

Evaluation of Some Oil Companies in the Development of Niger Delta Region of Nigeria

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Abstract: *The petroleum exploration, production and export of oil and gas resources by the petroleum companies has substantially transformed Niger Delta region of Nigeria for decades. However, associated activities of petroleum exploration, development and production operations have local detrimental and significant impacts on the atmosphere, soils and sediments, surface and ground aquifer zone, marine environment and terrestrial ecosystems in the Niger Delta. However, the existing statutory laws and regulations for environmental protection appear to be grossly insufficient and some of the multinational oil companies operating in the Niger Delta region have failed to adopt sustainable practices to prevent environmental pollution. This study evaluates some oil companies in the development of Niger Delta region of Nigeria. The oil economy has handsome beneficial effects, creating room for employment opportunities, educational and infrastructural development. Although most local activists argue that they have negative impact where oil is produced, however, the findings show that there is need for some of the oil companies in the Niger Delta region of Nigeria to step up some of their social responsibility programme. This as it were would enhance to a large extent the development of the region.*

Keywords: *Companies, Development, Niger-Delta, Oil, Petroleum.*

I. Introduction

1.1 Background of the Study

The Niger Delta region is over 70,000 square km, being made up of nine states divided into 185 local governments, comprising of 800 communities of twelve major ethnic groups, with approximately 30 million people. Traditionally, women are the managers of the ecosystem in this region though subsistence agriculture and fishing are the main source of livelihood of the people. Crude oil exploration in Nigeria dates back to 1908 with the discovery of deposits at Araromi area in Ondo State. Later in 1946 Shell Democracy the predecessor of Shell Petroleum Development Company (SPDC) of Nigeria discovered oil in Oloibiri. Thus, the oil industry in the Niger Delta started commercial production in 1958 following the discovery of crude oil at Oloibiri by Shell British Petroleum (now Royal Dutch Shell), in 1956. By 1961 a host of other multinational oil companies have made their way into the Nigeria Niger Delta region both on-shore and off-shore.

Today, the oil industry is highly visible in the Niger Delta and has control over a large amount of land. SPDC alone operates over 31,000 square kilometers. The area is crisscrossed by thousands of kilometers of pipeline, punctuated by wells and flow stations. Much of the oil infrastructure is located close to the homes, farms and water sources of communities. At night, the only light visible from miles away are from flares burning "unwanted gas" in the process of extracting oil. In the past five decades, ecological exploitation of natural resources and the unsustainable exploitation of the environment in the Niger Delta are blamed on the inability or failure of the environmental laws to correctly act in attitudes and beliefs, which impacted negatively on the environment (Ibaba (2010)). At the moment, the Niger Delta is best known as a region that sustains much oil exploration and exploitation by the agents of western economic powers.

The geographical location of the Niger Delta and its resources determine the traditional occupation of the people: fishing and farming. But politics is the major issue of the day in the Niger Delta. This is mainly due to the long neglect of the people's welfare by the Federal Government of Nigeria and the nonchalant attitude of the oil multinationals. The people of the Niger Delta believe that they have no substantial benefit to show for their sacrifices, despite being the 'goose that laid the golden egg' – the economic success that underpins the unity of the Nigerian state (Awosika, 2008.). This has led to a series of crises in the region which assumed horrendous dimensions in the early 1990s with the emergence of social movements and militant youth groups that began to challenge not only the Nigerian state but also the policies, attitudes, and activities of the multinational oil companies (MNOCs) in the region. This activism can be attributed to frustration (on the part of the people of the region) arising from both state and oil companies' negligence and destruction of the Niger Delta's ecology,

which is the basic structure that supports life in the region, as elsewhere (Ojakorotu, 2008). It may be said that the struggles by the people of the region have been predicated on certain fundamental issues, namely: their exclusion or marginalization in terms of access to oil revenue; their struggle for greater access to resource sharing (known in Nigerian parlance as resource control); environmental degradation; and egregious human rights violations. Within this milieu, the crisis in the region has become not just a domestic affair but an issue on the front burner of international environmental discourse and advocacy.

1.2 Niger Delta struggle

Wikipedia (2015), opines that during the colonial period, the core Niger Delta was a part of eastern region of Nigeria, which came into being in 1951 (one of the three regions, and later one of the four regions). This region included the people from colonial Calabar and Ogoja divisions, which are the present Ogoja, Annang, Ibibio, Oron, the Efik people, the Ijaw, and the Igbo people, as the majority and the NCNC (National Council of Nigeria and Cameroon) as the ruling political party in the region. NCNC later became National Convention of Nigerian Citizens, after western Cameroon decided to separate from Nigeria. The ruling party of eastern Nigeria did not seek to preclude the separation and even encouraged it. The then Eastern Region had the third, the fourth and the fifth largest ethnic groups in the country (Igbo, Ibibio and Ijaw) after Hausa/Fulani and Yoruba. Instead of using the opportunity of being the Region that had the three largest ethnic groups in the country out of the five largest, the Region engaged in infighting and self-destruction and claiming of Ibibio and Ijaw along with other ethnic groups in the Region as minorities instead of uniting to use their position as the Region with the third, fourth and fifth largest ethnic population in the country to advance their development.

In 1953, the old eastern region had a major crisis due to the expulsion of professor Eyo Ita from office by the majority Igbo tribe of the old eastern region. Eyo Ita from Calabar was one of the pioneer nationalists for Nigerian independence. He was an Efik man. The minorities in the region, the Ibibio, Annang, Efik, Ijaw and Ogoja, demanded a state of their own, the Calabar-Ogoja-Rivers (COR) state. The struggle for the creation of COR state continued and was a major issue on the status of minorities in Nigeria during debates in Europe for Nigerian independence (Hogan, 2013).

In 1961, another major crisis occurred in the eastern region of Nigeria when the leadership of the region allowed the present Southwestern Cameroon to separate from Nigeria (Akwa-Ibom and Cross River) through a plebiscite while the leadership of the then Northern Region did what they had to do to keep Northwestern Cameroon in Nigeria that is the present day Adamawa and Taraba States. Without the 1961 plebiscite, Nigeria would not have the current problem with Cameroon about Bakassi, as Bakassi would have been an interior part of Nigerian (Akwa-Ibom and Cross River) territory.

A second phase of the struggle saw the declaration of an Independent Niger Delta Republic by Isaac Adaka-Boro during Ironsi's administration, just before the Nigerian Civil War, Taylor (2007). During the Nigerian civil war, Southeastern State of Nigeria was created (also known as Southeastern Nigeria or Coastal Southeastern Nigeria), which had the colonial Calabar division, and colonial Ogoja division. Rivers State was also created. Southeastern state and River state became two states for the minorities of the old eastern region, and the majority Igbo of the old eastern region had a state called East Central state. Southeastern state was renamed Cross River state and was later split into Cross River state and Akwa-Ibom state. Rivers state was later divided into Rivers state and Bayelsa state.

Phase three saw the request for justice and the end of marginalization of the area by the Nigerian government with late Ken Saro-Wiwa as the lead figure for this phase of the struggle. The indigents cried for lack of developments even though the Nigerian oil money is from the area. They also complained about environmental pollution and destruction of their land and rivers by oil companies. Ken Saro-Wiwa and other leaders were killed by the Nigerian Federal Government under Sani Abacha.

Unfortunately, the struggle got out of control, and the present phase, the phase four, has become militant. This is at apogee during Gen. Obasanjo era (1999-2007), when it hardly passes without report (s) in the international and local news media on the growing insurgency by armed militias in Nigeria's oil rich province (the Niger Delta) which accounts for most of Nigeria's estimated daily oil production of 2.46 million barrels – most of which goes to the United States and other Western oil importing countries (EIA 2009; Lubeck, Watts and Lipschutz 2007; Obi 2007b:94-98). In Obi (2009), since 2006 reports have focused on the attacks on oil installations, kidnapping and ransoming of foreign oil workers and the disruption of oil exports as a result of mounting attacks by heavily armed militias. He further stated that

“these militia groups such as the Nigeria Delta Peoples Volunteer Force (NDPVF), the Niger Delta Vigilante (NDV), and the most noted, Movement for the Emancipation of the Niger Delta (MEND), and their respective leaders and spokespersons: Asari Dokubo, Ateke Tom, and Gbomo Jomo ...”.

In 2007, the temporary truce between MEND and the Nigerian state declared in mid-2006 collapsed, resulting in a further deterioration of the security situation in the Niger Delta. According to a CSIS report,

'between January 2006 and March 2007, militant groups such as the Movement for the Emancipation of the Niger Delta (MEND) abducted over 100 oil-sector employees. An active ransom market has emerged that has brought considerable financial resources to these groups. A rising level of hostage taking has also made oil and gas service companies increasingly reluctant to dispatch personnel to repair sabotaged or ruptured pipelines, contributing to the enduring shut-in of over 600,000 barrels a day of oil production' (Iannaccone, 2007). The report goes on to note that 'Armed militant groups operating in the Niger Delta have graduated to a new level of lethality and technical and tactical sophistication'. Citing a confidential survey which estimates that 'the availability of AK-47s and machine guns in the Niger Delta has increased folds as the day go by with other remote-detonation and night-vision equipment, as well as anti-aircraft missiles', the report paints a frightening picture of 'state failure' in the Niger Delta.

1.3 Federal Government of Nigeria and Niger Delta welfare

The effect of oil companies contributions towards improved welfare (social responsibility) for Nigerians as a whole and Niger Delta in particular goes to the very beginning. In 1962 most of the oil companies began oil exploration activities in the country. They presented to the federal government an Aid-to-Education plan under which they pledged to provide \$900,000, over a period of five years for the education of Nigerians in various fields. Since then, the oil companies in partnership with the Nigerian National Petroleum Corporation (NNPC) has evolved a comprehensive programme for supporting development of Nigeria's different sectors namely education, health, infrastructural development, employment generation, among others. The community development programme operates in the form of concentric circles with the companies neighbouring communities in the likes of Ogbonodo, Bazihoi and Escravos to mention but few at the center of the circle, receiving the most of the attention according to (Emenike, 2010).

In addition, the Obasanjo second coming put into place programs to help the poorest of the people. One such program is the Niger Delta Development Commission (NDDC), funded by his regime and the oil companies to provide physical infrastructure in oil-producing areas. Protests resulting in precautionary shut-ins during the Yar'Adua's regime concerning jobs, roads, electricity and water extracted more promises. The first year of President Yar'Adua's administration focused on fiscal responsibility, that state governments spend oil revenues in the way they are ought to. From the constant power outages crippling its cities to oil pipeline bombings in the Niger Delta creeks, little appears to have changed in Nigeria after President Umaru Yar'Adua's first year in office (Ogwu and Eze, 2008).

People said that Yar'Adua's mantra of due process and upholding the rule of law is vital if the world's eighth biggest oil producer is to break a cycle of graft and cronyism which has left it ranked among the most corrupt countries in the world. Nigerians have been used to the syndrome inherited from the military, the GCON's emphasis on rule of law has created the impression that nothing was happening. But Nigeria is to do things in a more planned and consistent way. Yar'Adua moved swiftly after taking office to engage rebels in the Niger Delta, who has led a violent campaign of sabotage against the oil industry since 2006, freeing two jailed militant leaders and drawing up plans for formal talks. The Movement for the Emancipation of the Niger Delta (MEND), blew up a Shell Nigeria's pipeline on Monday to mark Yar'Adua's first year in power.

He served as the catalyst through which the Youth Empowerment Project (YEP) for the Niger Delta comes to reality. The Youth Empowerment Project (YEP) is sited in one State within the Niger Delta with the possibility of extension to Rivers State as well. The overall objective of the Niger-Delta Job Creation and Conflict Prevention Initiative is to reduce the level of poverty and stimulate sustainable development in the Niger Delta. The project will contribute towards this objective by providing an effective and sustainable job creation programme targeted at the youth of the region. The project aims to demonstrate models of technical and vocational education and training (TVET) combined with training in life skills and conflict management that could be replicated on a larger scale across the region. About 300 students are expected to be trained per annum in Delta State (UNDP, 2008). Prior to the sorry state of the Oil hosting States so they said, the YEP and other similar programmes was established by Yar'Adua. A consensus agreement was reached to enhance the development of Niger Delta region and Nigeria at large on various aspects of human development which include; health, education, portable water, food, and other social and infrastructural development.

II. Niger Delta Region Environmental Issues in the Petroleum resources exploration and production

Iteteal. (2013) opined that the exploration of petroleum resources did not begin until 1938, when Shell D'Arcy (a consortium of Iranian Oil Company (later British Petroleum) and Royal Dutch Shell) was granted a sole concessionary right over the whole country. However, World War II (1939-1945) terminated the initial oil exploration activities by Shell D'Arcy. Oil exploration in the Nigeria's Niger Delta resumed in 1946 after World War II and Shell D'Arcy drilled a number of oil exploratory wells in 1951. At the initial stage, Shell D'Arcy (later Shell-British Petroleum) enjoyed a complete monopoly of oil exploration for a considerable long

time (1938-1955). Thereafter, Mobil Producing (Nigeria) Ltd, a subsidiary of American Socony–Mobil Oil Company, obtained license to explore for oil and began operations in Nigeria in 1955 under the name Mobil Exploration Nigeria Incorporated (which was later incorporated as Mobil Producing Nigeria on June 16, 1969) (Zock,2007). According Edet (1993), the first commercial oil discovery in the Tertiary delta was confirmed at Oloibiri field in January 1956 by Shell D’Arcy (later Shell–British Petroleum) and a second oil field was later discovered at Afam. In February 1958, Shell British Petroleum (now Royal Dutch Shell) started exporting crude oil produced from Oloibiri and Afam oil field sat Port Harcourt . The giant Bomu oil field, which has estimated ultimate recovery (EUR) of 0.311 billion of barrels (BB) of oil and a total of 0.608 billion of barrels of oil equivalent (BBOE) including gas, was discovered southeast of Port Harcourt-Rivers State in 1958.

The petroleum sector began to play a vital role in shaping the Nigerian economy and political destiny of the country in the early 1960s. When Nigeria became an independent nation on 1 October 1960, Shell–BP began to relinquish its acreage and its exploration licenses were converted into prospecting licenses that allowed development and production. Following the increase dominance of the Nigerian economy by petroleum sector, the sole concession policy was abandoned and exclusive exploration right was introduced to encourage other multinational oil companies aimed at accelerating petroleum exploration and production. Other multinational oil companies joined oil and gas exploration in Nigeria and these include Texaco Overseas Nigeria Petroleum Company Unlimited in 1961, Amoseas in 1961, Gulf Oil Company in 1961 (now Chevron), Société Africaine des Pétroles (SAFRAP) in 1962 (which later later became Elf Nigeria Limited in 1974), Tennessee Nigeria Limited (Tenneco) in 1962, Azienda Generale Italiana Petroli (AGIP) in 1962, ENI in 1964, Philips Oil Company in 1964 and Pan Ocean Oil Corporation in 1972. Most of these multinational oil companies recorded considerable successes in oil and gas exploration and production in both onshore and offshore fields in the Niger Delta region of Nigeria.

The Federal Government of Nigeria started its Department of Petroleum Resources (DPR) Inspectorate in 1970 and Nigeria joined the Organization of the Petroleum Exporting Countries (OPEC) in 1971. The Nigerian National Oil Corporation (NNOC), was created in 1971 was the first national oil company and changes to the Nigerian National Petroleum Corporation (NNPC) in 1977. For control measure of the country’s petroleum industry, Nigeria nationalized BP’s holding completely in 1979, and Shell–BP became Shell Petroleum Development Company of Nigeria (SPDC). Although several other oil companies have joined in exploration and production over the past decades, SPDC has the largest size in the country from which it produces some 39 per cent of the nation's oil and remains the major producer in the Nigeria’s petroleum industry. The Niger Delta region is richly be gifted with 31 giant oil and gas fields and each has an estimated ultimate recoverable oil of more than 500 million barrels and produces in excess of 1 million barrels a day out of the nation’s total production of about 2.1 million barrels per day. Vassiliou (2009) , 17 of giant oil and gas production fields are located offshore and some of the examples include Bomu, Oso, Ubit, Assan, Meren, Abo, Bonga, Bonga Southwest and Agbami, etc. Bonga and Bonga Southwest were discovered in 1996 and 2001, respectively and are operated by a joint venture led by SPDC. Currently, there are over 18 multinational oil companies which are involved in oil and gas exploration and production in the Niger Delta and the major players include Dutch Shell, ExxonMobil, ENI/Agip, Total Elf and US–based Chevron and Texaco.

III. Some Of Oil Companies In The Niger Delta

3.1 Chevron Texaco Nigeria limited

Chevron takes seriously its role in Nigeria and is active in many projects that promote health, economic development and education. In 2005, Chevron Nigeria Limited (CNL) adopted a new approach to community engagement in the Niger Delta to improve local participation in determining the needs our programs should address. This model, called the Global Memorandum of Understanding, gives communities a greater role in managing their development through newly created Regional Development Councils. CNL signed agreements with eight councils (Wikipedia, 2015). This was done primarily to bring peace and stability to areas where Chevron operates. The memoranda have generated approximately 258 projects in more than 400 communities, villages and chiefdoms and benefited some 600,000 people. Projects worth more than \$83 million have been completed, enhancing the quality of life in these communities.

In 2011, Chevron announced we were joining the U.S. Agency for International Development (USAID) in contributing \$50 million to the Niger Delta Partnership Initiative (NDPI) Foundation, which Chevron established to address the socioeconomic challenges facing the area. In the same vain, Chevron signed a memorandum of understanding with USAID and the NDPI Foundation to each contribute \$25 million over four years to support programs designed to promote economic development, improve government and civil institutions, and help reduce conflict in the region. Partnership Initiatives in the Niger Delta (PIND) was incorporated in Nigeria to support and monitor these programs.

Since then, PIND's Economic Development Center was commissioned in 2012. PIND signed an agreement with the Enhancing Nigerian Advocacy for a Better Business Environment project to build and

support regional business management organizations. Chevron's local content policy has resulted in contracts with local businesses and has generated employment and business opportunities for communities near our operations.

3.1.1 Fighting HIV/AIDS in Nigeria:

Chevron helps fight the spread of HIV/AIDS in Nigeria. In 2008, we directed \$5 million of the \$30 million we contributed to the Global Fund to Fight AIDS, Tuberculosis and Malaria to Nigeria's National Agency for the Control of AIDS. Since then, the company has increased its contribution to the Global Fund to \$60 million, out of which an additional \$12 million was allocated to Nigeria. In 2012, Chevron donated \$1.3 million to the Business Leadership Council for the prevention of mother-to-child transmission of HIV. The effort focuses on women in Nigeria's Bayelsa State and complements government initiatives to eliminate mother-to-child transmission of HIV by 2015. The nongovernmental organizations PACT and Mothers-2-Mothers also joined us in the fight (Free Wikipedia, 2015). In 2014, Chevron committed an additional \$40 million to NDPI over the next five years, bringing the total resources generated by the initiative to \$140 million.

3.1.2 Supporting Public Health

CNL supports the Riverboat Clinic, a mobile health service that serves communities along the creeks and islets of the Escravos and Benin rivers in the western Niger Delta. The first of its kind in Nigeria, the boat has been providing free treatment to communities since it was launched in 2001. The Roll Back Malaria initiative focuses on helping pregnant women and children under the age of 5. CNL launched the program in 2006 and provides financial and volunteer support for selected communities. To help in the early diagnosis and treatment of tuberculosis, chest and lung diseases, Chevron and its business partners in the Agbami Field have donated 21 chest clinics to hospitals across Nigeria since 2008. The clinics are equipped with mobile X-ray units, consulting rooms, laboratories and wards.

3.1.3 Helping Students and the Needy

Chevron grants scholarships to secondary school and college students. In 2009, we joined our Agbami Field partners to provide the Agbami Medical and Engineering Professionals Scholarship. More than 12,400 students now benefit from the program. To support secondary schools around Nigeria, Chevron and its deepwater business partners have donated \$8.4 million for 21 science laboratories and five electronic libraries known as e-learning centers.

3.1.4 Care for the Environment

Chevron provides funding for the Lekki Conservation Centre, across the street from our Lagos offices. The 190-acre (0.8-sq-km) sanctuary protects the flora and fauna of the Lekki Peninsula and is the only one of its kind in the Lagos area. The effect of oil companies contributions towards improved welfare (social responsibility) for Nigerians as a whole and Niger Delta in particular goes to the very beginning. In 1962 most of the oil companies began oil exploration activities in the country. They presented to the federal government an Aid-to-Education plan under which they pledged to provide \$900,000, over a period of five years for the education of Nigerians in various field. Since then, the oil companies in partnership with the Nigerian National Petroleum Corporation (NNPC) has evolved a comprehensive programme for supporting development of Nigeria's different sectors namely education, health, infrastructural development, employment generation, among others. The community development programme operates in the form of concentric circles with the companies neighbouring communities in the likes of Ogbonudo, Bazihoihou and Escravos to mention but few at the center of the circle, receiving the most of the attention (Emenike, 2001).

3.2 The Agip Oil Company

The Nigerian Agip Oil Company (NAOC) – a company that has been in Nigeria since 1962. NAOC is the operator of a joint venture involving the Nigerian National Petroleum Corporation (NNPC), which holds 60%, NAOC 20% and Phillips 20% of the shares. As it was in the case of Shell Joint Venture, the partners fund the operations in proportion to their shareholding. Other subsidiaries of Agip International B.V. in Nigeria include: Nigeria Agip Exploration Limited, Agip Energy and Natural Resources (Nigeria) Limited and a 10.4% shareholding in the Nigeria LNG Limited. The above companies in addition to the Saipem Group and Snamprogetti Limited all belong to or are affiliated to the Eni Group of Italy. Agip operates in all the four states of Bayelsa, rivers, Delta and Imo. The first set of community development projects were specific initiatives – which included construction of roads, bridges, jetties, sewage/drainage networks, water treatment plants, urban/rural electrification, supply of boats and ferries for transportation of people and goods. In the course of time, NAOC's community development approach has expanded, no doubt following the increasing wave of youth restiveness in the Niger Delta. NAOC's socio economic initiatives also metamorphosed from the early

phase of community assistance to an integrated programme aimed at promoting sustainable community development. This sustainable development drive has the objective of developing

Integrated project, tailored to local needs with the direct involvement of host communities in their identification, implementation and sustainability in the long run.

Overcoming exclusion of the members of the host communities has been achieved by embarking on community development projects rather than community assistance projects. This entails getting the members of the host communities involved in deciding which projects would satisfy the needs of the people in the host communities before signing the Memorandum of Association with the community development unions. This approach was a paradigm shift initiated by Shell starting from 1997 as the biggest multinational crude oil and gas producing company operating in the Niger Delta Region of Nigeria (Shell, 2010).

In the area of health care, the oil companies have done a lot in no small way. This they have done in the building of hospitals around various communities (Ogboredo, Beniharkas and Escravos) and they have joined in the fight against the dreaded HIV/AIDS disease. The oil company sponsored Benikoukou fish and poultry project is another project aimed at empowering the people financially and also providing jobs and a ready source of protein for community folks. In promoting education, her primary objective is to help ensure, especially in its area of operation, an enlightened citizenry that will be better equipped for gainful employment for the benefit of themselves and their communities. The goal is also to help Nigerian's towards the development of superior manpower. First, the oil company introduced exclusively for their areas of operation, a community scholarship programme covering secondary and tertiary education (Norman, 2003).

Despite all these laudable projects by the corporate citizens, there has been increasing agitation and youth unrest (Emeribe, 2002). This is because it is perceived that the companies are taking more than they are giving. The relationship between the oil company and her host communities is not cordial and as a result, most of the oil company in time past have embarked on some social projects like renovation of town halls, construction of schools, presentation of electric generating set and provision of diesel to supply electricity to the communities coupled with the receipt of four university and six secondary school scholarship awards every year from the oil company. But the host communities want both the scholarship slot and the amount payable to be increased. They also want a deliberate employment policy to enable the community to benefit. Today, they have a lot of qualified youths without employment hence, the restiveness being experienced; the oil communities are of the view that the oil companies should also intensify its development strategies, register community contractors and ensure they are given contracts to empower them. According to them, project execution is too slow, the gestation period of projects are too long. Projects should be executed the year they are announced (Tolar, 2001).

3.2.1 Impact of social responsibility projects – Agip in focus

According to Haastrup (2004), Agip demonstrated its long-standing tradition of care and friendship recently as it reached out to people of Tsethelewu during an epidemic in the community. Early in February 2002, having received an "SOS" (Save-Our-Soul) call from the community about an outbreak of a disease suspected to be cholera, the company quickly mobilized its River Boat Clinic (RBC) team to intervene (Emeribe, 2002).

Despite the difficulty of the terrain, and to show the commitment of Agip to its host communities, the company's medical team had to hire two speed bouts that conveyed the Agip team to and from Tsethelewu for two days. The team was able to give treatment to a total of 130 patients within the period. The team also gave public talks on personal hygiene and practical demonstration to the community on the prevention and management of diarrhea. In addition, the team taught the people how to prepare the popular anti-dehydration solution - Oral Rehydration Therapy (ORT) – (Emeribe, 2002).

Emeribe (2002), further opined that, Agip is also concerned with local content initiative, which has continued to empower indigenous entrepreneurs. It all dates back to 1998 when chevron and Agip decided that a local contractor should handle one of the services being performed in-house at the Escravos Tank farm and Terminal. After due tender process, the job-tenth farm ground maintenance, gardening and environmental cleaning services was awarded to the Ugboegungun Contractors Association (UGBECON), a union of local contractors located at the neighbouring ugboegungun community. The award of the contract among other things helped to provide employment opportunities for youths in the area. It also empowered UGBECON to contribute to the development of the area through, among other things providing a new football pitch to promote sports in the community, and sponsoring the construction of a jetty to aid transportation in the area.

According to Apai (2002), the Ijaw youths in Agip field hosted their counterparts at a forum designed, among other objectives, to foster peace and unity among communities in the area. The event officially named "Youth Enlightenment Programme" was facilitated by chevron. Over 100 community leaders and youths attended the programme, which featured presentations and lectures on safety and health. A lecture on sexually transmitted diseases and HIV/AIDS was given and a lecture on both transportation safety and the danger of

pipeline vandalisation was also given (Apai, 2002). Despite all these laudable work, Tolar (2002) is of the view that the oil communities still want the oil companies to do more for them.. But in reality, the pace of industrial activity places great stress on the environment and an emotional and physical health of workers.

3.3 Shell Oil Company

Shell Petroleum Development Company (SPDC)Nigeria Limited was originally known as Shell D'Archy. In 1972, Shell commenced marketing of oil products in Nigeria. Shell D'Arcy commenced geological reconnaissance in 1937 and was granted an exploration licensesin 1939. In September, 1951, the first well was drilled by Shell D'Arcy at Ihuo. In January 1956, the firstsuccessful well was drilled by Shell D'Arcy at Oloibori. In February 1958, the first shipment of crude oil wasdone from Nigeria (SPDC, 2001). By 1961, Texaco had been involved in oil exploration and exploitation in Nigeria. The Nigerian Agip Oil Company Limited (NAOC), a joint venture with NNPC (60%), NAOC (20%)and Philips (POCC) 20% with NAOC as the operator was incorporated in Nigeria in 1962. Chevron NigeriaLimited, the operator of the NNPC/chevron Joint Venture discovered Nigeria's first successful offshore oil fieldcalled Okan in 1963. In 1964, Elf Petroleum Nigeria Limited made its first discovery at Obagi and started oilproduction in 1966. In the same year, the Nigerian Agip Exploration Limited was incorporated in Nigeria and itoperated a production sharing contract with the NNPC on deep offshore blocks. In 1969, Texaco'smanufacturing and marketing business was incorporated (NNPC, 2000). Most of the multinational oil companiesoperating in Nigeria had 100% equity in their operations up till 1973.

There was no active participation by theFederal government in the marketing of crude oil until then. Prior to 1973, all Nigerian crude oil was marketedby the oil producing companies through their integrated system using transfer pricing (NNPC, 2000).

Government's interest in the oil industry was handled by a number of government departments including theHydrocarbon Section in 1963 and the Department of Petroleum in the Ministry of Mines and Power in 1970.Even though the Nigerian National Petroleum Corporation (NNPC) was formed in 1971 mainly to market Nigerian crude oil, Government's direct involvement in the marketing of crude oil did not start until 1973. Thatwas when the government started having its own equity crude which it would market directly following itsacquisition of participation interest in the operations of the oil companies (NNPC, 2000). In August 1984, anagreement was signed consolidating NNPC/Shell joint venture arrangements. In January 1986, a memorandumof understanding was signed between NNPC and Shell which was revised in 1991 (SPDC, 2001). TheGovernment initially sold back the bulk of its participating oil to the foreign oil operating companies through abuy-back arrangement. Under this arrangement, the Government sold back 50% of its equity crude oil to othercountries at a concessionary price to cushion the effects of its participation and to enable the companies meetsprevious long term commitments. It sold another 25% of its oil to the companies as option oil. InJanuary 1986, a memorandum of understanding was signed between NNPC and Shell which was revised in 1990(SPDC, 2001).

As at 1991 and some few years before then there was an increasing public and governmentawareness of the impact of SPDC activities on the community and the environment. This called not only for acontinuing effort on traditional public and community affairs activities but an expansion into a more proactiveoperation planning with entities likely to be affected by SPDC operations and developments (SPDC, 1991). In1993, the social responsibility focus of SPDC was to conduct its business in a socially acceptable mannerconsistent with the laws, regulations and established company policies, principles and guidelines. In February ofthe same year, the Shell Nigeria Exploration and Production Company, SNEPCO, was established to operate twodeep water and three onshore licenses under production sharing contracts signed with NNPC in April of thatyear. In 1998, ShellNigeria Gas (SNG) was incorporated to distribute gas to the local industrial market in cooperation with Nigerian.

3.3.1 SPDC Sustainable Development Strategy

Sustainable Development is about meeting the needs of the present generation without compromising the abilityof future generations to meet their own needs' (SPDC, 2001). It is a positive concept which builds on andbalances the three key elements namely economic, prosperity, effective environmental management and social responsibility. This can also be expressed as 'people, planet, and profit'.SPDC's Sustainable Development (SD) strategy defines how the company aims to manage its activities in linewith SD principles. This strategy was developed using the Shell Group SustainableDevelopment Management Framework and the Shell Exploration and Production Sustainability Principles(SPDC, 2001). As understood in Shell, if development is to be sustainable, the economic environmental andsocial aspects must be balanced. Long term Sustainable Development can only be built on the foundation ofeconomic prosperity, effective environmental management and social responsibility. True SD is visualized as a global societal goal that can only be achieved through all. Business firms have a role to play and have aresponsibility to contribute to all aspects of

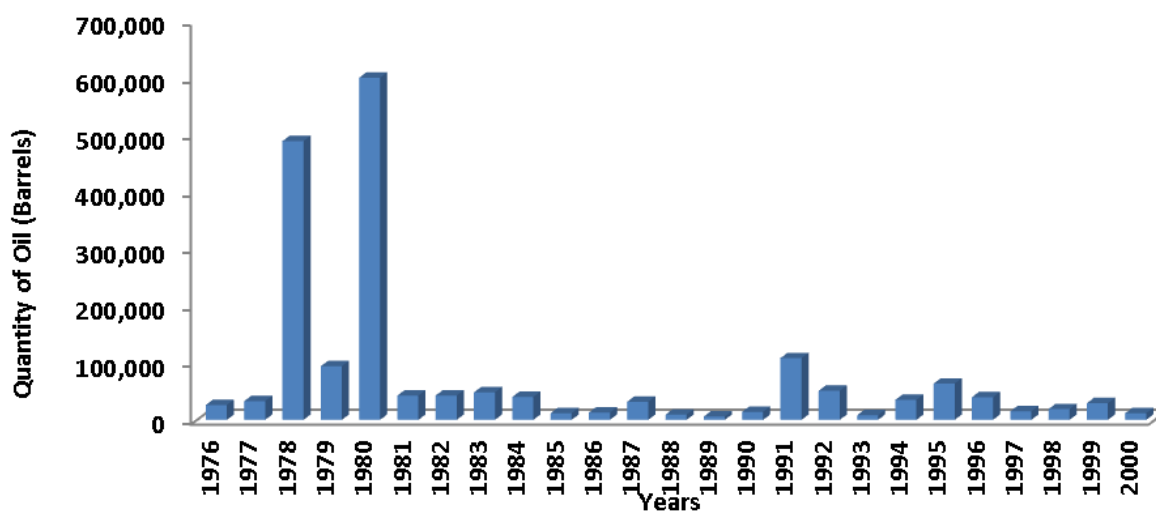
development. To achieve this objective, companies will have to approach their businesses in a different way from the old methods to enable them incorporate sustainable thinking into their decision making processes (SPDC, 2001). SPDC has committed herself to working towards a sustainable future by working with communities and stakeholders in this effort. Since 1993, the company driven by social conditions in Nigeria has gone beyond its core business, taking a wider role in community development. SPDC desires to be a good corporate citizen and so attempts to respond positively to the harsh and difficult political, social and economic challenges in Nigeria. She had taken a leading role in the Vision 2010 Economic Programme including taking part in economic summits, initiative which has the objective of an open and transparent environmental management and community development programmes (SPDC, 2001: 4). The challenge in the future years is to fully integrate and embed SD principles in the business. This requires the commitment and involvement of all staff. SPDC's approach is to first educate and raise staff awareness utilizing the significance work already done. She has begun to restructure her activities to fit into a more sustainable framework (SPDC, 2001). In line with the Sustainable Development Management Framework, the company will seek to demonstrate leadership by identifying opportunities while coping with threats of sustainable strategy, implementing actions, monitoring, measuring, auditing, defining, reporting and reviewing performance (SPDC, 2001). So Sustainable Development has to be planned, organized, led and controlled. So the effective management of SD is very important. The key steps earmarked to be taken in the year 2001 and beyond will focus on the following areas:

- 1) To continue to raise awareness of sustainable development thinking across the company, while reaching out to the stakeholders.
- 2) To prepare Annual Business Plans and specific identified, SD elements while seeking to align existing plans with sustainable principles;
- 3) To continue to drive and programme for sustainable community development;
- 4) To develop an SD check list adaptable for use by managers and supervisors in the key business Areas;
- 5) To develop key performance indicators with internal stakeholders;
- 6) To communicate to staff on the SD programmes and establish an SD Bulletin; and
- 7) To maximization of the individual's self-interest is also known as the theory of ethical egoism fully integrate SD into the business (SPDC, 2001: 2-3).

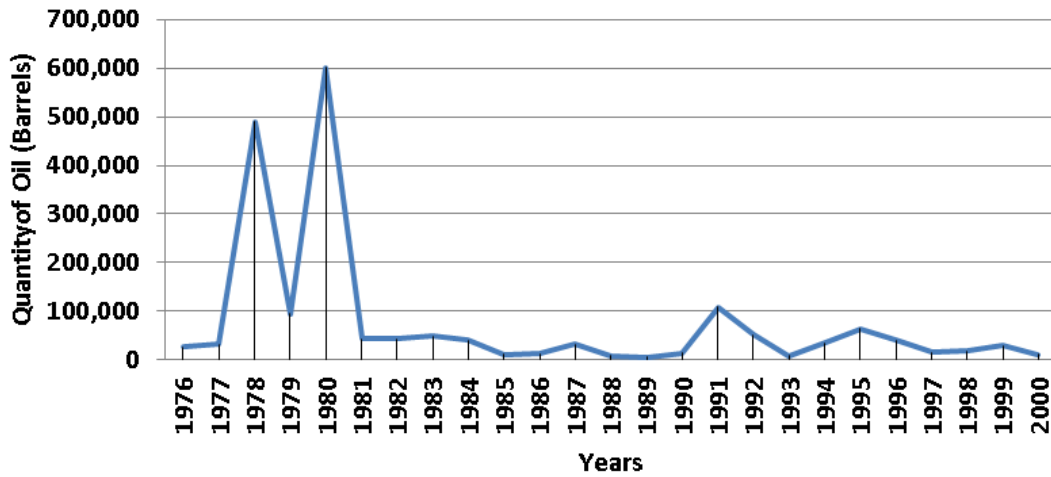
IV. Statistical Representation

Adati (2012) represented his data in both chart and graph, that portray the oil spills in the Niger Delta region of Nigeria. By mere observation, we will understand predicament of the people of the region.

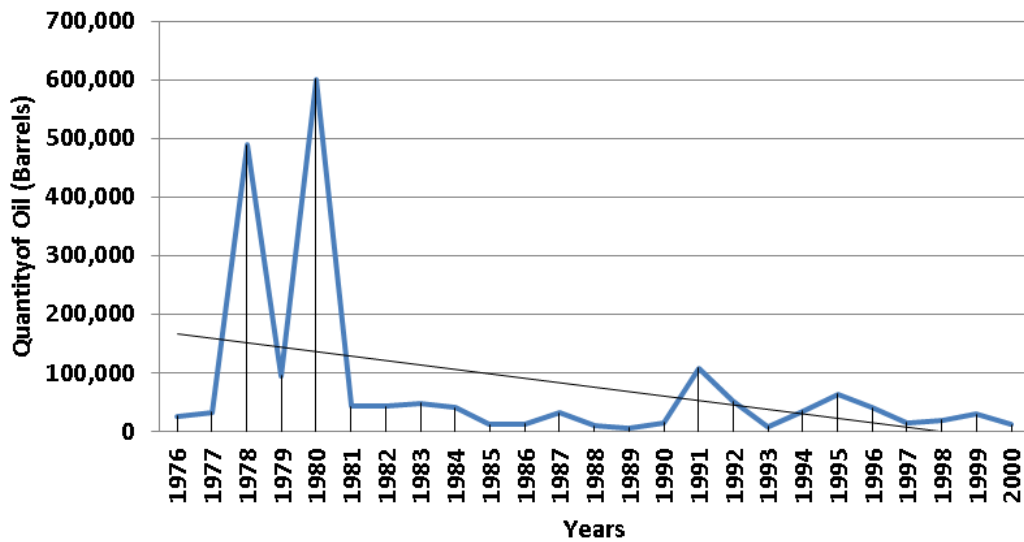
4.1 Oil Spill Chart and Graph



Annual Quantity of Oil Spill

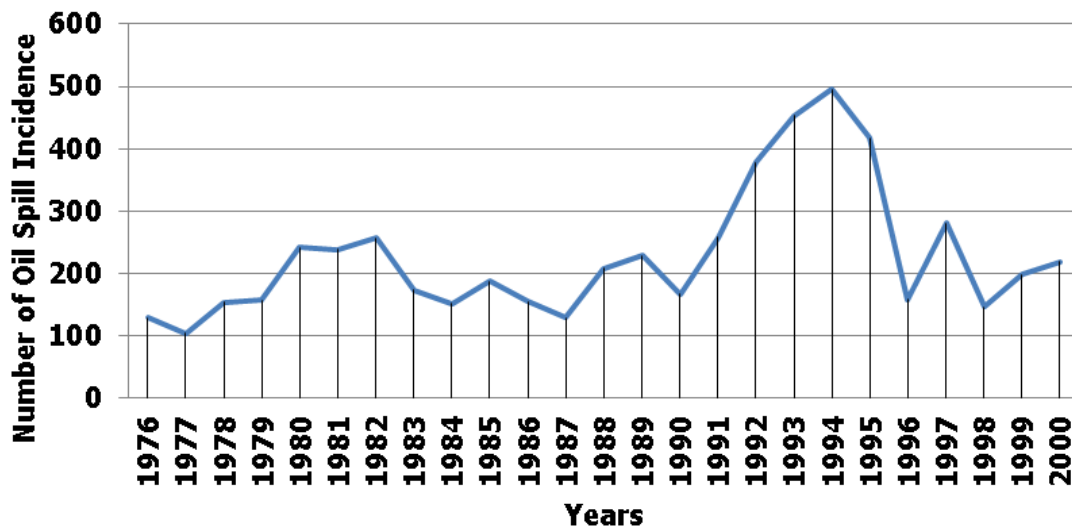


Annual Quantity of Oil Spill



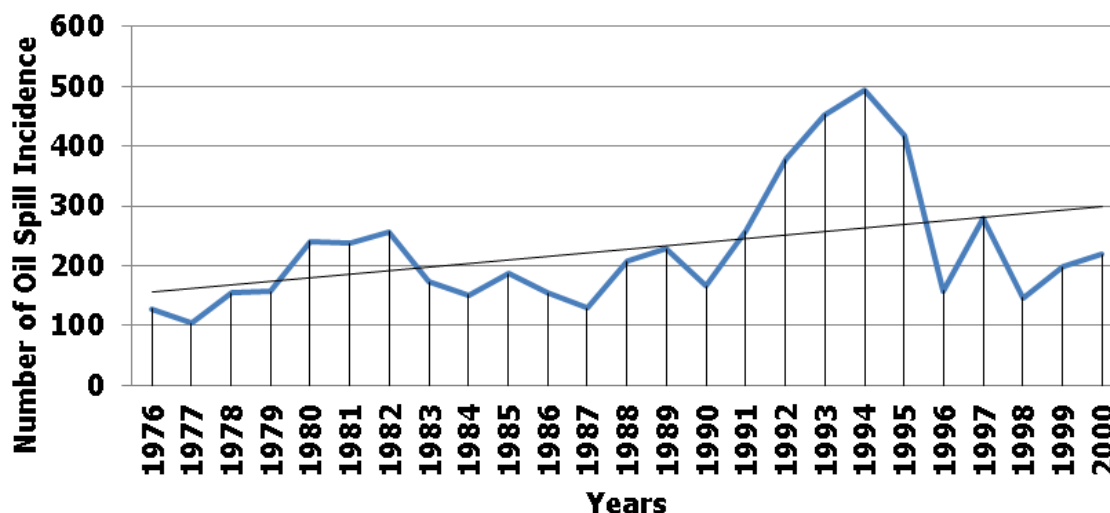
Trend Annual Quantity of Oil Spill

The trend clearly shows a continuous decline in oil spill quantities from 1981-2000.



Annual Number of Oil Spill Incidence

The incidence of oil spills has been relatively high with maximum occurrence between the periods of 1991-1996.

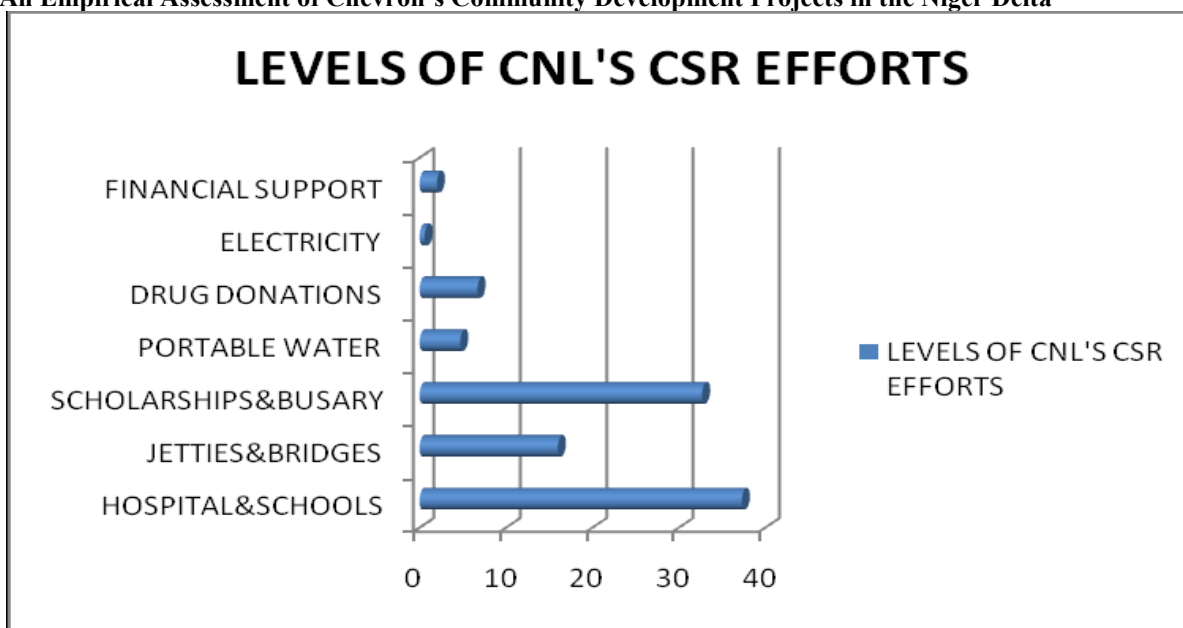


Trend Annual Number of Oil Spill Incidence

The trend clearly show a steady increase in oil spillage incidence yearly

Apart from the oil spillage incidences stated above there are several that have occurred from 2001-2010 that accurate estimate could not be obtained for this study; April 29, 2002 oil spill from a pipeline burst at Royal/DutchShells Yorla oilfield in Ogoniland. The oil flowed for days several meters into the air drenching surrounding vegetation and farmland before the pipeline was repaired (Aigbedion, et al., 2007) and the Goi Trans Niger pipeline oil spill in 2004 (Nenibarini, 2004).

**4.2 Chevron Effort Chart, According to Alabi (2012),
An Empirical Assessment of Chevron’s Community Development Projects in the Niger Delta**



V. Conclusion and recommendations

Even though laudable projects have been executed in oil producing communities in Nigeria by oil companies operating in such communities, yet there has been increasing restiveness in the oil communities even to the extent of threatening national security. The finding in this study goes to show that oil companies in Nigeria are carried away with mere execution of projects without considering the impact of such projects on their host communities. Therefore, this study recommends that there is need on the part of these oil companies to

take a second look at their social responsibility programmes. The oil companies should have well institutional framework to articulate some of the social needs of the Niger Delta Region. This will go a long way in enhancing development in the region.

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