffered a suggested approach to this problem, he advised the multinational oil corporations to involve the government at the local, state and federal levels to embark on development programmes to address the problems confronting the people in the oil producing communities. Olumideko (1997) observed that because of the remoteness of the communities where oil is explored and produced, government presence is very insignificant, therefore, the host communities see the multinational oil corporations as the alternate governments which must provide all their needs. Thus, the multinational oil corporations must induce government at all level to come up with tangible programmes to ameliorate the hardship of the host communities.

### **2.27. Multinational Oil Corporations and Environmental Degradation in South-South, Nigeria**

Development Literature clearly shows that the environment is the basis for the sustenance and survival of man (Emeribe, 2000, Olagbaiye, 1990). In his contribution, Opukri (2008) asserted that environmental resources give meaning to man's productive activities. For this reason, mans productivity depend on the quality of environment. Thus development cannot subsist upon a deteriorating environmental resource base. In the South-South, the environment is confronted with environmental problems which can be categorized into the oil and non oil sectors (Opukri, 2008). The non oil related environmental problems include, coastal / river bank erosion, flooding, spread of exotic species, agricultural land degradation, fisheries depletion, inadequate sanitary and waste management.

The oil related environmental problems are spills, gas flaring, dredging of canals and land take for the construction of facilities. The oil related environmental problems are recognized as manmade and given prominence by the South-South people, who experience a direct relationship between oil production and productivity loses. Oil spills, waste dumping and gas flaring are endemic in the South-South. Hundreds of oil spills

occur every year and some 2,000 sites have been registered as contaminated by the National oil Spill Detection and Response Agency (Amnesty International, 2009). People living in South-South have to drink, cook with, and wash in polluted water; they eat fish contaminated with oil and other toxins. If they are fortunate enough to find fish, the land they use for farming is being destroyed, the air they breathe in often have a negative effect on their skin and health. Oil spills and gas flaring can destroy a whole fishing community, reducing vital fishery resources, destroying fishing equipment and terrestrial animal. (Okonta & Douglas, 2001). The effect of oil exploitation on the economic life of the people was pointed out by Babatunde (2008) who asserted that the negative impact of oil exploitation has radically altered the economic lifeline of the once self - reliant oil producing areas for the worst, the quality of life of the average person in these communities have diminished and the adverse effect on the local economy has increased their level of poverty.

Other studies by the Niger Delta Environmental Survey have discovered that the toxic properties of hydrocarbon can lead to an immediate death of aquatic life and seabirds, lobsters, fish and crabs. Babatunde (2008) asserted that those that survived the oil spills would have ingested ample oil, which would make them taste oily when eaten. The medium and long run effect is that the means of sustenance of these communities become paralyzed. This implies that the contamination of rivers and creeks that form sources of water to fish farms and even the flooding of the fish farms due to overflow of water blank and erosion, leads to massive killing of fish and shell fish. Where the contamination effect is sub lethal, smelling and tainting of fishes that commands low market values are produced (Babatunde, 2008). These problems frustrate the fish farmers out of business due to their inability to refund loans they obtained from banks and the extra expenditure made on cleaning of the oil spills.

The indigene and environment suffer from oil spillage and lack of coordinated efforts by multinational oil corporations and the Federal Government to clean up as soon as oil spillage takes place. According to Etim (2003), a spillage from a pipeline owned by the Shell Petroleum Development Corporations (SPDC) in the Karama community of Okordia Zarama Local Government area of Bayelsa State in June 2003 caused enormous economic and environmental damage to the area. Etim (2003) pointed out that the

spillage was not properly cleaned and the indigenes were not evacuated by the oil corporations. Community leaders in the area alleged that SPDC awarded the contract for cleaning the spillage to a company that did not do an effective job, thereby resulting in fires and destruction of the ecosystem.

Acid rain, a direct result of gas flaring, is taking its toll on the South-South. Acid rain not only deprives people of drinkable rainwater and stunts crop growth, It is also affecting people's homes. Opukri (2008) asserted that in Iko, Eket and other communities in Akwa Ibom, Zinc roof which formally lasted 7 – 10 years are now destroyed within one or two years by the acid rain. This has led many home owners to resort to asbestos roofing which, although more resistant to acid rain, is more expensive and hazardous to health. Respiratory problems, coughing up blood, skin rashes, tumors, gastrointestinal problems, different forms of cancer and malnourishment were commonly reported ailments in many communities (Babtunde, 2008). Residents repeatedly attributed the spread of kwashiorkor in their communities and the drastic decline in fish catch and agriculture to the pollution of rivers, ponds, sea waters and land by oil industry operations.

To a considerable extent, there is a relationship between pipeline explosions and oil spillage. A spillage can take place while drilling is in progress. According to Torulagha (2001), pipeline explosions take place due to drilling activity at new site, an old pipeline that has not been checked for maintenance, vandalism by angry youths and members of the host communities and oil bunkers who steal crude oil by intentionally breaking the pipeline. As a result of the consequences of oil explosion to lives, property and environment, people of South-South have consistently blamed the oil corporations and the federal government of Nigeria for showing non-challant attitudes and lacking any systematic mechanism to come to the aid of its citizen when emergency assistance is needed as a result of oil exploitation. A case in point was the Jesse, Delta state, pipeline explosion of October, 1998 in which over 1000 people reportedly lost their lives.

**Table 2.3****Summary of Oil Spills in South-South, Nigeria: 1979 - 2005**

Episode	Year	State	Quantity Spills in barrels
Forcados Terminal oil Spills	1979	Delta	570,000
Funiwa well blow out	1980	Rivers	400,000
Oyakama oil spillage	1980	Rivers	10,000
System Warri – Kaduna Pipeline rupture at Abudu	1982	Edo	18,000
Sohika Oil Spill	1983	Rivers	10,000
Idoho oil spill	1983	Akwa Ibom	40,000
Jones creek oil spill	1998	Delta	21,000

Jesse oil spills	1998	Delta	10,000
Etiama oil spill	2000	Bayelsa	11,000
Ugheli oil spill	2005	Delta	10,000

Source: Adapted from Opukri & Ibaba (2008) in United Nations Development Programme (UNDP), Niger Delta Human Development Report, Abuja, Nigeria, 2006.

In a reaction to the menace of the oil spills and gas flaring to farm produce and environmental degradation, the multinational oil corporations have embarked on different programmes to eliminate the effect of this. During the past few years, Mobil Producing Nigeria Unlimited continued to make progress on projects to minimize routine flaring in offshore Nigeria. The detailed design fabrication and installation activities for the Nigeria East area project made progress substantially in 2005 (Exxon Mobil, 2005). With the projects, Exxon Mobil had the opportunity to recover additional oil reserves while significantly reducing flaring and extract natural gas liquid for sale. The effect of this is that the East Area Project will reduce annual worldwide upstream flaring by approximately 40 percent of the 2005 total. Keeping the environment healthy and safe wherever they work is a core value of Total worldwide (Touching lives, 2004). Since its commencement of operation over 40 years ago, Total E& P has kept to this ideal through sound health, safety and environment practices and a strict adherence to national and local regulations. Regular drills, awareness programmes and anomaly reporting exercises are also carried out to increase safety consciousness with the aim of reducing accident to a barest minimum. In cases of occasional spills by accident or sabotage, a well trained team, equipped with state of the art tools, is maintained to contain and clean up, preventing its spread to neighboring communities (Touching lives, 2004).

## **2.28 Memorandum of Understanding (MOU) : Legal Nature and Drafting**

The term Memorandum of Understanding in practice, is used to denote relationship which may be binding or non binding in nature. Therefore it is necessary to probe deeper and dwell in nature of relationship created amongst the parties by Memorandum of Understanding. The legal nature of M.O.U essentially rests

on the nature of rights, duties or legal relationship it creates among the parties (Ejibunu, 2007).

The essential requirement of a legally binding agreement are as follows;

- There must be offer from one party and its acceptance by another
- Consent of the parties must be free
- Parties must be competent to contract
- There must be lawful consideration
- There must be lawful object
- There must be intention to create legal relations

### **2.29 Multinational Oil Corporations and Memorandum of Understanding in South-South Nigeria**

Total Exploration and Production Nigeria renewed the Memorandum of Understanding with three communities in Rivers state. The agreement, which sets the standard for partnership between the corporation and the host communities. Such memorandum was aimed at improving the livelihood of people of the communities and ensuring peace (Touching Lives, 2004). The corporations in 2008 signed an MOU with Andonio, Mgbuesilariu and Rebesi communities, all in Riveres state, but has failed to implement the agreement (Odoemena, 2011).

The community leaders has regretted that the inability of the corporations to execute the agreement has hampered development and affected cordial relationship between the corporations and their communities. At the partnership renewal meeting in Port Harcourt, a representative of Mgbuesilariu community in Port Harcourt Local Council, Eze Ejike, Wali expressed the view that the renewal of MOU will see Total Exploration and Production Nigeria Limited putting into action its plan for the communities.

### **2.30. Review of Empirical Studies**

Apart from the theoretical and conceptual references, there have been a number of empirical studies that examined the contributions of multinational oil corporations to the

socio economic development and capacity building of the host communities in South-South geo political zone in Nigeria. Ezeokoli (2008) evaluated the community development programme of Shell Petroleum Development Corporations in Bayelsa and Rivers state of Nigeria. Ezeokoli (2008) observed that most of the community development programmes of SPDC failed because they did not meet the needs of the people of Bayelsa and Rivers state. Another problem observed in the study was that the corporation did not fully adopt best practices in community development by involving the people in project identification, planning, implementation and evaluation. It was pointed out in the study that there is the need for more involvement of the people, not only in needs identification but also in the execution of the projects. It was pointed out further that SPDC should properly educate the host community members about the benefit of their programmes and they should involve the host community members in the formulation and execution of the programmes. Through this, they will meet the felt needs of their host communities. The researcher concluded that Shell Petroleum Development Corporation should de emphasize dependence on contractors and powerful people in the community for project execution.

In a research carried out by Idemudia (2005) on the Corporate Partnership and Community Development in the Nigerian Oil Industry: Strengths and Limitations, the researcher asserted that the volatile nature of corporate community relations has affected the profit of the multinational oil corporations. Thus, they have responded to this challenge through the adoption of partnership strategy as a means of contributing to community development, building a mutually beneficial relationship with the local communities and reinventing themselves as force for good in their host communities. In the article, Idemudia (2005) identified the various community development programmes which the multinational oil corporations have executed in conjunction with the Nigerian government and other Non Governmental Organizations within and outside Nigeria. However, the researcher identified institutional corruption, patrimony and political influence in Niger Delta as the major problems that hinder the programmes from getting to the major beneficiaries for whom they were meant initially.

To correct the identified problems, the researcher asserted that the key to a successful partnership is consensus building around the differences in the capacities,

perception, aspirations and power that the different partners bring to the table. The implication is that there is a need for an enabling environment for partnership which requires addressing the structural determinants of poor development and building local individual and institutional capacity.

Babatunde (2010), in the study conducted on the effect of oil exploitation on the socio-economic life of the host communities in Niger Delta, maintained that oil exploitation through environmental degradation, depleted the fishing and farming output, resulting in subsequent loss of income base, thereby accentuating poverty, which in turn created divisive tendencies leading to endemic social conflicts. The researcher asserted further that Nigerian government's top down approach to the development of the oil bearing areas has not been people centered, participatory and sustained. The researcher asserted that any effort to eradicate poverty in the oil bearing areas must seek to revive the traditional economic activities, providing viable employment opportunities for the people and channeling their energies into the development of sustained livelihoods can reduce tensions and conflict in the Niger Delta region.

In a research carried out by Chukwuemeka and Aghara (2010) on the South-South youth restiveness and socio economic development of Nigeria, the result showed that dissatisfaction of the people of South-South, especially the youths, on the level of attention given to the development of their region and the damage to their ecology by oil spillage are the major causes of the alarming youth restiveness. A lot of people, especially at the grassroots, are suffering in the midst of plenty and unless they are made comfortable to some extent, these crises will keep escalating and possibly degenerate into a full blown war that might engender the possible break-up of the country. However, the following recommendations were proffered by the researchers; The Revenue sharing formula should be reviewed without further delay. The new formula must be made to address poverty and neglect in Niger Delta. Apart from this, oil corporations operating in the Niger Delta should pay a greater percentage of their royalty directly to the host communities.

In a related study conducted by Jike (2010) on Oil Companies and Host Community: A Probable Scenario for Reciprocal Empowerment, he examined the contending issues around the substantive functions of oil companies and the latent

consequences of environmental degradation which has remained a constant source of friction between oil companies and host communities. In the study, he opined that it is practically mandatory for oil companies to provide jobs for all the youths in South-South. However, once a psychological profiling of the youth is completed, then an Incremental Empowerment Initiative (IEI) could be started to make youths in the region to live decently. Thus, the researcher concluded that the population of the region should be stratified for every strata to benefit from the proposed incremental empowerment initiative

A research was conducted by Tawari and Davies (2010) on the Impact of Multinational Oil Corporations in Fisheries Development and Management in Niger Delta, Nigeria. The result revealed that poor pollution control management, lack of infrastructures, lack of credit facilities, inadequate extension services and non provision of improved fishing inputs were areas of deficiency in the programmes of multinational oil corporations operating in South-South. Suggestions were advanced for improved incentives, infrastructure and enabling environment as well as government should encourage more private sectors participation and compel them to invest certain percentage of their profits to the development of Agriculture.

However, Akinbami (2008) also conducted a research on the Niger Delta Development Commission Programmes in the Oil Producing Communities of Edo and Ondo state. The study revealed that NDDC programmes and facilities did not contribute to the development of the oil producing communities of Edo and Ondo States. Thus the researcher recommended that NDDC should adopt an integrated participatory approach in the design of its projects for effectiveness of its programmes.

Ekeoma (2005) conducted a research on Capacity Building and Utilization in Oil Producing Communities in Imo State, Nigeria. The findings revealed that the oil producing rural communities in Nigeria generate the wealth of the nation, yet they experience low - quality of life, low productive capacity, limited access to productive assets and high poverty indices. The study concluded that capacity building and utilization are imperative for effective transformation and pacification of the oil producing areas.

### **2.31. Theoretical Review**

The framework of this research would be based on three major theories which will be examined for this study. They are;

- (i) Structural Dependency Theory
- (ii) Corporate Citizenship Theory
- (iii) Sustainable Livelihood Theory

### **2.32. Structural Dependency Theory**

This theory serves as the guiding framework in this study, inferences are drawn from sociological viewpoint of Frank (1998), Galtung (1999), Koo (2000) and Long (2001). These theorists proffer the view that the issue of underdevelopment can only be understood within the historical context and expansionist forces of industrial capitalism (Long, 2001:71; Koo, 2000:52). The structural dependency theory assume that the segments of the society that participate in the industrialized and modernized sector tied to metropolitan capital, the internationalized sector prosper and benefit collectively from “dependent development” while those that are segregated from it suffer from deprivation and lack of adequate income (Koo, 2000:58). The structural dependency theory, as enumerated, used a socio-historical stance by exploring the relationship that existed between the developed world and third world countries, especially during the colonialist era, to buttress their points. Ake (1989) asserted that the imperialists extracted the human and natural resources in African countries to develop their countries at the detriment of development in African countries. What is known today as underdeveloped countries have for some time been economically and politically exploited by colonialists who are described as external powers. As such the underdeveloped countries are satellites to the outside world that exert unequalled influences (Ekeoma, 2005). With their harmony of interest, (Galtung,1999), in the operations of world market and in international politics. within the countries, there is the same structure of dependency and disharmony of interest between the rural and urban sectors. In explaining the interlinked relationship that exist between urban metropolitan sector and rural/satellite sector, Frank (1969) opined that there exist an exploitative tendency between the urban area and rural area of the country. This exploitative tendency is masterminded by the capitalist stature and harmony of interest (Galtung, 1981).

This exploitation tendency of the capitalist state corroborate with the view of some scholars who opined that the multi-national oil companies are too exploitative in their oil exploration activities (Olutayo, 1991). In a separate studies, Stanley (1990) and Ikporukpo (1993) in their separate fieldworks exposed an oil company's managers orientation and view. The managers orientation is that his company can only help Nigeria and its people by exploring oil. His argument is that his company is not in Nigeria as a "missionary or a private relief agency". Development structures and programmes to uplift the host communities are not their priorities.

The choice of the structural dependency theory emanates from the fact that an examination of the programmes of these multi-national oil corporations shows that they tend to be exploitative and thus perpetuate the under-development status of the oil producing rural communities in Nigeria. None of the policy programmes of these multi-national oil companies operating in Nigeria aims at alleviating the poverty nor caters for the environmental degradation which the oil producing rural communities are experiencing (Galtung, 1999; Ikporukpo, 2001; Gbadegesin & Owolabi, 2001). Their programmes and projects appear deceptive and exploitative in nature.

Granted that various development strategies have been applied, they are not sufficient to promote the economic and social life of the rural populace in the communities (Iheriohanma, 2005). The structural dependency theory will serve as a framework which critically examine the policy that should be adopted to enhance good quality of living for those who live in the oil producing communities in Nigeria. None of the policy programmes of these corporations aim at alleviating the poverty nor take care of the environmental degradation which the oil producing rural communities are facing (Galtung, 1981, Ikporukpo, 2001 ). They have not been geared towards improving the productive assets or sustaining the economic activities of the oil producing rural communities in particular (Iheriohanma 2005).

The background of poor socio economic development, poverty and illiteracy has been linked to the poor status of the Nigerian youths, who daily battle with socio cultural barriers, discrimination and economically unfriendly political and legal structures (Aina, 2007). Akinwale (2010) points out that the major controversy in Nigeria include many ethnic movement and he asserted further that there is the need to call for national

conference to resolve ethno regional domination and promote equity between minority and majority. The northern minority are concerned about Hausa Fulani hegemony, while the southern minorities are worried about the external control of the petroleum deposit found in their communities and the apparent neglect of their region (Mustapha,1998; Nnoli, 1998). Akinwale (2010) asserts further that these structural imbalances between the centre and periphery has produced renewed interest in local resistance and two forms of nationalism (modern and traditional nationalisms). The former is promoted by few educated elites while the latter is supported by ethnic traditionalists and royal symbolism (Oтите, 2000). These elites have criticised multinational oil corporations for constant environmental destruction and breaking up of their communities.

Researchers traced the origin of dependency theory from Marx and Lenin. Marx's idea of the proletariat by the bourgeoisie class and Lenin's concept of imperialism are used by dependency theorists to describe the process whereby capitalism dominates and exploits the poor countries. Odeleye, (2009) asserts that dependency theory has its origins in the 1960's through the writings of scholars who were particularly concerned about the persistent economic crises of Latin American countries. They rejected the idea of modernisation theory that development would occur by exposing the modern values of the advanced industrialised countries to the third world, they argued that persistent poverty in the third world countries is caused by exposure to the economic, political and social influences of the advanced industrialised countries. The series of ecological problem, unemployment, famine and poverty host communities of the multinational oil corporations are currently facing can be traced to the oil exploration activities of the multinational oil corporations. The people of South-South have perceived the presence of the multinational oil corporations as a curse rather than blessing to the region because of the problems associated with oil exploration.

Dependency theorists also asserted that the growth of advanced industrialised countries in the world today means the concurrent underdevelopment of those countries whose economic surplus the rich countries exploit. Thus, Odeleye, (2009) opines that, given time, poor countries would develop, but as long as they are subjected to the exploitation of the rich countries, their poverty would persist. In the view of Sarowiwa (1985), the root causes of conflict in the South-South region are inequitable distribution

of revenue and uneven development among the people of the region. He goes on to claim that development in the centre had been given much more attention than the other levels of government and that there is evident inequality in the development approach in Nigeria. He argued that the grassroots and the people of Ogoni land and in particular the people of Niger Delta are like the goose that lays the golden egg. Chukwuemeka & Aghara (2010) point out that the oil rich South-South has been visited with the worst form of environmental pollution and degradation from the activities of these multinational oil corporations. Despite this, the oil corporations do not live up to billings in terms of performing their responsibilities to the oil producing communities rather they collaborated with the Federal Government to perpetuate the underdevelopment of the Niger Delta region.

It was pointed out by Chukwuemeka & Aghara (2010) that the multinational oil corporations provided social infrastructural facilities like good roads, school buildings, electricity, pipe borne water and job opportunities for the oil producing communities, but such facilities are not commensurate with the impact of environmental pollution and degradation suffered by the oil communities, neither is it commensurate with the high profit they made from the activities in the region. The most painful of all activities of the multinational oil corporation is that they have been implicated in the act of collusion with the Federal Government in the militarization of the South-South region. Chukwuemeka and Aghara (2010) also pointed out further that the multinational oil corporations invariably divert the resources they should have used in the development of the region to security of the officials of these corporations.

The structural dependency theory will serve as a framework which examines a veritable strategy that should be aimed at evaluating the policy and programmes on ground for socio-economic development of their host community members. It will help in peoples' potentials and ensure ways of enhancing and sustaining the peoples' capacity for self development and sustenance.

### **2.33. Corporate Citizenship Theory**

The theory of corporate citizenship was introduced in the 80's into the business and society relationship mainly through practitioners (Cohen, 1989; Windsor, 1989). However, the idea of the firm as citizen already had appeared in several pioneers in the

Corporate Social Responsibility field, including McGuire (1999). The latter opine that social responsibility begins where the law ends. A firm is not socially responsible if it merely complies with the minimum requirements of the law, because this is what a good citizen would do.

Eilbert and Parket (2003) explain further, the theory of corporate citizenship by using the expression “good neighbourliness” to buttress their points on what is expected from corporate organizations in their areas of operation. They explain that ‘good neighbourliness’ entails two meanings. First, not doing things that spoil the neighbourhood and, secondly, the commitment of business to an active role in the solution of broad social problems, such as racial discrimination, pollution, transportation, or urban decay. Although, the concept of corporate citizenship has been understood as synonymous with corporate philanthropy, now it is frequently used as equivalent of corporate social responsibility in the last few years. However, Logsdon and Wood (2002) emphasise that businesses are a part of the society and should participate in social life, respecting universal human rights and contributing in different ways to the social well-being, both in local and global arena. It is not a deep vision of human beings and society but much more than other approaches. The term ‘citizenship’, taken from political science, is at the core of the ‘corporate citizenship’. The notion of citizen evokes individual duties and rights within a political community. However, it also contains the more general idea of being part of a community. In the Aristotelian tradition, business firms are seen as an integral part of the society and for this reason they ought to contribute to the common good of such communities in which they operate, as good citizens.

However, Akpan (2006) asserts that at a global level, the literature on corporate citizenship emphasises the imperative of doing business with a social and ecological conscience. The theory focuses on what multinational oil corporations and other multinational corporations claim to be doing in the communities where they operate to improve the socio economic welfare of their host communities. Since the concept of corporate citizenship is increasingly associated with a global sense of business and with a notion of citizenship which go beyond national boundaries, Wood and Logsdon (2001) suggested using the expression ‘business citizenship’ and ‘global business’ to make clear

that this term is not limited to corporate involvement and philanthropy and to present a global sense for citizenship.

The major justification for using the theory of Corporate Citizenship Theory in this study is that it stresses the socio economic role of multinational oil corporation in their area of operations. The theory explains further that these corporations should make sure that their business operation does not jeopardise the socio-economic well being of the community members. However, the major limitation of this theory is that most of the philosophical assumptions of the analysed theory, regarding the human being, nature and purpose of the firm in society and even the notion of society are not always in accordance with Corporate Citizenship Theory.

However, based on the reviewed literature that focused mainly on the activities of the multinational oil corporations in South-South, it has been revealed that the activities of the multinational oil corporations contravened the basic principles of Corporate Citizenship Theory. The following assertions were made in the literature reviewed; Akpan (2006) asserts that the socio cultural and ecological heritages of the oil and gas communities were trampled upon by the multinational oil corporations as a result of the effect of the oil exploration. It was revealed further by Babatunde (2010) that most of the multinational oil corporations especially Chevron have not complied with the Environmental Impact Assessment (EIA) made in the oil producing communities before commencing operations to determine what potential harmful effects their extractive activities have on the areas, much less find ways of preventing or, at best minimising such impact.

Considering the South-South region's sensitive and fragile ecosystem and in spite of the vast resource endowment, its immense potential for socio economic growth and its contribution to the overall development of Nigeria, the oil producing areas of South-South remain increasingly under threat from rapidly deteriorating economic and environmental conditions as well as social tension. The situation remains the same today, while some critics would say it has worsened (ANNEJ, 2004). Babatunde (2010) asserts further that the perception in the oil communities is that of government and multinational oil corporations negligence, while valuable ecosystems, on which the people depend for their livelihood, are devastated until the situation degenerates into violence, which

subsequently draws a disproportionate reaction from government that deepens the people's resentment and their alienation.

Oil exploration activities of these multinational oil corporations in the region has become a curse for the host communities. They have suffered environmental devastation, economic poverty and constant conflict. To make the situation worse, political consideration and greed on the part of the government has kept many of the earnings from these vast reserves from returning to the South-South to help restore the region (Bisina, 2004). Therefore, as evidence indicated, oil exploration has a serious implication on the immediate environment as it impoverishes ecological and socio economic environments causing land dereliction, deforestation, water and air pollution and so on. These ill effects have reached a high tempo in the affected areas and as a result, the quality of life is affected (Babatunde, 2010).

However, in contradiction to the above assertion, most of the multinational oil corporations they have empowered and reached out to their host community members through their various intervention programmes. Total E& P Nigeria Limited renovated and refurbished a health centre abandoned by the government and provided logistics and drugs for the health centre through contractors. However, despite a huge investment of roughly \$13.7 million in community causes from 1994 to 2000, corporate-community conflict was still on the increase with significant repercussions for the firm's operations. According to Okafor (2003), while Total E & P Nigeria Limited asserted that its community spending is in recognition of its citizenship responsibility, a more obvious deducible reason for such social investment was to ensure unhindered operation, given that community investment by Total E & P Nigeria Limited did not have a definite framework for capacity building or community empowerment.

Mobil Producing Nigeria partners with New Nigeria Foundation, an affiliate of Citizens International of Boston, United States, to prevent and treat malaria. In 2001, Mobil Producing Nigeria Unlimited entered into an agreement with New Nigeria Foundation to facilitate and promote community health services for sustainable development. Mobil Producing Nigeria Unlimited provides the funds, while New Nigeria Foundation implements the project on behalf of Mobil Producing Nigeria Unlimited in 14 communities across Akwa Ibom and Rivers states. Funds provided by Mobil Producing

Nigeria were paid into a drug revolving account on a quarterly basis and are managed by the Community Health Committee with the assistance of an NGO (MPNCN, 2002B).

The justification of Corporate Citizenship Theory in this study is that, the multinational oil corporations operating in South-South can maintain cordial relationship with the host communities if they focus more attention on the provision of infrastructural facilities, eradication of oil spills, payment for those affected by oil spillage and also through provision of employment opportunities to the community members in South-South.

### **2. 34. Sustainable Livelihood Theory**

Darwin (2003) sustainable livelihood theory's remarkable legacy in the biological sciences in particular and sciences in general was etching a permanent place for the issue of development. Based on this Darwinian position, organisms started being accorded the ability to change and transformed into a higher, better and higher species. As a result, development in human society was seen as a quantitative and qualitative transformation from a state of dependency, poverty, disease, autocracy, backwardness, social decadence, and political subjugation, to one characterised by freedom, abundance, good health, democracy, civility, egalitarianism, social welfare and security, as well as political independence.

The above conceptualisation of development find concurrence with Langdon's (1994) position which views development in a state as the elimination of poverty among its inhabitants and the emergence of a relatively egalitarian and participatory society, with an advanced material standard of living, development of human society is premised on certain agencies and the coincidence of the interest of these agencies with the implications of development. The primary agencies of development are the state, the ruling class and its representatives in government. It is in this context that Marx and Engles position in the Communist Manifesto that, "the ruling ideas of every society is the idea of the ruling class" becomes meaningful. It must be stressed that the question of the desirability of development is never accidental, nor is it ever answered objectively. As Ake (1989) argues, somebody has to determine that development is desirable, that a particular kind of development should be pursued and in a particular manner. However, the situation in South-South and in other parts of Nigeria aptly shows governance is to a

large extent dominated by politics, which in turn finds expression in the domination, exploitation and demobilisation of the popular masses, this way, scarce resources that would otherwise have been used for developmental purposes go into building arsenal of terror and a militarised state.

Sustainable livelihood theory is based normatively on ideas of capability, equity and sustainability. However, these are not always mutually supporting in that equity in access to a resources does not assure sustainable resources use without appropriate institutions (Chambers & Conway, 1992). Sustainability has two main interpretations. Environmental sustainability refers to global concerns with pollution, global warming, deforestation, the over - exploitation of non-renewable resources and physical degradation. Social sustainability implies ability to maintain and improve livelihood while maintaining and enhancing local and global assets and capabilities on which livelihoods depend. In contrast to prevailing approaches on employment, the sustainable livelihoods agriculture centered perspectives, environmental analysis and natural resources management perspectives, and food security and coping strategies perspectives.

This theory of sustainable livelihood, according to Olujide (2000), focuses on how individual household or groups make their living and resources to do so. It reveals the activities people undertake to meet basic needs to generate income. The concept embraces not only the present availability of the means to make a living but also the security against unexpected shocks and crises that threaten livelihood. In many developing countries, like Nigeria, people in both rural and urban areas combine various activities that yield monetary and material returns to support livelihood and their well - being.

Common to all societies is the need for the inhabitants, whether residing in the rural or urban areas, to meet their livelihood needs for food, clothing, shelter and income. Until recently, mainstream development literature and data collection efforts tended to conceive of economic activity as limited to agricultural activity for rural areas and employment for urban areas, and to view income from employment or involvement in agricultural production as the main source of well being. Whilst employment can provide a livelihood, most livelihoods of the poor are based on multiple activities and sources of food income and security. In both rural and urban contexts, the vast majority of the poor

have individual, household and survival strategies that may include employment, but go beyond this range of other economic activities that include informal sector work, exploitation of common property resources, share-rearing of livestock and reliance of on social networks for mutual support as well as a number of other mechanisms for coping in times of crisis (Chambers & Conway, 1995). 'For many of the poor, livelihood seems to fit better than employment as a concept to capture how poor people live, their realistic priorities, and what can help them' (Chambers, 1995). All people will find ways to meet their survival needs. The crucial considerations, however, are not only to what extent these strategies meet the immediate needs of the population, but whether these activities are sustainable to ensure that future needs are also met (Carney, 1998).

Prior to the discovery of oil in South-South, the people made their living from the exploitation of the resources of land, water and forestry as farmers, fishermen and hunters. Conscious of the critical position of their environment to their sustenance and that of the future generations, the people of South-South were very attached to their environment. The discovery of oil raised the hope of people for development (Hassan; Olawoye & Nnadozie, 2002). In their innocence, they believed that the Nigerian state and the oil corporations were equally interested in and committed to their development. They soon found out that this was not the case and that the two sheared common interest in the maximization of profit and accumulation of capital at any cost and not in their welfare or development (Owugah, 2000). As a result of the oil exploitation, the environment has been exploited and damaged to such an extent as to be unable to continue providing the resources that people of the communities depended upon prior to the commencement of oil exploration and production activities (Hassan et al, 2002). Similarly, the activities of these oil corporations have drawn to elastic limit the resources, which constitute the coping mechanism for the host communities.

Prior to the discovery of oil in the area, the rural economy of the oil producing areas was simple and generally met the needs of the people (Babatunde, 2010). The area was blessed with a long coastline, extensive brackish and mangrove swamps supporting a wide range of fish species such as Tilapia, Threadfins, Moon fish, Bony Tongue fish, Tiger fish, Catfish, Sea Catfish, Snappers, Cray fish, Sea Turtle, Lobsters and many others. Fish farming forms the most dominant economic activity in the region. Other

economic activities that are also income - generating include forest product – timbers and non timber forest products. (Babatunde, 2010) points out that fishing, the most life-line of the people, has been made impracticable and unprofitable as a result of the oil spillage, which pollutes streams and rivers. This has affected the capacity to sustain themselves. Babatunde (2010) pointed out further that various harmful and toxic organic compounds have shown that when introduced into the natural environment during oil extraction, such as during seismic work, oil spills, gas flares and several other forms of pollution, changes the geo chemical composition of the rivers and other components of the environment. Oil producing communities complained about the effects of these effluents on fish stocks. All these changes combined to affect the economic life of the people, leading to drastic decline in output. Aina (2007) asserts that the people were very reactive to these changes because of the unavailability of modern fishing techniques to meet the challenges of decline marine resources.

### **2.35 Appraisal of Literature Review**

Relevant literature relating to the problem of study was reviewed. The literature reviewed was divided into different sections. The first aspect of the literature reviewed centres on how the corporate social responsibility of the multinational oil corporations has influenced the development of the host communities through the provision of infrastructural facilities

The second aspect of the Literature examine the level at which the corporate social responsibility of multinational oil corporations has alleviated poverty in the region through various programmes like employment creation, youth development, and peace building.

The third section of the study was carried on the level at which multinational oil corporations corporate social responsibility conform with the standard of corporate integrity, commitment and moral integrity.

The forth section of the study treats the fundamental principles of community development. In this section, effort was made to discuss the meaning of felt needs, participation as it applies to the study.

From the review of available literature, it is clear that the multinational oil corporations operating in South-South, Nigeria have major roles to play that will improve the socio economic welfare of the host communities. The theoretical framework and the review of literature support the need for the testing of hypotheses and research questions raised for the study.

### **2.36 Research Hypotheses**

The following research hypothesis were tested in this study.

**HO<sub>1</sub>** : There is no significant relationship between the corporate social responsibility of multinational oil corporations and development of the host communities

**HO<sub>2</sub>**: There is no significant relationship between the corporate social responsibility of multinational oil corporations and peace building in the region

**HO<sub>3</sub>** : There is no significant difference in the effects of the intervention programmes of the Corporate Social Responsibility of Total Exploration & Production Nigeria Limited and Exxon Mobil Producing Nigeria Unlimited in Akwa Ibom and Rivers state.

## CHAPTER THREE

### METHODOLOGY

#### 3.1 Research Design

The study adopted the descriptive survey design of the *ex -post facto type*. This research design was adopted because the variables of the study are already in existence. The researcher need not manipulate the independent variables because they had already occurred.

#### 3.2 Population of the Study

The population in the study was in two categories. The first were the inhabitants of 12 oil producing communities in Akwa Ibom and Rivers states, while the second was officials of the two multinational oil corporations used in the study.

#### 3.3 Sample and Sampling Technique

The study adopted two major research methods; quantitative and qualitative. There were two different sets of samples, quantitative and qualitative.

This study adopted the multi stage-sampling procedure comprising the purposive, stratified and proportionate sampling techniques. In stage 1, the purposive sampling procedure was used to select the 12 communities, 6 from each state. The reason for this was due to the heavy presence of the two multinational oil corporations in these communities. The stratified sampling technique was then used to divide the population into strata.

In the second stage, 12 communities were divided into stata along the existing wards in each of the community, using the stratified sampling technique.

The third stage, quota sampling technique was adopted to allocate quota (specific number) to each of the different categories of the study population which comprised community leaders, youth, men and women in each of the communities.

The researcher adopted the simple random and proportionate sampling technique to select 1200 respondents needed for the study as shown in Table 3.1. Further, 100 questionnaires were administered to the officials of Total Exploration and Production Nigeria Limited and Mobil Producing Nigeria Limited.

**Table 3.1 : Distribution of Respondents in Akwa Ibom and Rivers State**

Akwa Ibom					
	Local Government	The Communities	Population	Sample	%
1	Ibena Local Government	Iwuochang	1900	133	7
2		Usung-Inyang	1369	96	7
3		Upenekang	1530	107	7
4		Ebana	1411	99	7
5	Eket Local Government	Esit-Urua	1307	91	7
6		Mkanak	1208	85	7
RIVERS STATE					
	Local Government	The Communities	Population	Sample Size	%
7	Ogba-Egbema Ndoni Local Government	Egita	1200	84	7
8		Obite	1520	106	7
9		Obiyebe	1321	92	7
10		Ibewa	1620	113	7
11		Akabta	1417	99	7
12	Okrika Local Government	Okarioma	1361	95	7
TOTAL				1200	

Source : National Population Census 2006

### 3.4 Instrumentation

Two major instruments were used for data collection, Host Communities Development Assessment Scale (HCDAS) and Corporate Social Responsibility Inventory (CSRI). Focus Group Discussion was used to complement and supplement data derived from the questionnaire.

### **Host Communities Development Assessment Scale**

The items administered under the host communities development scale were divided into the following sections; corporate social responsibility and economic development, corporate social responsibility and vocational skill development, relationship between the corporate social responsibility and the felt needs of the host communities, multinational oil corporations and peace promotion. Copies of the instrument were given to experts in the field of community education, community development, sociology, measurement and evaluation, geography and researcher's supervisor for critical appraisal. From this, the face validity, content and construct validity of the instrument were enhanced.

The questionnaires were pre tested in Ogbo community in Ahoada East Local Government in Rivers State. 50 copies of questionnaire were administered to 50 respondents during the pre test, while twenty respondents were used in Shell Petroleum Development Corporation in Effurun, Delta State. This was to ensure that the items raised under the instruments conformed to what it is expected to address. The result of the pre test led to the restructuring of some of the items on the instruments. Thus, the result were analyzed using Pearson Product Moment Correlation Coefficient and the tests yielded coefficients of  $r = 0.71$  for HCDAS. This further confirmed the high reliability of the instruments.

### **Corporate Social Responsibility Inventory**

The following items were administered through the Multinational Oil Corporations Corporate Social Responsibility Inventory; Attitude of the host communities to the multinational oil corporate social responsibility programmes, constraints to the corporate social responsibility programmes, the level of citizen participation in the corporate social responsibility programmes and the corporate integrity. The instruments were validated before the final administration of the questionnaire to the officials of the multinational oil corporations.

The reliability of the instrument was determined using Pearson Product Correlation Coefficient. This involved 20 officials of Shell Petroleum Development Corporation in Effurun, Delta State who were used for the pilot study. Thus, the result were analyzed using Pearson Product Moment Correlation Coefficient and the tests

yielded coefficients of  $r = 0.74$  for CSR respectively, which signified that the test items were consistent in their measuring values. This further confirmed the high reliability of the instruments.

### **3.5 Focus Group Discussion**

The Focus Group Discussion was conducted in 12 communities in four local government areas in each of the selected states. The states are Akwa Ibom and Rivers, the local governments are Ibeno and Eket in Akwa Ibom and Ogba – Egbema Ndoni and Okrika in Rivers state.

Focus Group Discussion (FGD) which consisted of 13 open ended items was used at different sessions in all the communities covered by the researchers in Akwa Ibom and Rivers states. This was complemented with oral interview conducted for youth leaders, community development chairmen, community leaders and traditional rulers of each communities covered in the research. The FGD participants were selected through the help of the research assistants who reside within the communities used for the study, the research assistants also worked in conjunction with three contact persons who were selected from each community covered in the study. The research assistants and the contact persons from each community were instructed to select participants who were above 25 years and such people must have spent more than 20 years in the communities covered for the study. The reason for this was that those who have spent more than 20 years were more likely to have more knowledge of the intervention programmes of the multinational oil corporations in each of the communities and states covered.

The contact persons and the research assistants introduced the researcher to the community leaders, followed by other logistics which involved the time, venue scheduled for the Focus Group Discussion and the names of the community members and leaders who have signified their interest to participate in the discussion. The contact persons and the research assistants also assisted the researcher in identifying and arranging discussion with youth leaders, community chiefs and the Ezes. Each session of the Focus Group Discussion was tape recorded, the essence of this was to make sure that nothing was left out of discussion. In addition, the researcher ensured that none of the participants dominated the discussion and each of the session lasted one hour.

The number of focus group discussion session held for the study is shown in table 3.2.

**Table 3.2. Focus Group Discussion Sessions.**

State	Local Govt	Communities	Sex	Age Range	No of Participant for a Session	No of FGD Session
Akwa Ibom	Eket L.G	Iwuochang	M/F	20-70 years	7	2
	Eket L.G	Esit Urua	M/F	20-70 years	7	2
	Eket L.G	Usung Inyang	M/F	20-70 Years	7	2
	Eket L.G	Ebana	M/F	20-70 years	7	2
	Ibena L.G	Upenekang	M/F	20-70	7	2
	Ibena L.G	Mkanak	M/F	20-70 Years	7	2
Sub Total					42	12
			M/F	20-70 Years	7	2
Rivers State	Ogba/Egbema/Ndoni Local Govt	Akabta	M/F	20-70 Years	7	2
		Egita	M/F	20-70 Years	7	2
		Obite	M/F	20-70 Years	7	2
		Obiyebe	M/F	20-70 Years	7	2
		Ibewa	M/F	20-70 Years	7	2
	Okrika Local Govt	Okarioma	M/F	20-70 Year	7	2
	Subtotal				42	12
	Grandtotal				84	24

**Source; Fieldwork in Akwa Ibom and Rivers States, 2011**

### **3.6. Administration of Instruments**

The questionnaire used was administered through the support of two research assistants in each state covered in the study. Thus, four research assistants who were indigenes of the communities covered for the study were used in the two states. The research assistants were trained by the researcher for a period of two weeks on how to administer questionnaire to the respondents in various communities covered. The field activities of these research assistants were also supervised personally by the researcher.

A total of 1200 questionnaires copies were administered in various communities covered. The researcher and the research assistants employed for the study were able to retrieved 1126 sets of the questionnaires, out of these, 1200 questionnaires were properly filled. Thus, seventy four questionnaires were not properly filled by the respondents. Notably, 100 questionnaires administered to the officials of the two multinational oil corporations were properly filled.

The researcher handled the organisation and management of the focus group discussion personally. Each focus group held four discussion sessions. All the sessions were personally coordinated by the researcher. The discussions held with the community members in all the sessions were tape recorded. In conjunction with this, the researcher jotted some salient points during the discussion sessions.

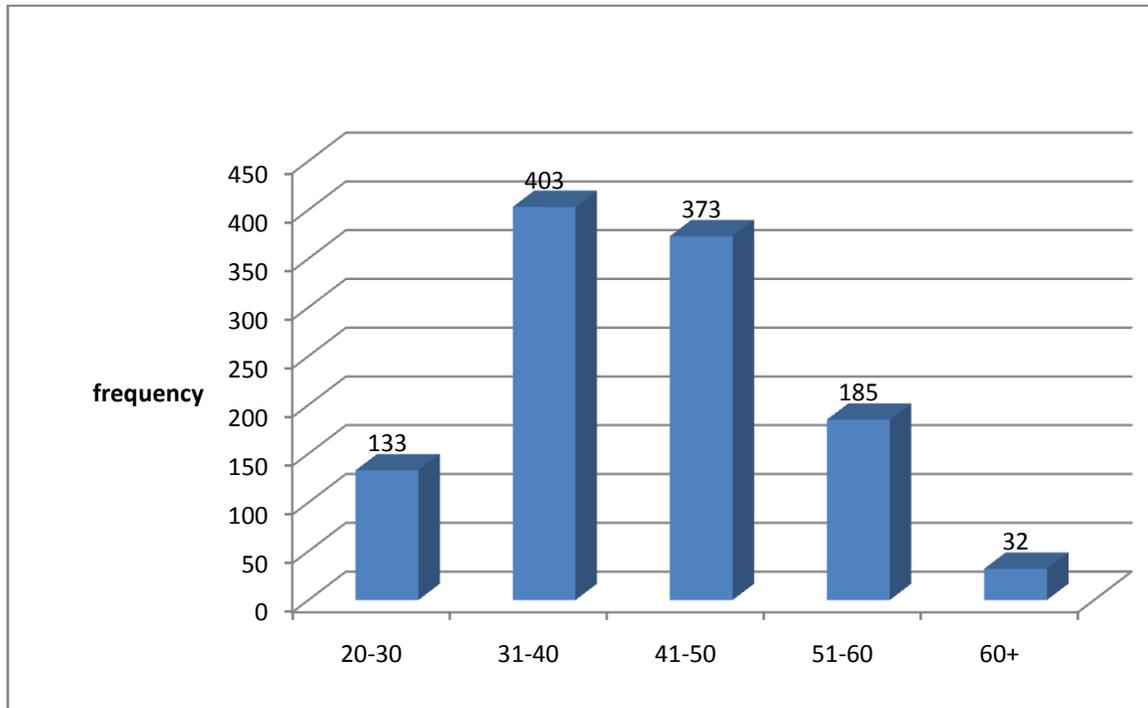
### **3.7 Method of Data Analysis**

The data collected was collated and analysed using simple percentages and frequency counts for demographic data of the respondents. Pearson Product Moment Correlation and t –test were used to test the hypotheses at 0.05 level of significance. While, mean and standard deviation were used to analyse the research questions raised in the study. Also content analysis was used to analyse the qualitative data generated by the FGDs and the oral interviews.

## CHAPTER FOUR

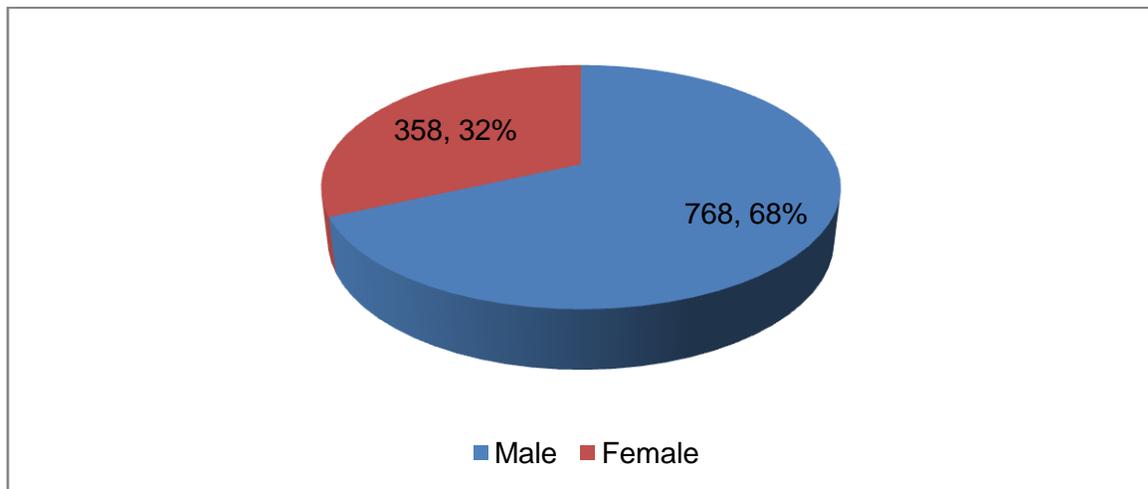
### ANALYSIS AND DISCUSSION OF FINDINGS

This chapter deals with the analysis of the data collected and discussion of the findings based on the hypotheses formulated and research questions raised for the study.



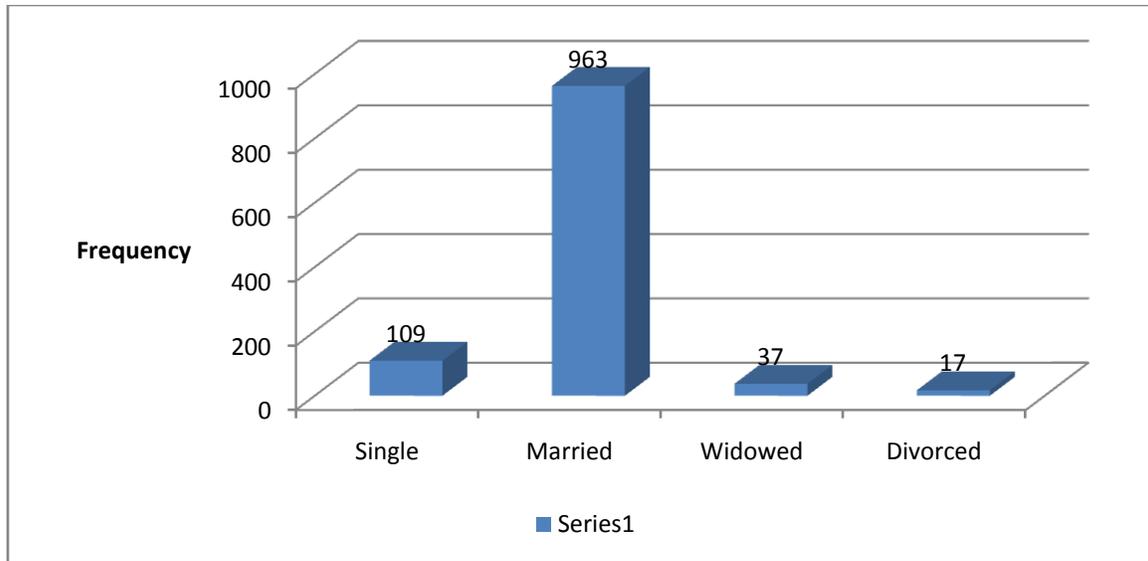
**Fig 4.1: Distribution of Respondents by Age Group**

Figure 4.1 shows that participants between ages, 31 and 40 years have the highest population of 403 (35.8%), followed by participants between ages of 41 and 50 with the population of 373 (33.1%). Participants between ages 51 and 60 constitutes 185 (16.4%). Those between 20 and 30 years 133 (11.3%). while those within the age range of 60 and above constituted 32 (2.8%). The implication of this is that the active population formed the highest percentage of the participants. Thus, they were able to give the researcher detailed information about their grievances.



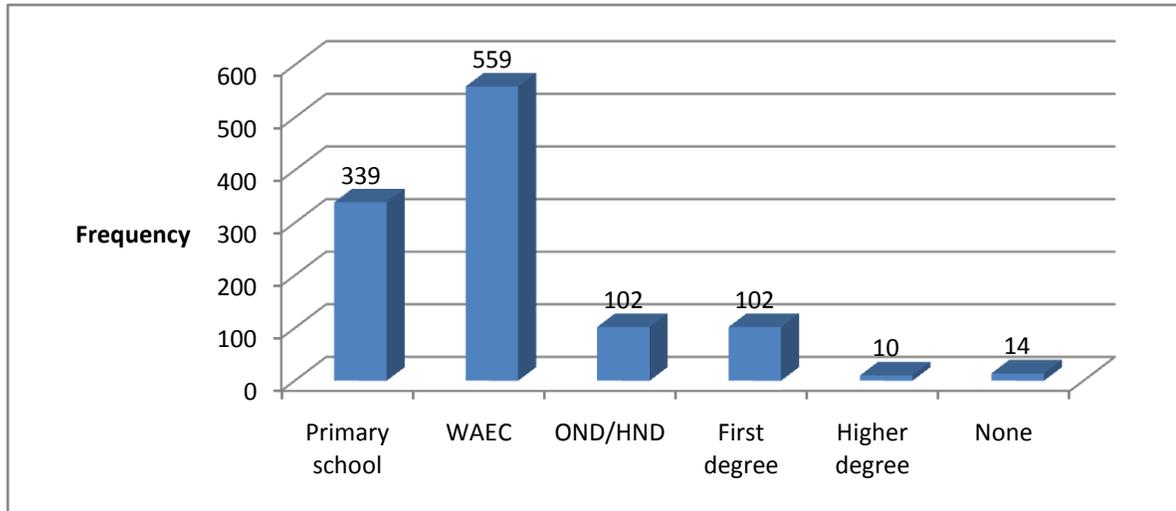
**Fig 4.2: Distribution of Respondents by Gender (Inhabitants)**

Figure 4.2 shows that the largest proportion of the respondents are male because they constitute 768 (68%) while the female participants constitute 358 (32%). The difference in the respondents by sex could be attributed to the fact that most women were not forthcoming in filling the questionnaire.



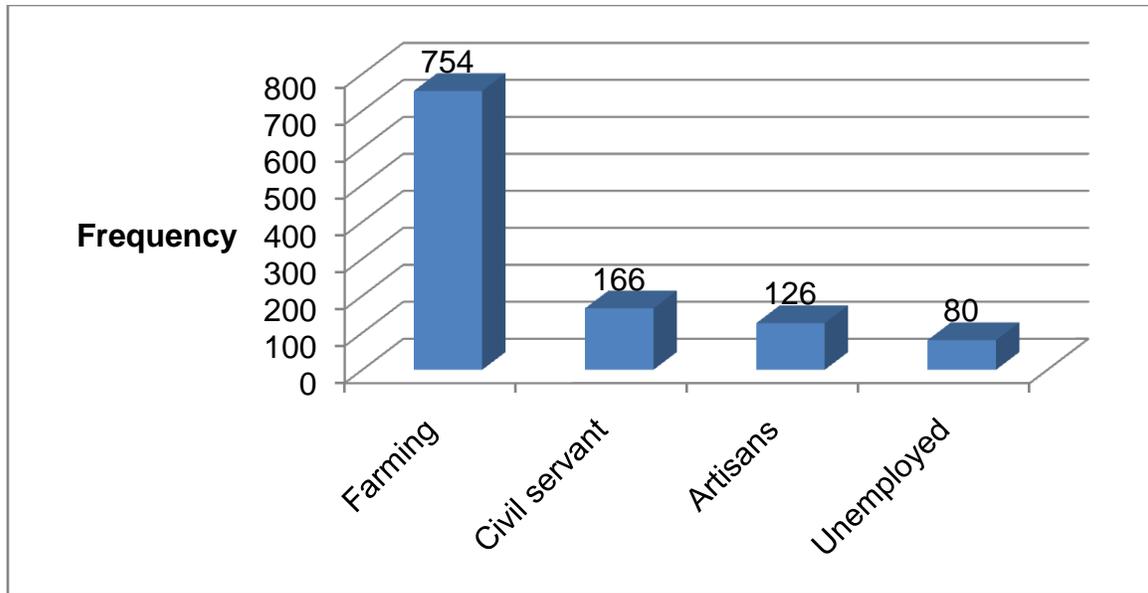
**Fig 4.3: Distribution of Respondents by Marital Status (Inhabitants)**

Figure 4.3 shows that 963 (85.5%) of the participants are married while the single participants constitute 109 (9.7%). Next to this are the widows who constituted 37 (3.3%) and divorced participants constituted 17 (1.5%). The percentage of married participants was higher because the researcher needed experienced people who were in a better position to furnish him with detailed information of the intervention programmes of the multinational oil corporations in their communities.



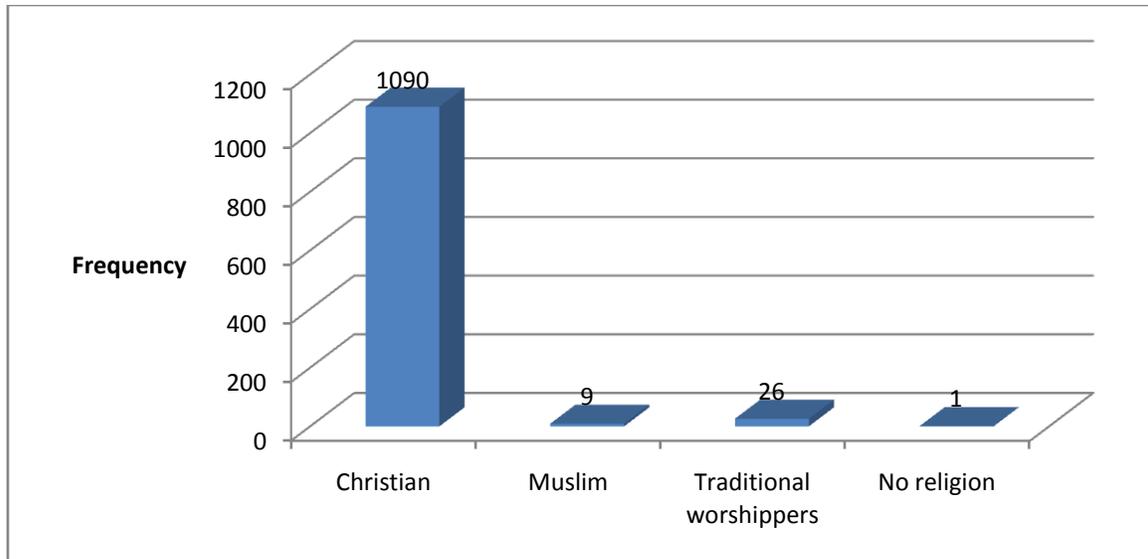
**Fig 4.4 : Distribution of Respondents by Educational Qualification**

Figure 4.4 shows 339 (30.1%) of the respondents possess Primary School Leaving Certificate, about 559 (49.6%) possess West African School Certificate (WAEC). While 102 (9.1%) possess Ordinary/ Higher National Diploma Certificate (OND). Other participants with first degree constitute 102 (9.1%). Participants with higher degree constitute 10 (0.9%) and those without any certificate constitute 14 (1.2%) of the respondents. The implication of this finding is that the level of educational development in the two states is low and this explains why most host community members were unable to secure job with the multinational oil corporations.



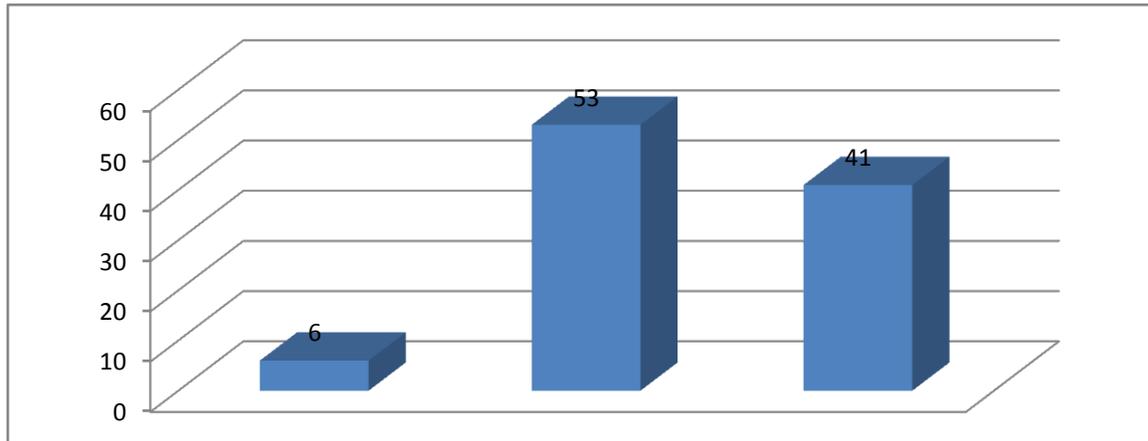
**Fig 4.5: Occupational Distribution of Respondents**

Figure 4.5 shows that 754 (67%) of the participants are farmers while 166 (14.7%) are civil servants. The artisan constitute 126 (11.2%) and the unemployed participants constitute 80 (7.1%). The implication of this is that the major occupations of the people, fishing and farming, have been affected as a result of oil spilling and gas flaring which contributed to high level of poverty in the communities. This corroborates the assertion of Babatunde (2010) that in the process of extracting oil in the past five decades in the South-South region, ecological devastation has left most of the people in the region desolate and poor.



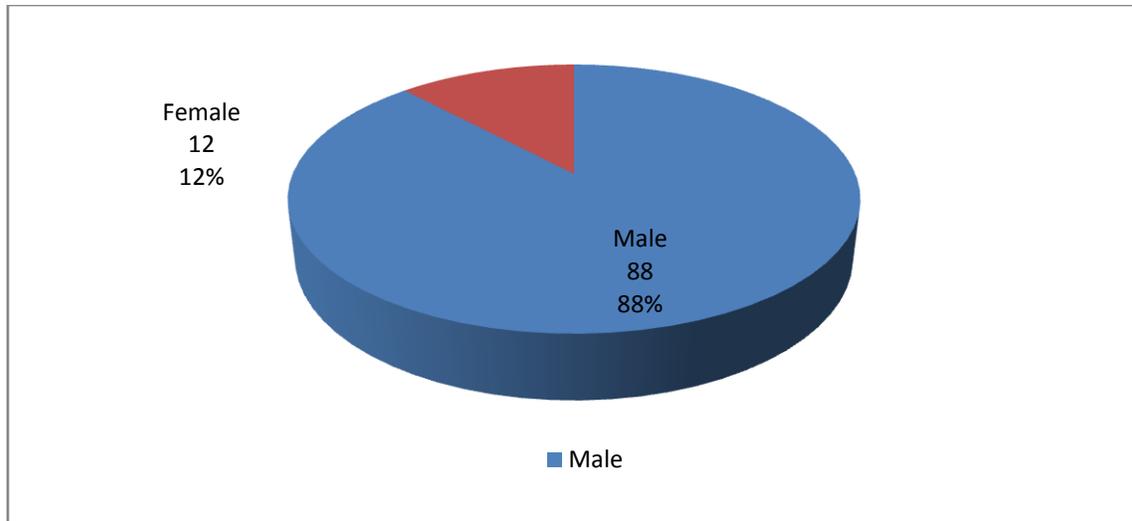
**Fig 4.6 : The Distribution of Respondents by Religion**

Figure 4.6 above shows that most of the participants are Christians because they constitute 1090 (96.8%) of the respondents. This is followed by the Muslim participants who constitute 9 (8%) and the traditional worshippers constitute 26 (2.3%) of the respondents. Finally, the participants without any religion constituted 1 (1%). This indicates that majority of the respondents are Christians.



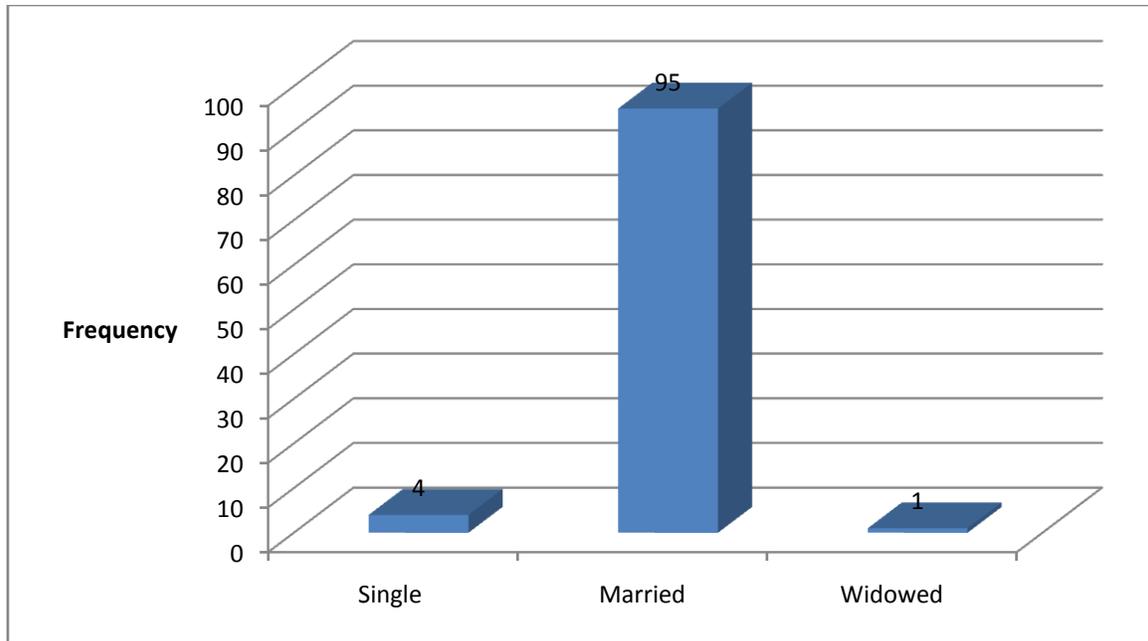
**Fig 4.7: Distribution of Respondents by Age (MNC officials)**

Figure 4.7 above shows that 53 respondents are between ages 31 and 40 years, which represents 53% of the respondents. 41 are between ages 41 and 60 years. This constitutes 41% of the respondents while 6 respondents were between 21 and 30 years and this represents 6%. The implication of this is that majority of the respondents are experienced workers of the multinational oil corporations. This is traceable to their years and the experiences they might have acquired in the corporations.



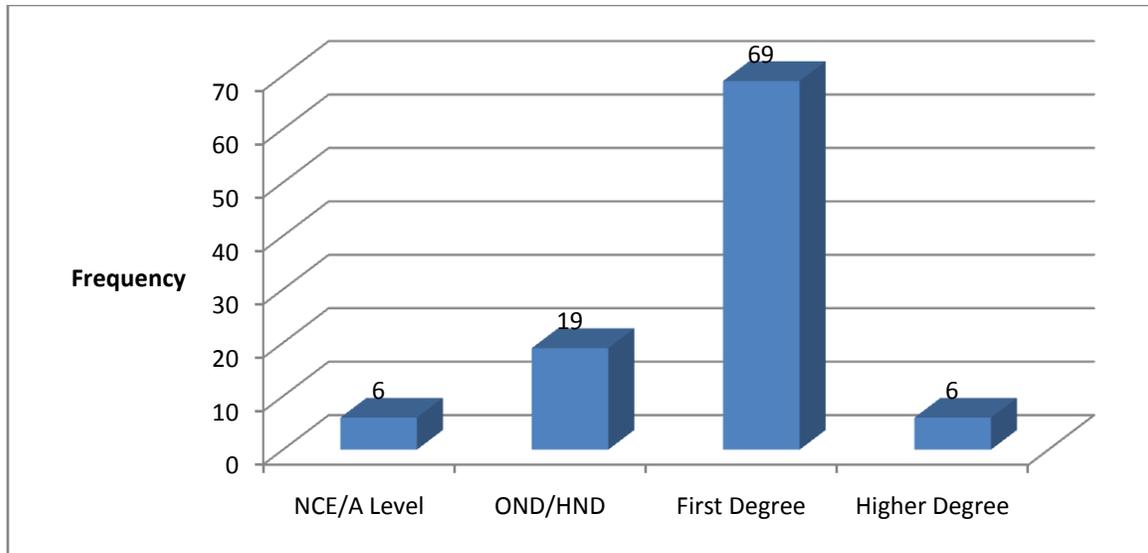
**Fig 4.8: Gender Distribution of Respondents (MNCs officials)**

Fig 4.8 reveals that 88% of the respondents are male, while 12% are female. This indicates that most of the officials of the oil corporations are male staff. This correlates with Ezeokoli's (2008) finding that a large percentage of Shell staff are male.



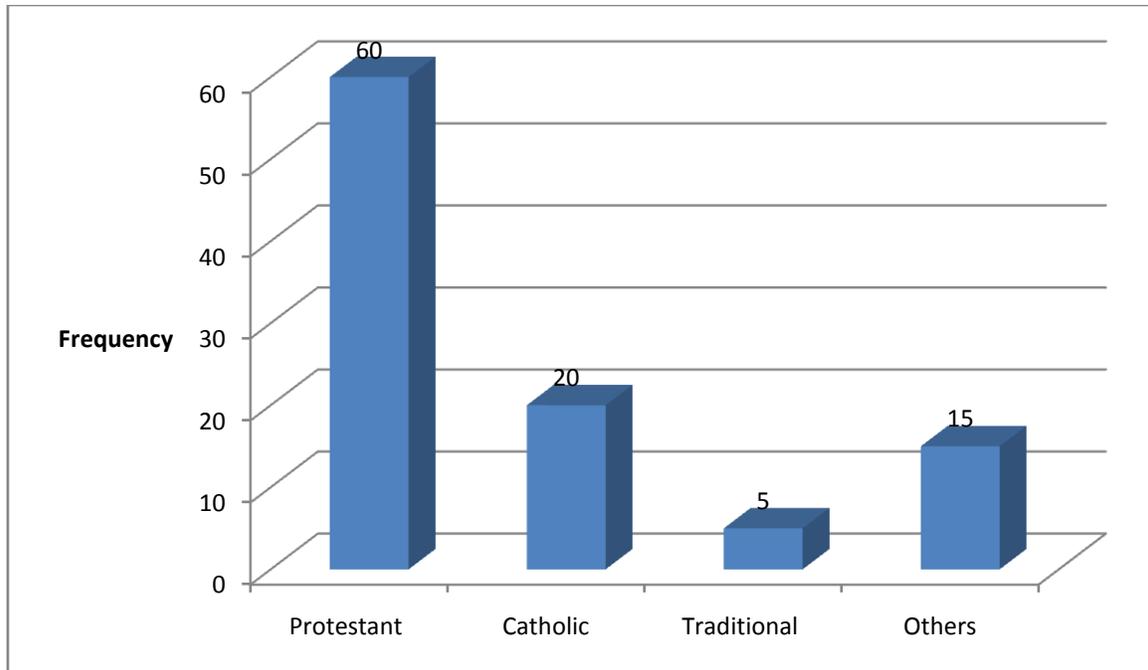
**Fig 4.9: Distribution of Respondents by Marital Status**

Figure 4.9 reveals that 95% of the respondents are married while 4% are single and 1% are widows staff of the corporations. This shows that the officials of the multinational oil corporations are matured.



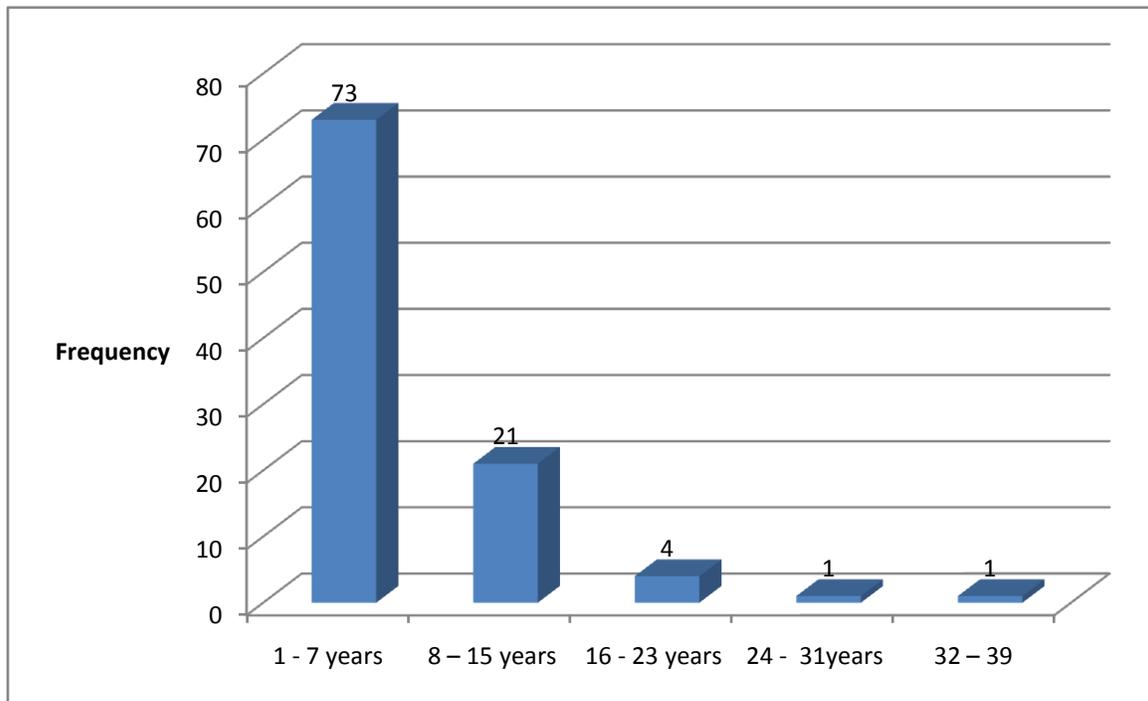
**Fig 4.10: Distribution of Respondents by Educational Qualification**

Figure 4.10 reveals that 69% of the respondents possessed first degree while 19% possess OND/ HND. Respondents with NCE/ A level constitute 6% and respondents with higher degrees constitute 6%. The implication of this is that the multinational oil corporations usually recruit people with very high educational qualifications such as first degree and other higher degrees. The implication of this is that applicants without good educational qualifications will not have the opportunity of securing decent jobs with the multinational oil corporations.



**Fig: 4.11: Distribution of Respondents by Religion**

Figure 4.11 shows that 60% of the respondents are Protestants while 20% are Catholic members and 15% are Muslims and 5% of the respondents are traditional worshippers.



**Fig 4.12: Distribution of Respondents by Number of Years in the Service of the Oil Corporations**

Figure 4.12 shows the working experience of the officials of multinational oil corporations. It shows that the respondents who had spent 1-7 years constituted 73% while those who had spent 8 to 15 years had 21%. On the other hand, respondents who had spent 16 to 23 years had 4% and those who had spent 24 to 31 years constituted 1%. Finally, the respondents who had spent 32 to 39 years had 1%. The reason for the high proportion of the respondents who had spent 1 to 7 years could be traced to the mass retrenchment carried out by Total E & P Limited and Exxon Mobil Producing Unlimited between 2004 and 2005.

## Corporate Social Responsibility and Development of the Host Communities

Table 4.1a, 4.1b, 4.6c, 4.1d, and 4.1e below as well as the discussion that follows provide explanation for the understanding of data collected on objective 1 and  $HO_1$ . This is done on the basis of the difference indices measuring development of the host communities.

## Corporate Social Responsibility and Poverty Alleviation:

Table 4.1a: Correlation Analysis of Corporate Social Responsibility Programmes on Poverty Alleviation.

Variable		Std. Dev.	N	r	P	Remark
CSR of MNC	15.8135	3.5569	1126	0.011	.702	n.s..
Poverty Alleviation	12.9725	4.4608				

## Interpretation and Discussion

It is shown in the above table that there was no significant relationship between the corporate social responsibility of multinational oil corporations and Economic Development ( $r = 0.011$ ,  $N = 1126$ ,  $P > 0.05$ ). The null hypothesis is not rejected. This indicates that the corporate social responsibility of the multinational oil corporations had not influenced economic development of the communities under study.

It was revealed in the study that unemployment was very common among the youths in the communities studied in the two states. The finding agrees with Ejibunu (2007) who opines that unemployment is very high among the people of Niger Delta as the oil corporations do not hire their employees from the region that produces oil, but from non-oil producing regions of Nigeria. Fishing and farming form the most dominant activities in the study area. Field data, as indicated in Table 4.5, shows that 67% of the sampled populations are engaged in fishing and farming activities which have been affected by the environmental degradation caused by the exploration activities of the

multinational oil corporations. This correlates with the finding of Babatunde (2008) that fishing, the lifeline of most of the people, has been made impracticable and unprofitable as a result of incessant oil spillage, which pollutes streams and rivers and this has affected their capacity to sustain themselves.

The finding shows that the cost of living is very high in the two states and the devastating effect of oil spills on the agricultural produce is very high. This also correlates with the report of Okorie (2005) that most communities in the Niger Delta earn their livelihood from fishing and farming but with the damage done to natural resources, agriculture has suffered, food has become increasingly expensive and even scarce, and exportation of key crops such as palm products has decreased drastically. The major reason that is traceable to this is the reduction in farm produce yearly harvest as a result of the devastating effect of oil exploration on farmlands and rivers in the two communities. In the study, it was revealed that unemployment is very high among the host communities and this is in agreement with the assertion of Eregha & Irughe (2009) that with the destruction of the main source of income and productive activities of the

region, one of the economic concerns of the region is the resultant increasing unemployment.

The finding also reveals that the host communities in the two states under study did not benefit from oil exploration due to the high level of poverty in the states. This tally with the opinion of Ghazvinian (2007) that the multinational oil corporations have extracted hundreds of millions of barrels of oil, which have been sold on the international markets for hundreds of billions of naira, but the people of the South-South have seen virtually none of the benefits.

However, the finding contradicts the report of Idemudia (2007) that community development partnership initiatives of Exxon Mobil Unlimited that focused on micro credit schemes, skill acquisition centres and investment in small and medium enterprises also have the potentials to reduce poverty among the beneficiaries of the programmes in host communities. The major reason for this is the low number of participants as revealed in Touching Lives (2004) that since the multinational oil started the scheme in 2001, only 600 youths from Akwa Ibom, Delta and Rivers State have benefited from the programme.

Another reason for this is the failure of the schemes to ameliorate poverty among the host communities in the two states.

The finding reveals that Exxon Mobil has assisted the farmers to increase their farm produce through various programmes and this correlates with the assertion of Ibok and Mboho (2011) that the cultivation and processing of oil palm in Akwa Ibom State has received a boost. Two communities, Ikot Akpan Nkuk and Ikot Oku Ikono in Uyo have benefited through the programme. Ibok and Mboho (2011) asserts further that with about N39 million provided by Mobil Producing Nigeria and United Nation Foundation, wealth is being created in the state by improving the production and processing of oil palm produce to meet local demands.

In the Focus Group Discussion and indepth Interview conducted with the Key Informants in the two states on the relationship between the corporate social responsibility programmes of the multinational oil corporations and economic development of the host communities, the followings facts were pointed out by the participants:

*Before the arrival of Mobil in our community, we used to catch big fish very close to our house, but due to oil exploration, the oil spills have killed most of the fish in our rivers and this make it difficult for the fishermen to catch fish within the community and this has brought abject poverty to the fishermen in our community.*

**Paramount Ruler in Ibewa Community in Rivers State**

The opinion of the paramount ruler in Ibewa community correlates with that opinion expressed by 95% of the participants in the Focus Group Discussion held in Ibewa and Erema community. This indicates that high poverty level in the region is traceable to the effect of oil spills on farm produce and forest reserves. This correlates with the view of Fajana (2005) that oil exploration activities of the oil corporations have destroyed forest reserves, socio economic and cultural lives of the people in the region.

*Exxon Mobil have caused more havoc to our farmland because most farmers cannot find some crops like cocoa yam and our farm harvest have reduced greatly in every year. We can only catch big fish when we travel by boat very close to Cameroon, this make us to be very poor in this village.*

**Women leader in Esit Urua, Akwa Ibom State.**

In the Focus Group Discussion held in Esit Urua in Akwa Ibom, the opinion of 98% of the participants tallies with the view of the women leader in the community. Since farming and fishing is the major occupation of the people in the state, the oil spill effect on the sea makes it difficult for the fishermen to catch big fish within their neighbourhood. This correlates with Eregha & Irughe (2009) who asserted that most of the farm lands are destroyed and the rivers are polluted, leading to the death of fishes, most of the farmers and fishermen are thrown into joblessness.

### **Corporate Social Responsibility and Vocational Skill Development:**

Table 4.1b: Correlation Analysis of Corporate Social Responsibility Programmes on Vocational Skill Development

Variable		Std. Dev.	N	r	P	Remark
CSR of MNC	15.8135	3.5569				
Vocational Skills	18.1048	6.0693	1126	.005	.866	n.s.

### **Interpretation and Discussion**

It is shown in the table 4.1b that there was no significant relationship between the corporate social responsibility of multinational oil corporations and Vocational Skills Development ( $r = .005$ ,  $N = 1126$ ,  $P > .05$ ).

The Null hypothesis is therefore not rejected. This indicates that corporate social responsibility of multinational oil corporations have not enhanced vocational skill development.

It was revealed in the study that very small numbers of people benefited from the programme. This corroborates the report of the Touching Lives (2004) which states that since the vocational skill development scheme started in 2001, only 600 youth from Akwa Ibom, Delta and Rivers state have benefited from the programme. However, this

can be attributed to ignorance, illiteracy and poverty that are more pronounced among the host communities in the two states.

Another factor that can be traced to the failure of vocational skill development schemes in the two states as revealed in the study is the general apathy of the host communities to the intervention programmes of the multinational oil corporations in the two state.

In the focus group discussion held with the youth leader in Iwuochang in Akwa Ibom state, it was revealed that:

*There is no skill acquisition centre in our community. Exxon Mobil claimed that they have established the centres in other part of the state but I have not seen any of the centre in this state. Youth leader.*

The opinion of the youth leader in Iwuochang community of Rivers state correlates with the view of all the participants in the Focus Group Discussion. The implication of this finding is that the aim of the oil exploration to alleviate poverty through the establishment of skill acquisition centre is defeated.

This finding contradicts the report of Amadi and Abdullahi (2012) who asserts that the Niger Delta youths, who have, over the time disrupted the oil business as an expression of their dissatisfaction, have gained real job opportunities through vocational training and job creation programmes, courtesy of Total E&P. The scheme, which is managed in partnership with local NGOs, has continued to offer skills acquisition training to the youths, such as in welding, sewing, auto-mechanics, electrical work, computer technology, hairdressing, building, baking, soap making, plumbing and fitting. It was stated in Touching Lives (2004) that under the skill development schemes with other stakeholders, more than \$2.3 million was spent in 2004 to train 306 youths, in such skill areas as welding, pipefitting and carpentry, enterprise and leadership development, and conflict management. However, these skill development schemes failed to reduce poverty among the host communities in Rivers State because the study reveals that very few people participated in the programme and this correlates with the report of Touching Lives (2004) which asserts that between 2001 to 2004 when the programme started, only 600 youths from Akwa Ibom, Delta and Rivers States have benefited from the skill

development scheme where they learnt various trades ranging from welding and fabrication, carpentry, auto mechanical works, photography, plumbing to building

The report shows that Multinational Oil Corporations officials claimed to have assisted poor artisans in their areas of operations to purchase equipment tallies with Idemudia (2006) who opines that through the Integrated Community Development Programme, Exxon Mobil Nigeria Limited have contributed meaningfully to the growth and development of their communities through the purchase of equipment for artisan. The findings show that Multinational Oil Corporations' officials claimed to have helped to train the farmers and fishermen on modern application of technique of Agriculture to increase their annual harvest tallies with Idemudia (2006) who reports that a total of 2,015 small holder farmers have benefited from Agricultural Development Scheme of Exxon Mobil Nigeria Limited through the provision of hybrid crop, fish and livestock species, improved farm input and technical advice. It was pointed out by Idemudia (2006) points out that the programme failed because Exxon Mobil could not sustain it for more than two years.

### **Corporate Social Responsibility and Health Needs:**

Table 4.1c: Correlation Analysis of Corporate Social Responsibility Programmes on the Health Needs of the Host Communities

Variable		Std. Dev.	N	r	P	Remark
CSR of MNC	15.8135	3.5569	1126	-.014	.639	n.s.
Health/Medical	7.1510	2.5442				

### **Interpretation and Discussion**

It is shown in table 4.1c that there was no significant relationship between corporate social responsibility of multinational oil corporations and Health needs of the host communities in the two states. ( $r = -.014$ ,  $N = 1126$ ,  $P > .05$ ). The null hypothesis is

not rejected. The finding shows that the corporate social responsibility of multinational oil corporations have not solved the health needs of the host communities in the two states.

The finding shows that Total Exploration & Production Nigeria Unlimited constructed Hospital in Obagi community in Rivers state and donated ambulance worth 2 million naira in Obagi community of Rivers state to enhance movement of patients and health personnel (Plate 5 &6 of appendix). This correlates with the report of Touching Lives (2004) that Total Exploration & Production Nigeria Unlimited in partnership with Nigeria National Petroleum Corporation, constructed a hospital that was valued at fifty eight million naira in Obagi community in Rivers State and they donated two ambulance vehicles.

It was revealed through the study that most of the existing hospitals in the two states lack qualified personnel and drugs to take care of the health needs of the community members. This is in line with Chukwuani's (2006) assertion that low quality health services, high user fees, shortage of drugs, equipment and personnel, contribute to the crises of confidence and affordability in terms of health care access and status in South-South.

The findings shows that oil spills and gas flares have a tremendous negative effect on the health of the host communities in the two states. This findings tallies with the contribution of Piller (2007) that gas flares and their soot contain toxic by – product such as benzene, mercury and chromium, which contribute to the lowering of the immunity of community members, in particular children, making them more susceptible to diseases such as polio and measles. The finding also correlates with the assertion of US EIA (2007) that deforestation, air and water pollution, desertification and loss of arable land have contributed to high rates of diseases and physical, mental and social ill health in South-South, Nigeria.

Focus Group Discussion and indepth interviews were conducted with the key informants in the two states on the relationship between the corporate social responsibility programmes of multinational oil corporations and health promotion in the two states.

In the focus group discussion held in Usung Inyang in Akwa Ibom state, it was revealed that;

*The environmental pollution which occurs due to oil exploration activities of Exxon Mobil in Akwa Ibom has caused different sickness such as kidney problem, tuberculosis, liver problem and so on .*

**Youth leader.**

The opinion of the youth leader in Usung Inyang community of Akwa Ibom correlates with the view of 100% of the participants in Usung Inyang. This correlates with Piller (2007) who assertion that gas flares and their soot contain toxic by-products such as benzene, mercury and chromium, which contribute to lowering of the immunity of community members, in particular children, making them more susceptible to diseases such as polio and measles.

Another focus group discussion held in Akabta in Rivers state reveals that

*In the hospital built by Total E & P, drugs are not always available and doctors and nurses are very few in the hospital to attend to our medical needs.*

**Women leader**

The view expressed by the women leader in Akabta community of Rivers state tallies with the view of other participants on the health issue. Apart from this, the personal visits to the hospitals within and outside the community confirmed the opinion of the participants.

However, the findings of the study reveal that Exxon Mobil Nigeria Unlimited have intensified their efforts in the eradication of malaria, cholera and other diseases in their areas of operation this tallies with Exxon Mobil's (2003) assertion that Exxon Mobil have made cumulative contributions in cash grants and service worth over \$ 100m in the fight to reduce the impact of the scourge within Nigeria. Apart from this, the findings shows that family care association have implemented the Nigeria malaria control and preventive programmes in the year 2010 in seven states namely, Akwa Ibom, Cross River, Delta, Imo, Ondo, Lagos and Rivers. 45,000 free long lasting insecticide treated nets were provided to communities in these states. On the other hand the findings also revealed that over 13,000 persons have been tested for malaria using the Rapid Diagnostic Test, 2300 people have received Artesimine combination therapy treatment

while 65,000 children under 5 years have received long lasting insecticide treated nets and anti malaria medications (Exxon Mobil, 2003).

The study revealed that Exxon Mobil Nigeria Unlimited constructed and renovated hospitals in Akwa Ibom state, this correlates with Mbok and Mboho (2011) that in 1990, a health centre worth N3million was built, equipped and handed over to the Mkanak community. Mobil Producing Nigeria Unlimited has also constructed staff quarters for doctors at the centres. In 1994 and 1995, the health centre was upgraded through roof restructuring, electrical works windows and doors. Rescuing parts of Mkpanak village from the menace of marine erosion done by Mobil Producing Nigeria Unlimited in 1991 at the cost of N35 million.

### **Corporate Social Responsibility and Infrastructural Development:**

Table 4.1d: Correlation Analysis of Corporate Social Responsibility Programmes on Infrastructural Development

Variable		Std. Dev.	N	r	P	Remark
CSR of MNC	15.8135	3.5569	1126	-.001	.960	n.s.
Infrastructural Development	6.0435	2.1682				

### **Interpretation and Discussion**

Table 4.1d shows that there was no significant relationship between Intervention of multinational oil corporate social responsibility and Infrastructures ( $r = -.001$ ,  $N = 1126$ ,  $P > .05$ ). The null hypothesis is therefore not rejected. This indicates that

corporate social responsibility programmes of multinational oil corporations have not influenced Infrastructural development of the communities in the two states.

The study reveals that oil corporations have provided good health facilities through the provision of free medical treatment. This correlates with Touching Lives (2004) which asserts that Total E & P renovated and refurbished a health center abandoned by the government and provided logistics and drugs for the health center through contractors (Plate 6 of the appendix). The Rivers State Health Management Board provided health personnel, whose wages were supplemented by Total E & P Nigeria Limited.

The study revealed that Multinational Oil Corporations have contributed to the educational development of the people in various communities. This correlates with Touching Lives (2004) report that Total E& P have constructed classroom blocks, technical workshops, donation of teachers' quarters and textbooks to secondary school students. Other important projects include building and equipping of science laboratory among which is the one in Obagi community which serves as a centre of excellence for the teaching and learning of science subjects at secondary school level.

It was revealed from the study that electricity supply in host communities in Rivers state was more stable than the electricity supply in Akwa Ibom and this correlates with the report of Touching Lives (2004) where it was revealed that the Egi electrification scheme in Rivers State was the most ambitious and comprehensive community development programme undertaken by the NNPC/ Total Exploration and Production Unlimited joint venture in 2003 and the objective of this project was to ensure steady electricity supply to all communities within Egi land in Rivers state. The major reason for this is that Total Exploration and Production Limited generates electricity through Turbine electrification scheme while this is not so in Akwa Ibom where the means of electricity supply is through the Power Holding Corporation of Nigeria (Plate 9 of appendix).

It was revealed from the study that the drinking water in the two states is one of the major sources of health hazards to the people in the region. This corroborates the report of Governor Amechi, the Rivers State governor who discovered the high concentration of benzene chemical which causes kidney and liver problem in drinking

water, he called on the multinational oil corporations operating in the state to start the clean up immediately because of the associated health hazards that is associated with such chemical contaminated water (The Guardian, 2011).

It was revealed in the study conducted in Akwa Ibom state that most people in the state do not have access to clean water, their major source of water comes from lakes and rivers. This correlates with the assertion of Ojile (2010) that water in the majority of Niger Delta communities comes from unsafe supply facilities, including rivers, lakes or ponds, unprotected wells and boreholes.

The study revealed that Total E& P have constructed roads that linked the entire Egi land and this has enhanced free movement of farm produce from one community to other communities and road construction programmes was aimed at opening communities to further development and economic empowerment. This correlates with (Touching Lives, 2004) which asserted that road construction project was in three phases. Under Phase One of the project, 20km of the asphalted 6m wide road was constructed to link all communities in Egi from Erema through Obukegi, Akabta, Obiozimini and Obite. The project was completed in 2001. In 2001/ 2002, the second phase of this major road development, measuring about 25km, was constructed to link Akabuka to Obagi via Oboburu, Idu – Obosi – Ukwu, Idu Osobile (Touching Lives, 2004). Phase Three, which commenced in 2003, involved the construction and rehabilitation of the internal roads of Obagi, Ogbogu, Erema, Obiyebe and Itu Ogbo.

The study revealed further that Exxon Mobil Nigeria Unlimited have also constructed roads that linked various communities in Akwa Ibom state, this correlates with Ibok and Mboho (2011) who asserted that in 1991, Mobil Producing Nigeria Unlimited completed a road and bridges across eight kilometers of swamp linking Eket town with Ibeno villages in Akwa Ibom states at a cost of N85 million. Another access road to Ukpenekang primary school and Ibeno jetty / market road were also constructed.

The study revealed that Exxon Mobil Nigeria Unlimited constructed and renovated some classrooms in Akwa Ibom states, this talies with the assertion of Ibok and Mboho (2011) that Exxon Mobil constructed classroom blocks in Atabrikang and Opolom communities (Plate 12 of appendix) . In Akwa Ibom, Exxon Mobil also allocated N95 million to empower girls and boys through the programme tagged Better Life Option

(BLO) The programme was implemented in collaboration with the centre for Development and Population Activities (Mboho, 2011).

However, it was revealed through the study that Exxon Mobil also donated Textbooks to some communities in Akwa Ibom, this correlates with Ibok and Mboho (2011) who pointed out that the oil corporations donated Physics textbooks worth N1.5million to some secondary schools in some communities like Iwuochang, Ibeno, Mkanak and Essit Urua.

The study revealed further that Exxon Mobil have helped some communities in generating electricity in Akwa Ibom state, this tallies with Mbok & Mboho (2011) who asserted that in 1984, Electricity project that worth N500,000 was commissioned in Mkanak village. Mobil Producing Nigeria Unlimited has been responsible for maintaining the system for continuous service to the community.

#### **Corporate Social Responsibility and Educational Development:**

Table 4.1e: Correlation Analysis of Corporate Social Responsibility Programmes on Educational Development

Variable		Std. Dev.	N	r	P	Remark
CSR of MNC	15.8135	3.5569	1126	.025	.396	n.s.
Educational Development	13.2780	4.2698				

#### **Interpretation and Discussion**

Table 4.6e shows that there was no significant relationship between the corporate social responsibility of multinational oil corporations and Educational Development ( $r = .025$ ,  $N = 1126$ ,  $P > .05$ ). The null hypothesis is not rejected. This shows that corporate social responsibility of the multinational oil corporations have not enhanced educational development in the two states.

The result shows that the intervention programmes of the multinational oil corporation have no significant effect on educational development in the region. In some Schools visited in the two states, basic infrastructural facilities such as chairs and tables, scientific equipment were lacking and this corroborates the report of Balogua (2009) who asserted that the infrastructure vital for quality education is grossly lacking, thus leading to high school dropout rates.

The study revealed that Exxon Mobil have supported the host communities through scholarship grants, this correlates with Ibok and Mboho (2011) who asserted that 500 science students were awarded scholarship on annual basis. Again the annual sponsorship of the state wide secondary schools quiz competition, the Mobil Employee Voluntary Education Programme and the sponsorship of a workshop for science teachers were deliberately designed to improve the standard of science, technical and general education in Akwa Ibom State.

It was revealed in the study that the population of the students in primary and secondary schools has dropped drastically. This is in agreement with the report of Uyigue and Agho (2007) who asserted that 76% of Nigerian children attend primary school while in some parts of South-South, the population has dropped to 30 – 40% in 2007. The findings also corroborates with the opinion of Ohuabudu (2008) that the region is well endowed with intelligent human resources, but it has the highest illiteracy in Nigeria.

The findings show that most parents cannot afford to buy the recommended textbooks for their children and they cannot afford to send their children to School because their means of livelihood have been destroyed by the devastating effects of oil exploration activities of multinational oil corporations in the region. The report tallies with the assertion of Jike (2004) that most of the children in the region refused to go to School because their parents, having been displaced from their farms, are unable to meet their obligations to provide food and the recommended textbooks for the child at School.

It was revealed in the study that Total Exploration and Production Limited constructed classrooms and donated science equipment that worth N15m in the following communities in Rivers state; Akabuka, Erema, Eginta, Ibewa and Ogbogu. The findings correlates with the assertion of Touching Lives (2004) that Total Exploration and Production Nigeria Limited constructed and renovated classroom blocks and apart from

this, they also donated science equipment worth N1.5million to Akabuka and Ogbogu communities in Rivers state (Plate 2 of appendix) . It should be pointed out that level of educational development in the region is very low as a result of the high poverty rate in the region, very few parents have the financial capability to finance the education of their children. Apart from this, the science equipment donated to some Schools by the multinational oil corporations are no longer functioning. This is traceable to the poor maintenance culture of the authorities of these Schools.

Findings on the feelings of the participants in FGD discussions and in-depth interviews on the relationship between the corporate social responsibility of multinational oil corporations and educational development in the two states are expressed in the following statements:

*Exxon Mobil Producing Nigeria limited have not constructed any School in this community and they did not give scholarship to our children*

**Community head in Esit Urua in Akwa Ibom**

The view expressed by the community head in the focus group conducted in Esit Urua community of Akwa Ibom tallies with the opinion of all the participants in the Focus Group Discussion held in Iwuochang and Esit Urua communities in Akwa Ibom. This explains why the standard of education in the region is very low as compared to other regions in Nigeria.

*We cannot afford to send our children to School because We don't have money to do so. Oil spills have destroyed our means of living and so we are very poor*

**Female FGD Participant in Eginta community in Rivers state.**

In the Focus Group Discussion held with the participants in Eginta community in Rivers state, the view of 90% of the participants tally with the view of this female participant while 10% of the participants said that they could send their children to school because they are civil servants who worked with the state ministry. The implication of this, is that oil spills have spoilt the means of livelihood of the host communities since the major occupation of the people in the region is fishing and farming.

*Total E& P sometimes supply textbooks for our students once in a year and they organized science competition for schools once in a year but the major problem*

*in this school is that we don't have enough instructional materials and when you visit our laboratory, we don't have enough scientific equipment to teach our students science subjects.*

**School Principal in Ibewa community in Rivers state.**

The opinion of the school principal in Ibewa community indicates that the rate at which Total E & P promotes educational development in the state is very poor. Thus, they should put more effort in educational development through regular supply of textbooks and other educational materials to various schools and they should give more scholarship to students from primary schools to tertiary level.

However, the study revealed that Exxon Mobil Nigeria Unlimited have donated on annual basis scholarship worth N2.5million to the children of the host communities, this correlates with the report of the Public Relation Manager of Exxon Mobil who asserted that annually, the oil corporations have awarded 500 scholarship to students in tertiary institutions, particularly those studying science and technology courses. Again, the annual sponsorship of the state wide secondary school quiz competition, school's challenge, the Mobil Employee Voluntary Education Programme (MEVEP) and the sponsorship of workshop for science teachers were deliberately designed to improve the standard of science, technical and general education in Akwa Ibom state. The estimate value of this educational project on annual basis was N 2million (Exxon Mobil, 2002)

## Corporate Social Responsibility Programmes and Peace Building:

Table 4.2 below as well as the discussion following the table gives a clearer picture and understanding of the information collected from the respondents on objective 2 and HO<sub>2</sub>

Table 4.2: Correlation analysis of Corporate Social Responsibility Programmes on Peace building

Variable		Std. Dev.	N	r	P	Remark
CSR of MNC	15.8135	3.5569	1126	.029	.325	n.s.
Peace Building	3.8792	1.4359				

### Interpretation and Discussion

It is shown in the above table that there was no significant relationship between the corporate social responsibility of multinational oil corporations and Peace Building ( $r = .029$ ,  $N = 1126$ ,  $P > .05$ ). Null hypothesis is thus not rejected. This indicates that the corporate social responsibility of multinational oil corporations have not enhanced peace building in the two states.

The findings show that the two states used for the study were prone to conflicts due to the neglect of the states despite the huge revenue that accrue to the two multinational oil corporations as a result of their oil exploration in Akwa Ibom and Rivers state. This is in line with the report of Ibeanu (2006) that the socio economic condition of the people is worrisome as 73% of the people lack access to safe drinking water, while about 70% of household lack electricity and the poverty level in the region is very high.

The findings of the study revealed that oil spills and gas flaring have caused serious environmental degradation, destruction of means of livelihood, devastating effect on the health of the host communities, aggravated youth restiveness and conflict in the region. The reason that can be deduced to this is due to the poverty which occurs as a result of the effect of oil exploration on the means of livelihood of the host communities.

This correlates with the assertion of Babatunde (2008) that pollution which occurs from oil spills have destroyed marine life by making water unsuitable for fishing and rendering many hectares of farmland unusable, thereby aggravating conflict in the region.

It was revealed in the study that the slow response and the non-challant attitude of the multinational oil corporations to the socio-economic plights of the host communities in the two states used for the study is another factor that can be traced to the conflict in the region. The finding is in agreement with the opinion of Ikelegbe (2005) that the youths have been known to harass and disrupt operations of several oil corporations to compel employment of community youth. Apart from this, the findings also correlate with the assertion of Nzeshi (2002) that when the multinational oil corporations fail to respond or respond slowly, they disrupt or stop Multinational Oil Corporations productions, take over or even vandalize oil facilities, take hostages and seize vehicles and properties.

However, the findings of the study contradict the report of a Paramount ruler in Egita community in Rivers state.

*The relationship of the people in this community is very cordial with the multinational the officials of Total E&P because they have provided us with drinkable water, good roads and stable electricity Supply. Paramount Ruler*

The opinion of the paramount ruler tallies with the view of Focus Group Discussion participants in Egita community. The personal experience of the researcher to the communities in Egi land of Rivers state confirmed this.

In a discussion held with youth leader in Mkanak in Akwa Ibom state:

*Exxon Mobil officials have destroyed our farmland and seawater where we used to catch big fish, they did not employ our youth in their company, so there is poverty everywhere. Due to this reason we will continue to fight them. Youth leader FGD*

The opinion of the youth leader correlates with the opinion of other participants in the Focus Group Discussion in Mkanak community. This view also correlates with (Adejumobi, 2005) that in Nigeria, ethnic identity influences access to public goods such as employment, schools, land and political office and the urge to claim indigene status generates conflicts.

In a focus group session held with some participants in Upenekang in Akwa Ibom state, a woman participant said:

*The amnesty programme which was introduced by the federal government have helped to reduce the youth restiveness, kidnapping and conflict in this state. **Women leader, FGD***

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## **Influence of Corporate Social Responsibility of Multinational Oil Corporations on the Felt Needs of the Host Communities.**

The table 4.3: Table of mean and standard deviation below as well as the discussion that follow provide explanation for the understanding of the data collected on objective 3 and research question1.

Table 4.3: Mean and Standard Deviation on Influence of CSR on Host Communities Felt Needs

s/n		SD	D	A	SA		S.D.
1	The multinational oil corporations have helped to provide good drinkable water	195 17.3%	250 22.2%	331 29.4%	350 31.1%	2.7425	1.0772
2	They have renovated hospitals and donated drugs in our community	274 24.3%	122 10.8%	400 35.5%	330 29.3%	2.6980	1.1335
3	They have solved the electricity problems in the community	241 21.4%	215 19.1%	359 31.9%	311 27.6%	2.6572	1.0986
4	They have compensated the community members who were affected by oil spills and gas flaring	215 19.1%	323 28.7%	274 24.3%	314 27.9%	2.6101	1.0856
5	They have constructed classroom buildings in our community	300 26.6%	197 17.5%	299 26.6%	330 29.3%	2.5853	1.1675
6	The multinational oil corporations have constructed roads in our communities	371 32.9%	293 26.0%	215 19.1%	247 21.9%	2.3002	1.1441
7	The multinational oil corporations have maintained peaceful relationship with the community members	314 27.9%	370 32.9%	267 23.7%	175 15.5%	2.2691	1.0326
8	They have supplied drug to this hospitals	420 37.3%	279 24.8%	315 28.0%	112 9.9%	2.1057	1.0200
9	They have encouraged educational development through the Scholarship they awarded our children	420 37.3%	317 28.2%	259 23.0%	130 11.5%	2.0879	1.0286
10	They have given loans to the fishermen and farmers in the community	370 32.9%	420 37.3%	204 18.1%	132 11.7%	2.0870	0.9859

### **Interpretation and Discussion**

Multinational oil corporations have helped to provide good drinking water (Mean=2.7425), this was ranked highest by the mean score rating. It was revealed through the findings that the multinational oil corporations that they have provided drinkable water in their area of operations, this correlates with the report of Touching Lives, (2004) that in the area of water supply, Total Exploration and Production Limited also provide portable pipe - borne water for its host communities. The water schemes

which are of World Health Organization standards, are centrally located at Akabta, Akabuka, Amah, Erema, Obukegi, Obagi, Obite and Obiyebe.

This was followed by the report that the multinational oil corporations have renovated hospitals in their areas of operation with a score 2.6980. The finding tallies with the report of Exxon Mobil, (2003) that Mobil Producing Nigeria Limited have renovated health centres, donated medical equipment and medicine in Eket local government in Akwa Ibom state. Total Exploration & Production Limited in partnership with Nigeria National Petroleum Corporation constructed hospital that was valued at 58 million naira in Obagi community in Rivers State and they donated two ambulance vehicle Touching Lives (2004).

Apart from this, the findings revealed further that multinational oil corporations have solved the electricity problems in this communities (Mean=2.6572). This tallies with the assertion of Idemudia (2005) that efforts of Mobil Producing Nigeria were in the area of health care, education, road construction, electricity and water supply. The report also tallies with Touching Lives (2005) that the Egi electrification scheme was the most ambitious and comprehensive community development programme undertaken by the NNPC/ Total Exploration and Production Unlimited joint venture in 2003 (Plate 9 of appendix). The finding reveals that the multinational oil corporations have compensated those affected by oil spills ( mean = 2.6101)

The finding also indicated that the multinational oil corporations have constructed classroom buildings and they have renovated some classrooms in their areas of operation (Mean=2.5853). This correlates with Exxon Mobil, (2003) that Mobil Producing Nigeria Unlimited also supported education in its host communities through the construction and renovation of classroom blocks, the donation of science equipment and the provision of financial incentives for teachers that agree to teach in riverside areas.

The findings reveal further that the multinational oil corporations have constructed roads in our communities (Mean=2.3002). The result tallies with the report of Touching Lives, (2004) about the road construction embarked upon by Total E & P Nigeria Limited, the road construction was in three phases which started in 2001. Under phase one of the project, 20km of the asphalted 6m wide road was constructed to link all communities in Egi from Erema through Obukegi, Akabta, Obiozimini and Obite. The project was

completed in 2001. In 2001/ 2002, the second phase of this major road development, measuring about 25km was constructed linking Akabuka to Obagi via Oboburu, Idu – Obosi – Ukwu, Idu Osobile (Touching Lives, 2004). Phase three which commenced in 2003, involved the construction and rehabilitation of the internal roads of Obagi, Ogbogu, Erema, Obiyebe and Itu - Ogba communities totaling about 25km, 6m wide. The road network was valued at more than \$2.4m (Touching Lives, 2004).

The multinational oil corporations have maintained peaceful relationship with the community members (Mean=2.2691). The findings show that they have not maintained peaceful relationship with the host communities because the methods adopted by multinational oil corporation was too tyrannical and barbaric. This correlates with the assertion of (Odoemena, 2011) that the official response of the government and multinational oil corporations have been more of repression of the agitators through the deployment of military troops and mobile police units with mortal instructions.

The study reveals further that the multinational oil corporations have not supplied drugs to the hospitals (Mean = 2.1057). This tallies with the personal communication of the FGD female participants in Okarioma community in Rivers State that the host communities have no access to drugs and intensive health care.

The finding reveals that multinational oil corporations have not encouraged educational development through scholarship (Mean=2.0879). The personal interview conducted with the participants in Esit Urua in Akwa Ibom state, a female participant asserted that the multinational oil corporations have not contributed to educational development through scholarship.

Finally, the finding shows that the multinational oil corporations have not empowered the host communities economically with the (Mean=2.0870). This tallies with the opinion of the participants in the focus group discussion conducted in Eginta community in Rivers state that Total E & P Nigeria Limited did not economically empower the entire community members and their neighborhood.

## Corporate Social Responsibility of Multinational Oil Corporations and Conformity with the Standard of Corporate Integrity, Commitment and Moral Maturity

The table 4.4: Table of mean and standard deviation below as well as the discussion that follows provide explanation for the understanding of the data collected on objective 4 and research question 2

Table 4.4: Mean and Standard Deviation on CSR and Conformity with International Standard.

		SD	D	A	SA	Mean	S.D.
1	Good corporate citizenship is absolutely necessary for the sustenance of a healthy operating environment for multinational oil corporations	2 2.0%	6 6.0%	13 13.0%	79 79.0%	3.69	.68
2	Information management technique of the corporations is important for the development of corporate integrity competence with host communities	4 4.0%	1 1.0%	19 19.0%	76 76.0%	3.67	.70
3	If the multinational oil corporations build the intervention programmes around corporate integrity this will improve their relationship with the host communities	2 2.0%	4 4.0%	41 41.0%	53 53.0%	3.45	.67
4	Corporate integrity capacity ensures that multinational oil corporations view seriously its social responsibility in the area of environmental protection	4 4.0%	16 16.0%	24 24.0%	56 56.0%	3.32	.89
5	The corporate social responsibility response of the multinational oil corporations to the host communities is influenced by self discipline and self-control which is morally defined	9 9.0%	8 8.0%	34 34.0%	49 49.0%	3.23	.94
6	Corporate integrity which is bounded by morally justifiable principles and values will enhance the oil corporations to improve on the intervention programmes	5 5.0%	17 17.0%	36 36.0%	42 42.0%	3.15	.88
7	Inability of the oil corporations to address the environmental degradation which occur as a result of oil exploration has affected corporate integrity, morality and commitment	49 49.0%	31 31.0%	15 15.0%	5 5.0%	1.76	.89

### Interpretation and Discussion

Good corporate citizenship is absolutely necessary for the sustenance of a healthy operating environment for multinational oil corporations (Mean =3.69) ranked highest.

The finding tallies with ( Eilbert & Parket, 2001) who opined that oil exploration activities of the multinational oil corporations should not have negative effect on the environment where they operate. However, the finding from the officials of the multinational oil corporations negates the view of (Odoemena, 2011) who asserted that there has been a total disregard for the social, political, economic and environmental sensibilities of the South-South peoples by the multinational oil corporations operating in the region. Since 1956, they have been adopting substandard practices thereby subjecting them to untold inhumanities and injustices. The reason that could be traced to this is that what operates presently in the region negates this finding because of the effect of the oil exploration activities of multinational oil corporations on the host communities in South –South Nigeria.

The Information management technique of the corporations is important for the development of corporate integrity competence with host communities (Mean =3.67). This correlates with Henkin, Cistone & Dee (2000) who argue that conflict management is a communicative behaviour. This view stems from the belief that one way of changing peoples' perceptions is through effective communication. The importance of communication cannot be underestimated in the corporate integrity competence. Stressing on the importance of communication on corporate integrity, ( Fajana 2005) asserted that good communication convince workers that they have an important stake in company and thereby leads to increasing workers loyalty. This tallies with the findings because effective communication enhances oil corporations – community relationship

If the multinational oil corporations build the intervention programmes around corporate integrity, this will improve their relationship with the host communities (Mean =3.45). This tallies with the view of (Ahiazu, 2005) who asserted that an important strategy that could be adopted to shore up corporate image and douse the tension that characterizes company-community conflict is to enhance an organization's communication competence. This however requires a corporate social audit, which enables the organization to reposition itself to attract long-term goodwill. Social audit in (Fubara, 2002) view is a systematic attempt to assess business performance in terms of social issues.

The finding also correlates with the view of (Upeh, 2005) that the principle of community involvement in decision making process, adoption of stricter domestic laws and stricter universal standards of corporate liability will encourage healthy relationship and sustainable business between the community and the oil companies by reducing frictions and associated human rights violations and by sustainable development of the community in order to compensate for its environmental and ecological degradation.

Corporate integrity capacity ensures that multinational oil corporations view seriously its social responsibility in the area of environmental protection (Mean =3.32). This tallies with the assertion of (Odoemena, 2011) that the issue of environmental sustainability cannot be overemphasized in the Niger-Delta as this is fundamental to the overall well being and the development of the area especially the well being of future generation which is an important aspect of environmental economics.

Furthermore, the finding tallies with (Upeh, 2005) who asserted that the environmental harm must be connected to a substantive right in order to meet the requirement of international Human Rights law; the law must therefore be evolved to include environmental protection as a measure to improve people's lives through preservation of environment; an obligation for the international community.

The corporate social responsibility response of the multinational oil corporations to the host communities is influenced by self discipline and self-control which is morally defined (Mean =3.23). This finding negates the assertion of (Fajana, 2005) that oil exploration activities in the Niger Delta have been associated with the destruction of indigenous forest reserves, socio-economic and cultural lives of the people in the region. The reason for this is that environmental degradation and destruction of forest reserves, ecosystem and agricultural produce in the region is traceable to the effect of oil exploration in the region

Corporate integrity which is bounded by morally justifiable principles and values will enhance the oil corporations to improve on the intervention programmes (Mean =3.15). The finding correlates with the assertion of (Asawo, 2011) that the integrity audit enables organizations enhance their moral awareness and character, which subsequently manifests in ethical conducts such as corporate truth-telling and transparency. The finding also correlates with ( Sklair, 2001) who opined that corporations are forced to be

good corporate citizens because they operate within strict regulatory regimes imposed by local, national and international government authority. Corporate integrity capacity therefore ensures that the organization views seriously its social responsibility like environmental protection and infrastructural development of host community.

Finally, inability of the oil corporations to address the environmental degradation which occur as a result of oil exploration has affected corporate integrity, morality and commitment (Mean =1.76). The finding correlates with (Asawo, 2011) who asserted that oil corporations are expected to operate within stipulated legal and ethical frameworks in order to avoid any negative moral tag that will erode a healthy business environment.

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## Perceived Attitude of the Host Communities towards the Corporate Social Responsibility Programmes of the Multinational Oil Corporations

Table 4.5 : Table of mean and standard deviation below as well as the discussion that follows provide explanation for the understanding of the data collected on objective 5 and research question 3.

Table 4.5: Mean and Standard Deviation on Perceived Attitude of Host Communities to CSR Programmes

S\N	Statement	SD	D	A	SA	Mean	S.D
1.	The community members are very happy with the intervention projects because they assisted in enriching the community members	21 21.0%	18 18.0%	32 32.0%	29 29.0%	2.9600	1.1073
2.	The community members do not relate well with the officials of multinational oil corporations	12 12.0%	23 23.0%	34 34.0%	31 31.0%	2.8400	1.0022
3.	The officials of the multinational oil corporations usually educate the community members so that they could have positive attitude towards the intervention programmes	13 13.0%	27 27.0%	31 31.0%	29 29.0%	2.7600	1.0162
4.	The attitude of the members is not negative because of the failure of multinational oil corporations to empower their youth	19 19.0%	27 27.0%	23 23.0%	31 31.0%	2.6600	1.1121
5.	The community members have a negative feeling towards the multinational oil corporations because of marginalisation by the oil corporations	27 27.0%	18 18.0%	24 24.0%	31 31.0%	2.5900	1.1900
6.	The community members are happy because the programmes have improved their standard of living	28 28.0%	21 21.0%	19 19.0%	32 32.0%	2.5500	1.2092

### Interpretation and Discussion

Below is the discussion rating of the attitudes of the host community to the programmes of the multinational corporations:

The community members are very happy with the intervention projects because they helped to enrich the community members (Mean =2.9600) was ranked highest by mean scores. The findings revealed that multinational oil corporation officials claimed that the host communities are happy about the intervention programmes because they were enriched through the programmes contradict the opinion expressed by the traditional ruler of Akabite community in Rivers state. In the focus group discussion conducted, the traditional ruler said:

*The people of this community are not happy with the intervention programmes of the oil corporations because they have impoverished the people through the oil exploration, the people cannot fish and farm because of the effect of oil spills. **Paramount ruler in Akabite Community***

The findings also contradicts the view of Efemini (2002) who asserted that the people of the Niger Delta are of the view that with the enormous wealth associated with their oil endowments, there is no justification for remaining at the present low level of development

The finding of the study also revealed that the community members relate well with the officials of the multinational oil corporations, which tallies with the opinion of village head in Ebanna community in Akwa Ibom state.

*Though we are not happy with the oil corporations but we have to accept to keep quiet because we are peace loving people in this community. **Village Head in Ebana***

The finding contradict the view of ( Asawo, 2011) who asserted that the issues that have given rise to oil corporations and community conflict include environmental degradation , underdevelopment of infrastructure, poverty and large scale unemployment.

The findings from the officials of the multinational oil corporations that the attitude of the community members is not negative because of the failure of multinational oil corporations to empower their youth contradicts the assertion of Tuschl and Ejibunu (2007) who traced the frequent conflict in South-South to the following factors; Poverty and deprivation of the means of livelihood as a result of oil spills.

It was revealed through the finding that the community members have a negative feeling towards the multinational oil corporations because of the marginalization, this

tallies with the view of Ogbogbo (2004) who pointed out that the resort to the use of force through the police has often resulted in straining the relationship between the multinational oil corporations and their host communities.

The finding from the officials of the oil corporations revealed that the host communities are happy because the intervention programmes have improved their standard of living. The findings contradict the view of (Mukagbo, 2004) who asserted that despite the huge amount of money realized from the region through the oil exploration, the local people remain in abject poverty and deprivation as they lack basic things of life like water and electricity.

The finding shows that the host communities are happy because the oil corporations have improved their standard of living through their intervention programme contradict the view of (Babatunde, 2010) that the oil corporations have impoverished the people of Niger Delta as a result of oil spills which have destroyed the means of livelihood of the people. Thus, this has a negative effect on their standard of living.

**Factors that Influence Host Community Participation in the Corporate Social Responsibility Programmes of the Multinational Oil Corporations.**

Table 4.6: Table of mean and standard deviation below as well as the explanation that follows provide explanation for the understanding of the data collected on objective 6 and research question 4.

Table 4.6: Mean and Standard Deviation on Factors that influence Host Communities Participation in the CSR Programmes

S\N	Statement	SD	D	A	SA	Mean	S.D
1.	The awareness level of the community members about these intervention projects usually influence host communities level of participation	10 10.0%	13 13.0%	35 35.0%	42 42.0%	3.0900	.9754
2.	The information technique which the multinational oil corporations adopted to disseminate information have encouraged high level of host communities participation	8 8.0%	23 23.0%	34 34.0%	35 35.0%	2.9600	.9526
3.	The literacy level of the participants usually have a positive influence on their level of participants in the projects	13 13.0%	15 15.0%	37 37.0%	35 35.0%	2.9400	1.0132
4.	The strategies adopted by the multinational oil corporations in the execution of the projects allows for adequate participation	12 12.0%	19 19.0%	37 37.0%	32 32.0%	2.8900	.9939
5.	The intervention projects of the multinational oil corporations receive adequate cooperation from the community members	15 15.0%	18 18.0%	39 39.0%	28 28.0%	2.8000	1.0150
6.	Proper enlightenment of the member of the community about the intervention projects will encourage more participation	24 24.0%	10 10.0%	31 31.0%	35 35.0%	2.7700	1.1708
7.	The socio-economic status of the community members have a positive influence on their level of participation in the projects	16 16.0%	24 24.0%	29 29.0%	31 31.0%	2.7500	1.0672
8.	The community members are usually involve in the planning and execution of the intervention projects	26 26.0%	21 21.0%	29 29.0%	24 24.0%	2.5100	1.1236
9.	The community members don't usually participate in the intervention programmes of the multinational oil corporations	29 29.0%	24 24.0%	25 25.0%	22 22.0%	2.4000	1.1282

## **Interpretation and Discussion**

The level of participation of community members in the intervention programmes of the multinational Corporations as listed in the order of their priority below:

The awareness level of the community members about these intervention projects usually influence host communities level of participation (Mean =3.0900) ranked highest by the mean scores. The findings show that if the host communities are properly informed about the benefits of the programme to the host community, this will increase their level of participation in the intervention programmes of the multinational oil corporations. This tallies with the assertion of (Zadeh & Ahmad 2010) that if the people are well informed about the programme and if they help the people to realize their potentials, participation can make citizens feel that the decisions of the system of which they are part are their own projects.

The finding revealed that the information technique adopted by the multinational oil corporations usually influenced host community participation in the intervention programmes. This contradicts the opinion of the paramount ruler in Ibewa community that

*The oil corporation officials don't relate with the community members, even we were not informed by the oil corporations before they execute the programmes.*

### **Paramount ruler in Ibewa**

The study shows that literacy levels of the participants usually have a positive influence on their level of participants in the projects. This correlates with the assertion of (Chowdhury, 2004) that people's level of education influences their participation in community development.

The strategies adopted by the multinational oil corporations in the execution of the projects allows for adequate participation (Mean =2.8900). It was revealed through the finding that the top – down approach adopted by the multinational oil corporations have encouraged the host communities to participate in the intervention programmes. This assertion contradict the view of ( Cernea & Ayse, 1997) that several decades of development funding have demonstrated the failures of the “top down” approach to reach and benefit the rural people. The reason for this is that, the officials of the multinational

oil corporations cannot identify the felt needs of the community members without the involvement of the community members in the identification, planning and execution of the intervention programmes of the oil corporations.

In the focus group discussion held in Okarioma community of Rivers state, the opinion of one of the participants contradict the views of the officials of the multinational oil corporations.

*The officials of Total E & P usually implement their programmes without informing our traditional ruler and the community members. As a result of this, we have not participated in all their intervention programmes in this community.*

**Female Participant in Okarioma community in Rivers State.**

The study revealed that the intervention programmes programmes of the multinational oil corporations receive adequate cooperation from the community members with (Mean =2.8000) contradict the opinion of the FGD participants in Iwuochang community of Akwa Ibom

*The programmes the oil corporations have implemented did not show what we needed, so we cannot support their programmes. Our leaders were not invited for discussion before they were implemented.*

**Female participant in Iwuochang Community, Akwa Ibom State**

Active participation of beneficiaries in project design and implementation will enable multinational oil corporations to identify and address the factors leading to poor community participation in the intervention programmes of the oil corporations.

It was revealed through the findings that socio-economic status of the community members has a major influence on their level of participation in the projects (Mean =2.7500). The finding correlates with the view of (Nazneen 2004) who opined that the participation of the poor and the marginalized in rural development projects has not increased significantly. (Siddiqui, 1995) observed that poor people are hardly included in the planning committee of the Exxon Mobil Producing, committee was mostly dominated by the officials of the oil corporations. The reason that could be responsible for poor participation of the host communities in the intervention programmes is that the interest of the host community did not reflect in the intervention programmes executed by the oil corporations.

The community members participated in the planning and execution of the intervention projects (Mean =2.5100). This finding contradict the opinion of the village head in Esit Urua community of Akwa Ibom state

*We have never been invited to participate at the planning and execution stage of the intervention programmes of the Exxon Mobil, so that is the reason why we were not involved in their programmes.*

**Village head in Esit Urua community, Akwa Ibom State.**

The joint involvement of the host community members in groups is a hallmark of community participation and that community participation refers to a process not a product in the sense of sharing project benefits. Thus the participation of citizen is essential at each stage of project cycle (Khwaja, 2004).

It was revealed through the finding that the community members did not participate in the intervention programmes of the multinational oil corporations. This tallies with the opinion of Mukagbo (2004) that economic condition of the people is one of the factors that influence participation in community development programmes in Niger Delta Nigeria. As a result of the economic condition of the host communities and also the marginalization problems in the region makes it difficult for the host community members to participate in the intervention programmes of the multinational oil corporations.

**Performance Assessment of the CSR Programmes of the Multinational Oil Corporations in Akwa Ibom and Rivers State**

**Table 4.7: t-test measuring performance differentials of the CSR Programmes in the States**

Table 4.7 below as well as the discussion that follow gives a clearer picture and understanding of the information collected from the respondents on objective 7.

Intervention of CSR	N		Std. Dev.	Crit-t	Cal-t.	DF	P
Rivers State	566	16.0106	5.3771				
Akwa Ibom State	560	15.1143	4.1308	1.96	3.134	1124	.002

**Interpretation and Discussion**

The above table showed that there was significant difference in the Intervention of CSR between Rivers State and Akwa Ibom State (Crit-t = 1.96, Cal.t = 3.134, df = 1124,  $P < .05$  level of significance) with Rivers State having a higher mean of 16.0106 which is greater than the mean from Akwa Ibom which is 15.1143. This means that the null hypothesis is rejected.

The findings revealed that in Rivers state, Total Exploration and Exploration Nigeria Limited constructed five classrooms block in each community used for the study, the corporation also equipped science laboratory at Obagi community in Rivers state. This agrees with the report of Touching Lives (2004) that Total E & P Nigeria Limited built classrooms blocks in Egi communities of Rivers state.

The finding reveals that basic equipment like chairs, tables, standard library and laboratory materials were insufficient in most of the schools visited. This contradict the report of (Touching Lives, 2004) which states that Total E& P equipped many schools in their area of operation with standard laboratory equipment, they bought chairs and tables for the use of students. The reason for this could be traced to the poor maintenance culture of the students and the failure on the part of the school authority to discipline the students who vandalized the educational equipment provided by the Government and Total E&P.

The findings in Akwa Ibom State revealed that Exxon Mobil did not construct classroom blocks in their area of operation but they renovated some schools in Iwuochang in Eket local government. This corroborates the report of Exxon Mobil (2003) that Exxon Mobil supported education in its host communities through the renovation of schools and donation of science equipment to some schools.

The findings show that Total E & P constructed health centre in Obite community in Rivers State, renovated the state hospital at Erema and donated ambulance to the hospital. The finding corroborates the report of Touching Lives (2004) that Total E& P Nigeria Limited have contributed meaningfully to health promotion through the renovation and construction of hospital in their host communities, the corporation also supplied drugs and donated ambulance to some hospitals in Delta and Rivers states.

In the area of health promotion, it was revealed that Exxon Mobil donated medical equipment and drugs to some hospitals in their host communities in Akwa Ibom state, this agrees with the report of Exxon Mobil (2003) that Exxon Mobil donated medical equipment and renovated health centers.

The study reveals that Total E & P provided electricity to their host communities in Egi land through turbine means of energy generation. Through this, the power supply in the host communities of Total E& P was stable, this is in line with the assertion of Touching Lives, (2004) that through the construction of a modern, independent power generation as well as a high tension and low tension network, this network supply power to over twenty towns and villages in Egi land in Rivers state.

It was revealed through the study that Total E & P Nigeria Limited host community members in Rivers State have access to drinkable water because of the water scheme constructed by Total E & P Nigeria Limited in each community where they operate. This report correlates with Touching Lives (2004) that in the area of water supply, Total E & P also provides potable water for its host communities. The water schemes which are of World Health Organization standard, are centrally located at Akabta, Akabuka, Amah, Erema, Obukegi, Obagi, Obite and Obiyebe.

Findings on the feelings of the participants in FGD discussions and Key Informant interview held in Akwa Ibom and Rivers states concerning the corporate social

responsibility of Exxon Mobil Producing Nigeria Limited in Akwa Ibom state and Total E & P Nigeria Limited, the participants expressed their opinion as follows:

*Water is very scarce in this community, our women have to fetch water in the stream and the place is very far from this community. Our community members usually have different diseases through the water from the stream*

**Community head in Usung Inyang**

The opinion of the community head in Usung Inyang community tallies with the view of all the participants in the Focus Group Discussion. Personal experience of the researcher also confirmed this.

*Though, Exxon Mobil claimed that they supplied drugs and equipment to some hospitals in Uyo, but there is no hospital built by Mobil in any community in the entire Eket local Government. If our children fall sick, we have to travel to Uyo for treatment*

**Woman Participant in Upenekang**

This view tallies with the opinion of other participants in the Focus Group Discussion held in Upenekang community of Akwa Ibom state. The personal experience of the researcher in this community and other neighboring communities revealed that Exxon Mobil did not construct hospital in these communities.

*The youth in this community and neighboring community were not employed by Exxon Mobil and our roads are very bad*

**Youth Participant in Mkpanak**

Poverty level in Mkpanak and other communities visited was very high. The poverty rate could be traced to high unemployment among the youth in these communities. Thus, the view expressed by the youth participants correlates with the opinion of other participants in the Focus Group Discussion

*Total E& P constructed water scheme in our community and other communities that are close to us, this gives us the opportunity to fetch water through the tap*

**Paramount ruler in Obiyebe**

The opinion of the paramount ruler in Obiyebe community of Rivers State correlates with the view expressed by the participants in the Focus Group Discussion conducted in the community. The personal experience shows that the source of water in Egi land communities of Rivers State was through Total E & P Nigeria Limited.

*Electricity supply is very stable in our community, if there is Electrical fault we will send for the officials of Total E & P to Rectify the fault. This is possible because the source of our Electricity supply is through Turbine which is directly from Total.*

**Female Participant in Ibewa**

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## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary of Findings

This study was carried out based on the observation that most of the multinational oil corporations in Nigeria are well established in South–South geo political zone, the process of oil exploration in Nigeria is carried out in the region and Nigeria highest revenue is from the oil sector. Arguably, what should have been to divine blessing to the people of the region has impoverished them. Poverty level in the region is very high that about 70per cent of the communities do not have access to clean water, passable roads, electricity supply, educational opportunities and other basic social amenities.

Apart from this, the host communities claim the multinational oil corporations have neglected them despite the huge profit they make from the region as a result of oil exploration activities. The consequences of this neglect among other things are the growing insecurity of life and properties, youth restiveness, hostage taking, sabotage and accelerated pace of poverty in the region.

Contrary to the claim of the host communities, the multinational oil corporations assert that they have reached out to their host communities through various intervention programmes such as educational development, economic empowerment, provision of basic infrastructural facilities. This therefore raises the salient question of how adequate, prompt and effective are the corporate social responsibility programmes of the multinational oil corporations to the host communities in the South–South region? If the multinational oil corporations reach out to the host communities through their corporate social responsibility, why then is the South–South region in a deplorable condition? It is on the basis of this that the study, assessed the intervention programmes of the corporate social responsibility of the multinational oil corporations to selected host communities in South-South, Nigeria. Literature on Niger Delta and the activities of multinational oil corporations is vast, it became clear that most of these have been written outside of the mainstream of the intervention programmes of the corporate social responsibility.

Three hypotheses were tested to meet the objectives of the study and four research questions were also raised. The instruments used were two sets of questionnaire, which were complemented by Focus Group Discussion. The data collected from the field were analysed and discussed in chapter four.

The first chapter started with general introduction to the study and this served as a background to the study. Other issues discussed in the chapter were statement of the problem, objectives, significance, scope, and the operational definition of terms in the study.

The second chapter comprised the review of relevant concepts related to the study. In the chapter, the following theories were examined; corporate citizenship, structural dependency and sustainable livelihood. This was followed by appraisal of literature.

Chapter three was concerned with the methodology adopted for the study. The research design adopted for the study was *ex post facto*. Two different sets of questionnaire were used to generate data from the officials of the multinational oil corporations and the host communities on intervention programmes of the multinational oil corporations to host communities in south-south geo political zone of Nigeria. The data was complemented by Focus Group Discussion. The sample for the study was drawn from the population of 12 communities in two states in south-south Nigeria.

The following were the major findings from the study:

- Causes of conflict in the region: The study revealed that unemployment, poor condition of infrastructural facilities and poverty are the root causes of conflict in the region. Thus, if the multinational oil corporations operating in the region fail to address these problems, the situation will prevail.

- Effect of the intervention programmes on the felt needs of the host communities: The study also reveals that various intervention programmes of the multinational oil corporations did not address the felt needs of the host communities and this explains the reason people have negative attitude to these intervention programmes. Thus, multinational oil corporations should involve the leaders and other community members in the identification of priorities of needs before the execution of any projects.

- Educational development in the region: The multinational oil corporations should focus more on educational development of the host communities, if they are well educated they will not be confrontational when expressing their grievances.

- Infrastructural development: The oil corporations must ensure they improve the existing infrastructural facilities and they should complete abandoned project. This will have a positive impact on the welfare of the host communities

## **5.2 Conclusion**

It was observed that the multinational oil corporations have reached out to their host communities through various intervention programmes that centre round economic empowerment of the host community members, peace building and infrastructural development in their area of operations. As good as these programmes are, the study reveals that many people from the area of operations of these multinational oil corporations have not benefited from these intervention programmes.

The study reveals further that the multinational oil corporations operating in South-South, Nigeria should empower the host community members economically through the expansion of the employment schemes, the oil corporations should endeavour to guide against future occurrence of oil spills and where it occurs, they must compensate the community members appropriately. The government should compel multinational oil corporations to provide all the necessary social infrastructure before the commencement of oil exploitation so that their operations will not impact negatively on the immediate host communities. The community through youth organisation in collaboration with the elders in each community should be consulted on new projects and there should be impact assessment jointly conducted by the community leaders, the government and the community.

The process of involving the community members in the process of identification of self needs, planning, formulation and execution of the intervention programmes should be well focused. If the multinational oil corporations sensitise the host community about the importance of the programmes, this will encourage many people to participate and this will contribute to the success of the programmes.

### 5.3 Recommendations

- The multinational oil corporations operating in South-South geo political zone of Nigeria should create income and employment generation opportunities for the host community members, this will reduce the effects of social and economic deprivation, which compound development strategies and policies.
- Multinational oil corporations should encourage different forms of community-based incentives, such as local credit lines for efficient resource users in areas, such as agriculture, which have the capacity to absorb many workers and disincentives, such as sanctions for environmentally harmful practices.
- The Federal Government must streamline the activities of the multinational oil corporations who have so far operated without environmental regulation to guide their activities in the region, in an attempt to limit the long-term impact of environmental degradation and ensuring that the statutory stipulations for mandatory Environmental Impact Assessment (EIA), in accordance with the 1992 act, are strictly adhered to.
- Development strategies must be people-centred and designed specifically to meet the needs of the South-South indigenes, laying emphasis on those already displaced as a result of the oil exploration activities. This would help to allow the indigenes take active and influential roles in decisions that affect their lives and also change the mindset and prevalence of the attitude of kidnappers and conflict escalators amongst the various groups operating in the region.
- Economic and social infrastructure play a crucial role in the development of any country, they provide the basic foundation on which the superstructure of development and growth can be erected. Once the economic and social infrastructural foundation is strong, development is not only easily attainable but also continuous, stable, quantitative and qualitative. Thus, multinational oil corporations should endeavour to contribute to the development of basic infrastructural facilities in the region.
- Multinational oil corporations should focus more attention on public health. This measures include the improvement of environmental sanitation in rural and urban areas, removal of stagnant and polluted water, slum clearance, better housing, clean water supply, better sewage facilities, control of communicable diseases, provision of medical

facilities to host community members. Through this measure, people of the zone will have access to good health care delivery.

- The role of education as a social infrastructure and as a stimulant of growth and development can be enhanced only if it is qualitatively provided, Qualitative education is a major determinant of the stock of human capital. Thus, multinational oil corporations should contribute meaningfully to educational development of the host communities through construction and renovation of more schools in their areas of operation.

- The conventional methods of dealing with conflict in South-South geo-political zone have failed to broker peace in the region, these strategies have heightened tension, insecurity and conflicts in the region. The participatory approach to conflict management is no doubt an invaluable tool which would enable a wide cross-section of people to share information and opinions about their lives and environment. People, who under normal circumstances are voiceless and powerless in the community, are empowered to gain confidence and to speak out. The face-to-face interaction which it provides, creates the opportunity for policymakers to gain an understanding of the issues at stake and to develop community trust and confidence for the oil corporations and its intentions.

- The compensatory strategy adopted by multinational oil corporations in making extra-judicial, self-help monetary awards to some South-South communities has opened the company to a further spate of criticisms. Section 77 of the Nigerian Petroleum Act mandates an exploiter of oil resources to pay an owner of land 'such sums as may be a fair and reasonable compensation for any disturbance of the surface rights of such owner or occupier and for any damage done to the surface of the land upon which his prospecting or mining is being or has been carried on and shall in addition pay to the owner of crops, economic trees, buildings or works damaged, removed or destroyed by him/ her or by any agent or servant of his/ her compensation for such damage, removal or destruction'. Thus, it is recommended that multinational oil corporations must compensate appropriately those affected by oil spills and other environmental pollution which occur as a result of their oil exploration activities.

- Community participation is a way of extending the democratic process, of opening up governance and of addressing inequality of power. Thus, involving host communities in decision-making will lead to better decisions being made, which are more appropriate

and more sustainable because they are owned by the people themselves. Thus, multinational oil corporations must give the host communities opportunity to participate in any programme that will contribute to their development and improvement of their welfare.

- Since fishing and farming are the major occupations of the people in the region, the multinational companies are encouraged to provide necessary services and incentives to fishers in order to sustain their intervention programmes. Apart from this, oil corporations should organise regular training sessions for the fishers to enable them cope with modern techniques. Such training should include gears, fish seed multiplication, disease and weed control.

- Multinational oil corporations should identify factors inhibiting the development of the South-South geo-political zone of Nigeria and assist the community members in the formulation and implementation of policies to ensure sound and efficient management of the resources of the region.

- Multinational oil corporations must operate with transparency and enable independent monitoring of their activities. The oil corporations must open their records to their stakeholders, as well as to local, national, international and independent monitors. Records that must be available include those related to their investments in Nigeria, environmental performance and agreement with local communities.

- Multinational oil corporations operating in South-South geo political zone in Nigeria must immediately cease all harmful and wasteful practices and engage in immediate clean-up of affected areas. They must compensate communities for the resources lost as a result of oil exploration and production activities, as well as for any other social and economic damages.

#### **5.4 Limitation of the Study**

In the course of this research, some constraints were encountered .a major problem was the political situation in the country, the research was carried out prior to 2011 general election. Majority of the people in the two states covered for the study were deeply involved in politics as a result of the financial gains which came from the politicians. Thus, it was very difficult for the researcher and the research assistants to meet the host community members in the evening. Another problem the researcher

encountered was the high cost of living in the two states, the transportation and hotel accommodation for the researcher and his team was expensive.

### **5.5 Contribution to Knowledge**

It has been shown that the best approach through which multinational oil corporations could bring about effective development of the host communities in south-south geo-political zone in Nigeria is through the adoption of the basic principles of corporate social responsibility of multinational oil corporations as identified in this study

This study is important because its findings should assist the development managers in the multinational oil corporations to understand better the dynamics that have affected the activities of their companies in the host communities.

### **5.6 Areas for Further Research**

Further research in the under-listed areas will add to the present knowledge towards assessing the intervention of multinational oil corporations programmes to the host communities in South-South geo-political zone in Nigeria

- Socio-economic variables as correlates of corporate social responsibility of Multinational oil Corporations in Niger Delta, Nigeria.
- Assessment of the intervention programmes of multinational oil corporations on the empowerment of rural women in Niger Delta, Nigeria.
- Conflict management in the Niger Delta region of Nigeria: A participatory approach.
- The concept of self-reliance in community development initiatives in Niger Delta, Nigeria.
- Assessment of Multinational Oil Corporations approach to conflict management in Niger Delta.
- Corporate integrity and company-community conflict management in the Niger Delta Region of Nigeria.
- Multinational oil corporations' corporate integrity and sustainable development in Niger Delta, Nigeria.

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**FACULTY OF EDUCATION**

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**MULTINATIONAL OIL CORPORATIONS CORPORATE SOCIAL RESPONSIBILITY INVENTORY**

Dear Sir / Ma,

This questionnaire is designed to solicit information to examine the Intervention Programmes of the Multinational Oil Corporations Corporate Social Responsibility to selected host Communities in South – South Geo Political zone in Nigeria. All information supplied will be used strictly for research purpose and it will be given absolute confidentiality . Please fill the questionnaire honestly.

Your kind cooperation is highly appreciated in this regard

**PART A**

**Demographic Characteristics of Respondents**

Age: ..... Sex: .....

- Marital status: (a) Single
- (b) Married
- (c) Widowed
- (d) Divorced/Separated

**Highest Educational Qualification**

- a. WAEC/ GCE /OL
- b. TCH/NCE/ A/L
- c. OND / HND
-

d. First Degree

e. Higher Degree

What is your Religion?

a. Protestant

b. Catholic

c. Traditional

d. No Religion

e. Other(s) Specify

Number of Years in services of the corporation

6 - 10 years  11- 15 years  16 -20 years

21 - 25 years  26 and above

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## SECTION B

Please respond to the following questions below by ticking the right answer which have been grouped under : Strongly Agree ( SA), Agree ( A), Disagree ( DA ), Strongly Disagree ( SD)

		SA	A	D	SD
1	The multinational oil corporations usually invite the community leaders to identify their self needs programmes before their execution.				
2	The Multinational oil corporations usually have due consultations with the host communities before the execution of their corporate social responsibility in their area of operations.				
3	In terms of infrastructural development, the multinational oil corporations have been useful to the community members in terms of the provision of roads that link different villages in their areas of operation				
4	The multinational oil corporations have through their corporate social responsibility contributed to the educational development by building Schools and by granting students scholarship.				
5	The multinational oil corporations have empowered the host communities economically through the provision of job opportunities.				
6	The multinational oil corporation ensures that community members participate in the management, monitoring and coordination of the intervention programmes.				
7	Conflict resolution strategy which the multinational oil corporations adopted to solve the conflict have helped to enhance good relationship with the host communities.				
8	The corporate social responsibility of the multinational oil corporation is geared towards actualizing the public relations objective of maintaining a conducive environment for business operations and contributing significantly to the development of the community				
9	The Corporate Social Responsibility discharged by the multinational oil corporations to their host communities, have not completely eliminated the basic problems of such communities, hence the persistent demand for more.				
10	If the multinational oil corporations involve the host communities in decisions concerning their well –being, this will in turn make it easier for local and even external human and material resources to be tapped, pooled and mobilized for development purposes				
11	All intervention programmes directed at the people or their living environment must be conceived, planned				

	and implemented with deep involvement of the people for which such development activity is meant.				
12	Participation helps to empower communities in the sense of increasing their capacity to define, analyzed, and act on their own problem.				
13	Various intervention programmes of your corporations development are not sufficient enough to promote the economic and social life of the rural populace in these community				
14	The multinational oil corporations must work in collaboration with the government at the local, state and federal levels to embark on development programmes to address the socio – economic problems confronting the host communities.				
15	Youth restiveness, leadership problem, corruption and negative attitude of the host communities affect the prosecution of the intervention programmes				
16	Good Corporate Citizenship is absolutely necessary for the sustenance of a healthy operating environment for multinational oil corporations				
17	Information management technique of the oil corporations is important for the development of corporate integrity competence with host communities				
18	If the multinational oil corporations build the intervention programmes around corporate integrity this will improve their relationship with the host communities				
19	Corporate integrity capacity ensures that multinational oil corporations view seriously its social responsibility in the area of environmental protection				
20	The corporate social rewsponsibility response of the multinational oil corporations to the host communitis is influenced by self discipline and self – control which is morally defined				
22	Corporate integrity which is bounded by morally justifiable principles and values will enhance the oil corporations to improve on the intervention programmes				
23	The profit motive of multinational oil corporations have diverted their attention from the principle integrity in their intervention programmes.				
24	Inability of the oil corporations to address the environmental degradation which occurs as a result of oil exploration has affected corporate integrity morality and commitment				

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**HOST COMMUNITIES' DEVELOPMENT ASSESSMENT SCALE**

**(HCDAS)**

This questionnaire is designed to obtain data on the Assessment of the effectiveness of intervention programmes of multinational oil corporate social responsibility of to selected communities in South – South Nigeria. Information provided will be treated in strict confidentiality.

**SECTION A**

**DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS**

Age ----- Sex -----

- Marital Status
- (a) Single ( )
  - (b) Married ( )
  - (c) Widowed ( )
  - (d) Divorced ( )

**HIGHEST EDUCATIONAL QUALIFICATION**

- (a) First School Leaving Certificate ( )
- (b) WAEC / GCE 'O' Level ( )
- (c) OND / HND ( )
- (d) First Degree ( )
- (e) Higher Degree ( )
- (f) None ( )

**RELIGION**

- (a) Christian ( )
- (b) Muslim ( )
- (c) Traditional ( )
- (d) No religion ( )

**OCCUPATION**

- (a) Farming / Fishing ( )
- (b) Civil servant ( )
- (c) Artisan ( )
- (d) Unemployed ( )

**SECTION B**

**Corporate Social Responsibility and Economic Development**

		SA	A	D	SD
1	The multinational oil corporations have assisted the business entrepreneur by granting them loans to boost their business ventures				
2	The Multinational oil corporations have helped to solve unemployment problems in the region by employing the community members in their oil corporation				
3	The multinational oil corporations have contributed significantly to economic empowerment of youth in their area of operation				
4	The multinational oil corporations have assisted the business entrepreneur by organising seminar and training workshops to boost their business ventures				
5	The multinational oil corporations have assisted the poor artisans by purchasing equipment needed for their trade				
6	The multinational oil corporations have helped to ease free movement of goods and traders from rural areas to urban areas through the promotion of many vehicles and canoes in the sea				
7	The community development programme of multinational oil corporations that flow on micro-credit				

	schemes, skill acquisition centres and investment in small and medium enterprises also have enormous potentials to ameliorate poverty in host communities.				
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## SECTION C

### Corporate Social Responsibility and Vocational Skills Development.

		SA	A	D	SD
1	The multinational oil corporations have assisted the artisans by sending them to foreign countries for further training				
2	They have assisted the artisans in their areas of operations through the provision of loans and other financial support to enhance their trade				
3	They have organised different training workshops for the community members so as to improve their vocational skills				
4	The multinational oil corporation have assisted the poor artisans by purchasing equipment needed for their trade				
5	The oil corporations have helped to equip the science laboratory of many schools in their areas of operation with standard scientific equipment in these schools				
6	They have helped to train farmers and fishermen on modern application of techniques of agriculture to increase their annual harvest				
7	The contributions of MNC to improve socio-economic conditions of the people in host communities on the basis of capacity building and the principle of self help would engender community empowerment and vocational (skill development)				
8	The community development programmes of MNC focused mainly on vocational skill development for women in their host communities				
9	The multinational oil corporations focus on capacity building such as a micro - credit scheme to boost small scale enterprises in areas of agriculture, carpentry, hairdressing and other skills development				

10	The beneficiaries of skill acquisition programme of the multinational oil corporations were provided with the fund to start their business ventures after the training				
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### SECTION D

#### **The Effect of Multinational Oil Corporation intervention programmes on the Infrastructural Facilities development and fulfillment of the Needs of the People.**

		SA	A	D	SD
1	The multinational oil corporations have constructed many market stalls in their area of operation				
2	The multinational oil corporations have assisted the traders in their areas of operation through the constructions of roads that link rural areas with urban areas				
3	The multinational oil corporation have constructed roads in their areas of operation so as to and the free movement of goods and services from one area to another				
4	The oil corporation have contributed meaningfully to the provision of good health facilities through the provision of free medical treatment.				
5	The multinational oil corporation have constructed hospitals that provide free medical facilities to the people.				
6	They have contributed to the educational development of the people in various communities through the construction of classrooms blocks in each school in the various communities where they operate.				
7	The oil corporations have helped to construct borehole in each community where they operate.				
8	The MNC have helped to compensate the host				

	communities who were affected by oil spillage.				
9	The MNC have provided funds for the health institutions to help prevent malaria, tuberculosis and other diseases in their area of operations				
10	Through the health support scheme of the multinational oil corporations, they have helped to train the local health personnel and they have also upgraded community primary health system in various communities.				
11	The multinational oil corporations have offered scholarship to the host community children from secondary school to university level.				
12	They have helped to organise sports competition at the primary and secondary schools level.				
13	They have encouraged teachers to seek for transfer to teach at river– rine areas by paying them special salary.				
14	They have organised series of science competition for schools at primary and secondary schools level				
15	The multinational oil corporations have helped to purchase different textbooks for the students from primary school up to university level.				

## SECTION E

### Attitude of the host community towards the intervention programmes.

		SA	A	D	SD
1	The members of my community react negatively towards the intervention programmes of the multinational oil corporations				
2	The officials of the multinational oil corporations usually educate the members so that they could have positive attitude to their intervention programme				
3	The attitude of the community members is negative towards the intervention programme because they have not solved our socio – economic problems.				
4	The attitude of the host community members is not positive because of the failure of multinational oil corporations to involve our leaders in the formulation and execution of the projects.				
5	The community members are happy because the programmes have improved their standard of living.				
6	The attitude of the youth towards the programmes of multinational oil corporations is poor because they have not empowered the youth economically				
7	The community members are very happy with the intervention programmes because they helped to enrich the community members.				
8	The community members are very happy with the skill acquisition programmes of the multinational oil				

	corporations.				
9	The community members have a negative feeling towards the multinational oil corporations because of the marginalisation and injustice done to them.				
10	The community members do not relate well with the officials of multinational oil corporations because of the effect of oil exploration activities on their environment.				

## Section F

### Level of Participation of the Host Communities in the Intervention Programme of Multinational Oil Corporations

		SA	A	D	SD
1	The strategy adopted by the multinational oil corporations in the execution of the projects allows for adequate participation of the community members.				
2	The community members usually get involved in the planning and execution of the intervention projects.				
3	The intervention technique which the multinational oil corporations adopted to disseminate information have encouraged level of participation				
4	Proper enlightenment of the members of the community about the intervention programmes will encourage more participation				
5	The socio – economic status of the community members have a positive influence on their level of participation in the programmes				
6	The literacy level of the host communities usually have a positive influence on their level of participation in the programmes				
7	The awareness level of the community members about these intervention programmes usually influence level of participation				

8	The community members usually participate actively in agricultural programmes of the multinational oil corporations				
9	The intervention programmes receive adequate attention and cooperation from the community members				
10	The community members do not usually participate in the intervention programmes because of the failure to address their socio – economic needs.				

### **FOCUS GROUP GUIDE**

- 1) What is your perception concerning the intervention programmes of multinational oil corporations in your community?
- 2) What are the major contributions of the multinational oil corporations to the economic empowerment of your community members?
- 3) As a matter of fact, what are the major contributions of multinational oil corporations to the development of infrastructural facilities in terms of construction of roads, electricity supply and potable water?
- 4) Do you think the multinational oil corporations usually involve the community leaders in the identification of the community priority of needs and the process of execution and management of the intervention programmes?
- 5) Has there been any form of resentment, agitation as a result of the presence and operation of multinational oil corporations in your community?
- 6) Do you feel failure on the part of multinational oil corporations to respond to the needs of the community members in terms of provision of infrastructural facilities and economic development sometimes contribute to this conflict?
- 7) What are the steps which these multinational oil corporations put in place to resolve the conflict?
- 8) Do you think absolute peace and tranquility can be achieved if the multinational oil corporations dialogue with the community members and their leaders ?

9) Do you experience environmental hazard as a result of the operation of these multinational oil corporations in your community? What steps have multinational oil taken to solve these environmental hazard?

(10) In what forms have your community members participated in the intervention programmes of these multinational oil corporations in your community?

(11) What are attitudes or perceptions of the community members about the presence of the multinational oil corporations before and after the execution of the intervention programmes?

(12) Does the multinational oil corporations pay compensation to the farmers and fishermen as a result of damages to their farmland which occur through their oil exploration activities?

(13) What are the major contributions of multinational oil corporations to the educational development of the host community members in primary, secondary and tertiary institutions?

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NNPC/ Total E & P Water Scheme Project in Ibewa / Obukegi Community in Rivers State (Plate 1)



Part of Six Classroom Blocks built in Ibewa Community in Ogba Egbema, Ndoni Local Government in Rivers State. (Plate 2)



-NNPC/ EPNL Palm Oil Mill executed by NNPC/ EPNL in Ogbogu Community in Rivers state ( Plate 3)



Oil Well located in Obiyebe Community in Ogba Egbema, Ndoni Local Government in Rivers State. (Plate 4)



An Ambulance donated by Total E& P Nigeria Limited in Rivers State Hospital in Erema Community. (Plate 5)



Obite Health Centre, Ogba, Ndoni Local Government Area, Rivers State. Executed by Total E& P Nigeria Limited (Plate 6)



Uncompleted Community Health Centre Constructed by NNPC/ Total E& P in Akabta Rivers State. (Plate 7)



Shanty building in Okarioma Community in Rivers State. (Plate 8)



Total E & P generates electricity to entire Egi Community in Rivers State through Turbine (Plate 9)



Market Shed Project Executed in Erema Community in Rivers State (Plate 10)



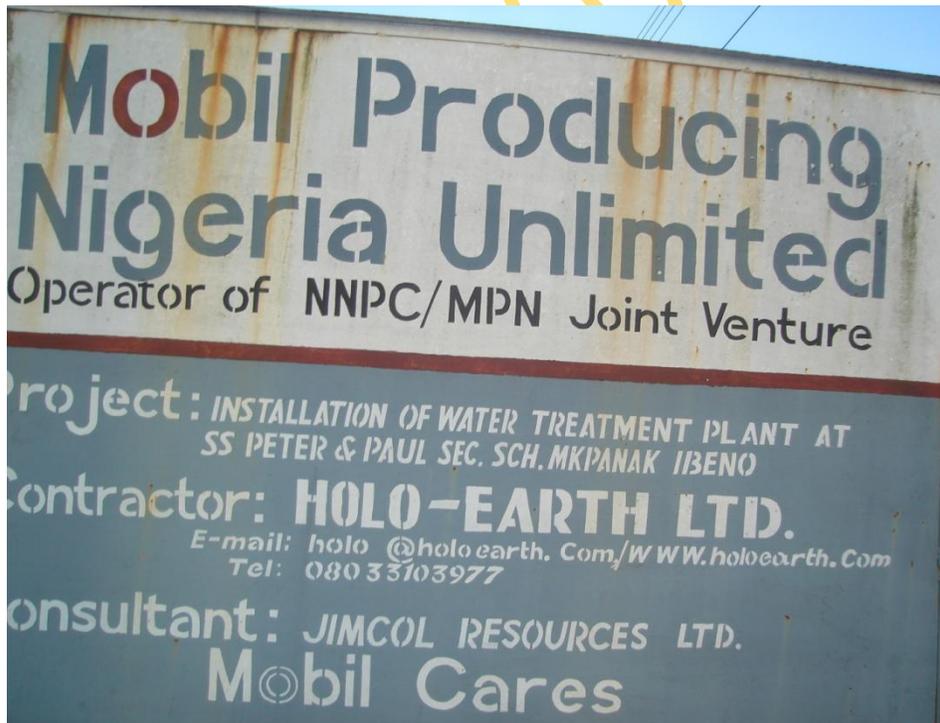
Chairs and Tables donated by Total E & P to Erema community in Rivers State, damaged by the students (Plate 11)



Six Classrooms Blocks Constructed by Total E & P in Erema Community in Rivers State. (Plate 12)



Civic Centre Constructed by NNPC and Total E & P in Obite Community in Rivers State in 2006. (Plate 13)



Installation of Water Treatment Plant at SS Peter and Paul Secondary School. Mkpanak Ibeno (Plate 14)



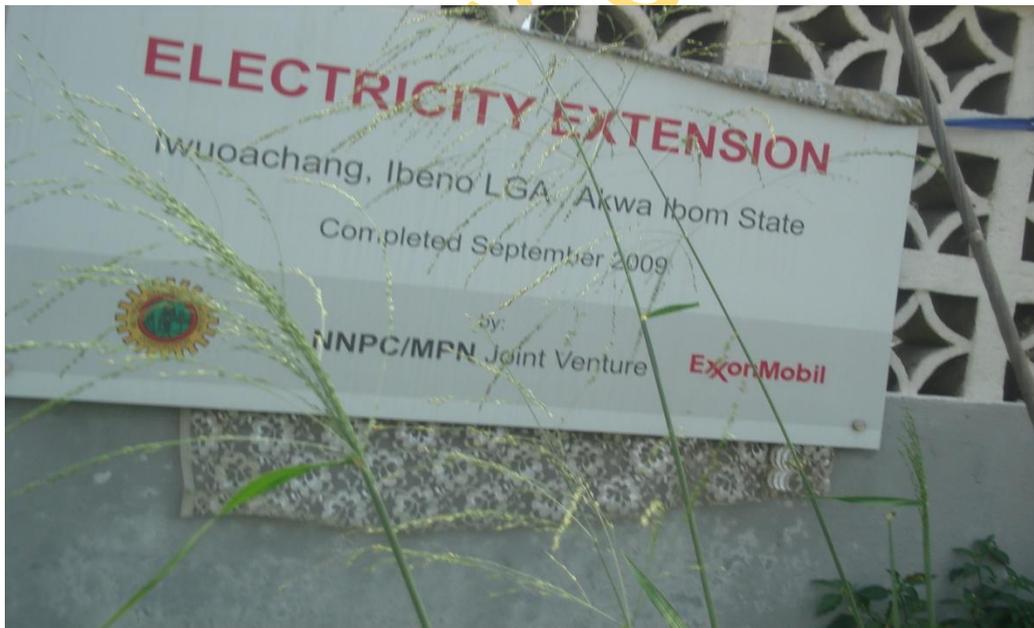
Scarcity of Water in Usung Inyang Community in Akwa Ibom State. (Plate 15)



People struggling for water in Iwuochang Community in Akwa Ibom State (Plate 16)



Mono Pipe Project constructed by Exxon Mobil Nigeria in Essit Urua community in Akwa Ibom State. (Plate 17)



Electricity Extension Project of Exxon Mobil Community in Iwuoachang Community in Akwa Ibom State. (Plate 18)



Effect of Gas flare on the Roofing Sheet in Ibno Community in Akwa Ibom State.

(Plate 19)

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